

Audit Committee – 21 March 2025

Financial Regulations Review

Purpose	For Review
Classification	Public
Executive Summary	This report sets out for committee's consideration and recommendation to Council the proposed revisions to the council's financial regulations.
Recommendation(s)	Audit Committee is asked to: 1) approve that delegation is given to the Section 151 Officer, in consultation with the Chair of Audit Committee, to update the Financial Regulations for any further immaterial changes prior to Council as required. Audit Committee is asked to recommend to Council that: 2) the updated Financial Regulations, as set out in the report and in appendices 1-3, are approved.
Reasons for recommendation(s)	The council's financial regulations should be reviewed regularly to ensure they reflect the current policy and practice required by the Council, including due regard to the current organisational structure.
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources and Transformation (Section 151 Officer)
Officer Contact	Paul Whittles Assistant Director – Finance (Deputy Section 151 Officer) 02380 285766 paul.whittles@nfdc.gov.uk

Introduction and background

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.
2. The last review by Audit Committee was 22 March 2024 and included updates regarding the new Assistant Director positions and thresholds, with the changes being fully adopted by Council at the 8 April 2024 meeting.
3. 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.

Summary of Amendments

4. The key changes proposed are to amend the current threshold limits found at appendix 1 for transfers, virements and supplementary budgets as revised and detailed in appendix 2.
5. Additionally, the Authorisation Level Required table now clearly defines those who must be consulted and those who are the ultimate decision maker, as well as those making the initial request.
6. The proposed Financial Regulations can be found in appendix 3. Some minor and grammatical updates have been made with tracked changes included for major alterations to values, job roles and specific procedural policy updates.
7. The thresholds for certifying payments have consequently been adjusted to align with the new management structure and can be found in paragraph 11.1.1 in appendix 3.

Corporate plan priorities

8. The Financial Regulations provide the governance and framework for the council's financial activity. In turn they provide controlled flexibility to budget holders, enabling decisions to be made that support all council priorities, whilst continuing to be financially responsible.

Options appraisal

9. The Council could choose not to agree to the proposed revisions and maintain the existing authorisation levels which would not result in empowering managers to take on greater responsibility for their budget and could potentially create undesired delays to budgetary decisions.

Consultation undertaken

10. Internal consultation between the Portfolio Holder for Finance and Corporate, NFDC statutory officers and finance officers, have determined the recommendation presented in the report.

Financial and resource implications

11. 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.

Legal implications

11. There are no direct legal implications as a result of this report.
12. Consequential amendments to the Constitution arising from the changes to thresholds, including implications for the Key Decision threshold will be made following the decision.

Risk assessment

13. The level and breadth of consultation supporting the decision maker is considered appropriate to any increased potential financial risk.

Environmental / Climate and nature implications

14. There are no direct environmental, climate or nature implications as a result of this report.

Equalities implications

15. There are no direct equalities implications as a result of this report.

Crime and disorder implications

16. There are no direct crime and disorder implications as a result of this report.

Data protection / Information governance / ICT implications

17. There are no direct data protection or information governance implications as a result of this report. Financial systems shall need to be updated with the relevant thresholds applicable to officers.

Appendices:

Appendix 1 – NFDC Financial Regulations Summary – Authorisation Level Required (Current)

Appendix 2 – NFDC Financial Regulations Summary – Authorisation Level Required (Proposed)

Appendix 3 – Financial Regulations with tracked changes (Proposed)

Background Papers:

Council 8 April 2024:

[Agenda Item 5 Financial Regulations Review](#)

Audit Committee 22 March 2024:

[Agenda Item 10 Review of Financial Regulations](#)