

By: The Director of Finance, Lynda McMullan
The Cabinet Member for Finance, John Simmonds

To: Governance and Audit Committee – 30 April 2010

Subject: Updated Financial Regulations

Classification: Unrestricted

Summary: This report asks Members to consider and agree the updated financial regulations, prior to approval by County Council.

FOR DECISION

1. INTRODUCTION

- 1.1 The Financial Regulations have been reviewed and updated. Whilst there has been no major re-write or change to the format of the regulations, amendments have been made to reflect changes in structures / working practices, to ensure our regulations reflect current best practice and to strengthen areas where there were known gaps.
- 1.2 In line with the terms of reference of this Committee, the revised regulations need to be agreed before being submitted to County Council for approval as an amendment to the Constitution.
- 1.3 This review has been undertaken as part of a programme of work looking not only at the Financial Regulations, but also the related Schemes of Delegation and Financial Procedures. The aim is to publish the whole suite of updated financial documentation on KNet with appropriate links between the documents as well as to other relevant procedures / publications, making it easily accessible to all staff.

2. MAIN AMENDMENTS

- 2.1 The process for conducting this review included:
 - Looking at financial regulations of other local authorities.
 - Addressing concerns/gaps raised by finance staff in relation to certain aspects of the regulations from experience of trying to implement and ensure compliance with them.
 - Ensuring adoption of best practice guidance published since the last review of the regulations.
- 2.2 The amendments made to the regulations can be seen in detail at Appendix 1, as they are presented showing all tracked changes.
- 2.3 The main areas of change to highlight are:-

- Regulations relating to the approval of capital projects have been clarified. (Ref. Section A.22).
- Regulations around the maintenance of reserves and provisions have been strengthened. (Ref. Section A.23).
- Treasury Management regulations have been updated to reflect the CIPFA Treasury Management Code of Practice, Fully Revised 2nd Edition, 2009. (Ref. Section C.22).
- Responsibility for approving debt write offs over £10,000 has been transferred from the Governance and Audit Committee to the relevant Policy Overview and Scrutiny Committee. (Ref. Section D.7).
- It has been made explicit that it is the personal responsibility of all staff concerned with the use and care of the County Council's resources or assets to be conversant with the requirements of the Financial Regulations. (Ref Section 2.14).

3. RECOMMENDATION

Members are asked to:

- 3.1 Consider and agree the updated Financial Regulations to be put forward to County Council for approval.

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