

SCHEME OF FINANCIAL MANAGEMENT

To: **General Purposes Committee**

Meeting Date: **15th March 2016**

From: **Chief Finance Officer**

Electoral division(s): **All**

Forward Plan ref: **N/A**

Key decision: **N/A**

Purpose: **To present the updated Scheme of Financial Management.**

Recommendation: **General Purposes Committee is recommended to:**

- a) Review the updated Scheme of Financial Management (Appendix A).**
- b) Recommend to Council that it approves the revised Scheme of Financial Management for inclusion in the Council's Constitution.**
- c) Recommend to Council that it delegates authority to the Chief Finance Officer, in consultation with Group Leaders, to approve any changes as may be necessary from time to time to reflect and take account of changes in legislation, guidance, Council policy, decisions of the Council and any drafting changes or improvements to the Scheme of Financial Management (see section 2.5).**

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1. BACKGROUND

- 1.1 The Scheme of Financial Management (SoFM) sets out the Council's financial regulations. The regulations are required by law and by the Council's Constitution (Part 4: Rules of Procedure). They detail the responsibility of officers in ensuring the proper administration of the Council's financial affairs and should be read in conjunction with the Scheme of Delegation to Officers, which is contained within Part 3 (Responsibility for Functions) of the Council's Constitution.
- 1.2 The Chief Finance Officer is designated under Section 151 of the Local Government Act 1972 to be responsible for the proper administration of the Council's affairs. The SoFM is therefore a vital document to ensure the CFO meets this obligation.

2. MAIN ISSUES

- 2.1 The Scheme of Delegation to Officers, which is contained within Part 3: Responsibility for Functions of the Council's Constitution, is being updated to reflect the necessary changes of the proposed on boarding of Milton Keynes into LGSS as a partner.
- 2.2 As such, the SoFM has been reviewed to ensure it is consistent with the updated Scheme of Delegation to Officers and to provide supporting documentation due to its linkages with the Council's Constitution. The revised Scheme of Delegation to Officers will make reference to the SoFM rather than include threshold figures in order to avoid the need to update different sections of the Constitution with the same information.
- 2.3 Recent updates to the SoFM include:
 - Barclays Scheme of Operation – *hyperlinked within section 4.2 and 22.3;*
 - Debt Policy to incorporate the LGSS Collections Strategy – *section 12;*
 - merging of the 'Finance Management Arrangements For Services' guidance into the SoFM (previously this was a separate document) – *section 30;*
 - a review of the Retention of Financial Records, including the inclusion of the 'Capital Working Papers and Documentation' period of retention – *Appendix B;* and
 - a general review of the document to ensure that any thresholds are consistent with those quoted within the Council's Constitution.
- 2.4 The latest SoFM can be found in **Appendix A**.
- 2.5 It is recommended that the Chief Finance Officer has delegated power to approve such amendments to the Council's SoFM and related documents, in consultation with Group Leaders, as may be necessary from time to time to reflect and take account of changes in legislation, guidance, Council policy, decisions of the Council and any drafting changes or improvements. This shall not include any changes of substance.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

There are no significant implications within this category.

4.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
Scheme of Financial Management	1 st Floor, Octagon, Shire Hall, Cambridge