

Regulation, Audit and Accounts Committee

23 July 2018

Review of Financial Regulations and Financial Procedures

Report by Director of Finance, Performance and Procurement and Director of Law and Assurance

Recommendations

- (1) That the revised Financial Regulations be approved following endorsement by the Governance Committee on 25 June 2018;
- (2) That the proposal to hold the Treasury Management Policy Statement and the Financial Procedures outside of the Council's Constitution be endorsed for onward approval by the County Council on 20 July 2018, as part of the current review of the Constitution, subject to endorsement by the Regulation, Audit and Accounts Committee at its meeting on 23 July 2018; and
- (3) That the Financial Regulations and Financial Procedures are reviewed in 2021.

1. Introduction

- 1.1 The Financial Regulations and Financial Procedures are part of the authority's Constitution. They are intended to help the County Council exercise its statutory financial responsibilities, safeguard its finances and assets, and ensure the proper record keeping and reporting of its financial accounts.

2. Review of Financial Regulations and Procedures

- 2.1 In line with good practice the Financial Regulations and Financial Procedures are now reviewed every three years, with the last review carried out in 2015. The Financial Regulations set out the financial policies and the framework for managing the Council's financial affairs. They seek to ensure that the Council conducts its affairs in a way that complies with specific statutory provisions, generally accepted accounting principles and professional good practice. The Financial Procedures set out the controls in place for the key areas covered in the Financial Regulations, along with the responsibilities of the Directors in respect of each the key areas.
- 2.2 There is currently a review of the Council's Constitution underway and in line with this, it is proposed that the Treasury Management Policy Statement, which is currently part of the Financial Regulations and the Financial Procedures should be held outside of the Constitution.

2.3 An exercise has recently been undertaken to review both documents and updated regulations are attached as Appendix A. These reflect the current organisational structure and the changes include the inclusion of the Council's capital governance process, updates to the Treasury Management governance arrangements along with minor changes to reflect updated regulations and to clarify the Council's current processes.

3. **Resource Implications and Value for Money**

3.1 None arising from this report.

4. **Equality Duty**

4.1 An Equality Impact Report is not required for this decision as it is a report dealing with internal or procedural matters only.

5. **Risk Management Implications**

5.1 There are financial risks associated with the organisation not having adequate regulations and procedures in place.

6. **Crime and Disorder Act Implications**

6.1 None arising directly from this report.

7. **Human Rights Act Implications**

7.1 None arising directly from this report.

Katharine Eberhart
Director of Finance, Performance
and Procurement

Tony Kershaw
Director of Law and
Assurance

Contact: Vicky Chuter, Financial Reporting Manager, 033022 23414

Appendices
Appendix A – Financial Regulations

Background Papers
None