



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

TUESDAY, 19 MARCH 2024

Report of the Director - Finance and ICT

REVISED FINANCIAL REGULATIONS

1. Purpose

- 1.1 To consider the proposed amendments to the Council's Financial Regulations & Standing Orders Relating to Contracts and recommend approval of the updated documents to Council.

2. Information and Analysis

- 2.1 A detailed revision of the Council's Financial Regulations took place in 2017 and 2018 with a further review during the latter part of 2020.
- 2.2 It is considered to be good financial management practice to review the Regulations and Standing Orders on a regular basis to ensure that they are fit for purpose and accord with the Council's Constitution and relevant legislation.
- 2.3 Many of the titles and references to policies referred to in the current Regulations have changed and these have been updated where appropriate.
- 2.4 These changes will be underpinned by revised schemes of Departmental financial delegation in compliance with the revised Financial Regulations and Standing Orders relating to Contracts.
- 2.5 The key changes included for consideration by the Committee, are:

Financial Regulations:

- Virements to have Chief Financial Officer approval with amount amended to bring in line with key decisions.
- Use of reserves requiring Chief Financial Officer approval.
- Clarity around Budget Holder responsibilities.
- Clarity around Audit, Risk and Insurance matters.
- Reference to the Council's 'No Purchase Order, No Pay' Policy
- Several wording changes and clarity in respect of ordering and paying for work, goods and services, arrangements reflecting the corporate landlord model and debt recovery to reflect current cost controls and working practices.
- Numerous small textual changes including officer job titles

Standing Orders Relating to Contracts:

- A change to Protocol 2a to include for an approved external Framework list.
- The creation of Protocol 4 – to accommodate the new requirements of The Provider Selection Regime (PSR) which came into force on 1 January 2024.
- The change of Protocol 7a threshold of £1,000 to £5,000
- The change of Protocol 7b threshold from £5,000 to £50,000
- The change of title for Protocol 8 from Sole Supplier to Award of Contract without competition.
- The removal of Protocol 9
- A change of Protocol 10 to incorporate the requirements previously required under Protocol 9
- The replacement of all reference to OJEU to Find a Tender Service (FTS).
- The e-notification service is used to post and view public sector procurement notices.
- The removal of all reference to European Union (EU) Law.

3. Consultation

- 3.1 These documents form part of the financial control and governance arrangements of the Council and therefore have no consultation requirements.

4. Alternative Options Considered

4.1 None – The Financial Regulations and Standing Orders are an essential part of the financial control and governance arrangements of the Council and therefore no alternative options are appropriate.

5. Implications

5.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

6. Background Papers

6.1 None

7. Appendices

7.1 Appendix 2 – Draft Financial Regulations
Appendix 3 – Draft Standing Orders Relating to Contracts

8. Recommendation(s)

That Committee:

- a) considers the proposed amendments to the Council's Financial Regulations & Standing Orders Relating to Contracts and recommend approval of the updated documents to Council
- b) Notes that approval for the proposed amendments to progress to Council will be sought from the Governance, Ethics and Standards Committee

9. Reasons for Recommendation(s)

9.1 To ensure that the Councils financial governance arrangements remain appropriate

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Implications

Financial

- 1.1 To conduct its business efficiently a local authority needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations, which set out the financial policies of the Council, and Standing Orders Relating to Contracts which establish a framework for all procurement activity. All decisions and transactions of the Council must be undertaken in accordance with Financial Regulations and Standing Orders.

Legal

- 2.1 The review of the Council's Financial Regulations and Standing Orders relating to contracts has been conducted in accordance with the Local Government Act 1972.
- 2.2 The Chief Financial Officer has legal responsibilities for the financial administration of the Council's affairs and for determining the procedures and systems (whether electronic or not) to achieve this.
- 2.3 The Director of Legal Services as Monitoring Officer has responsibilities for legal compliance/probity.
- 2.4 Financial Regulations and Procedures apply to all Members and employees and to all transactions.

Human Resources

- 3.1 Financial regulations apply to every Member and Officer of the Council and anyone acting on behalf of the Council. They provide clarity about the accountabilities of individuals. Cabinet Members and Executive Directors should maintain a written record where these responsibilities have been delegated to their employees including devolved employees.

The Code of Conduct for Employees will apply where there is a failure to comply with financial regulations. This may result in action being taken under the Council's disciplinary procedures.

It is important that employees are familiar with the detail that applies to them in their daily role.

Information Technology

4.1 None

Equalities Impact

5.1 None

Corporate objectives and priorities for change

6.1 Effective governance of the Councils Financial resources contributes towards delivery of High performing, value for money and resident focused services