

For approval without discussion

Financial regulations – annual update

Agenda: 18
HEFCW/19/29

Disclosable

21/03/2019

1 Issue

- 1.1 This paper provides Council with the update Financial Regulations for approval (see Annex A attached), which were considered by the Audit and Risk Assurance Committee at its meeting on 6 March 2019. As a result, further changes were agreed subsequent to the meeting.

2 Rationale for paper

- 2.1 In accordance with para 19.1 of the Financial Regulations, all required amendments to the document are reported by the Director of Corporate Services to the Chief Executive, who shall consider such reports and recommend such amendments, as deemed necessary, to the Audit and Risk Assurance Committee for their consideration and submission to Council for approval. Further changes were requested by the Committee and were approved subsequent to the meeting and are detailed in section 6 below.

3 Recommendations

- 3.1 The Council is invited to:
- i. Agree the changes that are highlighted below in section 6.1 and detailed in Annex A; and
 - ii. Agree the additional changes as recommended by the Audit and Risk Assurance Committee, as shown below in section 6.2, which are also detailed in Annex A.

4 Timing for decisions

- 4.1 There are no timing issues arising from this Council decision.

5 Further information

- 5.1 Contact Nick Williams (029 2085 9646; nick.williams@hefcw.ac.uk)

6 Main changes proposed to the Financial Regulations

6.1 The principle proposed changes to the Financial Regulations are as follows:

- i) The removal of the section on corporate and operating plans (previously section 2). This is a non-finance issue which is covered elsewhere within HEFCW including an annual compliance review of our Framework Document presented to the Audit and Risk Assurance Committee by the Council Secretary
- ii) The removal of the section on security (previously section 13). This is another non-finance issue which is covered elsewhere within HEFCW including the Information Security policy.
- iii) Para 1.12 has been amended to remove details of non-finance delegations, duties and responsibilities. This is covered by the scheme of delegation maintained by the Council Secretary
- iv) Under delegated financial authority, para 4.1, a running costs authority threshold of £150,000 has been proposed for the Deputy Chief Executive
- v) Para 10.12 has been amended to note that under new HMRC regulations, the cost of any lunches provided to staff where HEFCW staff are in the majority of meeting attendees, will be apportioned and taxed via the payroll
- vi) The paragraphs on the Copyright Design and Patents Act 1985 (see section 13) have been removed as this is a non-finance issue which is covered elsewhere within HEFCW by the Information Security policy
- vii) Section 14 on internal audit has been updated in line with the latest auditing standards and practices

6.2 Additional changes requested by the Audit and Risk Assurance are as follows:

- i) Clarification that the majority of programme expenditure is in line with the Council annually approved budget (para 4.1, section 2); and
- ii) Clarification of cheque payment signatory threshold arrangements (para 9.6) and online payment authorisation processes for both Barclays Bank and the Government banking Services accounts (paras 9.7 & 9.8).

6.3 The revised version of the document is attached as Annex A.

6.4 A next review of the Financial Regulations will be performed in 2020 in accordance with para 19.1.

7 Financial implications

7.1 There are no financial implications arising from this paper.

8 Communications implications

- 8.1 Council approval of the revised Financial Regulations will be confirmed externally on the HEFCW website and internally on the HEFCW intranet and extranet.

9 Diversity and equal opportunities implications

- 9.1 This paper has no implications for age, disability, marital/civil partnership, maternity/pregnancy, race, religion or belief, sex, sexual orientation, any other protected characteristic or the Welsh language.

10 Risk Assessment

Risk	Action to address risk
HEFCW fails to update its Financial Regulations to reflect changes in requirements to provide guidance to Council Members, staff and third parties in respect of delegations and parameters governing workplace operations and decisions.	Annual update carried out to ensure guidance is kept up to date.