

## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 29 <sup>th</sup> January 2020
<b>Report Subject</b>	Financial Procedure Rules
<b>Cabinet Member</b>	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 Financial Procedure Rules (FPR's) were last updated and approved by Council on 1<sup>st</sup> March 2018 where they were fully revised to reflect the changes to the operating model of the Council. 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 minor changes made to reflect updated procedures and service delivery methods.

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

### RECOMMENDATIONS

1	That Audit Committee endorse the updated Financial Procedure Rules and recommend that 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, 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"><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 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 2017 and were approved by Council on 1st 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	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.
1.08	Following approval of the FPR's the Finance Team will 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.
1.09	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 quarterly basis.
1.10	<b>Next Steps</b>  The Financial Procedure Rules will be considered by Constitution Committee on 5 <sup>th</sup> March 2020 prior to County Council on 5 <sup>th</sup> May 2020.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	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.
<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	The FPR's contribute to minimising the financial risks across the Council.
<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	The proposed changes have been prepared in consultation with the Chief Officer Team, Financial Management Team and Internal Audit.
<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 - Financial Procedure Rules Appendix 2 – Financial Procedure Rules (with tracked changes) Appendix 3 – Glossary of Terms
<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None
<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Gary Ferguson <b>Telephone:</b> 01352 702271 <b>E-mail:</b> gary.ferguson@flintshire.gov.uk
<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
	See Appendix 3 of the report