

 <b>Executive 11<sup>th</sup> March 2015</b>		<b>Agenda Item No.</b>  <b>3</b>
<b>Title</b>	<b>Updated Code of Financial Practice</b>	
<b>For further information about this report please contact</b>	Jenny.clayton@warwickdc.gov.uk	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	13 <sup>th</sup> March 2013 Minute Number 157	
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes Reference 668
<b>Equality Impact Assessment Undertaken</b>	No (N/A)

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive		
Head of Service		
CMT		
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)		
<b>Consultation &amp; Community Engagement</b>		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
<b>Final Decision?</b>		No
<b>Suggested next steps (if not final decision please set out below)</b>		
To be approved by Full Council		

## 1. **Summary**

- 1.1 This report presents an updated Code of Financial Practice for the Executive's consideration and approval. Subsequent to their approval the Code will be presented to Full Council for approval and adoption.

## 2. **Recommendation**

- 2.1 To note the updated Code of Financial Practice (Appendix 1) and recommend to Council for their approval.

## 3. **Reasons for the Recommendation**

- 3.1 It has been 2 years since the Code of Financial Practice has been updated. During this period, there have been changes in working practice, notably the introduction of Procurement Cards from April 2014. These now replace Credit Cards and reduce demands on Petty Cash. The new Transparency Code, to which the Council must comply, requires authorities to publish information on their websites to re-enforce local accountability and openness. Much of this data is financial e.g. payments to suppliers above £500, Land and Assets and Senior Salaries as well as Procurement Card information. These are now incorporated into the revised Code.
- 3.2 The Updated Code of Procurement Practice was approved by Members in January 2015. The new Code is closely aligned to the Code of Financial Practice, with both Codes underpinning the Council's Constitution. Amendments within the proposed Code, which is attached at Appendix 1, seek to ensure that procurement activity and the sections within the Code of Financial Practice are consistent.
- 3.3 Managers need to consider their Budgets when procuring and managing their contracts. Commitments against Contracts must be recorded, with Orders raised prior to Contractors charging for the work they undertake.
- 3.4 Instead of Services procuring their supplies and services individually with different suppliers, savings can be achieved by having one Corporate Contract which allows more bargaining power and efficiencies through lower unit costs.
- 3.5 Orders and Commitments should be entered onto the Council's Financial Management System prior to the receipt and processing of Accounts and Invoices. This supports Managers when they manage both Budgets and individual Contracts within these Budgets.
- 3.6 As part of the Fit for the Future Programme, the Council is undertaking many large scale projects. Whilst they will deliver great benefits to the Council, there are high risks associated. The Code has been updated to promote the setting up of project teams to oversee and monitor these projects.
- 3.7 Whilst updating this Code, Officers' financial responsibilities have been made more robust, stressing what procedures must be adhered to.

## 4. **Policy Framework**

- 4.1 **Policy Framework** – This report does not bring forward changes to the Council's existing policies. It will support them.

#### 4.2 **Fit for the Future**

One of the key elements of Fit For the Future is ensuring that the Council achieves the required savings to enable it to set a balanced budget whilst maintaining service provision. This Code of Practice explains how the Council's finances must be managed.

#### 4.3 **Impact Assessments** – Good Financial Management delivers benefits to the community throughout the District.

### 5. **Budgetary Framework**

5.1 Circa £1 million on-going savings must be identified and achieved over the next 5 years for the Council to deliver balanced Budgets over the same period.

5.2 The practices within this Code promote good Financial Management.

### 6. **Risks**

6.1 Poor Financial Management presents severe risks to the authority's services. Both the Codes of Financial and Procurement Practices mitigate and prevent such.

6.2 Section 14 of the Code of Financial Practice, Risk Management and Insurance, details how Risk is managed and responsibilities.

### 7. **Alternative Option(s) considered**

7.1 The Council could choose not to have a Financial Code of Practice, but this would contravene its Constitution and fail to protect its finances.

7.2 Not updating the Code would render it out of date and inconsistent with current practices within the Council.