

Proposed changes to the Maldon District Council Financial Regulations and Financial Procedures

Item	Reference	Change	Text
<b>2. Financial Regulations</b>			
<b>a) Financial Management</b>			
1	3 The Committees	Add	Strategy and Resources Committee to ensure maintenance of the Medium-Term Financial Strategy (MTFS) with periodic updates during the year.
2	3 The Committees 3.2	Add	Performance, Governance and Audit Committee to seek assurance from Director of Finance, Internal and External Auditors regarding the accuracy of the financial statements.
3	4 The Statutory Officers 4.3.2 (a)	Add	“and the maintenance of appropriate financial records”
4	Directors 5.1	Add	<p>Directors are responsible for ensuring that service managers and heads of service appropriately plan and manage their budgets within approved limits (set within the February budget decisions of Council).</p> <p>That the Directors work with their service managers and heads of service to balance spending pressures across their directorate portfolios.</p> <p>That Directors are required to pro-actively advise the Director of Finance of any significant financial plans in their areas of responsibility at the earliest opportunity.</p>
5	6 Other Financial Accountabilities 6.5	Add	Accounts are to be prepared in line with published statutory deadlines and/or backstop dates.
<b>b) Financial Planning</b>			
6	2 Policy framework 2.1	Add	The policy framework of the Council includes the Corporate Plan, the Asset Management Plan (AMP) and the Human Resources Strategy.
7	3.2 Budget Preparation 3.2.1	Amend	<p>“The Director of Finance is responsible for ensuring that a revenue budget is prepared on an annual basis and a MTFS at least on a three-yearly basis...” amended to read</p> <p>“The Director of Finance is responsible for ensuring that a revenue budget and MTFS is prepared on an annual basis... “</p>

Item	Reference	Change	Text
8	3.3 Budget Monitoring and Control 3.3.2	Add	<p>Actions to be taken by Directors are expected to follow the following escalation route in managing budget pressures:</p> <ol style="list-style-type: none"> <li>1) within a cost centre</li> <li>2) between across cost centres</li> <li>3) between services</li> <li>4) escalation to Senior Leadership Team (SLT)</li> <li>5) escalation to Director of Finance</li> </ol>
9	4 Maintenance of Reserves 4.1	Add	<p>Earmarked reserves and the prudent minimum level of general reserves should have clearly identified commitments or estimated use to justify them.</p> <p>Reserves greater than the prudent minimum level of reserves which are not so committed can be applied to operational objectives.</p> <p>Where uncommitted reserves exceed the Core Spending Power for the year, they may be regarded as 'excess' and possible application of them should be considered by the Strategy and Resources Committee.</p> <p>Forecast levels of reserves must be reported quarterly to the Strategy and Resources Committee.</p>
<b>c) Risk Management and Control of Resources</b>			
10	3. Internal Control 3.3	Add	<p>The Internal Audit function exists to provide Officers and Members assurance regarding the adequacy of the risk management environment of the Council and the effectiveness of the controls and policies implemented in different service areas.</p>
<b>d) Systems and Procedures</b>			
11	3. Income and Expenditure 3.1	Add	<p>Delegation originates from Council decision making. The approval of budget proposals in February delegates responsibility for delivery of services in line with the corporate plan and local service plans to Directors, within the constraints of the approved net budget limits. It is expected that Directors delegate routine budget decisions to service managers and heads of service.</p>

Item	Reference	Change	Text
<b>Appendix B – Financial Planning</b>			
<b>B.2. Budgeting</b>			
12	B.2.5 Key Controls 2.5.1	Add	The monthly forecast of budget performance to the end of the year (for Officers) and the publication of quarterly reports of expected budget performance to year end (for Members) is based upon estimates of expected income and expenditure. All such estimates are to be based upon latest information and are to reflect a ‘best estimate’. The ‘best estimate’ is defined as being the ‘most likely’ outcome. A ‘best’ estimate is therefore not a preferred, feared, best-case or worst-case estimate, but the estimate ‘from which the least change is expected’. This is consistent with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code definitions, which recommend use of ‘best estimates’ in preparing accounts where actual values are not available.
13	B.2.6 Responsibilities of the Director of Finance 2.6.1 (a)	add	...using best estimates (as described above).
<b>B.3. Maintenance of Reserves</b>			
14	B.3.2 Key Controls 3.2.2	add	To report quarterly to the Strategy and Resources Committee the likely level of uncommitted reserves (general and earmarked) expected to be held at the end of the financial year.
<b>Appendix C – Risk Management and Control of Resources</b>			
<b>C.5. Assets</b>			
15	5.2 Key Controls 5.2.1 (d)	Add	“an asset register <i>and an asset management plan...</i> ”
<b>Appendix F – Financial Limits</b>			
<b>F.1. General</b>			
16	F.1.7 Excess capital expenditure	Amend	“5% or £10,000 whichever is the greater” to be replaced with “10% or £10,000 whichever is the greater”

Item	Reference	Change	Text
<b>Appendix H – Authorisation Arrangements</b>			
17		Add	<p>Authorisation arrangements are as follows:</p> <ol style="list-style-type: none"> <li>1. Delegation originates from Council decision making. The approval of budget proposals in February delegates responsibility for delivery of services in line with the Corporate Plan and local service plans to Directors, within the constraints of the approved net budget limits.</li> <li>2. Officers are not required to seek subsequent authorisation from Members where the budget delegation has already been made.</li> <li>3. It is expected that Directors delegate routine budget decisions to service managers and heads of service.</li> <li>4. Authorisation for expenditure approved within the budget is then progressed based on the following table...</li> <li>5. Where the Council has not yet approved expenditure, then the virements and supplementary estimate procedures will apply.</li> </ol>