

GOVERNANCE & AUDIT COMMITTEE

Date of Meeting	Monday 14 th November 2022
Report Subject	Financial Procedure Rules
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	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 Financial Procedure Rules (FPR's) were last updated and approved by Council in October 2020. The FPR's are subject to revision every two years.

As part of the current review the FPR's have been updated through consultation with the relevant service managers and the Chief Officer Team and various changes made to reflect updated procedures and changes to the organisational structure.

A copy of the revised FPR's is attached as Appendix 1 with a further version showing the tracked changes made attached as Appendix 2.

RECOMMENDATIONS

1	That Governance & Audit Committee endorse the updated Financial Procedure Rules and recommend that they are submitted to Council on 24 th January for approval following consideration by Constitution and Democratic Services Committee on 12 th January.
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REPORT DETAILS

1.00	Explaining the Financial Procedure Rules (FPR's)
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	The FPR's are set into six main sections: <ol style="list-style-type: none">1. Status of Financial Regulations2. Financial Management – General roles and responsibilities3. Financial Planning4. Risk Management and Control of Resources5. Financial Systems and Procedures6. External Arrangements
1.04	The Councils FPR's are reviewed every two years. Previous reviews have updated them to reflect the CIPFA guidance on financial regulations.
1.05	The FPR's were last updated in 2019 and were approved by Council on 20 October 2020.
1.06	The main revisions made to this updated version are set out in para 1.07 to 1.09.
1.07	Salary Overpayments Amendment of the FPR's to simplify the process for the recovery of overpayments of salaries to, wherever possible, agree the deduction of an agreed amount from future salary payments with the employee.
1.08	Write off of Bad Debts Amendment to the thresholds for approvals of the write off of bad debts as follows: <ul style="list-style-type: none">• Single debts up to £10,000 to be approved by Corporate Finance Manager (previous level £5,000) Debts between £10,000 and £25,000 to be written off in consultation with the Cabinet Member and any debts over £25,000 will continue to be referred to Cabinet for approval.

1.09	<p>Other Minor Changes</p> <p>Further minor changes include changes to job titles where appropriate, updated reference to guidance e.g. CIPFA codes, changes to committees and other minor clarifications regarding payment terms and conditions.</p>
1.10	<p>A summary of the FPR's 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.</p>
1.11	<p>Following approval of the FPR's the Finance Team will continue to undertake awareness raising with management teams to ensure that managers and their staff understand their responsibilities with regard to the FPR's and emphasis will be put on the requirement of <u>all</u> staff to ensure compliance.</p>
1.12	<p>Once approved, the adherence to the FPR's will be monitored by finance teams with any breaches or concerns reported to Chief Officers on a regular basis.</p>
1.13	<p>Next Steps</p> <p>The Financial Procedure Rules will be considered by Constitution and Democratic Services Committee on 12th January 2023 prior to County Council on 24th January 2023.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>There are no resource implications arising directly from the report although the implementation of the FPR's ensure robust, consistent financial processes across the Authority.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	<p>The FPR's contribute to minimising the financial risks across the Council.</p>

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

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: Gary Ferguson Telephone: 01352 702271 E-mail: gary.ferguson@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
	See Appendix 3 of the report