



**Governance and Audit
Committee**

Tuesday, 21 April 2026

Subject: Review of Financial Procedure Rules

Report by:	Director of Finance and Assets (Section 151 Officer)
Contact Officer:	Peter Davy Director of Finance and Assets (Section 151 Officer) peter.davy@west-lindsey.gov.uk
Purpose / Summary:	To present the draft revised Financial Procedure Rules to Governance and Audit Committee for approval

RECOMMENDATION

- 1) Governance and Audit Committee are asked to scrutinise and approve the revised Financial Procedure rules, to be presented to Council for noting on the 11th of May 2026.
- 2) To delegate authority to the Monitoring Officer and Section 151 to make any changes required to other parts of the Constitution to effect the changes set out in this report.

IMPLICATIONS

Legal: Risk Management is an essential and necessary function of the Council.

Financial: FIN/11/27/GA/SL

There are no financial implications arising from this report.

Staffing: There are no staffing implications arising from this report. However, training will be provided to Members and Staff on the revised policy.

Equality and Diversity including Human Rights:

There are no implications arising from this report.

Data Protection Implications:

There are no implications arising from this report.

Climate Related Risks and Opportunities:

No specific or direct climate related risks and opportunities.

Section 17 Crime and Disorder Considerations:

There are no implications arising from this report.

Health Implications:

There are no implications arising from this report.

Title and Location of any Background Papers used in the preparation of this report:

The Council's Constitution

Risk Assessment:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e., is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1.0 Introduction

- 1.1 It is best practise to periodically review the Council's Financial Procedure Rules (FPR's) to ensure they are up to date with the latest legislation, consider best practise, updated to take into account internal audit recommendations and to tidy any housekeeping items.
- 1.2 Appendix one of the report shows the current approved FPR's and appendix two shows the revised FPR's which the committee is being asked to scrutinise and recommend to Council for approval. Appendix one has highlights on to show things that are then changed in appendix two which has highlights on to show the changes which have been made.

2.0 Main Report

- 2.1 The Council's financial procedure rules provide a mandatory framework for managing a local authority's financial affairs, ensuring transparency, accountability and the proper administration of public funds. They define financial responsibilities, guide budget management, ensure value for money and mitigate risk of fraud.
- 2.2 The core purposes of FPR's are financial governance, accountability, budgeting and planning, internal control and security and asset protection. The rules are part of the Council's constitution and apply to all members of staff and Councillors.
- 2.3 Throughout the FPR's where Directors/Assistant Directors are mentioned this has been changed to Directors/Assistant Chief Executives to reflect changes made in the recent senior management restructure. Where Corporate Policy and resources committee is mentioned this has been changed to 'Thriving Council Committee' to reflect changes in the committee structure. These changes are not listed in the table below due to the number of times these items are referenced but are highlighted in appendix one and appendix two.
- 2.4 The changes made to the current FPR's are summarised as follows: -

Page	Change	Why?
37	Remove reference to section 15 of the Local Government Finance Act 1982 as amended by section 5 of the audit commission act 1998 and replace with the local audit and accountability act 2014	The 2014 act abolished the audit commission and introduced a decentralised audit regime.

Page	Change	Why?
41	Internal Audit service provider	This has changed from Lincolnshire County Council to RSM
42	Change of 'Standards Sub Committee' to 'Standards Committee'	The standards committee would consider any breaches of the code of conduct
45	Change Executive business plans to thematic business plans	To reflect latest plans
46	Remove requirement of mid-year update to MTFP	Monthly monitoring is presented to the S151 officer and quarterly monitoring reports are presented to CP&R committee therefore a full midyear update to the MTFP is not required.
50	Remove the requirement to consult the chair of CP&R on amendments to the capital programme prior to the committee taking place	This is done through the Chair's briefing process
52	Change the MTFP period from four to five years	To ensure consistency throughout the FRP's document
52	Change the names of the clusters	To reflect the updated corporate plan
55	Change 'Executive Business plans' to 'Thematic Business Plans'	To reflect latest plans
56	Add in sub 'delegation levels shown at appendix 4'	An internal audit recommendation is to explicitly add in approval levels in the FPR's
56	Remove the requirement to consult the chair of CP&R committee prior to completing a virement	To make this consistent throughout the FPR's, and the chair is informed through the chair's briefing process
57	Change 'Executive Business plans' to 'Thematic Business Plans'	To reflect latest plans
65	Change 'Director of Corporate Services' to 'Chief Finance Officer'	The Council no longer has a director of corporate services
66	Remove reference to insurance account and replace with insurance reserve	The council has an earmarked reserved set aside for small insurance claims which are below the

Page	Change	Why?
		excess level of external insurance policies
67	Change 'Executive Business plans' to 'Thematic Business Plans'	To reflect latest plans
67	Remove reference to fraud and anti-money laundering policy and replace with Counter-fraud, corruption and bribery policy and a Financial Crime and Anti-Money Laundering Policy	To reflect the two new policies which have or are about to be approved as a result of an internal audit
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68	Change of 'Standards Sub Committee' to 'appropriate Committee'	The standards committee does not review all codes of conduct
69	Change 'Director of Corporate Services' to 'Chief Finance Officer'	The Council no longer has a director of corporate services
78	Remove the requirement of specimen signatures	All approvals are now carried out on the Council's ledger system and therefore specimen signatures are no longer required
78	Control of software loaded onto the Council's computer equipment changed from the Chief finance officer to the Head of ICT	The head of ICT is responsible for the Council's ICT systems.
79	Cheque opening procedure changed	To reflect the latest procedure within customer services
80	Remove the requirement for the bank mandate to be shared with internal audit annually	The bank mandate is reviewed periodically and is shared with internal audit if and when required.
82	Updated Procurement threshold	To bring into line with contract procedure rules and the latest government regulations
83	Remove the reference to paper orders	Orders are now done electronically on the finance system

Page	Change	Why?
84	Remove the reference to paper orders	Orders are now done electronically on the finance system
85	Give the chief finance officer approval to pay for goods in advance in exceptional circumstances.	To give flexibility as some small companies require part payment in advance
87	Remove the requirement for no goods to be paid for in advance	The chief finance officer can approve in exceptional circumstances that goods be paid for up front if required.
90	Change wording around uncollected debts as these are now charged to the bad debt provision	To bring the FPR's in line with CIPFA guidance
94	To allow the Chief finance officer to withdraw cash via Procurement card in an emergency situation	In an emergency such as a flooding event or natural disaster access to make cash payments may be required.
99	Change the amount the chief finance officer can authorise in short term cashflow loans to subsidiary companies from £50k to £25k	To bring the level in line with delegations elsewhere in the FPR's
101	Change the requirement to obtain management team or committee support when submitting grant applications to be only required if it commits the Council to additional expenditure over and above current budget levels	To give officers more agility to bid for funds where they are not committing the Council to any additional expenditure if successful
102	Removal of reference to the Portfolio Board	The Portfolio Board no longer exists
102	Remove the requirement for committee to approve contracts over £30k	This is not compatible with Contract Procedure Rules
106/107	Adjust delegations to reflect changes above	To ensure constituency throughout the document
113	The levels of contract thresholds are updated	To match government changes
116	Insertion of new approval limits table	To reflect internal audit requirements

3.0 Conclusion

- 3.1 As can be seen above there are a large number of changes but many are simply housekeeping amendments relating to changes in job titles, updated legislation and updated internal terminology. There are also changes to working practises, for example the Council now has chairs briefings for all committees therefore consulting the chairman outside of this is then a duplication of work hence this requirement has been removed.
- 3.2 Members are asked to scrutinise the above changes and then refer the updated Financial Procedure Rules to Council for approval.