

# Review of Financial Regulations

## Report of the Treasurer

For further information about this report please contact James Walton, Treasurer, on 01743 255011 or Joanne Coadey, Head of Finance, on 01743 260215.

### 1 Purpose of Report

This report asks Members to consider and agree the draft Financial Regulations, following the major review carried out by officers.

### 2 Recommendations

The Fire Authority is asked to consider the revised Financial Regulations and approve their adoption.

### 3 Background

As part of its constitution the Fire Authority has in place the following documents:

- Scheme of Delegation to Officers;
- Standing Orders for the Regulation of Proceedings and Business;
- Standing Orders relating to Contracts; and
- Financial Regulations Standing Orders.

Although not a legal requirement, it is deemed good practice for local authorities to review these documents on a regular basis.

Financial Regulations have been subject to minor changes since the existing version was adopted in 2002, following the issue of a model set of Financial Regulations by the Chartered Institute of Public Finance and Accountancy (CIPFA). The model set is a comprehensive document, which details the responsibilities and processes required for the sound financial management and control of local authorities.

When revising the Financial Regulations in 2002, the approach of officers was to condense the key points with further guidance being detailed in a series of Brigade Orders.

Whilst this met the needs of the Fire Authority at the time, the fragmentation of the Regulations across separate documents is no longer practically manageable. Furthermore, advice provided by Internal Audit has also raised awareness that the existing Regulations may not be sufficiently robust to support the Authority in the event that disciplinary action were to be considered against an employee suspected of financial misdemeanour or contravention of the Regulations.

## **4 Review**

In light of the above officers propose that Financial Regulations be brought back into a single document, based upon the CIPFA model. This would provide the Authority with a sound governance document and a single source of reference for all staff, clearly outlining their responsibilities in relation to this area. In order to provide practical guidance on how the Regulations should be interpreted and applied, officers are compiling a suite of detailed procedure notes, which will ensure a consistent application of practices and controls on a day-to-day basis. Once completed, these procedure notes will be made accessible to all staff.

Officers, therefore, recommend that the revised Financial Regulations be adopted, with any subsequent amendments brought to the Fire Authority as need arises. It is also intended that the Treasurer will be responsible for ensuring that the associated procedure notes are subject to regular review and amendment, where necessary, to reflect current practices.

As the draft Financial Regulations run to 58 pages, they have not been attached to this report but can be accessed via the following link:

<https://www.shropshirefire.gov.uk/meeting/7-october-2015>

To receive a paper copy of the document please contact officers at Brigade Headquarters.

## **5 Financial Implications**

There are no financial implications arising from this report.

## **6 Legal Comment**

Although not a legal requirement, it is deemed good practice for local authorities to review Financial Regulations on a regular basis.

## **7 Initial Impact Assessment**

An Initial Impact Assessment has been completed.

## **8 Appendices**

There are no appendices attached to this report.

## **9 Background Papers**

There are no background papers associated with this report other than the Draft Financial Regulations.