

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

EXECUTIVE BOARD – 1 JULY 2003

REPORT OF THE MANAGER OF CENTRAL SUPPORT

DESIGNATED SIGNATORY

Purpose of report

To recommend an additional Designated Financial Signatory for the Council.

Decisions required

To determine any required changes to the Designated Financial Signatories.

Policy matters

Detailed within the report.

Financial/staff resources

None.

Health / Anti-Poverty

None.

Crime and Disorder

None.

Human Rights

None.

E Government

None.

1. Introduction

- 1.1 At its meeting on the 24 May 1999 the Board agreed to a restructure of Financial Services within the Central Support Division.

2. Current and Proposed Arrangements

- 2.1 Included within the restructure was a reduction from four to three in the number of officers holding the delegated power of Designated Signatory in respect of financial matters of the Council. The current signatories are the Director of Resources, the Manager of Central Support and the Chief Internal Auditor.
- 2.2 Under the original proposal the current signatories are the Council's qualified accountant members of the Chartered Institute of Public Finance and Accountancy (CIPFA). Such a qualification is required to act in the role of, or deputise for, the 'Responsible Financial Officer' (Section 151 Officer) and as members, these officers are bound by the Institute's professional ethics.
- 2.3 For some time, the Audit Commission has raised concern at the Chief Internal Auditor being a designated signatory as this conflicts to some degree with the Audit Code of Practice and has recommended that steps be taken to minimise or remove this duty.
- 2.4 The proposed revised CIPFA Code of Practice for Internal Audit places greater emphasis on the Internal Audit function ensuring that proper corporate governance arrangements are in place. In January this year, the Board approved the recommendation of the Chief Executive in his report on corporate governance arrangements to nominate the Chief Internal Auditor as the lead officer for 5 of the 18 key policies and procedures identified.
- 2.5 Although the Chief Executive was added to the list of financial signatories some time ago, the Chief Internal Auditor performs the majority of the duties attached to this delegated power on a day to day basis. Given the increased responsibility of the Chief Internal Auditor and the concerns of the Audit Commission it is proposed to include the Chief Accountant on the list of signatories and in future utilise the Chief Internal Auditor as a 'last resort' for this duty in future.

3. RECOMMENDATION

- 3.1 **IT IS RECOMMENDED THAT THE POST OF CHIEF ACCOUNTANT BE ADDED TO THE LIST OF DESIGNATED FINANCIAL SIGNATORIES.**

Background papers: None

L E Gill
June 2003

(Contact officer - Alan Goodacre – 01530 454726)