

APPENDIX F: MONITORING, RISK AND REVIEW

Monitoring

Financial Performance Management is achieved by operating monitoring processes for both Capital and Revenue spending. There is a statutory obligation to monitor the budgetary provision under the Local Government Act 2003. The following paragraphs outline the monitoring processes in place.

Budget managers have on-line access to the financial management systems so that they can monitor their budgets. Full monitoring reports are available from the system.

Managers receive detailed reports monthly in respect of services under their control. In addition to this, monthly budget reports are produced for capital expenditure and high level corporate reports are also produced for the Corporate Management Team.

The Cabinet receives quarterly governance reports and the audit committee receives reports on financial and risk matters.

There is detailed guidance available in both the financial regulations and financial procedure rules. There is also a financial handbook for budget managers.

A Capital programme working group has been set up to ensure that the capital programme is delivered on time, within budget and that outputs are properly delivered. This ensures a co-ordinated approach and consideration of cross-cutting issues.

Risk Assessment

The Council has adopted a Corporate Risk Management strategy and financial risk management is integrated into the Council's overall management and decision making processes. This ensures a robust and well integrated risk management programme, which will help the Council to identify and manage key strategic risks facing it, in pursuit of its corporate objectives.

I M P A C T	High (3)	3	6	9
	Medium (2)	2	4	6
	Low (1)	1	2	3
		Low (1)	Medium (2)	High (3)
		Likelihood		

Key	1-2 Low Risk	3-4 Moderate Risk	6-9 High Risk
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The above risk matrix has been adopted.

Under the Accounts and Audit Regulations 2003, an annual review of the effectiveness of the system of internal control is undertaken and a statement on the adequacy of internal control is published in the financial statement.

Review

This strategy will be reviewed on an annual basis.

FINANCIAL STRATEGY MONITORING		
Description	Processes used to check	Lead Officer
To develop a sustainable and balanced budget plan that forecasts the Council's revenue budget for five future years on a rolling basis, to include a capital programme for that period	Budget report to Cabinet and consultation process	Chief Finance Officer
To ensure that resources are identified for projects that are included in the Business Plan, Annual Delivery Plans and Service Team Plans and that the budget process helps develop the business plan	Annual Business Planning cycle	CMT
To ensure that the strategy complies with legislation, best practice and the requirements of corporate governance	Review by CMT and internal consultation	Monitoring Officer
To ensure that the services are provided at the right levels for a price that the taxpayer is prepared to pay, recognising the Council's policy to maintain downward pressure on council tax, with increases in the level of council tax in line with inflation	Budget report to Cabinet and consultation process	Chief Finance Officer
To support a programme of re-engineering council services through the customer contact centre	Transformation plan	CMT
To develop strategies that increase income and generate revenue through trading to bring about a net reduction in revenue expenditure, not concentrating solely on reductions in expenditure	Value for Money strategy and review of fees and charges	Chief Accountant & Policy and Performance Manager
To ensure that the strategy promotes sound financial management	Use of Resources assessment	Chief Finance Officer
To develop subsidiary policies to ensure delivery of the overall objectives	Policy and performance team	Policy and performance manager
To monitor achievement against the strategy via key performance indicators and through the annual efficiency statement	Quarterly Governance report	Chief Finance Officer

