

Improving Tandridge District Council's Financial Management and Reporting Arrangements

Financial Regulations

Strategy and Resources Committee, 1st February 2022

Report of: Head of Legal Services and Monitoring Officer, and
Chief Finance Officer

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report presents the draft Financial Regulations which form part of the Council's Constitution. The current Financial Regulations are no longer fit for purpose, and do not meet CIPFA's standards for effective financial management and governance.

This report supports the Council's priority of: Building a better Council – making the Council financially stable and providing residents with the best possible services.

Contact officer: Lidia Harrison, Head of Legal Services and Monitoring Officer
lharrison@tandridge.gov.uk

Anna Alessandro, Chief Finance Officer (CFO) and Section 151 Officer.

ADAlessandro@tandridge.gov.uk

Recommendation to Committee:

That the Committee comments on the draft Financial Regulations at Appendix A and make amendments in consultation with the Monitoring Officer and Chief Financial Officer prior to bringing to Full Council for formal approval.

Reason for recommendation:

Any major organisation needs a set of clearly understood rules and regulations to manage its financial affairs. So, in line with Section 151 of the Local Government Act 1972, the Chief Finance Officer and the Head of Legal and Monitoring Officer have revised the Financial Regulations in line with good practice.

The main changes in Financial Regulations will have the following effects:

- Clarify the responsibilities of Council and Committees in respect of key strategic financial management activities such as the setting, and monitoring of budgets, the closing of accounts and good governance.
 - Make clear the responsibilities of Officers for managing budgets, authorising transactions, safe custody of assets, financial accounting and reporting requirements and similar matters.
 - Clarify operational procedures associated with the above responsibilities and increase the accountability of Officers for budgetary control and the effective use and custody of other assets for which they are responsible.
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1. Introduction and Background

- 1.1 There is a need to change the Council's Financial Regulations because the Council's current Regulations are not fit for purpose and do not meet CIPFA's standards.
- 1.2 The Financial Regulations determine the delegations to Officers for routine matters such as responsibility and accountability for managing budgets, financial limits for authorising payments and reporting requirements. Hence it is important that they are kept up to date and reflect the most efficient and effective ways of working.
- 1.3 A detailed review has been undertaken to reflect the changes that have occurred since the regulations were last reviewed in 2013. The Head of Legal and Monitoring Officer began re-writing the Regulations with support from the LGA (Heather Wills) and further changes were then made by the Independent Adviser (Laura Rowley) as an adjunct to her Report on this Agenda.

1.4 The revisions are now complete subject to some minor changes that may be required to reflect developments in other policy areas being considered by the Strategy and Resources Committee and Council. The Head of Legal and Monitoring Officer will make any amendments requested by Strategy and Resources Committee prior to bringing these Draft Financial Regulations to Council.

2 Comments of the Chief Finance Officer (S151 Officer)

- 2.1 The CFO is fully supportive of the proposal to bring Financial Regulations up to date and in line with CIPFA standards.
- 2.2 Changes to Financial Regulations are essential if the Council is to clarify the responsibilities and accountabilities of Officers and Members.
- 2.3 The changes in Financial Regulations will also improve the Council's strategic and operational financial management and risk management arrangements.
- 2.4 The changes support the Council's plans for transforming Tandridge and are an essential element of the framework for good governance in the public sector.

3 Comments of Head of Legal Services and Monitoring Officer

3.1 Financial Regulations set out the key rules, regulations and guidance which must be followed to maintain financial controls within the Council. The previous Financial Regulations had been in place for some time without formal review. These regulations have been updated to reflect practical arrangements in place and have been written in a way that is easily understandable and more easily adhered to. As they are part of the Council's constitution they will need to be approved by Full Council following review by this Committee.

4.0 Climate Change

There are no implications for climate change arising from this report.

5.0 Equality

There are no implications for equality arising from this report.