

Supplementary Committee Agenda



Constitution and Members Services Scrutiny Standing Panel Monday, 2nd November, 2009

Place: Committee Room 1

Time: 7.30 pm

Committee Secretary: I Willett - The Office of the Chief Executive
Tel: 01992 564243 Email: iwillett@eppingforestdc.gov.uk

8. FINANCIAL REGULATIONS - ANNUAL REVIEW 2009/10 (Pages 3 - 8)

(Assistant to the Chief Executive). To consider the attached report

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Report to Constitution and Members' Services Standing Scrutiny Panel

Date of meeting: 2 November 2009

SCRUTINY



Portfolio: Leader and Finance and Economic Development Portfolios

Report of: Assistant to the Chief Executive

Subject: Financial Regulations – Annual Review 2009/10

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Democratic Services Assistant: M Jenkins (01992 564607)

Recommendations/Decisions Required:

- (1) To recommend to the Overview and Scrutiny Committee and the Council amendments to financial regulations relating to external funding applications (as set out in Part B of the Appendix to this report); and**
- (2) To recommend the adoption of those minor changes set out in Appendix 2.**

Report:

1. Introduction

- 1.1 Each year a cross directorate working party of officers carries out a review of financial regulations, contract standing orders and officer delegation with a view to ensuring that these documents are up to date and reflect current statutory requirements and operational needs. This report concerns financial regulations which have now been discussed by the Officer Working Party. Only a few suggested changes have arisen this year including one relating to external funding.

2. External Funding Proposals

- 2.1 External funding is dealt with in Appendix F to Financial Regulations (pages K69 to 73 of the Constitution binder). The proposal relates to the section headed “Responsibilities of Chief Officers” (page K72). This currently requires Chief Officers to comply with the Council’s external funding strategy including obtaining and acting upon advice on any legal or financial aspects of external funding applications from the Solicitor to the Council and the Chief Finance Officer (paragraph 2.6).
- 2.2 The Officer External Funding Working Party carried out some comparisons between the practices of this Council and other authorities earlier in the year and one point which emerged from those comparisons was that in many authorities all external funding applications made by the Council must be signed by the Chief Finance Officer before submission. This is not included in EFDC’s Financial Regulations at present but to do so would conform to best practice guidance from CIPFA and the Audit Commission.
- 2.3 With this in mind, it is proposed to amend Financial Regulations (Appendix F) to reflect this change. The Appendix to this report shows the existing wording and the proposed changes.

3. Other Suggested Amendments

3.1 Appendix 2 to this report sets out a number of minor changes to Financial Regulations. Attention is drawn to the two items below which are more significant:

(a) Financial Regulation C3 (Risk Management)

The Portfolio Holder shown in the text should be changed from “Finance, Performance Management and Corporate Support Services” to “Performance Management.”

(b) Appendix E (Paragraph 3.43)

This section deals with the responsibilities of Chief Officers for Ordering or Paying for Work, Goods and Services. Paragraph 3.43 requires Chief Officers to prepare a certificate for final payment on completion of a contract. It is felt that this provision in Financial Regulations must be cross-referenced with the equivalent provisions of Contract Standing Orders C29(3) and (4). Appendix 2 shows the proposed amendment.

4. Other Reviews

4.1 The Panel will see from the work programme for the current year that further reviews of contract standing orders and officer delegations will be brought forward to later meetings.

FINANCIAL REGULATIONS (APPENDIX F) – EXTERNAL FUNDING

PART A - Present Wording

“Responsibilities of the Chief Finance Officer

- 2.3 To ensure that all funding notified by external bodies is received and properly recorded in the authority’s accounts.
- 2.4 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 2.5 To ensure that audit requirements are met.

Responsibilities of Chief Officers

- 2.6 To ensure full compliance with the Council’s External Funding strategy in respect of any external funding proposals undertaken within each service directorate, including obtaining and acting upon advice on any legal and financial aspects of such proposals from the Solicitor to the Council and the Chief Finance Officer.
- 2.7 To ensure that all claims for funds are made by the due date.
- 2.8 To ensure that the project progresses in accordance with the agreed project plan and that all expenditure is properly incurred and recorded.”

PART B - Proposed Wording (NB Changes in Bold Type)

- 2.3 To ensure that all funding notified by external bodies is received and properly recorded in the authority’s accounts.
- 2.4 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 2.5 To ensure that audit requirements are met.

2.6 To approve and sign all applications for external funding.

Responsibilities of Chief Officers

- 2.7 To ensure full compliance with the Council’s External Funding strategy in respect of any external funding proposals undertaken within each service directorate, including obtaining and acting upon advice on any legal and financial aspects of such proposals from the Solicitor to the Council and the Chief Finance Officer.

- 2.8 To ensure that any applications for external funding within their service responsibilities are approved and signed by the Chief Finance Officer before submission to the funding agency concerned.**
- 2.9 To ensure that all claims for funds are made by the due date.
- 2.10 To ensure that the project progresses in accordance with the agreed project plan and that all expenditure is properly incurred and recorded.

FINANCIAL REGULATIONS – MINOR CHANGES

Financial Regulations Reference	Amendment
A5 (Annual Statement of Accounts)	Add the following: “after Scrutiny by the Council’s Audit and Governance Committee”.
A28 (Chief Officer Responsibilities)	Amend “Head of Finance” to read “Chief Finance Officer”.
C3 (Risk Management)	Amend final sentence to read as follows: “The Performance Management Portfolio Holder has lead Member responsibility for risk management”.
Appendix E (paragraph 3.43)(Expenditure – Ordering and Paying for Works, Goods and Services) (Responsibilities of Chief Officers)	Delete the first sentence and substitute the following: “To ensure that, on completion of the contract and before final payment (including the issue of the Certificate for final payment where appropriate) the responsible officer complies with the following Contract Standing Orders:
29 (3)	completion of a Final Account Certificate and supply of a copy to the Chief Internal Auditor.
29(4)	for contracts of more than £500,000 in value, submission to the Chief Internal Auditor of all details of the contract at the time of practical completion.

Other changes relate to typographical corrections and re-formatting of the text.

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