

## Appendix A – Matrix of Amendments to the City of London Financial Regulations 2021

A summary table of the changes to the relevant rules contained in the City of London Corporation Financial Regulations as approved by the Finance Committee on 13<sup>th</sup> April 2021 is provided below.

Section	Title of Section	Change
<b>General</b>	Terminology	<p>Terminology updated as follows:</p> <ul style="list-style-type: none"> <li>• Replaced ‘Deputy Chamberlain’ with ‘Financial Services Director’.</li> <li>• Replaced ‘Chamberlain’s IT Division’ with ‘Digital Information and Technology Services’.</li> <li>• Replaced ‘City Procurement’ with ‘Commercial Services’.</li> <li>• Replaced ‘Chamberlain’s Head of Revenues’ with ‘Assistant Director Financial Shared Services’.</li> <li>• Replaced ‘Head of Internal Audit &amp; Risk Management’ with ‘Head of Internal Audit’.</li> <li>• Replaced ‘IT Director’ with ‘Director of Digital Information and Technology’.</li> <li>• Replaced ‘Cultural Hub Director’ with ‘Cultural and Visitor Development Director’.</li> </ul>
<b>I</b>	Introduction	<ul style="list-style-type: none"> <li>• The date in which this version of the Financial Regulations was approved by Finance Committee has changed from 13<sup>th</sup> April 2021 to 6<sup>th</sup> June 2023.</li> <li>• New paragraph included to reflect the establishment of the Bridge House Estates Board.</li> </ul>
<b>II</b>	Recent Version History	<ul style="list-style-type: none"> <li>• The wording in the first paragraph has been slightly altered to reflect this version of the Financial Regulations which now replaces the April 2021 version.</li> <li>• Table updated to include the recent updates/changes made to the Financial Regulations which will be subject to Finance Committee approval in June 2023.</li> </ul>
<b>1</b>	General	<ul style="list-style-type: none"> <li>• Paras 1.2 - 1.3 – Alteration to the wording on charities complying with the guidance issued by the Charity Commission.</li> <li>• Para 1.5 – Wording update from ‘The Scheme of Delegation’ to ‘The Officer Scheme of Delegation’.</li> <li>• Para 1.10 – Wording update from ‘IT Strategy’ to ‘Digital and IT Strategy’.</li> <li>• Para 1.11 – Additional wording regarding IT resourcing of Bridge House Estates and for these decisions to be taken in the best interests of the charity.</li> </ul>

<p><b>2</b></p>	<p>Resource Allocation, Revenue Estimates and Capital Budgets</p>	<p>This section has been updated to include references to Bridge House Estates where relevant following the establishment of the Bridge House Estates Board. Other amendments are as follows:</p> <ul style="list-style-type: none"> <li>• Para 2.1 - 2.2 – Additional text included on the budget setting process and submission of estimates for decision to the relevant Service Committee for City Fund and City’s Cash and to the Bridge House Estates Board for Bridge House Estates. Overall budgets for City Fund and City’s Cash are set by the Court of Common Council upon the recommendation of the Policy &amp; Resources and Finance Committees in March for the successive financial year.</li> <li>• Para 2.3 – New paragraph inserted on the budget setting process for Bridge House Estates following the establishment of the Bridge House Estates Board.</li> <li>• Para 2.5 – Additional wording regarding recharges to only reflect the costs and expenses incurred by the City as Trustee in administering the charity in accordance with charity accounting rules.</li> <li>• Para 2.15 (iv) – Additional wording on carry-forward of reserves where a charity is in deficit.</li> <li>• para 2.15 (vi) – Additional wording providing clarification on carry-forward rules</li> <li>• Para 2.15 (i) – Amendment of Chief Officer from the Chamberlain to the Chief Operating Officer for Local risk budget carry forwards excluding budgets brought forward from the previous year of £500k maximum.</li> <li>• Para 2.16 – Excluding Bridge House Estates, any Central risk budget carry forward requests if approved by the Chamberlain should be provided to the Town Clerk in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub (Policy and Resources) Committee (RASC) for consideration and potential approval.</li> <li>• para 2.21 Wording to clarify cross cutting projects that are funded by BHE</li> <li>• para 2.23 additional requirement to record project expenditure in a timely manner and in accordance with forecasting timetable</li> </ul>
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		<ul style="list-style-type: none"> <li>• Para 2.26 Virement between project budget prohibited unless agreed by committee</li> </ul>
<b>3</b>	Accounting	<ul style="list-style-type: none"> <li>• Para 3.2 (c) – New paragraph regarding a separate balance sheet for each fund and accounting for all charitable funds separately to demonstrate the charity’s funds are being administered correctly.</li> <li>• Para 3.5 (d)-(e) – Wording update for the submission of the Financial Statements for Bridge House Estates to the Bridge House Estates Board.</li> </ul>
<b>4</b>	Internal Audit	<ul style="list-style-type: none"> <li>• Para 4.2 – The Audit and Risk Management Committee shall receive regular reports on completed work of Internal Audit and will not be required to approve the annual audit plans.</li> <li>• Para 4.4 – Additional wording to clarify that the remit of Internal Audit extends to all operations of the City of London Corporation.</li> <li>• Para 4.10 – Whistleblowing policy wording updated to state that concerns can be reported either directly or via the anonymous channel.</li> </ul>
<b>5</b>	Risk Management	<ul style="list-style-type: none"> <li>• Para 5.6 – Wording added to reflect the City’s Risk Management Strategy has been adopted for Bridge House Estates by the Bridge House Estates Board.</li> <li>• Para 5.7 – Updated to amend the lead Chief Office for Risk Management from the Chamberlain to the Chief Strategy Officer and additional wording added on the role of the Chief Strategy officer.</li> <li>• Para 5.8 – Amendment to wording on Chief Officers responsibility towards the City Corporation’s risk management policy and strategy. New paragraph includes identifying and flagging cross-cutting and/or thematic risks impacting the City of London Corporation more widely.</li> </ul>
<b>6</b>	Treasury Management	<ul style="list-style-type: none"> <li>• Para 6.1 – New sentence added regarding Bridge House Estates Board adopting treasury management standards.</li> <li>• Para 6.2 – Added ‘(relating to Treasury Management)’ with regards to the Annual Investment Strategy.</li> </ul>

		<ul style="list-style-type: none"> <li>• Para 6.2 (The Court of Common Council) – Update their responsibility to include approval of the Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management).</li> <li>• Para 6.2 (The Investment Committee and Finance Committee) – Heading updated from ‘The Financial Investment Board and Finance Committee’.</li> <li>• Para 6.5 – Update on reporting committee from the Financial Investment Board to the Investment Committee.</li> </ul>
<b>7</b>	Investments, Borrowing and Trust Funds	<ul style="list-style-type: none"> <li>• Para 7.1 – Inclusion of Bridge House Estates Board.</li> <li>• Para 7.3 – Additional requirement for Chamberlain to make provision for repayment where appropriate</li> <li>• Para 7.4 – inclusion of ‘(or other legal governing document)’.</li> </ul>
<b>8</b>	Procurement	<ul style="list-style-type: none"> <li>• Para 8.6 – Update City Procurement with the Transactional Finance Data Team.</li> <li>• Para 8.6 – Amendment to text regarding notification being given to the Chamberlain’s Insurance and Risk Management Team.</li> <li>• Paras 8.8 - 8.9 – Wording update to include reference to Bridge House Estates and the Bridge House Estates Board.</li> </ul>
<b>9</b>	Payments of Accounts	<ul style="list-style-type: none"> <li>• Para 9.2 – Amendment of CHAPS and Faster Payments made from the Chamberlain’s Financial Services Division to the Chamberlain’s Corporate Treasury Team.</li> <li>• Para 9.4 – Amendment where payment requests to a non-UK bank account must be approved by an appropriate authorised signatory and submitted to the Chamberlain’s Corporate Treasury Team.</li> </ul>

		<ul style="list-style-type: none"> <li>• Para 9.6 – Update the City Procurement Data Team with the Transactional Finance Data Team.</li> <li>• Paras 9.8 - 9.9 – Additional wording and increase in the authorisation levels of payments made in advance for goods, services, or works.</li> <li>• Para 9.11 wording added to support removal of P card access if policies of use not complied with.</li> <li>• Paras 9.15 - 9.16 – Slight updates to wording. Departments who don't maintain POs or GRNs properly may be charged if the Chamberlain has to incur additional cost to rectify.</li> <li>• Para 9.17 – Paragraph regarding unused cheques deleted as this service is now outsourced.</li> </ul>
<b>10</b>	Imprest Accounts (Petty Cash)	<ul style="list-style-type: none"> <li>• Para 10.1 – Approval update on the arrangement of imprest and bank accounts from the Deputy Chamberlain to the Corporate Treasurer.</li> <li>• Para 10.3 – Amendment to approval of larger figures from imprest accounts from the Chamberlain's Internal Audit section to the relevant Chamberlain's Head of Finance.</li> <li>• Para 10.4 – Amendment to the process for expense claims. Claims should be made through City People and petty cash claim forms used only if staff do not have access to City People.</li> <li>• Paras 10.7 - 10.9 – Amendment to wording on the procedure for reimbursements and the monthly and end of year reconciliation of the imprest account by the imprest holder and Head of Finance. In addition, in the event an imprest holder leaves the City's Service, he or she shall now inform the Corporate Treasurer.</li> <li>• Para 10.13 – Amendment to include the Corporate Treasurer in any matters relating to irregularities with the petty cash account.</li> </ul>
<b>11</b>	Travelling and Subsistence Claims	No amendments.
<b>12</b>	Custody and Security of Assets	<ul style="list-style-type: none"> <li>• Para 12.1 – Replaced reference to 'Standing Order 55' with 'Standing Orders'.</li> </ul>

		<ul style="list-style-type: none"> <li>• Para 12.9 - Increase asset value disposal limit to £50k before reported to committee</li> <li>• Para 12.10 – New wording to state that consultation must be sought with the Managing Director of Bridge House Estates for assets under the control of Bridge House Estates.</li> </ul>
<b>13</b>	Insurance	<ul style="list-style-type: none"> <li>• Para 13.1 – Amendment to wording on the purpose of the City’s insurance cover.</li> <li>• Para 13.3 – Expansion of description for new risks, assets and material changes.</li> <li>• Para 13.6 – Additional wording for Bridge House Estates to include approval by the Financial Director of Bridge House Estates.</li> </ul>
<b>14</b>	Security and Data Protection	Amendments to terminology.
<b>15</b>	Income & Banking Arrangements	<ul style="list-style-type: none"> <li>• Paras 15.4, 15.7, 15.10 - 15.11 &amp; 15.15 – Updated reference to income and banking arrangement approvals from the Deputy Chamberlain to the Chamberlain.</li> </ul>
<b>16</b>	Partnerships	<ul style="list-style-type: none"> <li>• Para 16.1 – Deleted wording on Chief Officers ensuring that staff are aware of the Audit Guidelines on partnering and adhere to these where it is possible to do so.</li> <li>• Para 16.3 – Replaced ‘Rule 18 of the Procurement Code’ with the ‘Procurement Code’ regarding Concession Contracts.</li> </ul>
<b>17</b>	Grant-making	<ul style="list-style-type: none"> <li>• Para 17.2 – New sentence added stating that ‘A grant may be made subject to binding terms and conditions under an agreement’.</li> <li>• Para 17.3 – Minor wording updates for clarity at sections (b), (c) and (d).</li> </ul>
<b>18</b>	Salaries, Wages and Pensions	<ul style="list-style-type: none"> <li>• Para 18.2 (b) – Additional wording on managers entering sickness absence directly onto Trent.</li> <li>• Para 18.4 – Update to wording on informing the Chamberlain’s Payroll Manager of amendments to pay and time records.</li> </ul>

<b>19</b>	Inventories	<ul style="list-style-type: none"> <li>• Para 19.5; 19.6 asset write-off and disposal values increased to £50,000 before Member approval</li> </ul>
<b>20</b>	Stocks and Stores	<ul style="list-style-type: none"> <li>• Para 20.2 – Requirement for stock takes increased to stores over £20k in value</li> </ul>
<b>21</b>	Motor Vehicles	Amendments to terminology.
<b>22</b>	Entertainment & Hospitality	No amendments.
<b>23</b>	Document Retention	<ul style="list-style-type: none"> <li>• Paras 23.1 &amp; 23.2 – Removed reference to guidance issued by the Audit Commission.</li> <li>• Para 23.4 – New para on approvals for departmental policy for the retention/destruction of financial records.</li> <li>• ‘General Income’ – Added the minimum period of retention as follows: <ul style="list-style-type: none"> <li>○ Domestic Help Timesheet – 2 years after completion of external audit.</li> <li>○ Income Returns from Departments – 1 year after completion of external audit.</li> </ul> </li> <li>• ‘Payrolls’ – Added relevant statute and minimum period of retention as follows: <ul style="list-style-type: none"> <li>○ Register of Contributors and Contributions – Local Government Superannuation Act and retained indefinitely.</li> <li>○ Register of Pensioners – retained indefinitely.</li> <li>○ Quinquennial Valuations -all papers and records – retained indefinitely.</li> </ul> </li> <li>• ‘Other Accounting Records’ – Added the minimum period of retention of <u>7 years</u> for: <ul style="list-style-type: none"> <li>○ Bank Pass-Book sheets, Receivership Records, Cashier's Collection &amp; Deposit Book, Cashier's Petty Cash, Imprest Account, Post-dated cheques register, RD Cheques register, Cheques (blank) register, Unpaid wages book.</li> </ul> </li> <li>• ‘VAT Records’ – New wording added under detail for the retention of VAT record documents to be retained either on paper, computer, or other media and should be readily available for inspection.</li> </ul>

<b>24</b>	Verification of Contractors and Consultants Final Accounts	<ul style="list-style-type: none"><li>• Paras 24.1 &amp; 24.3 – Removed para reference to the risk matrix set out in the Project Procedure.</li></ul>
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