

By: Cabinet Member for Finance and Business Support – John Simmonds
Corporate Director of Finance & Procurement – Andy Wood

To: Governance and Audit Committee – 11 April 2013

Subject: Updated Financial Regulations

Classification: Unrestricted

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

FOR ASSURANCE

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 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 a Delegation Matrix 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 the Constitution to ensure the regulations comply with the Constitution;
 - Addressing concerns/gaps raised by finance staff;
 - Ensuring other relevant procedures/publications are still relevant and available on Knet.
- 2.2 The amendments made to the regulations can be seen in detail at Appendix A, as they are presented showing all tracked changes.
- 2.3 The main areas of change to highlight are:

- Regulation relating to the Kent Pension Fund has been revised. (Ref. Section A.6)
- The earmarking of a capital receipt has been added into the regulations. (Ref. Section A.22)
- The regulations relating to the Corporate Director of Finance and Procurement being responsible for developing or maintaining system for risk management have been removed and replaced with the monitoring of systems for risk management. (Ref. Section C. 3 and C.5)
- Regulations relating to audit requirements have been expanded. (Ref. Sections C.10 and C.11)
- Regulations relating to procurement and ordering of good and services have been amended to reflect i-Procurement. (Ref. Sections D.9 and D.10)
- Regulations relating to Companies have been strengthened. (Ref. Sections E.8 to E.12)
- Introduction of a delegated authority matrix setting out approval limits. (Ref. Appendix 1)
- It has been made explicit that that the Financial Regulations are a KCC policy and failure to follow the regulations could be seen as misconduct, as set out in the Blue Book. (Ref. Section 2.15)

3. **Recommendation**

Members are asked to note the updated Financial Regulations, including the delegated authority matrix, that are to be put forward to County Council for approval.

Emma Feakins
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