

Report to the Council

Committee: Overview and Scrutiny

Date: 22 December 2009

Chairman: Councillor R Morgan

Item: 14

1. FINANCIAL REGULATIONS - ANNUAL REVIEW 2009/10

Recommendations:

- (1) That the amendments to Financial Regulations relating to external funding applications (as set out in Part B of the Appendix 1 to this report) be approved;**
 - (2) That those minor changes set out in Appendix 2 be approved; and**
 - (3) That the revised Financial Regulations be published in the Council's Constitution.**
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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. We are putting forward only a limited number of suggested changes which have arisen this year, including one relating to external funding.
- 1.2 These proposals were discussed by the Constitution and Member Services SSP and their recommendations will be discussed at the Overview and Scrutiny Committee on 17 December 2009. In the event of any changes to these recommendations at the latter meeting the Chairman of Overview and Scrutiny Committee will give an oral report.

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, we recommend that Financial Regulations (Appendix F) be amended to reflect this change. The Appendix to this report shows the existing wording and the proposed changes in bold type.

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)

We feel that the Portfolio Holder shown in the text should be changed from "Finance, Performance Management and Corporate Support Services" to "the appropriate Portfolio Holder" so as to reflect changes in Portfolio Holder responsibilities without the need to revise the text each time an alteration occurs.

(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 requires Chief Officers to prepare a certificate for final payment on completion of a contract. We feel 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.

- 3.2 We recommend that the remaining changes in Appendix 2 be approved.