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**REPORT TO: MORAY COUNCIL ON 27 SEPTEMBER 2023**

**SUBJECT: FINANCE POLICY REVIEWS**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

1.1 To invite Council to approve changes to Council's Financial Regulations, Authorisation Policy, Grant Funding Procedures and Anti Money Laundering Policy.

1.2 This report is submitted to Council in terms of Section II (16) of the Council's Scheme of Administration relating to the formulation, review and amendment of the Council's Constitutional Documents

**2. RECOMMENDATION**

**2.1 It is recommended that Council is asked to approve:**

- (i) the revised Financial Regulations set out in APPENDIX 1;**
- (ii) the revised Authorisation Policy set out in APPENDIX 2;**
- (iii) Grant Funding Procedures set out in APPENDIX 3; and**
- (iv) The Anti Money Laundering Policy set out in APPENDIX 4.**

**3. BACKGROUND**

3.1 The Financial Regulations are part of the Council's constitutional documents are were last reviewed in January 2019. Amended text is in red, deleted text is scored through. Amendments made after consideration by the Council on 223 August 2023 are identified in paragraphs 3.2 to 3.4 below.

3.2 The Financial Regulations at APPENDIX 1 have been amended to include a limit of cash payments of £300 (previously £500). Paragraph 5.27 has been amended to formalise the role of the Audit and Risk Manager in stock writedown / writeoff. The paragraph reference in paragraph 5.29 has been amended from 5.10 to 5.11. There are minor amendments in paragraphs 9.1, 9.2, 9.3 and 9.4 to reflect the current scope of the work of the Internal Audit

section and role of the Audit and Risk Manager. Paragraph 11.5 has been amended to include the requirement that services maintain a register of any hospitality or gifts given to staff by virtue of their Council employment.

- 3.3 The Anti Money Laundering Policy has also be revised to limit cash receipts to £300 for one transaction and a list of situations where there is a risk of money laundering being attempted added to the policy for ease of reference.
- 3.4 As requested at Council on 23 August 2023, the documents have been reviewed to reflect the use of gender neutral language. They have also be reviewed for consistency of reference to the Council.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Effective governance arrangements are key to the development and delivery of the Council's stated priorities and plans.

**(b) Policy and Legal**

There are no policy and legal implications arising directly from this report. Financial Regulations have been updated to take account of the Public Subsidy Act 2020.

**(c) Financial implications**

There are no financial implications arising directly from this report.

**(d) Risk Implications**

The Financial Regulations, Authorisation Policy, Grant Funding Procedures and Anti Money Laundering Policy are all documents which provide guidance and clear parameters to budget mangers and thus regulate the risk to the Council of poor financial management.

**(e) Staffing Implications**

No staffing implications arise directly from this report. Any proposals to award or apply for grants which require additional staffing resource to administer will be the subject of specific reports to the appropriate committee.

**(f) Property**

No direct property implications arise directly from this report.

**(g) Equalities/Socio Economic Impact**

There are no equalities implications or socio-economic impact arising from this report.

**(h) Climate Change and Biodiversity Impacts**

There are no direct climate change or biodiversity implications arising from this report.

**(i) Consultations**

All members have been consulted on the contents of the Financial Regulations, the Authorisation Policy and the Grant Funding Procedures and amendments incorporated.

**5. CONCLUSION**

**5.1 Updated Financial Regulations, Authorisation Policy and Anti Money Laundering Policy are attached for approval.**

**5.2 Grant funding procedures have been drafted to cover the award of grants and applications for grant funding are attached for approval.**

**5.3 Revised financial policies is approved will come into effect immediately.**

Author of Report: Lorraine Paisey, Chief Financial Officer LP/LJC  
Background Papers:  
Ref: SPMAN-1293228629-878