
REPORT TO: FINANCE & MANAGEMENT

AGENDA ITEM: 11

DATE OF MEETING: 19th FEBRUARY 2002

CATEGORY: OPEN DELEGATED

REPORT FROM: CHIEF FINANCE OFFICER

MEMBERS' CONTACT POINT: TERRY NEAVES (5800)

DOC: s:\cent_serv\committee reports\finance and management\19feb 2002\financial regulations.doc

SUBJECT: FINANCIAL REGULATIONS & PROCEDURE RULES

REF: TJN/SH

WARD(S) AFFECTED: ALL

TERMS OF REFERENCE: F3

1. Recommendations

1.1 The Finance and Management Committee is asked to approve:-

- Financial Regulations (to follow)
- Financial Procedure Rules

2. Purpose of Report

2.1 To seek member approval for Financial Regulations and Financial Procedure Rules.

3. Detail

3.1 In May 2001, members approved a modernised committee structure. This heralded new scrutiny arrangements for council decision making.

3.2 The modernised arrangements also introduced changes in responsibilities for committees, members and officers.

3.3 As a result it has been necessary to review the Council's Financial Regulations to take into account these changes as well as recognised good practice.

3.4 Annexe A sets out revised Financial Regulations and Financial Procedure Rules.

- ◆ **Financial Regulations** set out the key areas where the Council seeks to control the financial management and administration of the authority.
- ◆ **Financial Procedure Rules** set out in detail how members and officers can manage and administer council finances.

3.5 The revised regulations and procedure rules are based on best practice as set out by the Chartered Institute of Public Finance & Accountancy (C.I.P.F.A), the professional accounting body for the public sector.

- 3.6 Every effort has been made to also reflect specific issues for South Derbyshire. In particular the revised regulations build on existing regulations in force within the Council.
- 3.7 The Regulations and procedure rules apply to all members and staff across the council. It is clearly important that they have an awareness of these rules and accordingly training will be arranged.

Financial Regulations

- 3.8 These are split into five main areas as follows:-

A: Financial Management – which covers accounting arrangements and policies as well as control.

B: Financial Planning – which looks at how the Council plans and budgets for future spending.

C: Risk Management – to identify the controls that need to be in place to reduce the risk of fraud and financial irregularity.

D: Financial Administration – setting out the procedures that need to be followed for day to day financial administration e.g. collecting income, awarding contracts etc.

E: External Arrangements – sets out good practice when working in partnership with other organisations, which can itself present a range of new financial risks to the Council.

- 3.9 Each of these areas is then supported by detailed procedure rules.

4. Financial Implications

- 4.1 The Financial Regulations do not in themselves have any direct financial implications but help to reduce the risk of significant and potentially avoidable costs to the Council.

5. Conclusions

- 5.1 The revised financial regulations are a key tool in promoting further good practice in managing and administering council finances.

6. Background Papers

None.