

Local Members' Interest
N/A

Audit and Standards Committee – 30th July 2018

Review of Financial Regulations

Recommendation

1. To recommend the County Council to approve revised Financial Regulations for inclusion within the Constitution.

Report of the Director of Finance and Resources

Background

2. Any major organisation needs a set of clearly understood rules and regulations to manage its financial affairs. So, in line with Section 151 of the Local Government Act 1972, the Director of Finance and Resources is responsible for dealing with these affairs.
3. All documents within the financial regulations are designed to achieve four main aims. These are to:
 - make sure there are sound and proper financial procedures and arrangements for dealing with our financial affairs;
 - make sure that proper controls are in place;
 - provide a framework for managing our finances and delivering services which will allow, wherever possible, us to link together managerial and financial responsibilities; and
 - protect our members and employees.
4. There is a requirement to review and update the Financial Regulations on a regular basis to ensure that they remain accurate and fit for purpose. A detailed review has been undertaken to reflect the changes that have occurred following the introduction of the My Finance and MyHR financial systems, together with minor amendments reflecting changes to job titles of relevant officers.
5. The updated Financial Regulations are attached with the main changes highlighted in yellow.
6. The main areas of change are as follows:
 - Financial Regulation E – updated to include specific reference to the requirement to raise purchase orders for all purchases. Areas of expenditure that are exempt from this requirement have also been defined. Order approval levels have been determined for both the order value and grade of the approving officer. Within section E additional information has been incorporated to address the changes that have been made to the purchase card (P-card) process.

- Financial Regulation F has been updated to include the requirement that SLT members must ensure that the requirements contained within the credit management strategy and the anti-money laundering requirements are complied with.
- A number of changes have been made to the anti-money laundering strategy contained in appendix 2 to reflect requirements of the new regulations, published in 2017.

Equalities and Climate Change Implications

7. There are no direct implications arising from this report.

Legal Implications

8. Financial Regulations are part of the County Councils constitution and set the framework for dealing with our financial affairs. They are approved by Council following review by the Audit and Standards Committee.

Resource and Value for Money Implications

9. Financial Regulations are key governance documents. They aim to strike a balance between ensuring effective governance and yet, at the same time, maximising value for money. Clearly there can be tensions between the two and effective risk management is key.

Risk Implications

10. A lack of adherence to these documents can lead to loss of reputation, finance and external censure.

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List of Background Papers

Existing Financial Regulations.