

**COUNCIL – 8 APRIL 2024**

**AUDIT COMMITTEE – 22 MARCH 2024**

## **FINANCIAL REGULATIONS REVIEW**

### **1. RECOMMENDATIONS**

- 1.1 That the revisions to the Council's Financial Regulations be adopted with effect from 8 April 2024.

### **2. INTRODUCTION**

- 2.1 To seek approval to update the Council's Financial Regulations.

### **3. BACKGROUND**

- 3.1 The Council's Financial Regulations need to be reviewed regularly to ensure they reflect the current policy and practise required by the Council, including due regard to the current organisational structure.
- 3.2 A broader review of Financial Regulations is due to be undertaken, however considering the recent appointments to both the Monitoring Officer role and Strategic Procurement Manager position, additional time is required to allow an effective review to include valuable input from these post holders including updates to the Contract Standing Orders.
- 3.3 At this time, only a few minor changes are being proposed; to update approval values and insert the Assistant Director positions into approval workflow.

### **4. SUMMARY OF AMENDMENTS**

- 4.1 The changes proposed at this stage are to the approval table for authorisations required for budget transfers, virements and supplementary estimates and the thresholds for certifying payments, to align with the new management structure. This includes the Assistant Director positions, and an increase in Senior/Service Manager (bands 10 and 11) upper threshold limits of £10,000 (to £280,000 for Virement and to £140,000 for Supplementary budget).
- 4.2 The current and proposed financial regulations authorisation levels for budget transfers, virements and supplementary estimates can be found at **Appendix 1** and **Appendix 2**.
- 4.3 The thresholds for the certifying of manual and electronic payments, current and proposed are at **Appendix 3** and **Appendix 4**.

### **5. CONCLUSIONS**

- 5.1 Up-to-date Financial Regulations support the Section 151 Officer in directing the Council's financial affairs and ensure the proper administration of the financial affairs of the Council. They are also another central point of reference for managers, which form a mandatory framework for financial administration in New Forest District Council.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There are no direct financial implications as a result of this report. The revisions do however empower managers across the Council to make financial decisions in their service areas. As a matter of course, managers will be expected to consult and brief their respective Portfolio Holders on the matters affecting their budgets, on a regular basis.

## **7. CRIME & DISORDER IMPLICATIONS**

- 7.1 There are no implications as a result of this report.

## **8. ENVIRONMENTAL IMPLICATIONS**

- 8.1 There are no implications as a result of this report.

## **9. EQUALITY & DIVERSITY IMPLICATIONS**

- 9.1 There are no equality and diversity implications arising from this report.

## **10. DATA PROTECTION IMPLICATIONS**

- 10.1 There are no data protection implications arising from this report.

## **11. AUDIT COMMITTEE COMMENTS**

- 11.1 The Audit Committee at their meeting on 22 March 2024 recommended approval of the proposed revisions to the Financial Regulations as set out in the Report.

### **For further information please contact:**

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### **Background Papers:**

None

## NFDC FINANCIAL REGULATIONS SUMMARY - AUTHORISATION LEVELS REQUIRED (CURRENT)

| <b>Table 1: Authorisations Required for Budget Transfers, Virements &amp; Supplementary Budgets</b> |                     |                        |                       |                         |                                 |                |                |
|---|---------------------|------------------------|-----------------------|-------------------------|---------------------------------|----------------|----------------|
| <b>Value</b>  | <b>S151 Officer</b> | <b>Service Manager</b> | <b>Executive Head</b> | <b>Portfolio Holder</b> | <b>Finance Portfolio Holder</b> | <b>Cabinet</b> | <b>Council</b> |
| <b>Transfers: Any Value</b>   | Y                   | Y                      |                       |                         |                                 |                |                |
| <b>Virements:</b>   |                     |                        |                       |                         |                                 |                |                |
| <b>&lt;= £25,000</b>  | Y                   | Y                      |                       |                         |                                 |                |                |
| <b>£25,001 - £50,000</b>  | Y                   | Y                      | Y                     | Y                       |                                 |                |                |
| <b>£50,001 - £270,000 revenue</b>   | Y                   | Y                      | Y                     |                         |                                 | y              |                |
| <b>£50,001 - £270,000 capital</b>   | Y                   | Y                      | Y                     | Y                       | y                               |                |                |
| <b>&gt; £270,000</b>  | Y                   | Y                      | Y                     |                         |                                 | Y              | Y              |
| <b>Supplementary Budgets:</b>   |                     |                        |                       |                         |                                 |                |                |
| <b>&lt;= £10,000</b>  | Y                   | Y                      |                       |                         |                                 |                |                |
| <b>£10,001 - £50,000</b>  | Y                   | Y                      | Y                     | Y                       | Y                               |                |                |
| <b>£50,001 - £130,000 revenue</b>   | Y                   | Y                      | Y                     |                         |                                 | Y              |                |
| <b>£50,001 - £130,000 capital</b>   | Y                   | Y                      | Y                     | y                       | y                               |                |                |
| <b>&gt; £130,000</b>  | Y                   | Y                      | Y                     |                         |                                 | Y              | Y              |

## NFDC FINANCIAL REGULATIONS SUMMARY - AUTHORISATION LEVELS REQUIRED (PROPOSED)

| <b>Table 1: Authorisations Required for Budget Transfers, Virements &amp; Supplementary Budgets</b> |                     |   |                               |                               |                             |   |                |                |
|---|---------------------|---|-------------------------------|-------------------------------|-----------------------------|---|----------------|----------------|
| <b>Value</b>  | <b>S151 Officer</b> | <b>Senior/<br/>Service<br/>Manager<br/>(Band 10-11)</b> | <b>Assistant<br/>Director</b> | <b>Strategic<br/>Director</b> | <b>Portfolio<br/>Holder</b> | <b>Finance<br/>Portfolio<br/>Holder</b> | <b>Cabinet</b> | <b>Council</b> |
| <b>Transfers: Any Value</b>   | Y                   | Y   |                               |                               |                             |   |                |                |
| <b>Virements:</b>   |                     |   |                               |                               |                             |   |                |                |
| <b>&lt;= £25,000</b>  | Y                   | Y   |                               |                               |                             |   |                |                |
| <b>£25,001 - £50,000</b>  | Y                   | Y   | Y                             | Y                             | Y                           |   |                |                |
| <b>£50,001 - £280,000 revenue</b>   | Y                   | Y   | Y                             | Y                             |                             |   | Y              |                |
| <b>£50,001 - £280,000 capital</b>   | Y                   | Y   | Y                             | Y                             | Y                           | Y                                       |                |                |
| <b>&gt; £280,000</b>  | Y                   | Y   | Y                             | Y                             |                             |   | Y              | Y              |
| <b>Supplementary Budgets:</b>   |                     |   |                               |                               |                             |   |                |                |
| <b>&lt;= £10,000</b>  | Y                   | Y   |                               |                               |                             |   |                |                |
| <b>£10,001 - £50,000</b>  | Y                   | Y   | Y                             | Y                             | Y                           | Y                                       |                |                |
| <b>£50,001 - £140,000 revenue</b>   | Y                   | Y   | Y                             | Y                             |                             |   | Y              |                |
| <b>£50,001 - £140,000 capital</b>   | Y                   | Y   | Y                             | Y                             | Y                           | y                                       |                |                |
| <b>&gt; £140,000</b>  | Y                   | Y   | Y                             | Y                             |                             |   | Y              | Y              |

## 11. PAYMENT OF ACCOUNTS (CURRENT)

### GENERAL PRINCIPLES

- 11.1 Service Managers, or their authorised officers, will certify all payments for goods, supplies or services.

### PRACTICES, PROCEDURES AND SYSTEMS

- 11.1.1 The Section 151 Officer will approve manual and electronic procedures for certifying payments. The current thresholds are as follows:

|  |                  |
|--|------------------|
| Budget Administration Officer          | up to £10,000    |
| Budget Responsible Officer             | £10,000-£50,000  |
| Service Manager                        | £50,000-£270,000 |
| Executive Head                         | £270,000 - £5m   |
| Chief Executive and Statutory Officers | over £5m         |

- 11.1.2 A Service Manager may authorise an officer in his/her department to certify official orders, accounts for payment and salary and wages records.
- 11.1.3 Service Managers shall keep a record of the specimen signatures or passwords of officers who are authorised to certify accounts for payment. The record must be in a form acceptable to the Section 151 Officer. Service Managers must send copies of specimen signatures or passwords to the Section 151 Officer.
- 11.1.4 Service Managers shall immediately notify the Section 151 Officer when an authorised officer leaves the employment of the Council.
- 11.1.5 All payments for goods, supplies or services must be invoiced and will ordinarily be supported with a purchase order number.

## 11. PAYMENT OF ACCOUNTS (PROPOSED)

### GENERAL PRINCIPLES

- 11.1 Senior/Service Managers, or their authorised officers, will certify all payments for goods, supplies or services.

### PRACTICES, PROCEDURES AND SYSTEMS

- 11.1.1 The Section 151 Officer will approve manual and electronic procedures for certifying payments. The current thresholds are as follows:
- |                                  |                  |
|----------------------------------|------------------|
| Budget Administration Officer    | up to £10,000    |
| Budget Responsible Officer       | £10,000-£50,000  |
| Senior/Service Manager           | £50,000-£280,000 |
| Assistant Director               | £280,000-£2m     |
| Strategic Director               | £2m - £5m        |
| Chief Executive and S151 Officer | over £5m         |
- 11.1.2 A Senior/Service Manager may authorise an officer in his/her department to certify official orders, accounts for payment and salary and wages records.
- 11.1.3 Senior/Service Managers shall keep a record of the specimen signatures or passwords of officers who are authorised to certify accounts for payment. The record must be in a form acceptable to the Section 151 Officer. Senior/Service Managers must send copies of specimen signatures or passwords to the Section 151 Officer.
- 11.1.4 Senior/Service Managers shall immediately notify the Section 151 Officer when an authorised officer leaves the employment of the Council.
- 11.1.5 All payments for goods, supplies or services must be invoiced and will ordinarily be supported with a purchase order number.