

**AMENDED RECOMMENDATION to Council 31<sup>st</sup> January 2006**

**Financial Regulations Review**

**1. Recommendations**

**1.1 That the proposed changes to monetary limits set out in Attachment ‘C’ are approved to take effect from 1<sup>st</sup> April 2006 with the following exceptions:**

**a) Page 46 – 1.16 No amendment is proposed to that agreed at Council on 22<sup>nd</sup> Feb 2005;**

**b) Page 47 – 2.70 Delete reference to the lower of 10% under proposed.**

**1.2 That financial regulations and monetary limits are reviewed every 2 years as required by the Constitution**

**2. Briefing Note**

2.1 The Constitution requires financial limits to be reviewed every 2 years. A key outcome for the review was to present the documentation in a way that is more easily accessible than currently. The need for this had already been recognised but was echoed through feedback obtained from Team Leaders in a workshop session. As there has been no change to the substantive narrative this has not been brought forward for consideration.

2.2 A new document (Attachment B) now summarises the main statutory requirements and what financial regulations are for and to whom they apply.

2.3 Secondly there is a Schedule of Monetary Limits (Attachment C) which should be easier to access than finding figures within the narrative sections of the financial regulations document. Financial Management Standards for the finance team and budget holders are set out in further document. This has not been brought to Council, as it does not require approval. The documentation will be available electronically.

2.4 The other main objective of the review was to ensure that the Council have a set of limits that give sufficient control but are not overly cumbersome to the extent that they get in the way of effective management. The current limits and proposed revisions are set out in the Schedule of Monetary Limits.

2.5 The changes that I would wish to draw your attention to are: -

2.6 Increase in levels of delegation to officers and Executive portfolio holders on revenue virements(ref. 1.12 - 1.16). This is to facilitate more effective and responsive budget management, within a clear accountability framework.

2.7 To reduce levels for which evidence of obtaining quotations for securing contracts must be obtained. This is to ensure that officers can demonstrate that effective procurement decisions are made.