

**CARLISLE**  
CITY COUNCIL



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## **AUDIT COMMITTEE**

### ***Committee Report***

**Public**

**Date of Meeting:** 31<sup>st</sup> October 2011

**Title:** ANNUAL REVIEW OF THE FINANCIAL PROCEDURE RULES

**Report of:** Assistant Director (Resources)

**Report reference:** RD59/11

**Summary:**

This report provides Members with details of proposed changes to the Authority's Financial Procedure Rules.

**Recommendations:**

Members are requested to approve the proposed changes for recommendation to Council on 8<sup>th</sup> November 2011.

**Contact Officer:** Alison Taylor

**Ext:** 7290

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

CITY OF CARLISLE

To: The Audit Committee  
31 October 2011

RD59/11

**ANNUAL REVIEW OF THE FINANCIAL PROCEDURE RULES**

**1. BACKGROUND INFORMATION AND OPTIONS**

- 1.1 As defined by the Audit Committee's Rules of Governance, Members of this Committee have the responsibility to maintain an overview of the Council's Constitution in respect of Financial Procedure Rules (FPR's).
- 1.2 The FPRs are reviewed on an annual basis, in order that they reflect changes in legislation, Government and Council Policy, changes in the Council's financial practices and any changes to the organisation structure.

**2. PROPOSED CHANGES TO THE FINANCIAL PROCEDURE RULES**

- 2.1 The proposed changes are detailed in the attached appendix, many of which are of a general housekeeping nature, the exception being item 19, which relates to the writing off of bad debts. The proposed amendment gives the Assistant Director (Resources) discretion to write off bad debts, *without limit*, which is consistent with the Scheme of Delegation and, if approved, will align both documents. This amendment to the FPR's has been discussed with the Leader and Portfolio Holder for Governance and Resources.

Members should also note that the full text of the Financial Procedure Rules is available on the E-library of the intranet contained within the Council's Constitution.

**3. RECOMMENDATIONS**

Members are requested to approve the proposed changes for recommendation to Council on 8<sup>th</sup> November 2011.

PETER MASON  
Assistant Director (Resources)

**Contact Officer:** Alison Taylor

**Ext:** 7290

**Financial Procedure Rules review (June 2011 version)**

**APPENDIX**

Number	Page/reference	Issue	Amendment
1	207 paragraph 1.9.2	Responsibility for reviewing external auditors reports and the annual audit letter and Internal Audit's annual report is now an Audit Committee function	Alter paragraph to reflect change in responsibilities
2	215 paragraph 1.40	A Statement of Recommended Practice no longer exists  The Audit Committee is now responsible for approving the accounts following the audit process	Delete reference to 'A Statement of Recommended Practice'  Paragraph to be amended accordingly
3	221 paragraph 3.9	The new Accounts and Audit Regulations 2011 require changes with regard to the internal audit function as follows:  The Accounts and Audit Regulations 2011 issued by the Secretary of State for Communities and Local Government require every local Council to undertake an adequate and effective internal audit of its accounting records and of its system of internal control.	Amend paragraph accordingly to reflect changes in the A&A Regulations 2011
4	222 paragraph 3.15	Paragraph 15 of the Code of Practice no longer exists	Amend paragraph and remove reference to chapter 15
5	237 A38	A Statement of Recommended Practice no longer exists	Delete reference to 'A Statement of Recommended Practice'
6	237 A39 (d)	Accounts now need to give a 'true and fair view'	Amend paragraph accordingly
7	239 A47	Accounts and Audit Regulations 2006 replaced by 2011 regulations	Amend year
8	240 A49	The Audit Committee is now required to approve the accounts before 30 <sup>th</sup> September	Amend paragraph to reflect delegated responsibilities and change in approval date
9	241 A56	Accounts now need to give a 'true and fair view' The Audit Committee is now required to approve the accounts	Amend paragraph accordingly
10	241 A57 (b)	A Statement of Recommended Practice no longer exists	Delete reference to 'A Statement of Recommended Practice'

11	241 A60	A Statement of Recommended Practice no longer exists	Amend paragraph to reflect compliance with the Code of Practice
12	245 B10 (b)	The Best Value Accounting Code of Practice has been replaced with the Service Reporting Code of Practice (SerCOP)	Amend paragraph accordingly
13	256 B66	Supplementary credit approvals no longer apply	Amend paragraph to 'capital funding from external sources'
14	256 B68	A Statement of Recommended Practice no longer exists	Delete reference to 'A Statement of Recommended Practice'
15	263 C22	The new Accounts and Audit Regulations 2011 require changes with regard to internal audit and internal control as follows:  The Accounts and Audit Regulations 2011 (SI 2011/817), regulation 4, specifically require that a relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control	Amend paragraph accordingly to reflect changes in the A&A Regulations 2011
16	Throughout document	New titles as a result of the shared services arrangements for: Audit Manager Shared ICT Service Manager	
17	272 C61	A Statement of Recommended Practice no longer exists	Delete reference to 'A Statement of Recommended Practice'
18	291 D21 (c)	National Giro account no longer operates	Delete reference to national giro account
19	292 D24/D26 294 D35 295 D45	In accordance with the Leader's Scheme of Delegation, the Assistant Director (Resources) can write off bad debts without limit.	Amend paragraph to align documents
20	292 D25	Accounts and Audit Regulations 2003 consolidated into the 2011 Regulations	Amend year
21	297 D53/D54	The Purchasing Manual refers to the Procurement Code of Practice	Expand paragraph to aid clarity

		Corporate Purchasing Unit is the Procurement team with Financial Services	
22	302 D78	The Manual of Purchasing Policy and Procedures refers to the Procurement Code of Practice	Expand paragraph to aid clarity
23	311 D121	Delete ext 7281 but continue to contact ext 7280	Amend paragraph accordingly
24	311 D123	VAT indicators have changed and system procedures for allocating VAT have revised the level of input	Delete VAT indicator information in brackets
25	329 G2	Paragraph referred to in G2 incorrect	Amend C34 to C33
26	337 G45	Internal phone number changes as follows Amend ext 7299 to 7270 Amend ext 7292 to 7294	