

Audit Committee

6 March 2023



Report of:

Service Director: Finance

Title:

Administrative changes to the Finance Scheme of Delegation

Ward:

City Wide

Officer Presenting Report:

Denise Murray: Service Director Finance

Recommendations

That the Audit Committee note the administrative changes to the Finance Scheme of Delegation as set out in this report.

Summary

The report sets out a number of administrative changes to the Finance Scheme of delegation which have been made by the Section 151 Officer under delegated powers. The changes seek to ensure consistency with Financial Regulations and other related documents and add greater clarity to the scheme in reflecting current practice and in line with the recommendations from the internal audit review reported to January 2023 Audit Committee.



1. Purpose

- 1.1. The Financial Regulations set out the financial policies and the framework for managing the council's financial affairs, and the Finance Scheme of Delegation explains how the council's Financial Regulations are implemented and operated in practice. Together, they aim to ensure that the council conducts its financial affairs in a way that complies with specific statutory provisions and best practice and that an effective internal controls framework is maintained.
- 1.2. This helps the council to achieve the aims in the corporate strategy "Good Governance, make sure that we are financially competent and resilient, offering good value for money. Take safe but proportionate approaches to risk, performance, project, and contract management. Enable effective democratic decision-making and scrutiny".
- 1.3. The S151 Officer is responsible for maintaining a continuous overview of the Financial Regulations and Finance Scheme of Delegation and for updating them, as necessary. All Officers are required to comply with this Scheme of Delegation, and to exercise their delegated powers and responsibilities in accordance with the council's constitution.
- 1.4. Following conclusion of the Internal Audit review of the Finance Scheme of Delegation that provided limited assurance, a number of administrative changes have been made to update the document, reflect current practice and provide greater clarity where required.

2. Administrative Changes

- 2.1. Following the previous 2019/20 update of the Policy and Budget Framework Procedure Rules and Financial Regulations, work was also undertaken to update the Finance Scheme of Delegation, however the final version was not the published version. The aims of the original reviews were to update for organisational changes, ensure consistency and that the council's risks were managed appropriately whilst having a process and procedures framework that was proportionate to those risks.
- 2.2. The Internal Audit review outlined nine findings and the table below provides an overview and explanation of the administrative changes required to give greater clarity to the Scheme. A full revised version of the Finance Scheme of Delegation is included in Appendix A.

	Internal Audit Recommendations:	Action / Changes
1	While the FSoD reviews were in progress, a completed annual update had not been published to reflect changes in management structures and changes to job titles.	Updated version published and reflects changes in management structures and changes to job titles where required.
2	There was some ambiguity between the FSOD and the Mayor's Scheme of Delegations about the process for emergency payments without budget provision.	Ensure consistency between the two documents and cascade of any changes to the organisation.
3	The wording of the FSOD is ambiguous about what input is required from a second named officer who is required to be "consulted" and how this should be evidenced; Internal Audit did not find actual incidences where required consultation had not been undertaken in some form.	Definition provided of "following consultation with" an how that can be evidenced.

4	The links to “additional procedures” in the published FSOD are broken and officers cannot access the further guidance provided.	Hyperlinks to “additional procedures” reinstated.
5	The FSOD did not identify classes of transactions that were excluded from the scheme, such as technical virements, year-end adjustments, government funded grants; officers’ understanding was that these were exempt“, which is in-line with the view of the s151 Officer and the purpose of the document.	Scope and purpose of the scheme expanded, and classes of transactions that are excluded from the Scheme are stated.
6	Some capital budget re-profiling had not been approved in accordance with the FSOD and some amounts re-profiled did not match the amounts approved.	Capital arrangements expanded to give greater clarity re the transaction classes and reporting requirements.
7	Some budget virements were not being approved by the “authorised officer” .	We will ensure that processes include email evidence of sign off by authorised officer.
8	Some schemes added to the Capital Programme were not approved in accordance with the FSOD.	Capital arrangements expanded to give greater clarity re the transaction classes and reporting requirements.
9	There was no oversight sampling of transactions to test for the authenticity of the authorisation.	Where authorisation is not managed by system workflow, samples will be periodically tested.

3. Other Options Considered – N/A

4. Risk Assessment – N/A

5. Public Sector Equality Duties

5.1. The Finance Scheme of Delegation relates to the council’s internal processes. It is designed to make the council more efficient and thus help ensure that the use of resources is maximised for the benefit of all Bristol residents. There are no specific equality implications anticipated from this report.

6. Legal and Resource Implications

6.1. There are no specific legal or resources implications associated with this report

7. Appendices:

- Appendix A – Finance Scheme of Delegation

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

8. Background Papers:

- Finance Regulations
- Internal Audit report – Appendix 2 of report to Audit Committee of 23/01/2023