

## PERTH AND KINROSS COUNCIL

Council Meeting – 19 December 2018

### BIENNIAL REVIEW OF FINANCIAL REGULATIONS 2018

Report by the Head of Finance (Report No. 18/416)

#### **PURPOSE OF REPORT**

This report summarises the background and the process undertaken to carry out the biennial review of the Council's Financial Regulations and recommends approval of the revised Financial Regulations as appended.

#### **1. BACKGROUND / MAIN ISSUES**

- 1.1 The Council's Financial Regulations are reviewed every two years. The current Financial Regulations were approved by the Council on 14 December 2016 (Report No 16/559 refers).
- 1.2 The 2018 review used the existing Financial Regulations as its baseline. The Financial Regulations were reviewed over the last six months by Internal Audit, Service representatives, the Policy & Governance Group and the Executive Officer Team . The proposed revised Financial Regulations are at Appendix 1.
- 1.3 The changes from the current Financial Regulations which were approved by the Council on 14 December 2016 are mainly presentational or relate to changes to accountable budget holders as a consequence of the implementation of Building Ambition – A Blueprint for a 21st Century Council' (Report No 18/45 refers). The main changes from the Financial Regulations that were approved on 14 December 2016 have been highlighted in yellow.
- 1.4 Beyond the presentational changes the revised Financial Regulations also reflect recommendations from KPMG, the Council's external auditors and the revised governance arrangements in respect of Perth & Kinross Integration Joint Board.
- 1.5 As has been the case in previous years the majority of the proposed changes are presentational. It is therefore proposed that, going forward, the Financial Regulations are reviewed on a triennial basis. In the event that a change is required between review dates, this will be considered by the Strategic Policy & Resources Committee or Council as required.
- 1.6 **ACTION:** The Council is asked to approve the updated Financial Regulations set out in Appendix 1.

## **2. CONCLUSION AND RECOMMENDATION**

- 2.1 This report outlines the biennial review of the Council's Financial Regulations and provides the updated Financial Regulations for consideration and approval.
- 2.2 The Council is asked to approve the Council's Financial Regulations and the proposal to change the frequency of the review from 2 yearly to 3 yearly as attached at Appendix 1.

### **Author(s)**

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
Craig Robertson	Central Services Manager	<a href="mailto:CHXFinance@pkc.gov.uk">CHXFinance@pkc.gov.uk</a>
Scott Walker	Chief Accountant	

### **Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
<b>Stewart MacKenzie</b>	<b>Head of Finance</b>	<b>7 December 2018</b>
<b>Jim Valentine</b>	<b>Depute Chief Executive (Chief Operating Officer)</b>	<b>7 December 2018</b>

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>None</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>Yes</b>
Workforce	<b>None</b>
Asset Management (land, property, IST)	<b>None</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>Yes</b>
Strategic Environmental Assessment	<b>Yes</b>
Sustainability (community, economic, environmental)	<b>Yes</b>
Legal and Governance	<b>None</b>
Risk	<b>None</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>None</b>
<b>Communication</b>	
Communications Plan	<b>None</b>

### 1. Strategic Implications

#### Corporate Plan

1.1 The Council's Corporate Plan 2018 – 2023 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.2 This report relates to all objectives.

### 2. Resource Implications

#### Financial

2.1 There are no direct financial implications arising from this report.

## Workforce

- 2.2 There are no direct workforce implications arising from this report.

## **3. Assessments**

### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA).
- 3.3 The most relevant equalities characteristics in relation to retirement are age and sex. The actual number of applications with approved/rejected breakdown demonstrates the figures are proportionate to the age/gender profile for the workforce.
- 3.4 The application of added years for early retirements due to efficiency/redundancy has been applied in accordance with the retirement scheme provisions.
- 3.5 In summary, based on an analysis of the data, there are no equalities issues.

### Strategic Environmental Assessment

- 3.6 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.7 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

### Sustainability

- 3.8 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.9 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

## **2. BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

## **3. APPENDICES**

**Appendix 1** – Financial Regulations