

Financial procedures

1. Council agreed at its last meeting to consider an action plan to address the issues raised by the Internal Audit report, and to address the issues of interpretation and construction of financial regulations considered in connection with the procurement and tendering processes.
2. Research since the council meeting of 24 October has identified that Financial Procedures written by a former consultant had been noted by council in July 2016, (Minute C070/16) but never implemented.
3. All of the financial issues considered by council at its meetings on 10 October and 24 October could have been addressed if the Financial Procedures had been implemented and followed.
4. However, it should be observed that the Financial Procedures noted by council were not entirely fit for purpose, and, as was noted at the time, contained some errors. The procedures referred to both Financial Directions and Financial Regulations, and to posts, such as Deputy Town Clerk, which do not exist. Imprecise language, such as the use of generic terms such as 'items' within the procedures could have led, in some circumstances, to the budget being required to contain an implausible and impenetrable level of detail.
5. For these reasons it is easy to understand why there was resistance to the procedures being implemented. Despite their complexity the regulations did not contain sufficient detail to enable them to be easily implemented. More than twenty changes have been required to reach a point where it is possible to contemplate adopting the procedures and implementing them.
6. The procedures are the basis of an office manual, and are now capable of being adopted and implemented, with the proviso that the RFO retains the power to amend the Procedures, within the scope of the relevant Financial Regulations. Council is therefore invited to approve the adoption of the new procedures on 8th November, and their implementation on 1st December, save that the elements related to the risk register and assets register will be implemented in quarter 1 2017.
7. Council is invited to note that proposed changes to the procedure for maintaining version control of council documents will require council to further consider revised versions of its Financial Regulations and Standing Orders, which will effectively change in format but not in substance. This action will be added to the Forward Plan.