

Audit and Governance Committee

Meeting to be held on Monday, 30 January 2017

Electoral Division affected: (All Divisions)

Financial Regulations
(Appendix 'A' refers)

Contact for further information:

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Executive Summary

The Council's Financial Regulations provide the framework for managing the Council's financial affairs and form part of the County Council's Constitution. 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 revised Financial Regulations are set out at Appendix 'A'.

Recommendation

The Committee is requested to consider the proposed revisions to the Financial Regulations and agree that the revised Financial Regulations at Appendix 'A' be submitted to Full Council for approval.

Background and Advice

Lancashire County Council is responsible for many millions of pounds of public money and has a number of statutory responsibilities in relation to its financial affairs under the following Acts:

- The Local Government Act 1972
- Local Government Finance Act 1982
- The Accounts and Audit Regulations 2015
- The Local Audit and Accountability Act 2014

The Financial Regulations provide the framework for managing the Council's financial affairs. They identify the financial responsibilities of Members and Officers of the Council.

The Council's Financial Regulations have been updated to reflect changes in the Council's operating arrangements. The revised Financial Regulations are set out at Appendix 'A'.

The main changes to the Financial Regulations are detailed below:

- Removal of references to the Lancashire County Commercial Group (LCCG);
- Replace references to 'County Treasurer' with 'Chief Finance Officer';
- Replace references to 'Chief Officers' with 'Heads of Service/Directors';
- Increase the limits relating to capital variations from '10% of the amount approved for the scheme or £40,000 (whichever is the lower)' to '20% of the amount approved for the scheme or £100,000 (whichever is the lower)' (paragraph 2.8);
- Increase the limit in respect of the capital post-completion statement from £70,000 to £1,000,000 (paragraph 2.11);
- Increase the financial limits for the Scheme of Virement from '5% of the gross expenditure or £140,000 (whichever is the lower)' to '10% of the gross expenditure or £250,000 (whichever is the lower)' (paragraph 2.17);
- Inclusion of sections relating to:
 - i. Maintenance of Reserves
 - ii. Treatment of Year End Balances
 - iii. Financial Implications of Reports
 - iv. Taxation

The Financial Regulations will be supplemented by Financial Regulations Guidance Notes and detailed Financial Procedure Rules based on the Chartered Institute of Public Finance and Accountancy (CIPFA) best practice. These are designed to help users understand the implications and support implementation of the Financial Regulations. The guidance notes are not required to be agreed by Full Council and will be issued following approval of the Financial Regulations.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

All members and officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the

use of all Council resources is legal, is properly authorised and provides value for money.

Legal

As set out in the report.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
N/A	N/A	N/A
Reason for inclusion in Part II, if appropriate		
N/A		