

Appendix 2: REVIEW OF FINANCIAL REGULATIONS BRIEFING NOTE

1. The Financial Regulations for Birmingham City Council have been updated in line with emerging best practice for simpler more concise financial regulations that clearly set out the responsibilities of Member, Chief Finance Officer and Directors.
 2. The regulations are in 2 parts and it is proposed that these are reviewed annually by the Chief Finance Officer and approved by Council.
 - Financial Regulations that set out the key rules for managing the council's finances and delivering sound financial management together with the thresholds for financial decision making (Part D1);
 - Finance Accountability Framework that sets out the main responsibilities of the Members, the Chief Finance Officer and Directors.
 3. The regulations are supported by Financial Procedures and guidance that will be set by the Chief Finance Officer and can be updated by them, as necessary.
 - Financial Procedures set out in more detail the most important actions that need to be taken to implement financial regulations
 - The Financial Management Toolkit "My Finance" sets out in detailed guidance for everyone involved in financial management on a day to day basis.
 4. The overall aim of this approach is to make it far easier for everyone more aware of their responsibilities in delivering sound financial management and to provide clear guidance on how they can achieve this.
 5. The Revised Constitution Part D1 sets out the new Financial Regulations and Financial Accountability Framework. This is not a complete re-write of the previous regulations but more a restructuring of them.
 6. The current thresholds for financial regulations have been retained, although some research has shown that these are relatively low, given the size and scale of Birmingham City Council and that other similar but smaller councils have higher thresholds.
 7. The Thresholds will also be expanded to include reference the thresholds for Property transactions elsewhere in the Constitution.
 8. The Chief Finance Officer Protocol is no longer included within the Financial Regulations. The key Cipfa requirements are now covered within the Financial Accountability Framework.
 9. It is recognised that work is still ongoing to update some key procedures, including Capital. The new arrangements will make it easier to update Financial Procedures, when the new processes have been set as they are no longer part of the core financial regulations that require member approval.
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