

SALISBURY CITY COUNCIL

Report

Subject : Financial Regulations and Internal Financial Controls
Committee : Full Council
Date : 16 January 2023
Author : Estelle Sherry, Responsible Finance Officer

1. Report Summary:

- 1.1. The Financial Regulations and Internal Financial Controls (the Regulations) govern the conduct of financial management by the Council. The Regulations are one of the council's governing policy documents providing procedural guidance for Members and officers, and they must be observed in conjunction with the Council's Standing Orders.
- 1.2. The Regulations are reviewed at least annually to ensure they remain fit for purpose and may only be amended by resolution of Full Council in accordance with clause 1.1.

2. Amendments and Variations:

- 2.1. The Council currently runs a monthly payroll for approximately 105 staff and 24 councillors, and this results in payments of around £125,000 for pay, accompanied by payments to Wiltshire Pension Fund, HMRC, Trade Unions, the Credit Union and other relevant creditors of approximately £60,000. This means that the payroll is processed in two tranches to comply with the Financial Authorisation Limits for Officers.
- 2.2. Pay awards are notified to the council midway through the financial year, and in 2022/23, this took place in November 2022. In the December payroll, back pay for all staff for the year to date was calculated and paid to staff. This sum risked exceeding the current limit. With the insourcing of Id Verde and the additional posts this brought, any pay award for 2023/24 will result in the payroll file being unable to be authorised for payment to staff.
- 2.3. To facilitate the Council in being able to continue to authorise its payroll each month, the Financial Authorisation Limits for Officers have been amended, under the delegated authority of the City Clerk, per the Minutes of the Policy and Resources Committee held on 11 July 2016. These are attached at **Appendix A**.
- 2.4. Three amendments have been made to the Regulations to accommodate these new limits and these are shown in the updated Regulations at **Appendix B**.

2.5. The following table summarises the amendments for which Full Council are asked to approve:

Clause	Description
General	
1.14	Increase of the limit above which the Council must approve any grant or single commitment from £150,000 to £175,000.
Budgetary Control and Authority to Spend	
11.8	Increase of the limit up to which the City Clerk may authorise revenue expenditure in cases of extreme risk to the delivery of Council services from £150,000 to £175,000.
Annex B – Authorised Members and Officers and Designated Limits	
	Increase of designated limits for BACs payments, bank transfers, cheques, direct debits and other bank deductions from £150,000 to £175,000 for authorised persons.

3. Recommendation:

It is recommended that Full Council:

- 3.1. Approve the adoption of these Financial Regulations and Internal Financial Controls.

4. Background Papers:

- 4.1. Appendix A – Financial Authorisation Limits for Officers
- 4.2. Appendix B – Financial Regulations and Internal Financial Controls

5. Implications:

- 5.1. **Financial:** As outlined in the report.
- 5.2. **Legal:** As outlined in the report
- 5.3. **Personnel:** None in relation to this report
- 5.4. **Environmental Impact:** None in relation to this report
- 5.5. **Equality Impact Statement:** None in relation to this report