



**Full Council  
12 July 2010**

**Report from the Director of  
Finance and Corporate Resources**

For Action

Wards affected:  
ALL

**Changes to the Council's Financial Regulations**

**1.0 Summary**

1.1 This report sets out the proposed new interim financial regulations to cover the period April 2010 to September 2010. It also sets out the requirements for a further change to the Financial Regulations in the Autumn 2010.

**2.0 Recommendations**

2.1 Members are asked to:

- (i) Agree that the proposed new Financial Regulations set out in appendix A be adopted and take effect immediately and that the Council's constitution be amended accordingly
- (ii) Note that further changes will be required in the Autumn 2010

**3.0 Detail**

3.1 The current Financial Regulations have remained substantially unchanged for a long period and so continue to reflect the multiple financial system environment and the finance structure and responsibilities that existed when they were written.

3.2 Recently, that landscape has been changing with the key drivers being the Financial Transformation Programme and the roll out of a single financial

(Oracle) and procurement (AEP) system across the council. These changes are happening in phases, the first, after a period of transition, is now complete and the council has moved to the Oracle & AEP systems. The second phase will take place in September 2010 when a new finance structure will be implemented.

- 3.3 Accordingly, the council's Financial Regulations need to reflect these changes at the point they occur. It is therefore proposed to introduce two new sets of regulations over this period. The first will cover the new arrangements that have recently come into effect and these are presented to Full Council at **Appendix A** in this report. A second set reflecting the September changes will then be prepared and presented to Full Council at a later date.
- 3.4 The essence of the changes made at these two points is substantially different. The Financial Regulations set out in **Appendix A** reflect the introduction of the two new systems, the implementation of new and automated business processes to support the systems and changes to the control environment by recognising the segregation of duties within Oracle and the systems scheme of delegation within AEP. There has also been some reordering and signposting to help the general flow so that presentation of the regulations follows a logical path hence making it easier to find specific elements. These changes do not impact on the principal roles and responsibilities made under the Councils Constitution for Full Council, the Executive, its Members and Chief officers.
- 3.5 The changes made at this point have been consulted on, signed and agreed by officers of the Strategic Finance Group. The Council's Scheme of Transfers and Virements remains unchanged.
- 3.6 The second change in September will focus on the realignment of responsibilities that will need to take place to support the new finance structure.

#### **4.0 Financial Implications**

- 4.1 Financial Regulations are concerned wholly with financial processes. There are no direct budget implications arising from these changes.

#### **5.0 Legal Implications**

The Council is required under the Local Government Act 2000 (Constitutions) (England) Direction 2000 to include its financial rules and regulations in its Constitution. The Finance Regulations are set out in Part 6 of the Council's Constitution. The new Financial Regulations amount to a change to the Constitution which requires agreement of Full Council.

#### **6.0 Diversity Implications**

There are no diversity implications arising from this report

## **7.0 Staffing/Accommodation Implications (if appropriate)**

None

### **Contact Officers**

Should any person require any further information about the issues addressed in this report, please contact Duncan McLeod, Director of Finance & Corporate Resources on telephone number 020 8937 1290

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