

AUDIT COMMITTEE

UPDATE TO FINANCIAL REGULATIONS AND PROCEDURES 19 SEPTEMBER 2007

Report of Head of Financial Services

PURPOSE OF REPORT

This report seeks approval to update the Financial Regulations and Procedures in line with recent developments in project and capital programme management.

This report is public.

RECOMMENDATIONS

- (1) That the Committee approves the update of the Financial Regulations and Procedures relating to capital schemes, as set out at Appendix B.**

REPORT

- 1.1 Following the introduction of the Council's new approach for managing projects (known as LAMP), the outline arrangements for programme management have also been developed. From an officer perspective, the Asset Management Working Group (AMWG) has responsibility for overseeing the Capital Programme and this reports on an exception basis to the Performance Management Group.
- 1.2 The AMWG has been in operation for a number of years now and its general role is fairly well established; its terms of reference are set out at **Appendix A** for information. It has become clear, however, that in order to become more effective, and to ensure improved efficiency in the management of Capital Programmes, a greater degree of officer delegation is required in certain circumstances.
- 1.3 Furthermore, in recent years a number of other key developments have been introduced into the ways in which the Council manages its capital programming and financing. These include:
 - Improvements to the Council's Capital Investment Strategy
 - Adoption of a Corporate Property Strategy
 - Implementation of the Prudential Code for Capital Finance in Local Authorities

- Provision for undertaking lease v buy appraisals and implementing their outcomes
- Publication of corporate guidance on the use of Whole Life costing.

Taking account of all the above, a new draft set of Financial Regulations and Procedures relating to capital schemes has been produced, as set out at **Appendix B**. The views of other key services have been considered in developing the proposals, and it is felt that they would give a sound framework on which to take capital programming forward, whilst maintaining effective financial control and governance.

The Committee is requested to consider the attached, and approve it to be included in the Council's full Financial Regulations and Procedures.

<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>No implications directly arising.</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>There are no financial implications directly arising.</p>	
<p>DEPUTY SECTION 151 OFFICER'S COMMENTS</p> <p>This report was prepared by the s151 officer as part of her responsibilities.</p>	
<p>LEGAL IMPLICATIONS</p> <p>Legal Services have been consulted and there are no legal implications directly arising from this report.</p>	
<p>MONITORING OFFICER'S COMMENTS</p> <p>The Monitoring Officer has been consulted has no further comments to add.</p>	
<p>BACKGROUND PAPERS Accounting and Audit Regulations 2003.</p>	<p>Contact Officer: Nadine Muschamp Telephone: 01524 582117 E-mail: nmuschamp@lancaster.gov.uk Ref:</p>