

By: John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement
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To: County Council – 19 May 2016

Subject: Proposed changes to Financial Regulations

Classification: Unrestricted

Summary: This report asks Members to approve the updated Financial Regulations and the introduction of a Delegated Authority Matrix of Approval Limits, as an amendment to the Constitution.

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. This review has been undertaken as part of a programme of work looking not only at the Financial Regulations but also a Delegated Authority Matrix of Approval Limits 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.
- 1.3 The revised Financial Regulations and Delegated Authority Matrix of Approval Limits were agreed by the Governance & Audit Committee at their meeting on 27 April 2016 and now need to be approved by the County Council as an amendment to the Constitution.

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 main areas of change are:

- New regulation relating to the authorising technical changes to the budget approved at County Council;
- Accounts and Audit Requirements amended to reflect the 2015 regulations;
- Updating the regulation relating to external audit requirements to reflect the extended contract date;
- New regulation relating to card payment arrangements and ensuring compliance with the Payment Card Industry Data Security Standard;
- Expansion to the regulation relating to the type of debts that can be written off;
- New regulation relating to deviation from the financial limits set in the delegated authority matrix;
- Update to the delegated authority matrix setting out approval limits;

2.3 The revised Financial Regulations and Delegated Authority Matrix of Approval Limits are shown at Appendix 1 and 2 respectively.

3. **Recommendation**

Members are asked to:

3.1 Consider and approve the updated Financial Regulations and Delegated Authority Matrix of Approval Limits.

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