

## **FINANCIAL REGULATIONS**

### **Report by Director, Finance & Corporate Governance Scottish Borders Council**

---

**22 February 2022**

---

#### **1 PURPOSE AND SUMMARY**

- 1.1 The purpose of this report is to seek members' approval for an updated version of the Council's Financial Regulations.**
- 1.2 Financial Regulations are a key element in the governance arrangements for the Council. They focus primarily on the financial control, management and administration of the Council's financial affairs. The Regulations were last reviewed in 2018/19.
- 1.3 Updates to the Financial Regulations reflect the new corporate structure, services and job titles. Pronouns used throughout the document have also been updated from he/his to they/ their
- 1.4 Generally the Regulations have been brought up to date to reflect changes in management responsibilities and procedures. There are no substantial changes in terms of the principles behind the Regulations or the control arrangements currently in place.

#### **2 RECOMMENDATIONS**

- 2.1 It is recommended that Council approves the revised Financial Regulations shown at Appendix 1 for immediate implementation.**

### **3 BACKGROUND**

- 3.1 Section 95 of the Local Government (Scotland) Act 1973 places a duty on every Local Authority to 'make arrangements for the proper administration of their financial affairs'. One of the key ways in which the Council discharges that duty is to establish a framework for the financial control, management and administration of the Council's affairs; this is done through the Financial Regulations. The Council's Procedural Standing Orders require these Regulations to be approved by Council.
- 3.2 For the purpose of completeness the other main documents which identify the Council's overall governance arrangements are:
- Procedural Standing Orders
  - Scheme of Administration
  - Scheme of Delegation
  - Local Code of Corporate Governance

### **4 AMENDMENTS TO FINANCIAL REGULATIONS**

- 4.1 The last review of Financial Regulations was approved by Council on 29 November 2018. Since then there has been some senior restructuring within the Council, and an associated need to reflect this in the Financial Regulations. The main changes to the regulations reflect the new corporate structure, services and job titles. Pronouns used throughout the document have also been updated from he/his to they/their.
- 4.2 Generally the Regulations have been brought up to date to reflect changes in management responsibilities and procedures. There are no substantial changes in terms of the principles behind the Regulations or the control arrangements currently in place.

### **5 IMPLICATIONS**

#### **5.1 Financial**

There are no direct financial implications attached to any of the recommendations contained in this report.

#### **5.2 Risk and Mitigations**

Financial Regulations provide a framework for the control, management and administration of the Council's financial affairs. Implementation of control measures, most of which are vested in the Section 95 Officer (and by implication staff and systems deployed by them), help to mitigate a number of financial risks by ensuring compliance to the regulations.

The effective implementation of the financial regulations, through prudent risk management brings many benefits to the Council, including: improved governance and accountability, enhanced credibility, facilitation of effective decision making and protection against reputational damage.

The importance of Risk Management is specifically highlighted in Section 14 of the Financial Regulations and gives reference to the need to identify, assess and control/manage risks through the development of mitigating actions, referring to the expectations of managers in this regard.

This is underpinned by the work the organisation continues to undertake to identify, assess, control, review and report on financial risks at corporate and service levels as well as in regard to financial funds (e.g. the pension fund), relevant strategies and programmes to ensure that the Council meets the obligations set out in the Financial Regulations.

### 5.3 **Integrated Impact Assessment**

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report. Amendments have been made to the Financial Regulations to remove reference to he/his, and use the pronouns they/their to ensure the document is gender neutral.

### 5.4 **Sustainable Development Goals**

There are no significant effects on the economy, community or environment.

### 5.5 **Climate Change**

No effect on carbon emissions are anticipated from the recommendation of this report.

### 5.6 **Rural Proofing**

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

### 5.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

### 5.8 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to the Schemes of Administration or Delegation as a result of this report.

## **6 CONSULTATION**

6.1 The Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into this final report.

### **Approved by**

**David Robertson**

**Director, Finance & Corporate Governance**

### **Author(s)**

Name	Designation and Contact Number
Suzy Douglas	Financial Services Manager X5881

**Background Papers:** [insert list of background papers used in compiling report]

**Previous Minute Reference:** [insert last Minute reference (if any)]

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Suzanne Douglas can also give information on other language translations as well as providing additional copies.

Contact us at [sdouglas@scotborders.gov.uk](mailto:sdouglas@scotborders.gov.uk)