

## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 22 November 2017
<b>Report Subject</b>	Financial Procedure Rules
<b>Cabinet Member</b>	Leader of the Council and Cabinet Member for Finance
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

To conduct its business efficiently, a local authority needs to ensure that it has sound financial management policies in place and that they are adhered to, part of this process is the establishment of financial procedures that set out the financial policies of the Authority.

The Council's FPR's were last updated and approved by Council on 22 July 2015 where they were fully revised and modernised to reflect the CIPFA guidance on financial regulations.

The FPR's have been fully reviewed in 2017 in consultation with the relevant service managers and the Chief Officer Team and various minor changes made to reflect updated procedures and service delivery methods which are summarised in paragraph 1.07.

### RECOMMENDATIONS

1	That Audit Committee endorse the updated Financial Procedure Rules and recommend they are submitted to Council.
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE FINANCIAL PROCEDURE RULES (FPR's)</b>
1.01	Section 151 of the Local Government Act 1972 and the Accounts and Audit (Wales) Regulations require the Council to make arrangements for the proper administration of its financial affairs.
1.02	To conduct its business efficiently, a local authority needs to ensure that it has sound financial management policies in place and that they are adhered to, part of this process is the establishment of financial procedures that set out the financial policies of the Authority.
1.03	The FPR's are split into six main sections:  <ol style="list-style-type: none"><li>1. Status of Financial Regulations</li><li>2. Financial Management – General roles and responsibilities</li><li>3. Financial Planning</li><li>4. Risk Management and Control of Resources</li><li>5. Financial Systems and Procedures</li><li>6. External Arrangements</li></ol>
1.04	The Council's FPR's were last updated and approved by Council on 22 July 2015 where they were fully revised and modernised to reflect the CIPFA guidance on financial regulations.
1.05	The Financial Procedure Rules (FPR's) state that an annual review should take place each year and each individual rule will be reviewed at least every two years and that the outcome of each review will be reported to Council, along with any recommendations for changes.
1.06	The FPR's have been fully reviewed in 2017 in consultation with the relevant service managers and the Chief Officer Team and various minor changes made to reflect updated procedures and service delivery methods.
1.07	The main changes to the following sections are:  <ol style="list-style-type: none"><li>3.2 Budgets and Medium Term Planning – changes to reflect the status of Medium Term Financial Strategy.</li><li>3.3 Budgetary Control – refers to the responsibilities of Chief Officers and Collaborative Planning.<ol style="list-style-type: none"><li>3.3.2 Virement amount changed from £75,000 to £100,000.</li></ol></li><li>4.5 Treasury Management – to ensure compliance with current legislation.</li><li>4.6 Imprest Accounts – changed to tighten controls.</li><li>5.3 Ordering of Goods and Services – reflects automated P2P system</li><li>5.4 Payments to employees and members – reviewed to ensure controls are relevant.</li></ol>

1.08	A summary of the FPR's will also be available which is intended to be an easy guide for budget holding managers and other staff. This will include practical advice and references to more detailed information when requested.
1.09	<b>Next Steps</b>  The Financial Procedure Rules will be considered by Constitution Committee on 30 November prior to County Council in December.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None directly arising from the report although the implementation of the FPR's ensure robust, consistent financial processes across the Authority.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	The proposed changes have been prepared in consultation with the Chief Officer Team, Corporate Finance Management Team and Internal Audit.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None directly arising from the report although the FPR's contribute to minimising financial risks across the Council.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Financial Procedure Rules and Glossary

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<b>Contact Officer:</b> Gary Ferguson <b>Telephone:</b> 01352 702271 <b>E-mail:</b> <a href="mailto:gary.ferguson@flintshire.gov.uk">gary.ferguson@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	See Appendix 2 of report