

Local Members Interest
N/A

Audit and Standards Committee - Tuesday 26 October 2021

Review of Financial Regulations

Recommendation

I recommend that:

- a. That the County Council approves the revised Financial Regulations for inclusion within the Constitution.

Report of the County Treasurer

Report

Background

1. 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 County Treasurer is responsible for dealing with these affairs.
2. All documents within the financial regulations are designed to achieve four main aims. These are to:
 - a. make sure there are sound and proper financial procedures and arrangements for dealing with our financial affairs.
 - b. make sure that proper controls are in place.
 - c. provide a framework for managing our finances and delivering services which will allow, wherever possible, us to link together managerial and financial responsibilities; and
 - d. protect our members and employees.
3. 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 since the regulations were last reviewed in 2018 following the introduction of the My Finance and MyHR financial systems, together with minor amendments reflecting changes to job titles of relevant officers.

4. The updated Financial Regulations are attached with the main changes highlighted in yellow.
5. The main areas of change are as follows:
 - e. Financial Regulation B – updated to include specific reference to the requirement to obtain Cabinet approval in all instances where the County Council wishes to undertake the formal role of Accountable Body for a partnership and that the partnership will follow SCC financial policies and practices as standard practice.
 - f. Financial Regulation E – updated to include arrangements for the receipt and payment of invoices electronically. Order approval limits have been amended in line with the revised procurement regulations. In addition, the purchase card guidance has been strengthened to state that the purchase of food and drink for staff social events is prohibited.
 - g. Financial Regulation F has been updated to include reference to the use of direct debits as the preferred payment method for those services that are provided frequently.
 - h. Financial Regulation H – the section on the disposal of supplies has been updated to include the need to speak to a procurement advisor regarding the best way forward including any potential sale process.

Equalities and Climate Change Implications

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

Legal Implications

7. 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

8. 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

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

List of Background Papers

Appendix 1 - Existing Financial Regulations (2018).

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