

Thanet Borough Council

Terms of Reference

Background

Initially to provide consultancy support to the CFO and his deputy on improving financial management governance and to recommend areas for improvement in financial management practice. This will be a preliminary piece of work to identify proposals for improvement for consideration by the Council, the underpinning rationale to ensure the financial sustainability of the Council with an organisational culture where the delivery of value for money is paramount. Future support for implementation is to be undertaken under a separate commission.

Scope

The commission will review key governance arrangements in the following areas

- The current financial regulations covering budget management.
- Financial controls underpinning budget management (e.g., use of reserves, virements etc).
- In year financial reporting to members and officers (corporate reporting).
- Delegated budget management arrangements
- Capital programme management
- Internal Recharges

This review will cover revenue and capital for both the general fund and the Housing Revenue Account.

Deliverable Output

A report which covers strengths and areas of weakness in financial management controls and practices; and sets out a financial management improvement plan covering

- Overarching budget management framework
- The budget management control environment
- Budget monitoring and reporting arrangements
- Appropriateness of the recharge framework for cost allocation
- Member and Officer development
- Future proofing e.g., social value procurement, climate change.

Timescale

It is anticipated the initial review work will take 5 days.

Stakeholders

This review will require regular contact with the CFO and Finance team. In addition, discussions may take place with senior directors, budget holders, internal and external audit. Members views especially the finance portfolio holders opinion of current practice may also be sought.

Activity

- Confirm the scope and agree dates
- Review of documents
 - Budget Financial Regulations
 - Approval levels
 - Reserves policy
 - Governance around capital programme
 - Business cases
 - Budget monitoring process arrangements (revenue and capital)
 - Corporate Budget monitoring reports (revenue and capital both GF and HRA)
 - External audit or internal audit reports on budget management
 - Example(s) of budget holder reports to directors, head of service etc
 - Recharge methodology and working papers
 -
- 1-1 meetings with key personnel
- Initial findings feedback to CFO and/or deputy
- Draft report
- Finalise

H SEECHURN

APRIL 2021