

## Audit Committee

4 April 2013



## Financial Management Standards

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### Don McLure, Corporate Director Resources

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#### Purpose of the Report

1. The purpose of this report is to update the Audit Committee on the development and implementation of Financial Management Standards.
2. Financial Management Standard (FMS) 01, attached at Appendix 2, provides an introduction to what the Standards are, why they are important and lists the standards developed.
3. A link to the Standard's on the intranet can be found at:  
<http://intranet/Pages/PoliciesandProceduresDetails.aspx?ItemId=2681>

#### Background

4. Good, sound financial management is a key element of the Council's Corporate Governance Framework and aims to secure value for money, control spending, ensure due probity of transactions and allow decisions to be informed by accurate accounting information.
5. Financial Procedure Rules within the Council's Constitution provide the overall high level framework for managing the Council's financial affairs. These were developed for the unitary council in 2009 following local government reorganisation.
6. At the time Financial Procedure Rules were developed, the more detailed financial management framework was in many areas yet to be determined. This was largely due to the extent of change in systems, processes, procedures and staffing. It is only really in the last year with the unitisation of the finance function and the consolidation of key financial systems that a more detailed framework could be finalised.
7. Underpinning the FMS's are a number of detailed policies, procedures and documentation and where possible a link is provided within the Standards to individual policies and procedures on the intranet. More links will be established as more information is added to the intranet.
8. Responsibility for monitoring compliance with the Standards and ensuring that they and the Financial Procedure Rules are reviewed on a continuous basis is the responsibility of the Corporate Director Resources as the Council's Chief Financial Officer.

9. Corporate Directors and Heads of Service are ultimately responsible for ensuring the Standards are applied and observed and for reporting any known or suspected breaches of the Standards to the Chief Financial Officer.

**Recommendations and reasons**

10. The Committee note the report to gain further assurance on the adequacy and effectiveness of the Council's financial management control framework.

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## **Appendix 1: Implications**

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### **Finance -**

Financial Management Standard's are a key aspect of the Council's Financial Control Framework.

### **Staffing -**

None

### **Risk -**

None

### **Equality and Diversity / Public Sector Equality Duty -**

None

### **Accommodation -**

None

### **Crime and Disorder -**

None

### **Human Rights -**

None

### **Consultation -**

None

### **Procurement -**

None

### **Disability Issues -**

None

### **Legal Implications -**

None