

CONSTITUTION AND DEMOCRATIC SERVICES COMMITTEE

Date of Meeting	Thursday, 5 th March 2020
Report Subject	Financial Procedure Rules
Cabinet Member	Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The purpose of the report is to provide the Constitution and Democratic Services Committee with the proposed updated Financial Procedure Rules (FPRs) for comment and endorsement prior to approval at County Council on 5th May 2020.

The FPRs were considered and endorsed by Audit Committee on 29th January 2020 who suggested a couple of minor amendments. Feedback from the Audit Committee is included in 1.07.

The updated FPRs are attached as Appendix 1, with the tracked changes including minor amendments as recommended by Audit Committee attached as Appendix 2. A glossary of terms is attached as Appendix 3.

RECOMMENDATIONS

1	That Constitution & Democratic Services Committee endorse the updated Financial Procedure Rules and recommend that they are submitted to Council for approval.
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REPORT DETAILS

1.00	EXPLAINING THE FINANCIAL PROCEDURE RULES (FPRs)									
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, the Council needs to ensure that it has sound financial management policies in place and that they are adhered to. Part of this is the establishment of financial procedures that set out the financial policies of the Authority.									
1.03	<p>The FPRs are set out into six main sections:</p> <ol style="list-style-type: none"> 1. Status of Financial Regulations 2. Financial Management – General roles and responsibilities 3. Financial Planning 4. Risk Management and Control of Resources 5. Financial Systems and Procedures 6. External Arrangements 									
1.04	The Councils FPRs are reviewed every two years. Previous reviews have updated them to reflect the CIPFA guidance on financial regulations.									
1.05	The FPRs were last updated in 2017 and were approved by Council on 1 st March 2018.									
1.06	The revisions made to this updated version represent minor changes that reflect the current Chief Officer operating model, the revised finance structure and updates that reflect current processes.									
1.07	<p>Audit Committee considered the revised FPRs on 29th January 2020. Feedback from the committee included minor rewording to sections 4.1 and 4.3 together with other questions as follows:</p> <table border="1"> <thead> <tr> <th>Audit Committee Question</th> <th>Response</th> </tr> </thead> <tbody> <tr> <td>How will Finance ensure compliance?</td> <td> <p>Programme of raising awareness through Portfolio Management Team Meetings and specifically targeting areas where there has been a high turnover of staff to ensure all are aware of specific responsibilities.</p> <p>A quarterly report on any non-compliance to be taken to Chief Officer Team.</p> </td> </tr> <tr> <td>How do we incorporate Internal Audit recommendations to FPR changes?</td> <td>We have consulted with Audit as part of the review and any relevant recommendations or actions have been included.</td> </tr> <tr> <td>Chief Financial Officer (CFO) role – How does the CFO ensure</td> <td>The CFO is a standing member of the Chief Officer Team meetings</td> </tr> </tbody> </table>		Audit Committee Question	Response	How will Finance ensure compliance?	<p>Programme of raising awareness through Portfolio Management Team Meetings and specifically targeting areas where there has been a high turnover of staff to ensure all are aware of specific responsibilities.</p> <p>A quarterly report on any non-compliance to be taken to Chief Officer Team.</p>	How do we incorporate Internal Audit recommendations to FPR changes?	We have consulted with Audit as part of the review and any relevant recommendations or actions have been included.	Chief Financial Officer (CFO) role – How does the CFO ensure	The CFO is a standing member of the Chief Officer Team meetings
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	adequate involvement in the financial implications of the Councils Business?	and also attends and advises Cabinet and Council to ensure all financial implications are accurately reported.
1.08	A summary of the FPRs will also be available which is intended to be an easy reference guide for budget holding managers and other staff. This will include practical advice and references to more detailed information when requested.	
1.09	Following approval of the FPRs, the Finance Team will undertake awareness raising with management teams to ensure that managers and their staff understand their responsibilities with regard to the FPRs and emphasis will be put on the requirement of <u>all</u> staff to ensure compliance.	
1.10	Once approved, new arrangements to ensure corporate oversight will be put in place with adherence to the FPRs monitored by Finance Teams with any breaches or concerns reported to Chief Officers on a quarterly basis.	

2.00	RESOURCE IMPLICATIONS	
2.01	There are no resource implications arising directly from the report although the implementation of the FPRs ensure robust, consistent financial processes across the Authority.	

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT	
3.01	The FPRs contribute to minimising the financial risks across the Council.	

4.00	CONSULTATIONS REQUIRED/CARRIED OUT	
4.01	The proposed changes have been prepared in consultation with the Chief Officer Team, Financial Management Team and Internal Audit.	

5.00	APPENDICES	
5.01	Appendix 1 – Financial Procedure Rules Appendix 2 – Financial Procedure Rules (With tracked Changes) Appendix 3 – Glossary of Terms	

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS	
6.01	None.	

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Sara Dulson, Strategic Finance Manager Telephone: 01352 702287 E-mail: sara.dulson@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	See Appendix 3.