

**FLINTSHIRE COUNTY COUNCIL**

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| <b>Date of Meeting</b> | Thursday, 1 March 2018    |
| <b>Report Subject</b>  | Financial Procedure Rules |
| <b>Report Author</b>   | Corporate Finance Manager |

**EXECUTIVE SUMMARY**

To provide County Council with the proposed updated Financial Procedure Rules (FPR's) as detailed in Appendix A.

The proposed changes have been prepared in consultation with the relevant service managers and the Chief Officer Team.

The draft financial procedure rules were reported to Audit Committee on 22 November 2017 and to Constitution Committee on 31 January 2018.

Both Committees resolved that the draft FPR's should be referred to Council for approval.

The Constitution Committee requested amendments relating to clarification of the threshold for action plans for overspends and amendments of wording relating to disposal of assets and use of Reserves.

These changes have been incorporated in the final version of the FPR's.

**RECOMMENDATIONS**

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| 1 | That Members approve the updated Financial Procedure Rules. |
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**REPORT DETAILS**

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| <b>1.00</b> | <b>EXPLAINING THE FINANCIAL PROCEDURE RULES</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 |

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|      | proper administration of its financial affairs.   |
| 1.02 | The FPR's state that: 'The Chief Finance Officer is the Officer responsible for the interpretation of these Procedure Rules, responsible for ensuring that they remain appropriate to the Council's activities. An annual review will take place and each individual rule will be reviewed at least every two years. The outcome of each review will be reported to Council, along with any recommendations for changes. Should there be any urgent changes required; these will be recommended to Council between annual reviews.  |
| 1.03 | The FPR's were fully reviewed in 2017 and minor changes made to reflect updated procedures and service delivery methods. A summarised version of the Financial Procedure Rules is available for Managers.   |
| 1.04 | <p>The main changes to the following sections are:</p> <p>3.2 Budgets and Medium Term Planning – changes to reflect the status of Medium Term Financial Strategy</p> <p>3.3 Budgetary Control – refers to the responsibilities of Chief Officers and Collaborative Planning</p> <p>3.3.2 Virement amount changed from £75,000 to £100,000</p> <p>4.5 Treasury Management – to ensure compliance with current legislation</p> <p>4.6 Imprest Accounts – changed to tighten controls</p> <p>5.3 Ordering of Goods and Services – reflects P2P</p> <p>5.4 Payments to employees and members – reviewed to ensure controls are relevant</p> <p>5.5 Taxation – reviewed to ensure current VAT legislation and practice followed</p> <p>5.6 Trading Accounts and Business Units – refers to where services provided via an ADM specific Financial Regulations will be incorporated into individual models</p> |

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| <b>2.00</b> | <b>RESOURCE IMPLICATIONS</b>   |
| 2.01        | The implementation of these rules ensures robust, consistent financial processes across the Authority. |

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| <b>3.00</b> | <b>CONSULTATIONS REQUIRED / CARRIED OUT</b> |
| 3.01        | Chief Officer Team<br>Audit Committee       |

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|  | Constitution Committee |
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| <b>4.00</b> | <b>RISK MANAGEMENT</b>   |
| 4.01        | Financial Procedure Rules are a key part of management of financial risk within the Council. |

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| <b>5.00</b> | <b>APPENDICES</b>  |
| 5.01        | Appendix A – Copy of the updated Financial Procedure Rules<br>Appendix B – Glossary of Terms |

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| <b>6.00</b> | <b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>   |
| 6.01        | <b>Contact Officer:</b> Gary Ferguson Corporate Finance Manager<br><b>Telephone:</b> 01352 702271<br><b>E-mail:</b> <a href="mailto:gary.ferguson@flintshire.gov.uk">gary.ferguson@flintshire.gov.uk</a> |

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| <b>7.00</b> | <b>GLOSSARY OF TERMS</b>  |
| 7.01        | As detailed in Appendix B |