

Financial Regulations and Scheme of Delegation for Financial Management

1. Financial Regulations and Scheme of Delegation for Financial Management

Report by Cllr John Spence, Cabinet Member for Finance, Housing and Planning

Enquiries to Margaret Lee, Executive Director for Corporate and Customer Services Tel. No. 03330 134558

Purpose of report

On the recommendation of the Cabinet, Council is asked to approve the revised Financial Regulations and Scheme of Delegation for Financial Management.

Recommended:

That the revised Financial Regulations and Scheme of Delegation for Financial Management, as set out in Appendix A to this report be approved.

Background and proposals

The Financial Regulations and Scheme of Delegation for Financial Management set out the financial policies and the framework for managing the Council's affairs. They seek to ensure that the Council conducts its affairs in a way that complies with specific statutory provisions, generally accepted accounting principles and professional good practice. The Financial Regulations and Scheme of Delegation for Financial Management are kept under continuous review.

Many of the thresholds for financial decision making that are defined within Financial Regulations are aligned to the Council's key decision threshold, which is defined within the Constitution. As the key decision threshold was recently increased, from £500,000 to £2m, it is appropriate to review financial thresholds within Financial Regulations.

Whilst reviewing the financial thresholds, the opportunity has also been taken to undertake a general review of the Financial Regulations.

The aim of the amendments is to ensure we manage ECC's risks appropriately, whilst having a process and procedures framework that is proportionate to ECC's risk.

The proposed revisions to the Financial Regulations and Scheme of Delegation for Financial Management were considered by the Audit Committee on 12 December 2016, and subsequently by the Cabinet on 24 January 2017. Both supported the proposed revisions to the Financial Regulations and Scheme of Delegation for Financial Management, and recommended their adoption by full Council.

Policy context

The Financial Regulations set out the financial policies and the framework for managing the Council's financial affairs, and the Scheme of Delegation for Financial Management explains how the Council's Financial Regulations are implemented and operated in practice. Together, they aim to ensure that the Council conducts its financial affairs in a way that complies with specific statutory provisions and best practice and that an effective internal controls framework is maintained.

Financial Implications

There are no specific financial implications associated with this report.

Legal Implications

Financial Regulations form part of the standing orders of the Council and therefore form part of the Constitution. It is important that the Regulations are internally consistent and are consistent with other documents – otherwise decisions taken by the Council may be subject to challenge. It is also important that rules are as clear as possible.

Staffing and other resource implications

There are no staffing or other resource implications associated with this report.

Equality and Diversity implications

These Regulations relate to the Council's internal processes. They are designed to make the Council more efficient and thus help ensure that the use of resources is maximised for the benefit of all Essex residents. There are no specific equality and diversity implications associated with this report.