

Corporate Governance Committee – 17 March 2008

Present: Councillor Williams (Chairman)
Councillor A Wedderkopp (Vice-Chairman)
Councillors Beaven, Denington, Farbahi, Govier, Hall, Mrs Smith and
Mrs Whitmarsh

Officers: Ms S Adam (Strategic Director)
Mrs G Croucher (Democratic Services Officer)
Mr C Gunn (Group Auditor, South West Audit Partnership)
Ms M Hale (Corporate Performance Officer)
Mr S Jewell (Audit Assistant, South West Audit Partnership)

Also Present Mr D Baker (Chairman, Standards Committee)
Mr B Wilson (Independent Member, Standards Committee)
Mr T Bowditch (Audit Commission)

1. Apologies/Substitution

Apologies: Councillors Critchard and Paul.

Substitution: Councillor Farbahi for Councillor Critchard.

2. Minutes

The minutes of the meeting held on 17 December 2007 were taken as read and were signed.

3. Standards Committee Annual Report 2007

Mr David Baker, Chairman of the Standards Committee, presented the Annual Report of the Standards Committee for 2007.

The Committee had been in operation since 2000 and membership was made up of a majority of independent members who were not connected with the Council, together with two Parish Council representatives and one Councillor from each of the political groups on the Council. The Chairman was chosen from the independent members and this was now a requirement for all Standards Committees.

The Standards Committee was responsible for:-

- Promoting and maintaining high standards of conduct by the Members and co-opted Members of the Authority;
- Assisting Members to observe the Code of Conduct;
- Advising on the adoption of a Code of Conduct;
- Monitoring its operation; and

- Advising, training or arranging to train Members on matters relating to the code.

New legislation had introduced a locally managed framework of compliance with the Code of Conduct and a new strategic role for the Standards Board for England. Local Standards Committees would, in future, be responsible for making initial assessments of allegations of misconduct and would handle most cases locally. The Standards Board for England would provide support, supervision and guidance and aimed to ensure a degree of consistency.

Mr Baker gave a review of the past year that included:-

The strengthening of links with Parish Councils;

Members of the Committee had been represented at the Annual Assembly of Standards Committees and the Standards Board for England Roadshows;

Taunton Deane had hosted a South West Independent Members Group and joint training with Sedgemoor District Council had taken place on the operation of a new filtering regime;

Members of the Standards Committee had attended meetings of the Council;

The Chairman had met with the new Leader of the Council and had emphasised the value of the Committee and its work;

The Monitoring Officer would continue to provide regular briefings on ethics and probity issues;

The introduction of a new Model Code of Local Government Conduct that had been adopted; and

The inclusion of ethics and probity in the guide for prospective candidates at the last local elections in 2007.

A number of training sessions had also taken place with Parish Councils on the new Code of Conduct. The Code had now been adopted by all Parish Councils. A successful training session had also taken place for Borough Councillors which the Committee felt should be repeated annually in order to keep Councillors well informed.

The Chairman thanked Mr Baker for his very informative report.

Resolved that the report be noted.

4. Annual Audit and Inspection Letter

Mr Terry Bowditch, Audit Manager, the Audit Commission (AC) introduced Taunton Deane Borough Council's Annual Audit and Inspection Letter.

The report set out an overall summary of the AC's assessment of the Council. Its finding and conclusions had been drawn from the 2006/2007 audit and from any further inspections and included a report on the Direction of Travel and Use of Resources scores.

The report identified that challenges had been overcome that included opposing Somerset County Council's plan to form a unitary council, new political leadership following the local elections, the forming of new partnerships and regeneration projects. Meeting these challenges had a significant impact on the capacity of the Council and performance in a number of key areas had deteriorated.

However, some services had shown signs of recovery and the restructure of the Council would ensure its services and partnerships would make a positive impact on all its communities. Governance and organisational arrangements were being developed to reflect the impact of new partnerships.

The Council had been given an unqualified opinion on its accounts for 2006/2007 and the value for money arrangements were adequate.

The 2006/2007 Use of Resources continued to meet or exceed the minimum requirements in all respects, although the rate of improvement had slowed or, in some areas, stalled.

The concessionary travel scheme continued to place extreme pressures on the Council's budget and working balances with an actual net overspend against budget forecast for the current year.

The new financial systems introduced during 2006/2007 had had significant control weaknesses but these had now been addressed.

The review of internal audit met all the key requirements of the Code of Practice for internal audit.

The key actions necessary by the Council in response to the issues raised were also reported.

Resolved that the report be noted.

5. The Constitution

Considered report previously circulated, giving details of the progress made in updating the Constitution and the arrangements made for its approval.

A Members' Steering Group had been set up to enable a full review of the Constitution to take place. A review of financial regulations had also taken place and these reviews would be brought before the meeting of the Council for approval.

There were, however, two further areas of the Constitution to be reviewed. The Council had yet to decide on the future of the scrutiny pilot and the changes in the Local Government Act 2007 would need to be reflected.

There was also a need to delegate the role of overview and revision of the Constitution to the Corporate Governance Committee. A new Legal and Democratic Services Manager had been appointed from 31 March 2008 who would have responsibility as Monitoring Officer.

Resolved that:-

- 1) Council be recommended to:-
 - a) delegate the role of overview and revision to the Constitution to the Corporate Governance Committee;
 - b) delegate the powers to approve revisions to the Corporate Governance Committee and the Monitoring Officer; and
 - c) to adopt the attached Financial Regulations;
- 2) That a standing sub-committee of the Corporate Governance Committee (consisting of one representative from each of the political groups on the Council) be established to work with the Monitoring Officer to carry out regular reviews of the Constitution; and
- 3) That the powers delegated to the Monitoring Officer, Chief Solicitor and Member Services Manager referred to in the Constitution be re-delegated to the Monitoring Officer.

6. Governance Code

Considered report previously circulated, giving Members an update on the Council's Governance Code.

The Code set out six core principles and outlined the approach and actions the Council was committed to take to achieve them. It also highlighted the areas where the Council would focus in an action plan to be regularly updated.

The Code would form the basis of the Annual Governance Statement. This was a comprehensive statement that covered all significant corporate systems, processes and controls. The preparation of the Statement would need to be open, honest and credible and linked to an embedded assurance framework and would be the end product of an annual review process.

Resolved that:-

1. Council be recommended to adopt the Code of Governance;

2. The Corporate Governance Committee be authorised to agree the future Annual Governance Statements; and
3. The Council's effectiveness against the Code be regularly monitored.

7. Risk Management

In 2007 the Council adopted the Risk Management Strategy, Policy and Procedures. There had been a number of changes to the Corporate Strategy and a new register of Corporate Risks was currently being compiled and would form the basis for the action plans necessary to moderate those risks.

An update would be provided at a future meeting.

Resolved that the report be noted.

8. Internal Audit Plan 2008/2009

Considered report previously circulated, concerning the 2008/2009 Audit Plan. The Plan would enable Internal Audit Services to continue to meet the emerging needs of the Council.

The Annual Audit Plan had been drawn up to reflect the wide range of work undertaken by the Internal Audit Section that included:-

- Audit of the Council's main financial systems;
- Audit of services;
- Advice on Corporate Management Management issues;
- A programme of special contracts, computer audits and Value for Money studies;
- Special investigations to meet management requirements; and
- Provision of advice to managers on financial and control issues.

The Annual Audit Plan consisted of Managed Audits and Operational Audits. Managed Audits were completed to assist the assessment of the Council's financial control environment and eight audits would be completed this year. Operational Audits provided a detailed evaluation of a services control environment with 14 reviews to be completed this year.

Resolved that the 2008/2009 Annual Audit Plan be approved.

9. Internal Audit Plan 2007/2008 – Progress Review

Considered report previously circulated, which provided an update on the significant findings and recommendations since December 2007.

Details were also reported of the audits completed for the period between December 2007 and March 2008 which included any significant findings or recommendations.

Resolved that the report be noted.

10. Update on Corporate Improvement Plan

Considered report previously circulated, concerning the 2007/2008 Corporate Improvement Plan. The progress made against key improvement areas for the Council and "Use of Resources weaknesses", which had both been identified through Audit Commission inspections, were highlighted.

The Audit Commission undertook an annual assessment of the Council to review the Use of Resources. The assessment focused on the importance of having sound and strategic financial management to ensure that resources were available to support the Council's priorities and improve services.

The inspection also covered the "Direction of Travel" and examined the overall performance, progress against Corporate Aims and accounts and governance arrangements. These findings were reported in the Annual Audit and Inspection Letter.

In December 2007 the Annual Audit and Inspection Letter gave the Council a score of 3 out of 4 for Use of Resources. This was the same breakdown and score received in March 2007 and ranked the Council amongst the top four in the South West. As part of the Performance Management Framework the assessment was used to identify weaknesses and formulate a Corporate Improvement Plan which has been updated.

Following the Annual Audit and Inspection Letter and the updated Use of Resources feedback in 2007 the Improvement Plan had been revised. Details of the Plan were submitted.

It was recognised that the 2007/2008 criteria would be more strict and initial inspections would be taking place in April/May 2008.

Resolved that the report be noted.

11. Forward List of Agenda Items

Reported the forward list of Agenda items.

Resolved that the Strategic Director and Democratic Services Officer review the list.

(The meeting ended at 8.07 p.m.)

APPENDIX TO MINUTE NO 5

INTRODUCTION

Financial Regulations provide the framework for managing the authority's financial affairs. They apply to every member and officer of the authority and anyone acting on its behalf.

The Regulations identify the financial responsibilities of the full Council, Executive and Scrutiny members, the Head of Paid Service, the Monitoring Officer, the Section 151 Officer, Directors and Managers.

All members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money, and achieves best value.

The Section 151 Officer is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary to the full Council for approval. The Section 151 Officer is also responsible for reporting, where appropriate, breaches of financial regulations to the Executive, and to the full Council.

The authority's detailed Financial Procedures, setting out how the regulations will be implemented, are contained in the appendices to the financial regulations. These procedures will be kept up to date, with amendments requiring the approval of the Corporate Management Team only.

Directors and Managers are responsible for ensuring that all staff are aware of the existence and content of the authority's Financial Regulations and other internal regulatory documents and that they comply with them. They must also ensure that an adequate number of copies are available for reference. Each Director and Manager will be issued a copy of the complete Financial Regulations and Financial Procedures, and will be required to sign for their receipt.

The Section 151 Officer is responsible for issuing advice and guidance to underpin the financial regulations to members, officers and others acting on behalf of the authority are required to follow.

FINANCIAL REGULATION A :

FINANCIAL MANAGEMENT

Introduction

A.1 Financial Management covers all financial accountabilities in relation to the running of the authority, including the policy framework and budget.

The Full Council

A.2 The full Council is responsible for:-

- Adopting the authority's constitution and members' code of conduct
- Approving the policy framework and budget within which the Executive operates
- Approving and monitoring compliance with the authority's overall framework of accountability and control. The framework is set out in its constitution.
- Monitoring compliance with the agreed policy and related Executive decisions.
- Approving procedures for recording and reporting decisions taken. This includes those *key decisions* delegated by and decisions taken by the Council and its Committees. These delegations and details of who has responsibility for which decisions are set out in the constitution.
- Approving the setting and revision of the prudential indicators as defined under the Prudential Code.

The Executive

A.3 The Executive is responsible for:-

- Proposing the policy framework and budget to the full Council.
- Discharging Executive functions in accordance with the policy framework and budget.
- Establishing protocols to ensure that individual Executive Councillors consult with relevant Officers before taking a decision within his or her delegated authority. In doing so, the individual Member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

A.4 Executive decisions can be delegated to a Committee of the Executive, an individual Executive Councillor, an Officer, or a Joint Committee.

- A.5 A forward plan containing details of all matters likely to be the subject of key decision in the authority is published by the Executive.

Overview & Scrutiny

- A.6 The Overview & Scrutiny Board, and Strategy & Performance Panel are responsible for scrutinising Executive decisions before or after they have been implemented and for holding the Executive to account. They are also responsible for making recommendations on future policy options and for reviewing the general policy and service delivery of the authority.

Standards Committee

- A.7 The Standards Committee is established by the full Council and is responsible for promoting and maintaining high standards of conduct amongst Councillors. In particular, it is responsible for advising the Council on the adoption and revision of the Members Code of Conduct, Members Allowances, and for the monitoring and investigating any suspected breaches of the code.

Planning & Licensing

- A.8 Planning, conservation and licensing are not Executive functions but are exercised through the Planning Committee and Licensing Board under powers delegated by the full Council.

Corporate Governance

- A.9 The Corporate Governance Committee, under powers delegated by full Council is responsible for:-
- Agreeing the internal and external audit plans
 - Considering the annual audit report and management letter for the Council
 - Monitoring the implementation of significant audit recommendations
 - Raising the profile of internal control within the authority,
 - Approving the annual Statement of Accounts
 - Approving the annual Governance Statement
 - Having an overview role in relation to the Councils risk management framework

Joint Committees

- A.10 The Council may establish joint arrangements with one or more local authorities and/or executives to exercise functions. Such arrangements may involve the appointment of a joint committee with these other local authorities.

The current constituted joint committees are as follows:-

- The South West Audit Partnership
- The Somerset Waste Partnership

The Statutory Officers

Head of Paid Service (Chief Executive)

- A.11 The Head of Paid Service is responsible for the corporate and overall strategic management of the authority as a whole. He or she shall report to and provide information for full Council, the Executive, the Overview & Scrutiny function and other Committees and Panels. He or she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The head of paid service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the full Council's decisions.

Monitoring Officer

- A.12 The Monitoring officer is responsible for promoting and maintaining high standards of conduct and therefore provides support to the Standards Committee. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the full Council and/or to the Executive, and for ensuring that the procedures for recording and reporting *key decisions* are operating effectively.
- A.13 The Monitoring Officer shall ensure that Executive decisions and the reasons for them are made public. He or she shall also ensure that Council Members are aware of decisions made by the Executive and of those made by Officers who have delegated Executive responsibility.
- A.14 The Monitoring Officer is responsible for advising all councillors and officers about who has authority to take a particular decision.
- A.15 The Monitoring Officer is responsible for advising the Executive or full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.
- A.16 The Monitoring Officer (together with the Section 151 Officer) is responsible for advising the Executive or full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be contrary to the budget include:-

- initiating a new policy
- committing expenditure in future years to above the budget level
- incurring virement transfers above the limits set by Council
- causing the total expenditure financed from Council Tax, Grants, and corporately held reserves to increase, or to increase by more than a specified amount.

A.17 The Monitoring Officer is responsible for maintaining an up-to-date constitution.

A.18 The Monitoring Officer is responsible for maintaining a register of Member and Officers interests.

Section 151 Officer

A.19 The Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority. The statutory responsibility cannot be overridden. The statutory duties arise from:-

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations 1996.
- The Accounts and Audit Regulations 2003
- The Local Government Act 2003.

A.20 The Section 151 Officer is responsible for:-

- the proper administration of the authority's financial affairs
- setting and monitoring compliance with financial management standards
- advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- providing financial information
- preparing the revenue budget and capital programme
- treasury management.

A.21 Section 114 of the Local Government Finance Act 1988 requires the Section 151 Officer to report to the full Council, Executive and external auditor if the authority or one of its Officers:-

- Has made, or is about to make, a decision which involves incurring unlawful expenditure
- Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- Is about to make an unlawful entry in the authority's accounts.

The Council shall consider the report within 21 days of issue and is prohibited from taking the course of action which is the subject of the report. The external auditor shall be informed of the date of the meeting and of any decisions made at the meeting.

Section 114 of the 1988 Act also requires:

- the Section 151 Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally
- the authority to provide the Section 151 Officer with sufficient staff, accommodation and other resources - including legal advice where this is necessary - to carry out the duties under section 114.

Directors

A.22 Corporate Management Team comprises the Statutory Officers (as outlined above) and Directors. It act as the senior officers' body in instigating policy proposals.

For the purposes of these Regulations, the Chief Executive has the same powers and responsibilities as Directors. Directors are responsible for:

- ensuring that Executive Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Section 151 Officer.
- signing contracts on behalf of the authority (in accordance with the constitution).

A.23 It is the responsibility of the Directors to consult with the Section 151 Officer and seek approval on any matter liable to affect the authority's finances materially, before any commitments are incurred.

Other Financial Accountabilities

Virement

A.24 The full Council is responsible for agreeing procedures for virements of expenditure between budget headings.

A.25 Directors and Managers are responsible for agreeing virements within delegated limits, in consultation with the Section 151 Officer. They must notify the Section 151 Officer of all virements, using the appropriate pro-forma.

Treatment of Year End Balances

A.26 The Executive is responsible for agreeing procedures for carrying forward under- and overspendings on budget headings.

Accounting Policies

- A.27 The Section 151 Officer is responsible for selecting accounting policies and standards, and ensuring that they are applied consistently.

Accounting Records and Returns

- A.28 The Section 151 Officer is responsible for determining the accounting procedures and records for the authority.

The Annual Statement of Accounts

- A.29 The Section 151 Officer is responsible for ensuring that the annual statement of account is prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom : A Statement of Recommended Practice (CIPFA /LASAAC)*. The full Council has delegated responsibility for approving the annual statement of accounts, to the Corporate Governance Committee.

FINANCIAL REGULATION B :

FINANCIAL PLANNING

Introduction

- B.1 The full Council is responsible for agreeing the authority's policy framework and budget, which will be proposed by the Executive. In terms of financial planning, the key elements are:
- The Corporate Plan
 - The Budget
 - The Capital Programme

Policy Framework

- B.2 The full Council is responsible for approving the policy framework and budget. The policy framework includes the following statutory plans and strategies:
- Annual Report
 - Asset Management Plan
 - Sustainable Community Plan
 - Capital Strategy & Programme
 - Climate Change Strategy
 - Corporate Strategy
 - Crime and Disorder Reduction Strategy
 - Housing Strategy
 - Local Development Framework
 - Treasury Management Policy Statement
- B.3 The full Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. Decisions shall be referred to the full Council by the monitoring officer.
- B.4 The full Council is responsible for setting the level at which the Executive may reallocate budget funds from one service to another (virement). The Executive is responsible for taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council.

Preparation of Policy Framework and Corporate Plan

- B.5 The Chief Executive as Head of Paid Service is responsible for proposing the policy framework and corporate plan of the authority to the Executive for consideration before submission to the Full Council for approval.

Budgeting

Budget Format

- B.6 The general format of the budget will be approved by the full Council and proposed by the Executive on the advice of the Section 151 Officer. The draft budget shall include allocation to different services and projects, proposed taxation levels, and information on any contingency funds and reserves.

Budget Preparation

- B.7 The Section 151 Officer is responsible for ensuring that a revenue budget is prepared on an annual basis and a medium term financial plan is prepared for consideration by the Executive, before submission to the full Council. The full Council may amend the budget or ask the Executive to reconsider it before approving it.
- B.8 The Executive is responsible for issuing guidance on the general content of the budget in consultation with the Section 151 Officer as soon as possible following approval of the full Council.
- B.9 It is the responsibility of Managers to ensure that budget estimates reflecting agreed operational service plans are submitted to the Executive and that these estimates are prepared in line with guidance issued by the Executive.

Budget Monitoring and Control

- B.10 The Section 151 Officer is responsible for providing appropriate financial information to enable budget to be monitored effectively. The s151 Officer, supported by Directors and Managers, shall monitor and control expenditure against budget allocations and report to the Executive on the overall position on a regular basis.
- B.11 It is the responsibility of Managers to control income and expenditure within their area and to monitor performance, taking account of

financial information provided by the Section 151 Officer. They shall report on variances within their own areas. They shall also take any action necessary to avoid exceeding their budget allocation and alert the Section 151 Officer to any problems. Any changes to the overall budget must be considered by the Executive for onward submission to full Council for approval.

Resource Allocation

- B.12 In determining the resource allocation of the Council the Directors and Section 151 Officer shall ensure compliance with agreed policies and strategies.

Preparation of the Capital Programme

- B.13 The Section 151 Officer is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by the Executive before submission to the full Council.

Guidelines

- B.14 Guidelines on budget preparation are issued to Directors and Managers by the Executive following agreement with the Section 151 Officer. These are to ensure the robustness of the budget and the adequacy of the Councils reserves position. The guidelines will take account of:-
- legal requirements
 - medium term planning prospects
 - corporate plans of the authority
 - available resources
 - spending pressures
 - other relevant government guidelines
 - other internal policy documents
 - cross-cutting issues where relevant.
 - risk

Maintenance of Reserves

- B.15 It is the responsibility of the Section 151 Officer to advise the Executive and the full Council on prudent levels of reserves for the authority.

FINANCIAL REGULATION C :

RISK MANAGEMENT AND CONTROL OF RESOURCES

Introduction

- C.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the authority. This should include the pro-active participation of all those associated with planning and delivering services.

Risk Management

- C.2 The Council has delegated responsibility for approving the authority's Risk Management policy statement and strategy to the Corporate Governance Committee.
- C.3 The Section 151 Officer is responsible for preparing the authority's Risk Management policy statement, for promoting it throughout the authority, and for reviewing the effectiveness of risk management arrangements.
- C.4 Directors and Managers are responsible for complying with the risk management policy statement and must carry out and regularly review risk assessments of their service areas, corporate projects, and partnerships.
- C.5 The Section 151 Officer is responsible for providing advice on and effecting the appropriate insurance arrangements.

Internal Control

- C.6 Internal control refers to the systems of control devised by management to help ensure the authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the authority's assets and interests are safeguarded.
- C.7 The Section 151 Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

- C.8 It is the responsibility of Managers to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

Audit Requirements

- C.9 The Accounts and Audit Regulations 1996 require every local authority to maintain an adequate and effective internal audit.
- C.10 The Section 151 Officer is responsible for internal audit, and therefore may inspect and audit all books of account, financial documents and all other records of the authority, visit any of the authority's premises and obtain such explanations and take away such records for examination as considered necessary.
- C.11 The Audit Commission is responsible for appointing external auditors to each local authority. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.
- C.12 The authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenues & Customs, who have statutory rights of access.

Preventing Fraud And Corruption

- C.13 The Section 151 Officer is responsible for the development, maintenance and promotion of an anti-fraud and anti-corruption policy.

Assets

- C.14 Managers shall ensure that all financial records, physical assets and supporting documentation are properly maintained and securely held, and suitably recorded in the Councils registers.
- C.15 Managers shall also ensure that sound contingency plans for the security of assets and for the continuity of service provision in the event of disaster or other major system failure are in place, and that those arrangements are regularly tested.
- C.16 Any proposals to enter into leasing agreements must be agreed in advance with the Section 151 Officer.

Property

- C.17 The agreement of any terms of leasing of any property, or the taking or granting of any interest in property must be undertaken after consultation with the Section 151 Officer.

Treasury Management

- C.18 The authority has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.
- C.19 The full Council is responsible for approving the treasury management policy statement. The policy statement is proposed to the full Council by the Executive. The Section 151 Officer has delegated responsibility for implementing and monitoring the statement.
- C.20 All money in the hands of the authority is monitored and controlled by the Section 151 Officer.
- C.21 The Section 151 Officer is responsible for reporting to the Executive a proposed treasury management strategy for the coming financial year at or before the start of each financial year.
- C.22 All Executive decisions on borrowing, investment, or financing shall be delegated to the Section 151 Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.
- C.23 The Section 151 Officer is responsible for reporting to the Executive not less than twice in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.

Staffing

- C.24 The Head of Paid Service is responsible for exercising the overall management to staff.
- C.25 The retained HR Manager is responsible for determining and monitoring adherence to staffing policies and procedures, and for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration for the job.
- C.26 Managers are responsible for controlling total staff numbers by:
- Advising the Executive on the budget necessary in any given

year to cover estimated staffing levels.

- Employing staff in accordance with the approved policy framework and annual revenue budget.
- Adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs.
- The proper use of appointment procedures.
- Staff must only be employed on a permanent basis if ongoing and sustainable funding is available.

FINANCIAL REGULATION D :

SYSTEMS AND PROCEDURES

Introduction

D.1 Sound systems and procedures are essential to an effective framework of accountability and control.

General

D.2 The Section 151 Officer is responsible for the operation of the authority's accounting systems, the form of accounts and the supporting financial records. Any changes made to existing financial systems or the establishment of new systems must be approved by the Section 151 Officer. However, Managers are responsible for the proper operation of financial processes in their own departments.

D.3 Any changes to agreed procedures by Managers to meet their own specific service needs should be agreed with the Section 151 Officer.

D.4 Managers should ensure that their staff receive relevant training, and operate to the professional standards set by the Section 151 Officer as set out in the Financial Procedures.

D.5 Managers must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Managers must ensure that staff are aware of their responsibilities under Freedom of Information legislation, and all other relevant legislation.

Income And Expenditure

D.6 It is the responsibility of Directors and Managers to ensure that a proper scheme of delegation is been established within their area and is operating effectively. The Scheme of Delegation shall identify staff authorised to act on the Director or Managers behalf, or on behalf of the Executive, in respect of payments, income collection and placing orders, together with the limits of their authority.

D.7 Once a charge has been raised no debtor shall be excused a payment due to the Council other than with the approval of the Section 151 Officer, or Head of Paid Service, or Executive. The Section 151 Officer shall maintain a record of all such write-offs.

Payments To Employees And Members

- D.8 The Section 151 Officer is responsible for all payments of salaries and wages to all staff, including payments for overtime, and for payment of allowances to members.

Taxation

- D.9 The Section 151 Officer is responsible for advising Directors and Managers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the authority.
- D.10 The Section 151 Officer is responsible for maintaining the authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Trading Accounts / Business Units

- D.11 It is the responsibility of the Section 151 Officer to advise on the establishment and operation of trading accounts and business units, and to determine the arrangements under which these are operated.

FINANCIAL REGULATION E :

EXTERNAL ARRANGEMENTS

Introduction

- E.1 The Council provides a distinctive leadership role for our community and brings together the contributions of the various stakeholders. It also has a duty to act to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

Partnerships

- E.2 The Executive is responsible for approving the operational frameworks for the Councils participation in partnerships or joint working arrangements with other local public, private, voluntary and community sector organisations. This includes the arrangements for delegation to officers and the detailed arrangements for the provision of both financial and physical resources by the Council.
- E.3 The Executive can delegate functions - including those relating to partnerships - to Officers. These are set out in the scheme of delegation that forms part of the authority's constitution. Where functions are delegated, the Executive remains accountable for them to the full Council.
- E.4 The Head of Paid Service represents the authority on partnership and external bodies, in accordance with the scheme of delegation.
- E.5 The Section 151 Officer and Monitoring Officer are responsible for promoting and maintaining the same high standards of conduct with regard to legal and financial administration and accounting arrangements in partnerships that apply throughout the authority. They shall also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. They shall ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- E.6 Directors and Managers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.
- E.7 Before entering into any external arrangements, advice and guidance shall be sought from the Monitoring Officer and Section 151 Officer.

External Funding

- E.8 The Section 151 Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the authority's accounts.

Work For Third Parties

- E.9 The Head of Paid Service is responsible for providing specific guidance to Directors and Managers in respect of the provision of contractual arrangements for the provision of services, third parties or external bodies.

DELEGATION SUMMARY

Virements & Supplementary Estimates

Virements can take place provided that they do not involve new policy or policy change and do not involve an increasing commitment in future years that cannot be contained within existing budgets. They must be done in consultation with the s151 Officer.

THRESHOLD	APPROVALS REQUIRED	
	Transfers Within Portfolio	Transfers Between Portfolios
Up to £20,000	Manager	Manager (in consultation with Director)
Between £20,000 and £50,000	Portfolio (Exec Cllr) Decision (in consultation with Director)	Portfolio (Exec Cllr) Decision (in consultation with Director)
Over £50,000	Executive Decision	Executive Decision
Supplementary Estimates - ALL	Executive Recommendation to Full Council	Executive Recommendation to Full Council

Write-Offs

THRESHOLD	APPROVALS REQUIRED	
	SUNDRY DEBTORS	REVENUES (Ctax, NNDR etc)
SUNDRY DEBTORS Up to £5,000	Section 151 Officer	Section 151 Officer
Between £5,000 and £10,000	Head of Paid Service	Section 151 Officer
Over £10,000	Executive Decision	Section 151 Officer