

## Appendix 2

**Summary of changes to Financial Procedure Rules**

<b>Throughout</b>	There are a number of minor presentational and typographical changes that do not alter the substance but provide some clarity, this includes updating some references to legislation as well as re-ordering some paragraphs and sections.
<b>Section A Financial Management</b>	
Part 4 – Role of the Treasurer	Additional information added to clarify the statutory role of the Treasurer to the Authority
Para 5.3	Revised – confirming the accounting framework
Para 6.1	Revised – confirming the Director and Treasurer are both responsible for budgetary control arrangements
Para 6.3	New – to ensure variances against approved budgets are reported and to allow rectification of unplanned financial positions
Para 6.5	New – to ensure expenditure that changes Authority policy is not incurred without approval of the Authority and Treasurer
Para 6.6	New – to ensure expenditure leading to future financial commitments is not entered into without funding being identified and approval of the Authority and Treasurer.
Para 6.7	Revised – setting clear limits on and rules for virement of Authority budgets
Para 6.8	New – providing authority to manage budget overspending with agreement of the Authority
<b>Section B Financial Performance</b>	

Section 3 Capital	New – to ensure that the Authority’s capital Programme is bought within the remit of the Authority’s Financial Procedure Rules.
Para 4.1	Revised – to include reference to risks when setting the Authority’s levels of Reserves
Section 5 Prudential Indicators	New – to reflect the statutory requirements on the Treasurer to report to the Authority on Prudential Borrowing and Prudential Indicators.
<b>Section C Risk Management and control of resources</b>	
Para 1.3	New – to ensure the Treasurer is informed of insurable incidents
Para 6.3	New – to ensure the Treasurer and the Treasury Manager are informed of significant payment dates and can arrange for funds to be deposited to ensure the payments can be made.
<b>Section D Financial Systems and Procedures</b>	
Para 2.7 and 2.8	New – to ensure compliance with good practice; to ensure that equipment, goods, services and materials are procured using the Authority’s ordering system; and that there is both a budget and an approval before a purchase is made.
Para 3.1	New – to ensure the Director maintains a record of the approved establishment of staffing posts.
Para 3.4	New – to clarify the responsibilities for ensuring a record of all expenses and allowances claimed is maintained to support such claims.