

Public Document Pack

Cherwell District Council

Council

Minutes of a meeting of the Council held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 18 May 2022 at 6.30 pm

Present:

Councillor Hannah Banfield (Chair)
Councillor Les Sibley (Vice-Chairman)
Councillor Andrew Beere
Councillor Rebecca Biegel
Councillor Nathan Bignell
Councillor Maurice Billington
Councillor Mike Bishop
Councillor John Broad
Councillor Hugo Brown
Councillor Phil Chapman
Councillor Mark Cherry
Councillor Patrick Clarke
Councillor Jean Conway
Councillor Ian Corkin
Councillor Gemma Coton
Councillor Nick Cotter
Councillor Andrew Crichton
Councillor Sandy Dallimore
Councillor John Donaldson
Councillor Donna Ford
Councillor Ian Harwood
Councillor David Hingley
Councillor Matt Hodgson
Councillor Simon Holland
Councillor Kieron Mallon
Councillor Fiona Mawson
Councillor Ian Middleton
Councillor Perran Moon
Councillor Richard Mould
Councillor Adam Nell
Councillor Dr Chukwudi Okeke
Councillor Angus Patrick
Councillor Lynn Pratt
Councillor Chris Pruden
Councillor Eddie Reeves
Councillor George Reynolds
Councillor Dan Sames
Councillor Jason Slaymaker
Councillor Katherine Tyson
Councillor Dorothy Walker
Councillor Amanda Watkins
Councillor Douglas Webb

Councillor Fraser Webster
Councillor Barry Wood

Apologies for absence:

Councillor Colin Clarke
Councillor Nicholas Mawer
Councillor Bryn Williams
Councillor Sean Woodcock

Officers:

Yvonne Rees, Chief Executive
Nathan Elvery, Interim Chief Operating Officer
Michael Furness, Assistant Director of Finance & S151 Officer
Shahin Ismail, Monitoring Officer (Interim)
Natasha Clark, Governance and Elections Manager

1 **Welcome**

The Chair welcomed councillors, past Chairman, former councillors, guests and officers to the first Annual Council being held in the Council Chamber since at Bodicote House since May 2019.

The Chair welcomed newly elected councillors, Councillor David Hingley, Councillor Ian Harwood, Councillor Dr Chukwudi Okeke, Councillor Rebecca Biegel, Councillor Andrew Crichton, Councillor Amanda Watkins, Councillor Donna Ford, Councillor Chris Pruden, Councillor Eddie Reeves, Councillor Fiona Mawson, Councillor Jean Conway, Councillor Gemma Coton and Councillor Angus Patrick, and congratulated them and all other councillors who were returned at the recent election. The newly elected councillors each introduced themselves to Council.

2 **Declarations of Interest**

There were no declarations of interest.

3 **Communications**

The Chair made the following announcements:

Former Councillors

On behalf of Council, the Chair extended paid tribute and thanked those councillors who stood down or were not re-elected at the May elections for their service to the council, their wards and the district.

Annual Council

By convention, the minutes of Committees, questions, petitions and motions were not considered at Annual Council. These would be included on the agenda of the next scheduled Council meeting on Monday 18 July.

Revised Register of Interest Form

Councillors who were not elected or re-elected at the May elections had an updated register of interest form on their desk and were requested to complete and return the form to the Monitoring Officer via the Democratic and Elections team as soon as possible.

Chair's Engagements

A copy of the events attended by the Chair or Vice-Chairman was published with the agenda.

4 Petitions and Requests to Address the Meeting

There were no petitions or requests to address the meeting.

5 Urgent Business

There were no items of urgent business.

6 Minutes of Council

The minutes of the meeting held on 28 February 2022 were agreed as a correct record and signed by the Chairman.

7 Election of Chairman for the Municipal Year 2022/2023

(The outgoing Chair, Councillor Hannah Banfield, presided for the consideration of this matter and those preceding)

It was moved by Councillor Wood and seconded by Councillor Webster, that Councillor Les Sibley be appointed as Chairman for the municipal year 2022/2023. There were no other nominations.

Resolved

- (1) That Councillor Les Sibley be appointed Chairman of Cherwell District Council for the Municipal Year 202/2023.

8 Investiture of Chairman

Councillor Les Sibley, having made and signed the required Declaration of Acceptance of Office took the Chair.

Councillor Sibley thanked Members for his appointment and addressed Council.

The Chairman advised that his wife, Mary, would be his consort for the year and presented her with the Consort's badge.

The Chairman explained that he would confirm the charity he would be supporting and raising funds for during his term of office in due course.

9 **Vote of Thanks to Immediate Past Chair**

The Chairman paid tribute to the outgoing Chair, Councillor Banfield, thanking her for her dedication to the Council and residents.

Members paid tribute to Councillor Banfield for her term of office commending her for the dedication and commitment she had shown representing the Council both in person and virtually during the ongoing pandemic. Members also commended Councillor Banfield for chairing Council meetings in a fair and calm way.

Councillor Banfield accepted her past Chair's badge as a token of her term of office.

10 **Past Chair's Response**

Councillor Banfield addressed Council to report on her term of office as Chair.

Councillor Banfield thanked her Vice-Chairman, Councillor Sibley, her PA, Liz Matthews, the Chief Executive, the former Monitoring Officer, Anita Bradley, and current interim Monitoring Officer and the Governance and Elections Manager for their support during her year as Chair. Councillor Banfield also extended her thanks to all Members, for supporting her as Chair.

Councillor Banfield explained that due to the ongoing COVID-19 pandemic and restrictions she had not been able to hold a main fundraising event for her charities. She had agreed with the former Chairman, former Councillor David Hughes, that they would combine the money raised over their terms of office and she would advise of monies raised for her charities at the July Council meeting.

11 **Election of Vice-Chairman for the Municipal Year 2022/2023**

It was proposed by Councillor Wood and seconded by Councillor Corkin, that Councillor Jason Slaymaker be appointed as Vice-Chairman for the Municipal Year 2022/2023. There were no other nominations.

Resolved

- (1) That Councillor Jason Slaymaker be appointed Vice-Chairman of the Council for the municipal year 2022/2023.

12 **Investiture of Vice-Chairman**

Councillor Jason Slaymaker, having made and signed the required Declaration of Acceptance of Office was invested with the Vice-Chairman's Chain.

Councillor Slaymaker addressed Council and thanked Members for his appointment.

13 **Annual Business Report**

The Chief Executive submitted a report for Council to note the results of the 5 May 2022 district elections and agree the governance arrangements for the council following the elections to ensure for the municipal year 2022/2023.

Resolved

- (1) That the results of the District Elections held on 5 May 2022 be noted:

Ward	Elected	Party
Adderbury, Bloxham and Bodicote	David Hingley	Liberal Democrats
Banbury Calthorpe and Easington	Ian Harwood	Conservative
Banbury Cross and Neithrop	Chuk Okeke	Labour
Banbury Grimsbury and Hightown	Rebecca Biegel	Labour & Co-operative
Banbury Hardwick	Andrew Crichton	Labour
Banbury Ruscote	Amanda Watkins	Labour
Bicester East	Donna Ford	Conservative
Bicester North and Caversfield	Nick Mawer	Conservative
Bicester South and Ambrosden	Christopher Pruden	Liberal Democrats
Bicester West	John Broad	Independent
Cropredy, Sibfords and Wroxton	Phil Chapman	Conservative
Deddington	Eddie Reeves	Conservative

Fringford and Heyfords	Barry Wood	Conservative
Kidlington East	Fiona Mawson	Green
Kidlington West	Jean Conway	Liberal Democrat
Launton and Otmoor	Gemma Coton (elected 4 year term)	Liberal Democrats
	Angus Patrick (elected 1 year term)	Liberal Democrats

- (2) That the current constitution of the Council (48 Members) be noted:
- 25 Conservative (52.08%)
 - 10 Labour / Labour & Co-operative Party (20.83%)
 - 7 Liberal Democrat (14.58%)
 - 4 Independent (8.34%)
 - 2 Green (4.17%)
- (3) That the constitution of Political Groups and notification of Group Leaders.
- Conservative Group – 25 members (all Conservative councillors)
 - Group Leader: Councillor Barry Wood
 - Progressive Oxfordshire Group – 11 members (comprising 7 Liberal Democrat, 2 Green and 2 Independent (Cllrs Broad and Cotter) councillors)
 - Group Leader: Councillor Katherine Tyson
 - Labour Group – 10 members (comprising all Labour / Labour & Co-operative councillors)
 - Group Leader: Councillor Sean Woodcock
 - Independent Group – 2 members (comprising 2 Independent councillors, Cllrs Sibley and Webster)
 - Group Leader: Councillor Les Sibley
- (4) That Councillor Barry Wood be appointed Leader of the Council.
- (5) That the appointment of Councillor Ian Corkin as Deputy Leader of the Council and the membership of the Executive and the Executive portfolios for Municipal Year 2022/2023 be noted.

Councillor	Portfolio
Councillor Barry Wood	Leader of the Council and Portfolio Holder for Policy and Strategy
Councillor Ian Corkin	Deputy Leader and Portfolio Holder for Regeneration and Economy
Councillor Phil Chapman	Portfolio Holder for Healthier

	Communities
Councillor Colin Clarke	Portfolio Holder for Planning
Cllr Nick Mawer	Portfolio Holder for Housing
Councillor Richard Mould	Portfolio Holder for Corporate Services
Councillor Adam Nell	Portfolio Holder for Finance
Councillor Eddie Reeves	Portfolio Holder for Safer Communities
Cllr Lynn Pratt	Portfolio Holder for Property
Cllr Dan Sames	Portfolio Holder for Cleaner and Green Communities

- (6) That the allocation of seats on committee that are subject to the political balance requirements be agreed:

Committee	TOTAL	Conservative	Progressive Oxfordshire	Labour	Independent
Accounts, Audit & Risk Committee	8	4	2	2	0
Appeals Panel	10	6 (+1)	2	2	0
Budget Planning Committee	12	6	3	2 (-1)	1
Joint Appeals Committee	3	2	0 (-1)	1	0
Joint Shared Services & Personnel Committee	5	3	1	1	0
Licensing Committee	12	6	3	2 (-1)	1
Overview & Scrutiny	12	6	3	3	0 (-1)
Personnel Committee	12	6	3	2 (-1)	1
Planning Committee	18	9	4	4	1
Standards Committee	8	4	2	2	0
Proportional Total by Committee	100	51	24	24	5
Aggregate Entitlement	100	52	23	21	4
Adjustment Required	N/A	Plus 1	Minus 1	Minus 3	Minus 1

- (7) That members (and where appropriate, substitute members) to serve on each of the committees as set out below in accordance with the nominations to be made by political groups:

(NB. The number in brackets indicates the number of seats for the Group on the Committee. All Group nominations are listed alphabetically by councillor surname)

Accounts, Audit and Risk Committee

Membership (8 members with unnamed substitutes who can be any member of the relevant Group. All committee members must have received training prior to attending a meeting)

Conservative (4)	Progressive Oxfordshire (2)	Labour (2)	Independent (0)
Cllr Hugo Brown	Cllr Chris Pruden	Cllr Andrew Crichton	
Cllr Patrick Clarke	Cllr Ian Middleton	Cllr Sean Woodcock	
Cllr Donna Ford			
Cllr Barry Wood			

Appeals Panel

Membership (10 members with no substitutes – must NOT be Personnel Committee members)

Conservative (6)¹	Progressive Oxfordshire (2)	Labour (2)	Independent (0)
Cllr Patrick Clarke	Cllr Nick Cotter	Cllr Hannah Banfield	
Cllr Sandy Dallimore	Cllr Dorothy Walker	Cllr Perran Moon	
Cllr John Donaldson			
Cllr Ian Harwood			
Cllr Richard Mould			
Cllr Eddie Reeves			

Budget Planning Committee

Membership (12 members with unnamed substitutes who can be any member of the relevant Group)

Conservative (6)	Progressive Oxfordshire (3)	Labour (2)²	Independent (1)
Cllr Hugo Brown	Cllr David Hingley	Cllr Matt Hodgson	Cllr Fraser Webster
Cllr Phil Chapman	Cllr Angus Patrick	Cllr Sean Woodcock	

¹ 1 additional seat to meet proportionality requirements

² 1 seat given up to meet proportionality requirements

Cllr Patrick Clarke	Cllr Chris Pruden		
Cllr John Donaldson			
Cllr Donna Ford			
Cllr Douglas Webb			

Joint Appeals Committee

Membership (3 seats, named substitutes - neither full nor substitute members may be members of the Joint Shared Services and Personnel Committee)

Conservative (2)	Progressive Oxfordshire(0)	Labour (1)	Independent (0)
Cllr Sandy Dallimore		Cllr Hannah Banfield	
Cllr John Donaldson			

Substitutes

Conservative (2)	Progressive Oxfordshire(1)	Labour (1)	Independent (0)
Cllr Richard Mould	Cllr Dorothy Walker	Cllr Perran Moon	
Vacant			

Joint Shared Services and Personnel Committee

Membership (5 members, named substitutes – neither full nor substitute members may be members of the Joint Appeals Panel)

Conservative (3)	Progressive Oxfordshire(1)	Labour (1)	Independent (0)
Cllr Ian Corkin	Cllr Ian Middleton	Cllr Sean Woodcock	
Cllr Jason Slaymaker			
Cllr Barry Wood			

Substitutes

Conservative (3)	Progressive Oxfordshire(1)	Labour (1)	Independent (0)
Cllr Phil Chapman	Cllr David Hingley	Cllr Andrew Crichton	

Cllr Patrick Clarke			
Cllr Lynn Pratt			

Licensing Committee

Membership (12 seats, with unnamed substitutes who can be any member of the relevant Group)

Conservative (6)	Progressive Oxfordshire (3)	Labour (2)³	Independent (1)
Cllr Mike Bishop	Cllr Angus Patrick	Cllr Hannah Banfield	Cllr Fraser Webster
Cllr Eddie Reeves	Cllr Chris Pruden	Cllr Andy Beere	
Cllr George Reynolds	Cllr Katherine Tyson		
Cllr Jason Slaymaker			
Cllr Douglas Webb			
Cllr Barry Wood			

Overview and Scrutiny Committee

Membership (12 members with unnamed substitutes who can be any member of the relevant Group but shall not be a member of the Executive)

Conservative (6)	Progressive Oxfordshire (3)	Labour (3)	Independent (0)⁴
Cllr Maurice Billington	Cllr John Broad	Cllr Matt Hodgson	
Cllr Mike Bishop	Cllr David Hingley	Cllr Perran Moon	
Cllr Sandy Dallimore	Cllr Ian Middleton	Cllr Dr Chukwudi Okeke	
Cllr John Donaldson			
Cllr Ian Harwood			
Cllr Douglas Webb			

Personnel Committee

Membership (12 members with unnamed substitutes who can be any member of the relevant Group but shall not be a member of the Appeals Panel)

³ 1 seat given up to meet proportionality requirements

⁴ 1 seat given up to meet proportionality requirements

Conservative (6)	Progressive Oxfordshire (3)	Labour (2)⁵	Independent (1)
Cllr Ian Corkin	Cllr Gemma Coton	Cllr Andy Beere	Cllr Les Sibley
Cllr Simon Holland	Cllr Fiona Mawson	Cllr Amanda Watkins	
Cllr Lynn Pratt	Cllr Chris Pruden		
Cllr Jason Slaymaker			
Cllr Douglas Webb			
Cllr Barry Wood			

Planning Committee

Membership (18 members, 12 named substitutes. All committee members and named substitutes must have received planning training prior to attending a meeting)

Conservative (9)	Progressive Oxfordshire (4)	Labour (4)	Independent (1)
Cllr Maurice Billington	Cllr John Broad	Cllr Andy Beere	Cllr Les Sibley
Cllr Hugo Brown	Cllr Jean Conway	Cllr Rebecca Biegel	
Cllr Ian Corkin	Cllr Fiona Mawson	Cllr Amanda Watkins	
Cllr Ian Harwood	Cllr Dorothy Walker	Cllr Sean Woodcock	
Cllr Simon Holland			
Cllr Richard Mould			
Cllr Lynn Pratt			
Cllr George Reynolds			
Cllr Barry Wood			

Named Substitutes (12 – not included in the proportionality calculations, all Groups to be represented)

Conservative (5)	Progressive Oxfordshire (3)	Labour (3)	Independent (1)
Cllr Mike Bishop	Cllr Gemma Coton	Cllr Andrew Crichton	Cllr Fraser Webster

⁵ 1 seat given up to meet proportionality requirements

Cllr Colin Clarke	Cllr David Hingley	Cllr Matt Hodgson	
Cllr Donna Ford	Cllr Ian Middleton	Cllr Dr Chukwudi Okeke	
Cllr Adam Nell			
Cllr Douglas Webb			

Standards Committee

Membership (8 members with unnamed substitutes who can be any member of the relevant Group)

Conservative (4)	Progressive Oxfordshire (2)	Labour (2)	Independent (0)
Cllr Patrick Clarke	Cllr John Broad	Cllr Hannah Banfield	
Cllr John Donaldson	Cllr Ian Middleton	Cllr Amanda Watkins	
Cllr Simon Holland			
Cllr George Reynolds			

- (8) That Councillor Jason Slaymaker be appointed as Cherwell District Council's representative to the Oxfordshire Joint Health Overview and Scrutiny Committee for the municipal year 2022/2023.
- (9) That Councillor Eddie Reeves be appointed as Cherwell District Council's appointed representative Councillor Barry Wood be appointed as Cherwell District Council's substitute to the Police and Crime Commissioner Scrutiny Panel for the municipal year 2022/2023.
- (10) That Councillor Barry Wood be appointed as Cherwell District Council's representative and Councillor Ian Corkin be appointed as Cherwell District Council's substitute to the Future Oxfordshire Partnership for the municipal year 2021/2022.
- (11) That Councillor Sandy Dallimore and Councillor Sean Woodcock be appointed as Cherwell District Council's representatives to the Future Oxfordshire Partnership Scrutiny Panel for the municipal year 2022/2023 and it be noted that the Progressive Oxfordshire Group Leader, Councillor Tyson, would confirm the name of the Progressive Oxfordshire Group member to be the third Cherwell District Council representative in due course.
- (12) That Executive members be appointed as Cherwell District Council's representative and substitute to each of the Future Oxfordshire Partnership advisory sub-groups as set out below:

Advisory Sub-Group	Representative	Substitute
Housing	Councillor Nick Mawer	Councillor Barry Wood
Infrastructure	Councillor Ian Corkin	Councillor Barry Wood
Oxfordshire Plan 2050	Councillor Colin Clarke	Councillor Barry Wood
Environment	Councillor Dan Sames	Councillor Barry Wood

14

Adoption of Revised Members' Code of Conduct

The Interim Monitoring Officer submitted a report for Council to adopt a revised Members' Code of Conduct as unanimously recommended by the Standards Committee.

Resolved

- (1) That the revised Members' Code of Conduct (Annex to the Minutes as set out in the Minute Book) be adopted.
- (2) That it be agreed that:
 - it be mandatory for all Councillors to complete Code of Conduct training within 6 months of the adoption of the revised code (i.e. by mid-November).
 - It be mandatory for all Councillors to undertake Code of Conduct training within 6 months of their election (newly or re-elected) and attend a refresher at least once during their term of office.
- (3) That the revised Members' Code of Conduct be endorsed for adoption by the Town and Parish Councils in the Cherwell District.

15

Standards Arrangements - Appointment of Independent Person

The Interim Monitoring Officer submitted a report to appoint an Independent Person in light of the resignation of a current Independent Person.

In introducing the report, the Chairman of the Standards Committee in 2021/22, Councillor Holland, paid tribute and thanked Mr Graham Matthews for his service to the Council as an Independent Person since his initial appointment to the role in July 2013 and wished him all the best for the future.

Resolved

- (1) That Dr Sadie Reynolds be appointed as an Independent Person, to be appointed for a term expiring on the date of the December Council meeting in 2025.

- (2) That it be noted that the appointment of the Independent Person may be renewable in 2025 for a further term of four years subject to the Independent Person wishing to continue in the role and Council agreeing the renewal of the appointment.

16 **Community Governance Review - results of first consultation stage and recommendations for second consultation stage**

The Chief Executive submitted a report to update Council on the outcome of the stage one consultation that was held between 22 November 2021 and 31 January 2022; to consider recommendations for the second consultation stage that is due to be held from 4 July to 9 September 2022; to delegate authority to the Chief Executive to confirm membership of the Parliamentary Boundary and Community Governance Review Working Group (the Working Group) in light of 5 May 2022 district elections.

In response to Member comments regarding the proposal to consult on proposed amendments to the Banbury and Bodicote parish boundaries and that this should not go forward and were opposed by Bodicote Parish Council, Councillor Mallon, Chairman of the County Governance Review Working Group, advised that in reaching its recommendations the Working Group had considered all responses received during the first consultation and had regard to national guidance in reaching its recommendations for the second consultation stage. The recommendations to Council had been unanimously agreed by the working group which included representatives of all political groups.

It was proposed by Councillor Hingley and seconded by Councillor Cotter that a separate vote on recommendation 1.3 be taken. The separate vote having been duly proposed and seconded. Council voted on all recommendations excluding recommendation 1.3 and held a separate vote on recommendation 1.3.

Resolved

- (1) That no changes be made to the boundary between Kidlington and Gosford & Water Eaton as part of the current Community Governance Review.
- (2) That a second stage consultation be carried out on amendments to the parish boundaries between Ambrosden and Blackthorn, area A as shown on map 2 (Annex to the Minutes as set out in the Minute Book).
- (3) That a second stage consultation be carried out on amendments to the parish boundaries between Banbury and Bodicote, areas E and F as shown on map 3, and areas F1 and F2 as shown on map 4 (Annex to the Minutes as set out in the Minute Book).

- (4) That a second stage consultation be carried out on amendments to the parish boundaries between Banbury and Drayton, areas C and D as shown on map 5 (Annex to the Minutes as set out in the Minute Book).
- (5) That a second stage consultation be carried out on amendments to the parish boundaries between Bicester, Ambrosden, Blackthorn and Launton, area L as shown on map 6 (Annex to the Minutes as set out in the Minute Book).
- (6) That a second stage consultation be carried out on amendments to the parish boundaries between Chesterton, Bucknell and Bicester, areas G and H as shown on map 7 (Annex to the Minutes as set out in the Minute Book).
- (7) That a second stage consultation be carried out on amendments to the parish boundaries between Horley and Wroxton, and Horley and Hanwell, areas N and O as shown on map 8 (Annex to the Minutes as set out in the Minute Book).
- (8) That second stage consultation be carried out on an increase of parish councillors in Chesterton, Begbroke and Somerton Parish Councils.
- (9) That authority be delegated to the Chief Executive, in consultation with Group Leaders, to confirm representatives to the Parliamentary Boundary and Community Governance Review Working Group for the remainder of the Community Governance Review (CGR) and Parliamentary Boundary Review Process.

17

IT Provision for Members

The Interim Assistant Director Law, Governance & Democratic Services and Interim Monitoring Officer submitted a regarding IT provision for Members.

In introducing the report, the Portfolio Holder for Corporate Services, Councillor Mould, explained that the review of Members' Allowances that had been considered by the 28 February 2022 Council meeting had included a proposal from the Independent Remuneration Panel to introduce an IT allowance to ensure a consistent approach for all councillors. Members had requested officers to review this proposal and submit a revised proposal to this meeting.

Accordingly, the report sought approval of the proposed approach to IT provision for Members. The proposals were designed to ensure that Members were equipped with the IT support they need to perform their role as CDC councillors. The IT provision and IT support needed to be sufficiently robust to safeguard CDC and individual Members from cyber-attacks and data security breaches.

Resolved

- (1) That the following principles governing the provision of IT be approved:
 - i. All Members should have access to a consistent level of IT equipment;
 - ii. The IT support should enable Members to properly carry out their role;
 - iii. IT officer support should be available to ensure the IT equipment runs smoothly, and software is updated on a regular basis;
 - iv. CDC and Members individually should be protected against the risk of cyber-attack, malware being brought into CDC systems and from data security breaches;
 - v. IT support should be complimentary to the Council's other policies on cyber security, data security and climate change;
 - vi. Members should have the same level of IT flexibility as officers.
- (2) That the establishment of a dedicated budget for Members' IT be agreed.
- (3) That authority be delegated to the Interim Assistant Director Law, Governance & Democratic Services and Interim Monitoring Officer and Director of Digital & IT, in consultation with the Lead Member whose portfolio includes IT, to draft a Members' IT Policy, setting out acceptable IT usage and the support Members can expect.
- (4) That it be agreed to roll out the provision of laptops and mobile phones to all new Members following the elections in May 2022.

18

Constitution Updates

The Interim Monitoring Officer submitted a report which presented updates to the Constitution which had arisen either from the end of the formal partnership working between Cherwell District Council and Oxfordshire County Council or to incorporate within the Constitution procedures that were currently followed as custom but not included in the Constitution.

The Constitution is the document by which, in accordance with the law, the Council exercises all its powers and duties. It is essential that it is reviewed to ensure it remains fit for purpose.

Resolved

- (1) That the inclusion in the Constitution of the custom to allow the proposer of the budget, Group Leaders and proposers of amendments to speak for up to 10 minutes when Council considers the annual budget setting report be endorsed.
- (2) That the revised Financial Procedure Rules (Annex to the Minutes as set out in the Minute Book) be adopted and authority delegated to the Monitoring Officer, in consultation with the Section 151 Officer, to make

any further changes required arising from the separation from Oxfordshire County Council.

- (3) That the Officer Scheme of Delegation Transfer of Functions (Annex to the Minutes as set out in the Minute Book) be noted and it be further noted that the Monitoring Officer would undertake a detailed review of the Officer Scheme of Delegation to reflect the Cherwell District Council Leadership Team following the end of the formal partnership working arrangements with Oxfordshire County Council.

19

Annual Report of the Accounts, Audit & Risk Committee 2021/22

The Assistant Director of Finance & Section 151 Officer submitted a report which presented the annual report of the Accounts, Audit & Risk Committee 2021/22 and sought agreement to amend the Terms of Reference of the Committee.

In introducing the report, Councillor Brown, Vice-Chairman of the Accounts, Audit & Risk Committee in 2021/22, paid tribute to former Councillor Mike Kerford-Byrnes who had been Chairman of the Committee in 2021/22 and had stood down as a councillor as the May 2022 elections.

Councillor Brown echoed the former Chairman's comments in his Introduction to the Annual Report and thanked officers and Committee members who had contributed and supported the work of the Committee in a positive and meaningful way during 2021/22.

In relation to proposed amendments to the Committee's Terms of Reference, Councillor Brown advised that these related to removing the requirement for substitutes to be trained prior to attending a meeting in that capacity and adding an Independent Person (non-voting) to the Committee membership.

Resolved

- (1) That the Annual Report of the Accounts, Audit & Risk Committee 2021/22 (Annex to the Minutes as set out in the Minute Book) be noted.
- (2) That the updated Terms of Reference for the Accounts, Audit and Risk Committee (Annex to the Minutes as set out in the Minute Book) be agreed.

The meeting ended at 7.50 pm

Chairman:

Date:

Oxfordshire Councils' Councillor Code of Conduct 2022

Version 4: 8th February 2022

1.0 Introduction

The Council has duty to promote and maintain high standards of conduct by members and co-opted members of the Council, and formally adopt a code of conduct, in accordance with the *Localism Act 2011*.

2.0 Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a Councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow Councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all Councillors and your specific obligations in relation to standards of conduct. The fundamental aim of the Code is to create and maintain public confidence in the role of the Councillor and in Local Government.

3.0 Definitions

For the purposes of this Code of Conduct, a "Councillor" means a member or co-opted member of the local authority. A "co-opted member" is defined in the *Localism Act 2011 Section 27(4)* as "a person who is not a member of the authority but who

- 3.1 is a member of any committee or sub-committee of the authority, or;
- 3.2 is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee".

4.0 General Principles of Councillor Conduct

Everyone in public office and all who serve the public or deliver public services, including Councillors and local authority officers, should uphold the Seven Principles of Public Life, also known as the Nolan Principles, (see Appendix A).

Building on these principles of selflessness, objectivity, accountability, openness, honesty and integrity and leadership, the following general principles have been developed specifically for the role of Councillor.

In accordance with the public trust placed in Councillors, on all occasions a Councillor shall:

- act with integrity and honesty
- act lawfully
- treat all persons fairly and with respect; and
- lead by example and act in a way that secures public confidence in the role of Councillor.
- impartially exercise their responsibilities in the interests of the local community
- not improperly seek to confer an advantage, or disadvantage, on any

- person
- avoid conflicts of interest
- exercise reasonable care and diligence; and
- ensure that public resources are used prudently in accordance with the local authority's requirements and in the public interest.

These general principles have been incorporated into the obligations of the Code of Conduct as set out below.

5.0 Application of the Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of Councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a Councillor.

This Code of Conduct applies to you when you are acting in your capacity as a Councillor which may include when:

- you misuse your position as a Councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a Councillor;

The Code applies to all forms of communication and interaction, including at face-to-face meetings, at online or telephone meetings, in written communication, in verbal communication, in non-verbal communication and in electronic and social media communication, posts, statements and comments.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish Councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring Officer.

6.0 Standards of Councillor Conduct

This section sets out the obligations (in bold below), which are the minimum standards of conduct required of a Councillor. Should a Councillor's conduct fall short of these standards, a complaint may be made against them, which may result in action being taken.

Guidance is also included below each obligation to help explain the reasons for the obligations and how they should be followed.

6.1 Respect

A Councillor:

- 6.1.1 Shall treat everyone, including other Councillors and members of the public with respect.**
- 6.1.2 Shall treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.**

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a Councillor,

you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in Councillors.

In return, you have a right to expect respectful behaviour from everyone. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the relevant social media provider and/or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's councillor-officer protocol.

6.2 Bullying, Harassment and Discrimination

A Councillor:

6.2.1 Shall not bully any person.

6.2.2 Shall not harass any person.

6.2.3 Shall promote equalities and not discriminate against any person.

Bullying is offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Legislation places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

6.3 Impartiality of Officers of the Council

A Councillor:

6.3.1 Shall not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.

Officers work for the local authority as a whole and must be politically neutral, (other than political assistants where applicable). They should not be coerced or persuaded to act in a way that would undermine their neutrality. A Councillor may question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, a Councillor must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

6.4 Confidentiality and access to information

A Councillor:

- 6.4.1 Shall not disclose information either given to them in confidence by anyone or acquired by them which they believe, or ought reasonably to be aware, is of a confidential nature, unless**
- i. They have received the consent of a person authorised to give it; or**
 - ii. They are required by law to do so; or**
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or**
 - iv. the disclosure is reasonable and in the public interest; and also made in good faith and in compliance with the reasonable requirements of the local authority and consultation with the Monitoring Officer has taken place prior to its release.**
- 6.4.2 Shall not improperly use knowledge gained solely as a result of their role as a Councillor for the advancement of themselves, their friends, family members, employer or business interests.**
- 6.4.3 Shall not prevent anyone from getting information that they are entitled to by law.**
- 6.4.4 When making decisions on behalf of, or as part of, the Council shall have due regard to any professional advice provided by the Council's Officers.**

6.5 Disrepute

A Councillor:

- 6.5.1 Shall not bring their role or local authority into disrepute.**

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other Councillors and/or your local authority and may lower the public's confidence in your or your local authority's ability to discharge your/its functions.

6.6 Use of position

A Councillor:

6.6.1 Shall not use, or attempt to use, their position improperly to the advantage or disadvantage of anyone.

A Councillor should not take advantage of opportunities, responsibilities and privileges to further their own or others' private interests or to disadvantage anyone unfairly.

6.7 Local authority Resources and Facilities

A Councillor:

6.7.1 Shall not misuse council resources.

6.7.2 Shall, when using the resources of the local authority or authorising their use by others, act in accordance with the local authority's requirements; and ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which they have been elected or appointed.

A Councillor may be provided with resources and facilities by the local authority to assist them in carrying out their duties as a Councillor. Examples may include office support, stationery, equipment such as phones, computers and transport and access and use of local authority buildings and rooms.

6.8 Compliance with the Code of Conduct

A Councillor:

6.8.1 Shall undertake Code of Conduct training as required by the local authority.

6.8.2 Shall cooperate with any Code of Conduct assessment, investigation, hearing and/or determination.

6.8.3 Shall not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.

6.8.4 Shall comply with any sanction imposed on them following a finding that they have breached the Code of Conduct.

It is extremely important for a Councillor to demonstrate high standards, to have your actions open to scrutiny and not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with the Monitoring Officer.

7.0 Registering and Declaring Interests

You need to register your interests so that the public, local authority employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know

early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

7.1 Disclosable Pecuniary Interests

A Councillor must, within 28 days of taking office as a member or co-opted member, notify the Council's Monitoring Officer of any disclosable pecuniary interest as defined by regulations made by the Secretary of State (see Appendix B), where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners. Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.

You must disclose the interest at any meeting of the Council at which you are present, where you have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'. If it is a 'sensitive interest', you must disclose the fact that you have an interest but do not have to disclose the nature of it. (A sensitive interest is an interest which, in the opinion of the Monitoring Officer, if disclosed, could lead to the Councillor, or a person connected with them, being subjected to violence or intimidation.) You are personally responsible for deciding whether or not you should disclose an interest in a meeting.

Following any disclosure of an interest not on the Council's register, or the subject of pending notification, you must notify the Monitoring Officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, by the Monitoring Officer, you may not participate in any discussion of, or vote on, or discharge any function related to any matter in which you have a disclosable pecuniary interest. You must withdraw from the room or chamber when the meeting discusses and votes on the matter.

Where you have a disclosable pecuniary interest on a matter to be considered or being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

You must ensure that your register of interests is kept up to date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in Appendix B is a criminal offence under the Localism Act 2011.

7.2 Other Registerable Interests

You must also register your other registerable interests with the Monitoring Officer within 28 days of taking office and ensure these are kept up to date by notifying any changes within 28 days.

Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in Appendix C), you must

disclose the interest. Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person's quality of life, either positively or negatively, is likely to affect their wellbeing. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Where you have an Other Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

7.3 Non-Registerable Interests

Where a matter arises at a meeting which **directly relates** to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests at 7.1 above), or the financial interest or wellbeing of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a sensitive interest you do not have to disclose the nature of the interest.

Where a matter arises at a meeting which **affects** your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under Other Registrable Interests as set out at 7.2 above and appendix C you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied:

Where a matter affects the financial interest or well-being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Where you have a Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

8.0 Gifts and Hospitality

A Councillor:

- 8.1 Shall not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.**

- 8.2 Shall register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.**
- 8.3 Shall register with the Monitoring Officer any significant gift or hospitality that they have been offered but have refused to accept.**

The presumption should always be not to accept significant gifts or hospitality but there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered.

You do not need to register gifts and hospitality which are not related to your role as a Councillor.

It is appropriate to accept normal expenses and hospitality associated with your duties as a Councillor.

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B: Discloseable Pecuniary Interests

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in the table below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

Contracts	<p>Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land and Property	<p>Any beneficial interest in land which is within the area of the council.</p> <p>‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.</p>
Licenses	<p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer</p>
Corporate tenancies	<p>Any tenancy where (to the councillor’s knowledge)—</p> <p>(a) the landlord is the council; and</p> <p>(b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.</p>
Securities	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners have a beneficial interest exceeds one hundredth of the total issues share capital of that class.</p>

* 'Director' includes a member of the committee of management of an industrial and provident society.

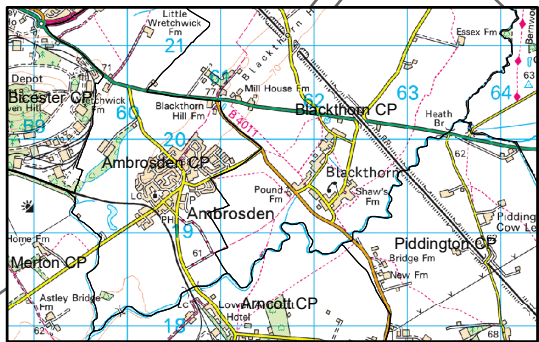
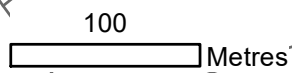
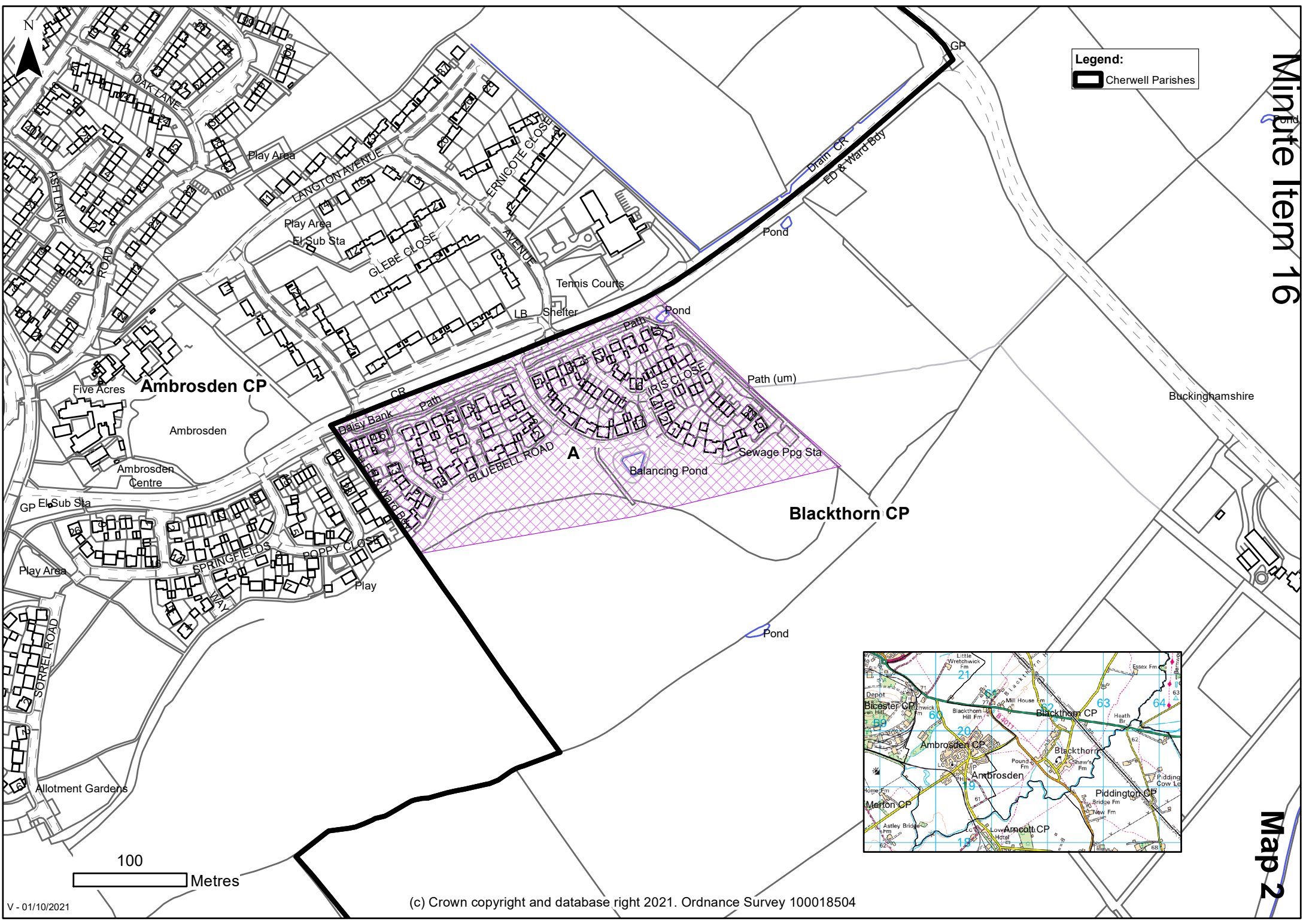
* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

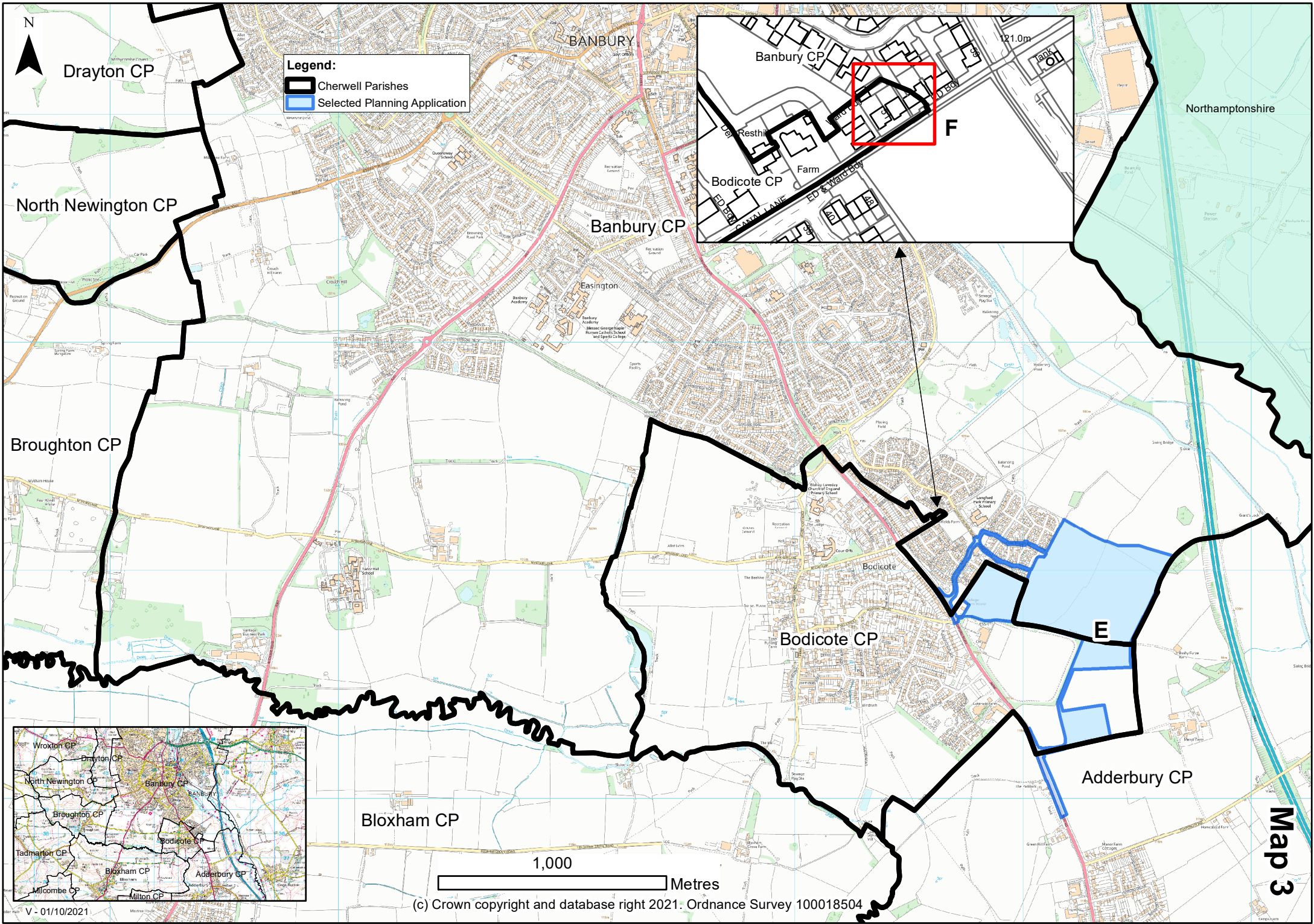
Appendix C: Disclosure of Other Registrable Interests

You must register as an Other Registrable Interest:

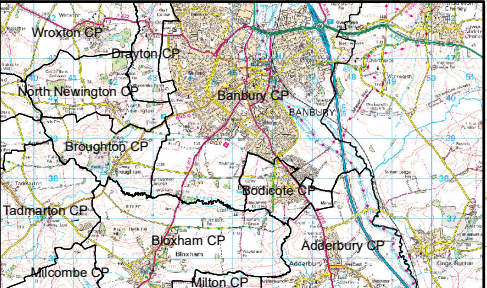
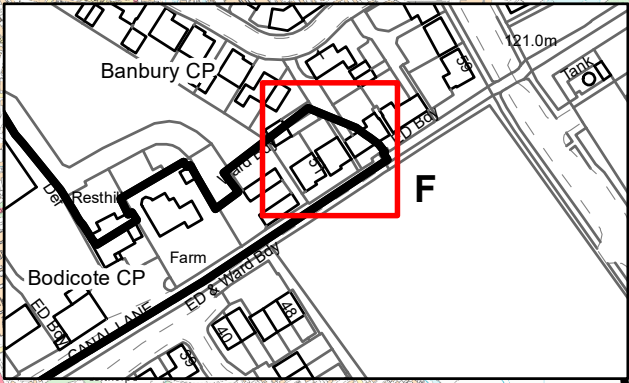
- a) any unpaid directorships
- b) any Body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
- c) any Body
 - (i) exercising functions of a public nature
 - (ii) directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management

Legend:
Cherwell Parishes





Legend:
[Black outline] Cherwell Parishes
[Blue fill] Selected Planning Application





1,000 Metres

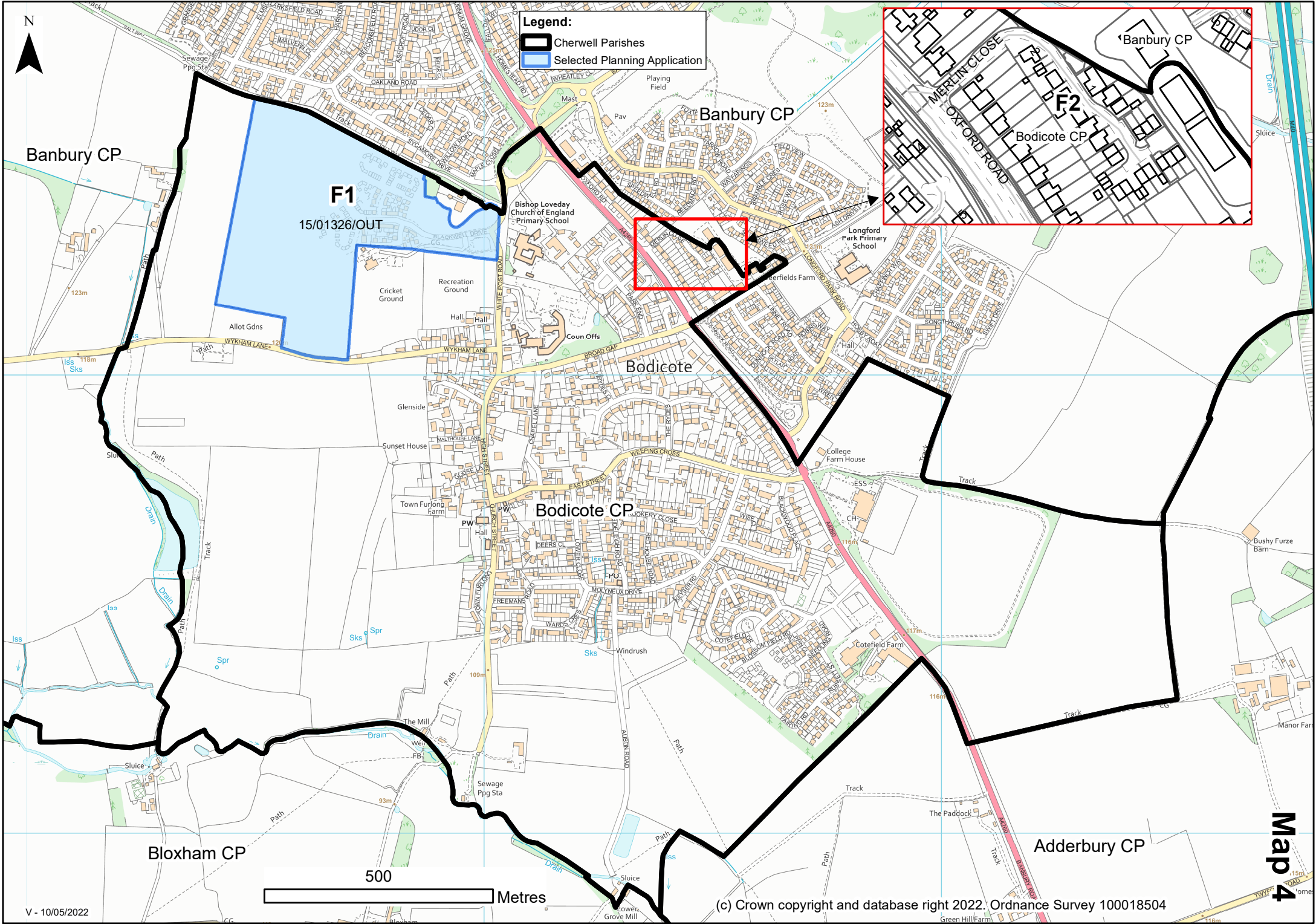
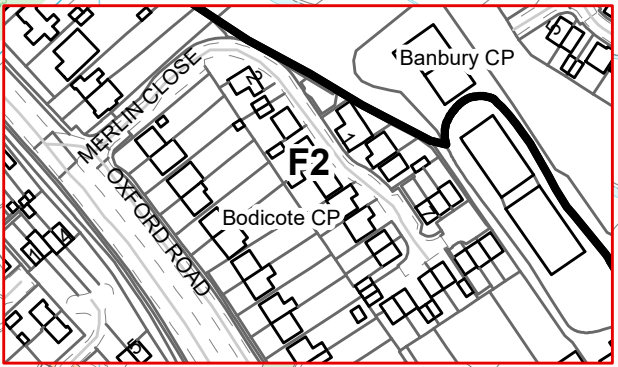
(c) Crown copyright and database right 2021. Ordnance Survey 100018504

Map 3



Legend:

-  Cherwell Parishes
-  Selected Planning Application



Banbury CP

Banbury CP

Banbury CP

Bodicote CP

F1

15/01326/OUT

Bishop Loveday
Church of England
Primary School

Bodicote

Bodicote CP

Bloxham CP

Adderbury CP

500

Metres



(c) Crown copyright and database right 2022. Ordnance Survey 100018504

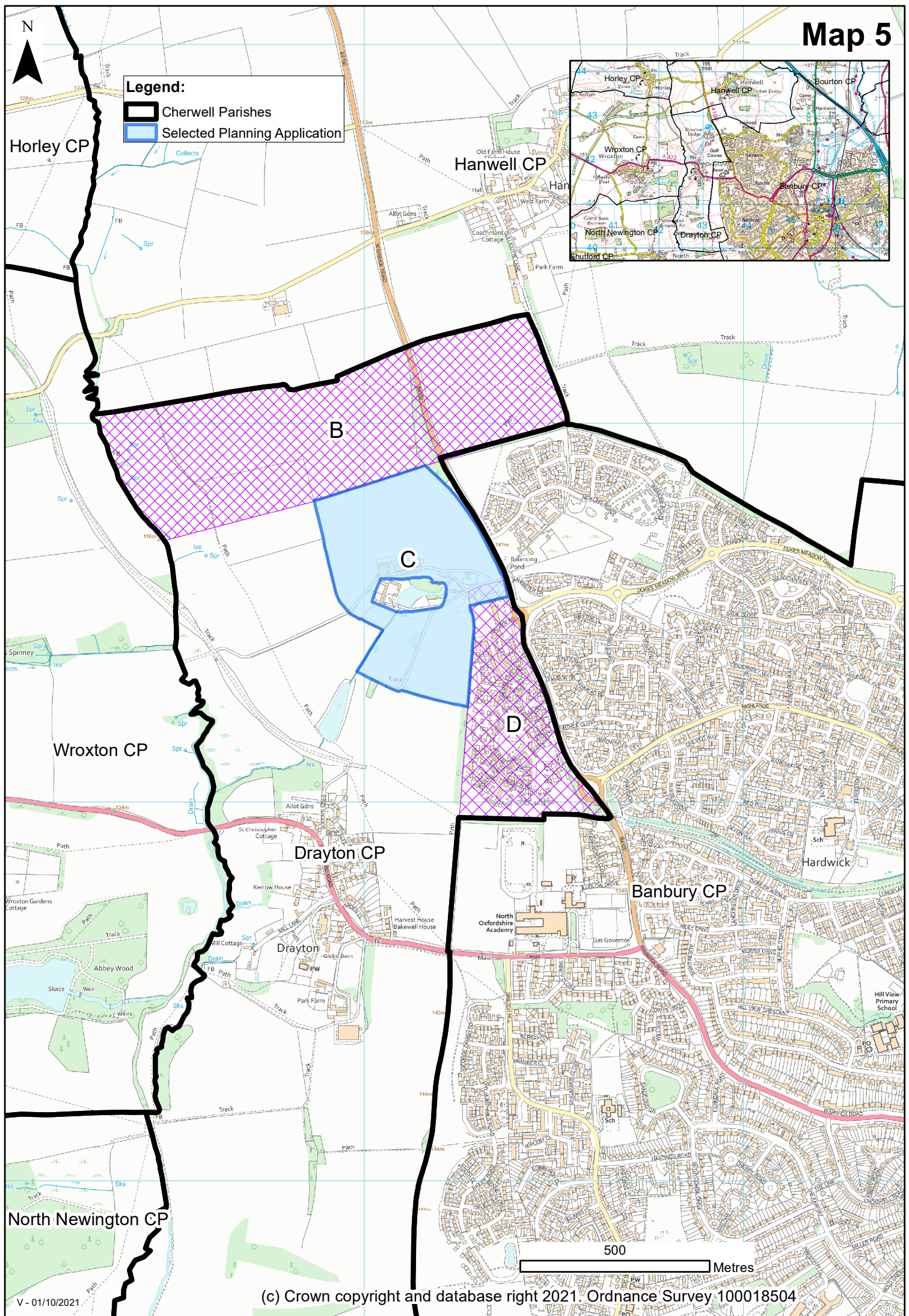
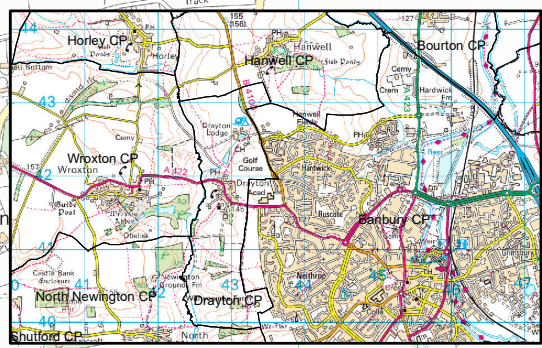
V - 10/05/2022

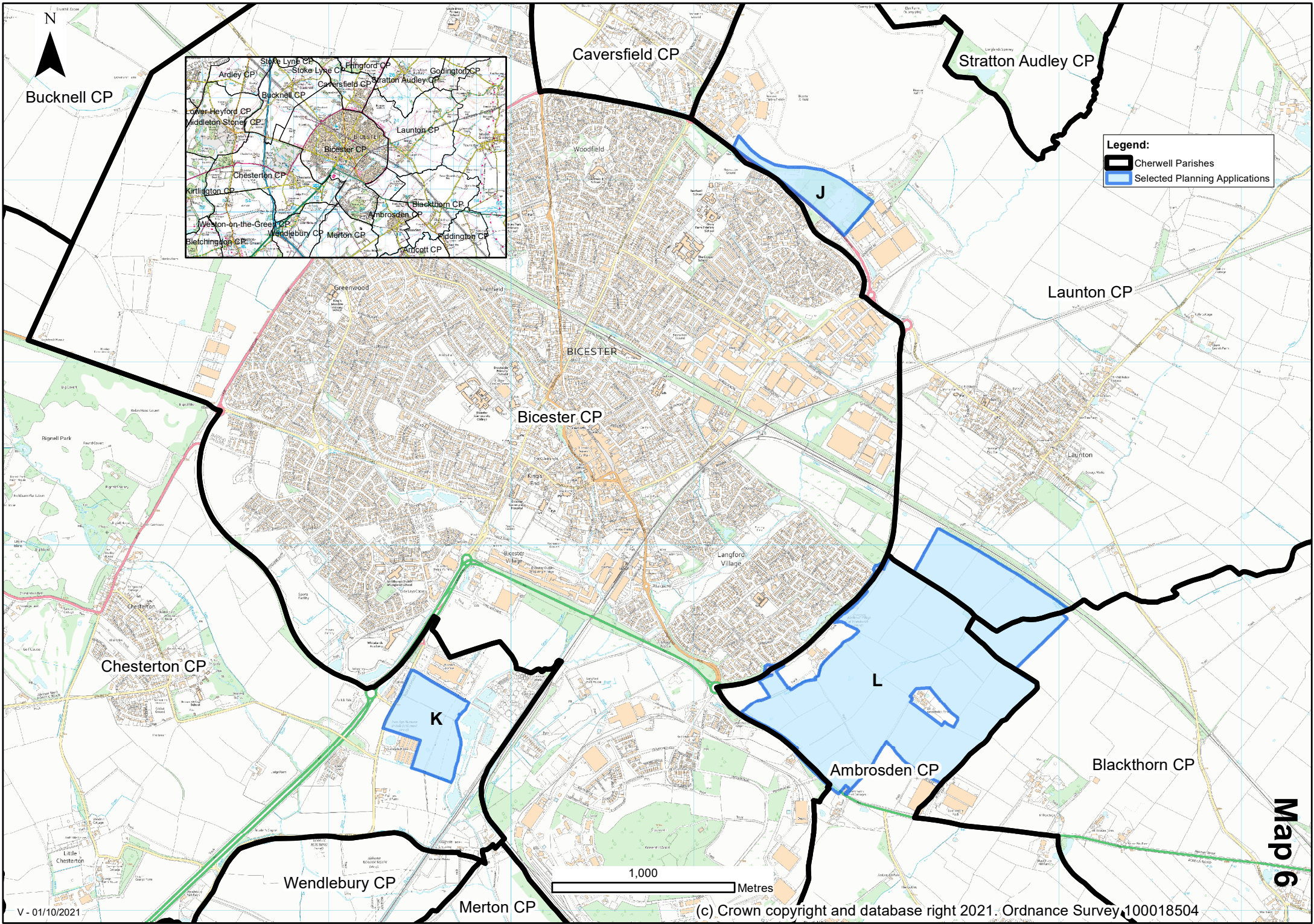
Map 4

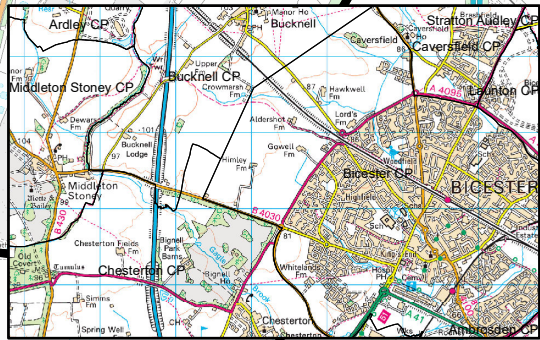


Legend:

-  Cherwell Parishes
-  Selected Planning Application

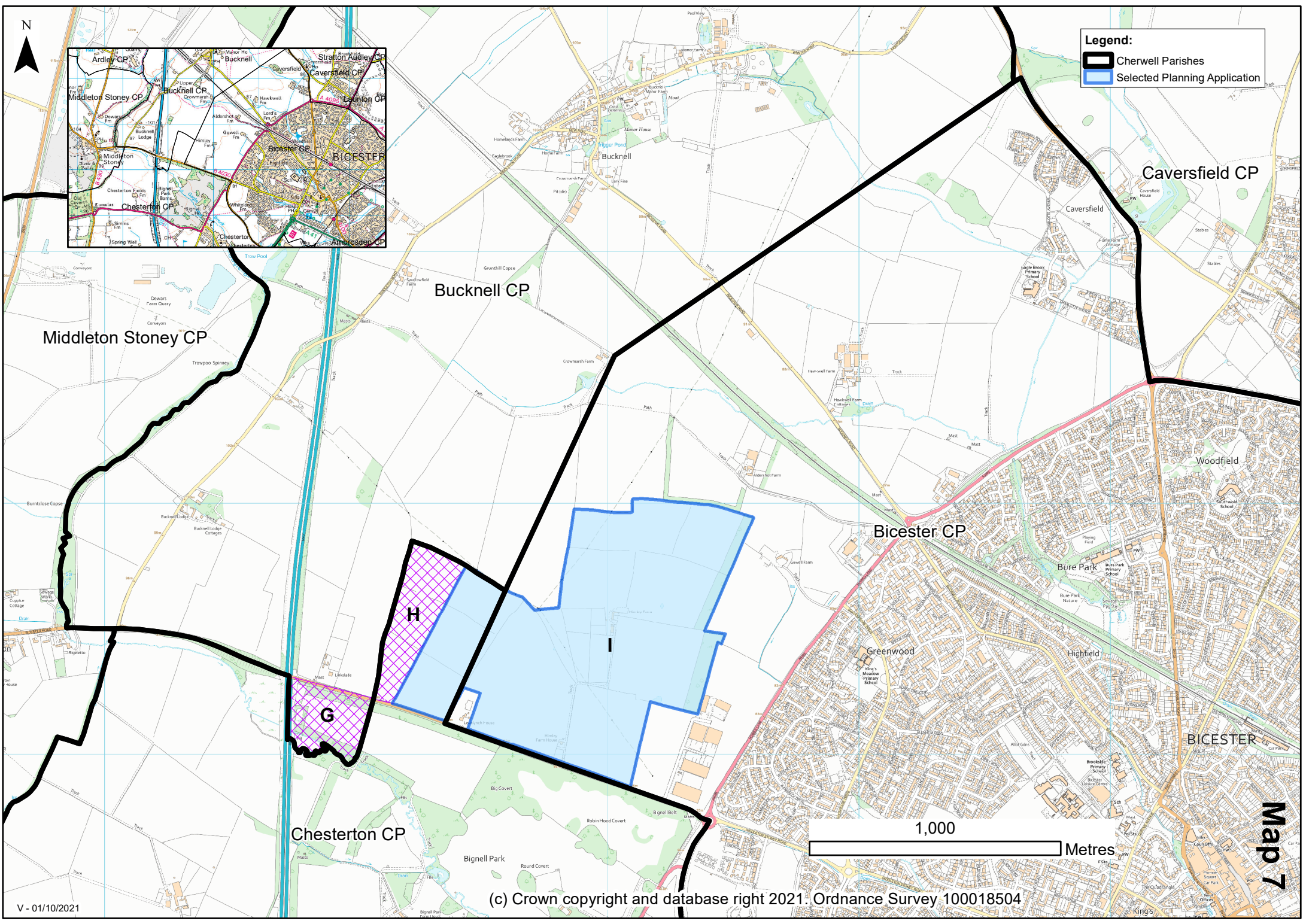


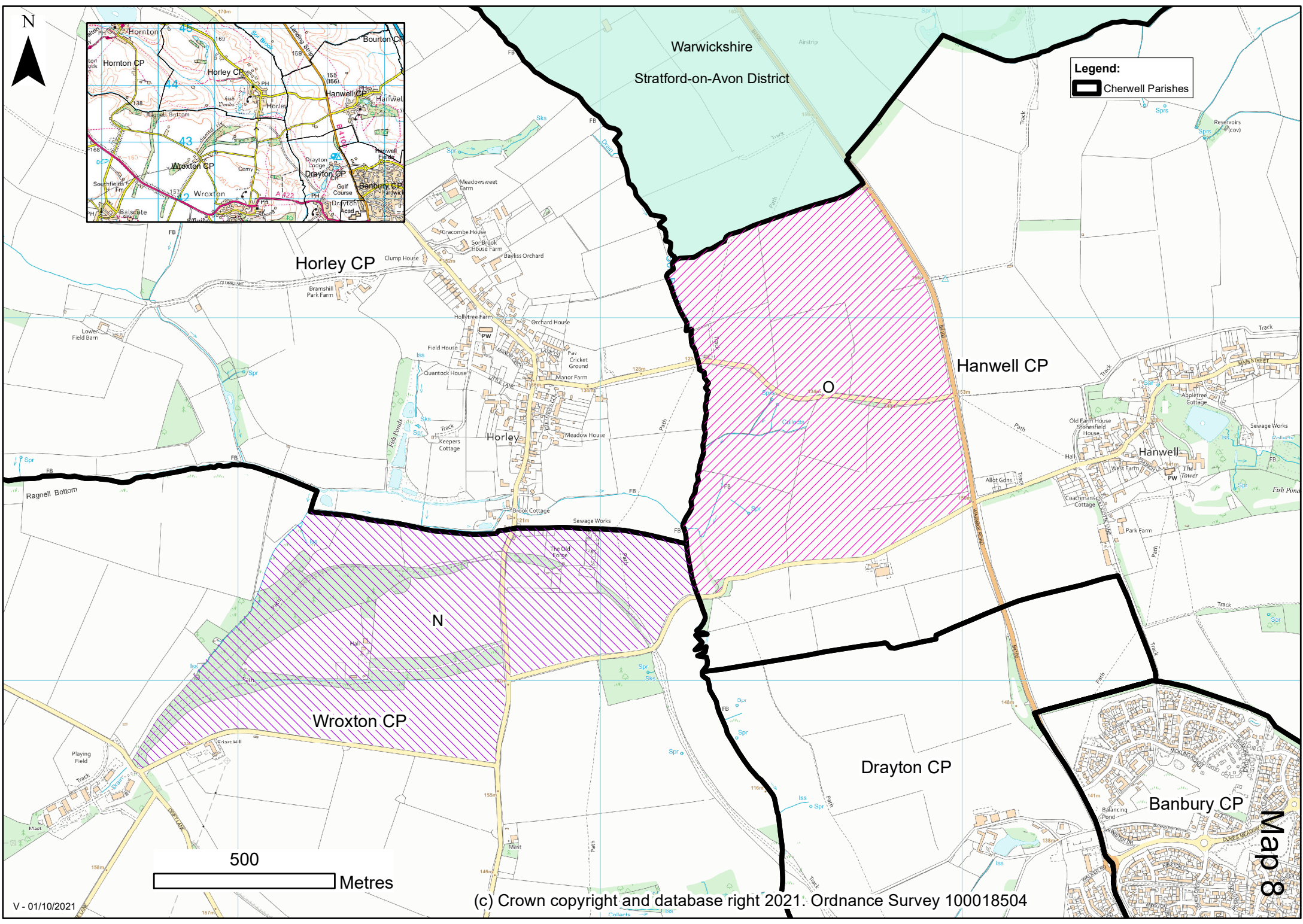




Legend:

-  Cherwell Parishes
-  Selected Planning Application





Legend:
[Black outline] Cherwell Parishes

500 Metres

(c) Crown copyright and database right 2021. Ordnance Survey 100018504

V - 01/10/2021

Map 8

CHERWELL DISTRICT COUNCIL
FINANCIAL PROCEDURE RULES

Contents

1. Financial Procedure Rules

- 1.1 Introduction
- 1.2 Relationship with other documents

2. Financial Management

- 2.1 Introduction
- 2.2 Financial Management Standards
- 2.3 Virement
- 2.4 Treatment of year-end balances
- 2.5 Accounting Policies
- 2.6 Accounting Records and Returns
- 2.7 The Annual Statement of Accounts

3. Financial Planning

- 3.1 Introduction
- 3.2 Budgeting
- 3.3 Performance Plans
- 3.4 Format of the Budget
- 3.5 Revenue Budget Preparation, Monitoring and Control
- 3.6 Budgets and Medium Term Planning
- 3.7 Resource Allocation
- 3.8 Capital Programme
- 3.9 Maintenance of Reserves

4. Risk Management and Control of Resources

- 4.1 Introduction
- 4.2 Risk Management
- 4.3 Internal Controls
- 4.4 Internal Audit
- 4.5 External Audit
- 4.6 Preventing Fraud and Corruption
- 4.7 Security
- 4.8 Inventories
- 4.9 Stocks and Stores
- 4.10 Intellectual Property
- 4.11 Asset Disposal
- 4.12 Sales
- 4.13 Purchases
- 4.14 Treasury Management
- 4.15 Staffing

5. Financial Systems and Procedures

- 5.1 Introduction
- 5.2 General
- 5.3 Computing
- 5.4 Income and Expenditure
- 5.5 Ordering and Paying for Work, Goods and Services
- 5.6 Payment to Employees and Members
- 5.7 Taxation
- 5.8 Trading Accounts and Business Units

6. External Arrangements

- 6.1 Introduction
- 6.2 Partnerships
- 6.3 External Funding
- 6.4 Work for Third Parties

Appendix

Credit Card Usage Protocol

1. Financial Procedure Rules

1.1 Introduction

1.1.1 Financial Procedure Rules are part of the constitution and provide the framework for managing the financial affairs of Cherwell District Council. They apply to every Member and all staff and anyone acting on their behalf, including contractors. These rules are not intended to be a constraint on service delivery. The Council is committed to innovation provided the necessary risk assessment and safeguards are in place. References to “Council” refers to Cherwell District Council. These rules must be read with the Contract Procedure Rules which together provide a comprehensive framework for financial management of the Council. Where there is reference to current guidance in these rules this means the latest approved version of that guidance regardless of the references given, which may not always be up to date.

1.1.2 These regulations set out the financial responsibilities of the:

Full Council

Executive

Committees and Sub-Committees

Chief Executive

Corporate Directors

Assistant Director of Finance, the “Section 151 Officer”

Assistant Director – Law, Governance & Democratic Services (the “Monitoring Officer”)

Directors and Assistant Directors

The Chief Executive, Corporate Directors and Statutory Officers are collectively known as the Corporate Leadership Team (CLT). The inclusion of Directors and Assistant Directors are known as the Extended Leadership Team (ELT).

1.1.3 Written records must be kept where decision-making has been delegated. The Assistant Director of Finance should have the original signed copy of all financial delegations. Any reference to writing in this document includes all electronic communication.

1.1.4 All Councillors 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, properly authorised, and delivers value for money.

- 1.1.5 The Section 151 Officer, is responsible for the financial probity of the Council.
- 1.1.6 The Section 151 Officer is responsible for maintaining a continuous review of the Financial Procedure Rules and for submitting any additions or changes necessary for approval. The Section 151 Officer may amend these Rules where required by statutory change or administrative error.
- 1.1.7 The Section 151 Officer is responsible for reporting breaches of the financial regulations to the Executive or the relevant lead member.
- 1.1.8 Throughout these rules there is reference to the Section 151 Officer. Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a Section 151 Officer, to have responsibility for those arrangements. This is currently the Assistant Director of Finance, or their nominated deputy, . Throughout these rules the Deputy Section 151 Officer may take action in the absence of the Section 151 Officer.

1.2 Relationship with Other Documents

- 1.2.1 These regulations must be read in conjunction with the Constitution and the powers set out in the Scheme of Delegation. These regulations work together with the Contract Procedure Rules.
- 1.2.2 These Financial Procedure Rules set out broad control principles whilst the Detailed Financial Regulations, which appear in each section, set out in more detail how the requirements imposed by the Financial Procedure Rules can be met in practical operational terms.
- 1.2.3 The Section 151 Officer shall approve such subsidiary rules and procedures as are necessary to support the Financial Procedure Rules.
- 1.2.4 The Extended Leadership Team (ELT) are responsible for ensuring that their staff receive sufficient training to enable them to be aware of, and comply with, the requirements of the Contract Procedure Rules, Financial Procedure Rules and the Detailed Financial Regulations.
- 1.2.5 The Section 151 Officer is responsible for issuing advice and guidance on any matters related to the Financial Procedure Rules and Detailed Financial Regulations.
- 1.2.6 In these regulations, all references to Assistant Directors apply equally and, where appropriate, to the Chief Executive, Corporate Directors and Directors.

1.2.7 Nothing in these Financial Procedure Rules prevents expenditure being incurred which is essential to meet any sudden emergency or which is referable to Section 138 of the Local Government Act 1972, subject to such expenditure being reported as soon as practicable to the Executive. This is in line with the urgency powers contained in the Scheme of Delegation.

2. Financial Management

2.1 Introduction

2.1.1 Financial Management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.

2.1.2 The responsibilities of the Council, the Executive and Committees are in the Constitution, as are the roles of the statutory officers of the Council.

2.1.3 The Council itself must legally provide the Section 151 Officer with sufficient staff, accommodation and other resources to carry out their statutory duties. The Section 151 Officer will determine what they deem to be sufficient.

2.2 **Financial Management Standards**

2.2.1 All staff and Members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the financial control environment which safeguards resources and ensures their optimum use contributes to the goals and requirements of the organisation.

Key Controls

2.2.2 The financial control environment consists of budgetary control, final accounts, governance, financial administration, internal review and external review. It includes:

- (a) Promotion of the control objectives throughout the Council including controls enforced by the accountancy software
- (b) A monitoring system to review compliance with financial standards and regular comparisons of performance indicators and benchmark standards that are reported to the Executive, Overview and Scrutiny Committee and Budget Planning Committee.

Responsibilities of the Section 151 Officer

- 2.2.3 Statutory duty to ensure the proper administration of the financial affairs of the Council.
- 2.2.4 To set the financial management standards and to monitor compliance with them.
- 2.2.5 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Council.
- 2.2.6 To advise on the corporate financial position and on the key strategic controls necessary to secure sound financial management.
- 2.2.7 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
- 2.2.8 To prepare the revenue budget and the capital programme and to oversee investments in accordance with the capital strategy and treasury management policies.
- 2.2.9 Under Section 114 of the Local Government Finance Act 1988, a statutory duty to report to Council if any decision is made, or about to be made, which involves incurring unlawful expenditure, or an unlawful action resulting in loss or deficiency to the Council, or an unlawful entry in the Council's accounts.

Responsibilities of Extended Leadership Team

- 2.2.8 To promote the financial management standards set by the Section 151 Officer in their service areas and to monitor adherence to the standards, ensuring financial implications of decisions are agreed with the Assistant Director of Finance & Section 151 Officer or the in accordance with the Scheme of Delegation.

2.2.9 To promote sound financial practices in relation to the standards, performance and development of staff in their service areas.

2.2.10 Demonstrate that the services provided by the Council provide value for money and clear responsibility for governance and internal control as set out in the Financial Management Code.

2.3 Virement

2.3.1 Virement means switching resources between approved estimates or heads of expenditure. It is intended to enable budgets to be managed with a degree of flexibility. The overall policy framework is determined by Full Council to optimise the use of resources.

Key Controls

2.3.2 Key controls for the scheme of virement are:

- (a) It is administered by the Assistant Director of Finance within guidelines set by Full Council. Any variation from this scheme requires the approval of Full Council.
- (b) The overall budget is recommended by the Executive and approved by Full Council. Assistant Directors and nominated Budget Managers are authorised to incur expenditure in accordance with the estimates that make up the General Fund Revenue Budget and the Capital Programme. For the purposes of this scheme, a budget head is considered to be at sub-service level overseen by Assistant Directors. (which incorporates the).
- (c) Virement must not result in an overall increase in net budget requirement.
- (d) Virements shall not be made across ring-fenced accounts. Resources may not be vired between revenue and capital accounts.

2.3.3 Revenue Virement powers are as follows:

Officer/Body	Power	Constraints
<p>Chief Executive, Corporate Directors, Directors and Assistant Directors</p>	<p>The transfer of revenue budget provision within a budget head (i.e. cost centre/ combination of cost centres overseen by an Assistant Director)</p> <p>Maximum size of virement £100,000</p>	<p>Must not exceed approved net expenditure for budget head.</p> <p>No significant change in Council policy (Executive approval required - see below)</p> <p>Cannot use over £10,000 in additional external income (Section 151 Officer approval required - see below)</p> <p>No increase in future years' net expenditure</p> <p>Signed confirmation by Assistant Director</p> <p>No virement involving internal recharges will be allowed.</p> <p>No virement from specified "Major Budget Heads" (Executive approval required - see below) Formal request to and confirmation by Section 151 Officer</p>
<p>Section 151 Officer</p>	<p>The above plus the transfer of revenue budget provision between budget heads controlled by different Assistant Directors.</p> <p>Virement which involves additional income over £10,000</p> <p>Maximum size of virement £250,000</p>	<p>Must not exceed overall service net expenditure budget.</p> <p>No significant change in Council policy (Executive approval required - see below)</p> <p>No increase in future years' net expenditure</p>
<p>Executive</p>	<p>Any virement over £250,000 or which involves a significant change in Council policy</p>	<p>None, other than statutory constraints and those limits contained within the Budget and Policy Framework Procedure Rules</p>

2.4 Treatment of Year-End Balances

2.4.1 The rules below cover arrangements for the transfer of resources between accounting years, i.e. a carry-forward. For the purposes of this scheme, a budget heading is an Assistant Directors service area in the approved budget.

Key Controls

2.4.2 Appropriate accounting procedures are in operation to ensure that carried-forward totals are correct.

Responsibilities of the Section 151 Officer

2.4.3 To administer the scheme of carry-forward in line with the Reserves Policy approved by the Executive.

2.4.4 To report all overspend and underspend on service estimates carried forward to the Executive.

Responsibilities of Assistant Directors

2.4.5 Any overspend on service estimates in total on budgets under the control of the Assistant Director must be carried forward to the following year and will constitute the first call on service estimates in the following year. The Section 151 Officer will report the extent of overspend carried forward to the Executive and to the Full Council.

2.4.6 Net underspend on service estimates under the control of the Assistant Director may be carried forward, subject to:

- (a) the Council and Directorate having an overall underspend
- (b) reporting to the Executive the source of underspend or additional income and the proposed application of those resources
- (b) the approval of the Executive where the underspend exceeds 10% of the individual budget heading (where this amounts to £10,000 or more) or £50,000, whichever is less.

2.5 Accounting Policies

2.5.1 The Section 151 Officer is responsible for the preparation of the Council's statement of accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Council Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC [Local Authority Scotland Accounts Advisory Committee]), for each financial

year ending 31 March.

Key Controls

2.5.2 The key controls for accounting policies are:

- (a) Systems of internal control are in place which ensure that financial transactions are lawful
- (b) Suitable accounting policies are selected and applied consistently
- (c) Proper accounting records are maintained
- (d) Financial statements are prepared which present fairly the financial position of the Council and its expenditure and income.

Responsibilities of the Section 151 Officer

2.5.3 To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the statement of accounts, which is prepared at 31 March each year.

Responsibilities of Extended Leadership Team

2.5.4 To adhere to the accounting policies and guidelines approved by the Section 151 Officer

2.6 Accounting Records and Returns

2.6.1 Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its annual accounts so as to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing value for money in the use of the Council's resources.

Key Controls

2.6.2 The key controls for accounting records and returns are:

- (a) all Executive, finance staff and budget managers operate within the required accounting standards and timetables
- (b) all the Council's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis
- (c) procedures are in place to enable accounting records to be reconstituted in the event of systems failure

- (d) reconciliation procedures are carried out to ensure transactions are correctly recorded
- (e) prime documents are retained in accordance with legislative and other requirements.

Responsibilities of the Section 151 Officer

- 2.6.3 To determine the accounting procedures and records for the Council. Where these are maintained outside the Finance service, the Section 151 Officer should consult the Assistant Director concerned.
- 2.6.4 To arrange for the compilation of all accounts and accounting records under their direction.
- 2.6.5 To comply with the following principles when allocating accounting duties:
 - (a) separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them
 - (b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- 2.6.6 To make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations (England) Regulation 2011.
- 2.6.7 To ensure that all claims for funds, including grants, are made by the due date.
- 2.6.8 To prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the Full Council (or a Committee – at CDC, responsibility sits with the Accounts, Audit and Risk Committee) to approve the statement of accounts before the statutory deadline.
- 2.6.9 To administer the Council's arrangements for under and overspends to be carried forward to the following financial year.
- 2.6.10 To ensure the proper retention of financial documents in accordance with the information management policies of the Council.

Responsibilities of Extended Leadership Team

- 2.6.11 To consult and obtain the approval of the Section 151 Officer before making any changes to accounting records and procedures.

2.6.12 To comply with the principles outlined in paragraph 2.6.5 when allocating accounting duties.

2.6.13 To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements and to ensure there is a clear written scheme of delegation in their area identifying staff with authority to act on their behalf and the limits on that authority.

2.6.14 To supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the Section 151 Officer.

2.7 The Annual Statement of Accounts

2.7.1 The Council has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Full Council (or a Committee – at CDC, responsibility sits with the Accounts, Audit and Risk Committee) is responsible for approving the statutory annual statement of accounts.

Key Controls

2.7.2 The key controls for the annual statement of accounts are:

the Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In Cherwell District Council, that officer is the Assistant Director of Finance & Section 151 Officer.

The Council's statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Council Accounting in the United Kingdom: A Statement of Recommended Practice (the SORP) (CIPFA/LASAAC).

Responsibilities of the Section 151 Officer

2.7.3 To select suitable accounting policies and to apply them consistently.

2.7.4 To make judgements and estimates that are reasonable and prudent.

2.7.5 To comply with the latest Code of Practice on Local Authority Accounting (SORP)

2.7.6 To sign and date the statement of accounts, stating that it presents fairly the financial position of the Council at the accounting date and its income and expenditure for each financial year ended 31 March.

2.7.7 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

- 2.7.8 To report to the Executive the outturn figures for the preceding financial year and draw attention to any major departures from budget and/or matters of importance as soon as practicable after the end of that year.

Responsibilities of the Extended Leadership Team

- 2.7.9 To comply with accounting guidance provided by the Section 151 Officer and to supply the Section 151 Officer with information when required.

3. Financial Planning

3.1 Introduction

- 3.1.1 Full Council is responsible for agreeing the Council's policy framework and budget, which will be proposed by the Executive. In terms of financial planning, the key elements are:

- the business plan
- the revenue budget
- the capital programme
- the medium term financial strategy
- the treasury management strategy
- the capital strategy

- 3.1.2 Where responsibility is given to an Assistant Director to report to Executive, this will be carried out following full consultation with the Corporate Leadership Team

Policy Framework

- 3.1.3 Full Council is 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.
- 3.1.4 Full Council is responsible for setting the level at which the Executive may reallocate budget funds from one service to another. 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.

3.2 Budgeting

3.2.1 Budgets allow the Council to plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit. Prudential borrowing is permitted to pay for capital assets, but provision must be made to repay this borrowing in line with the Council's Minimum Revenue Provision Policy within the revenue budget and medium-term financial strategy. 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 should include allocation to different services and projects, proposed taxation levels and contingency funds.

Budget Preparation

- 3.2.2 The Section 151 Officer, in consultation with Corporate Leadership Team, is responsible for ensuring that a revenue budget is prepared on an annual basis and a medium term financial plan on at least a three-yearly basis for consideration by the Executive, before submission to Full Council. Full Council may amend the budget or ask the Executive to reconsider it before approving it.
- 3.2.3 The Executive is responsible for issuing guidance on the general content of the budget in consultation with the Section 151 Officer or Assistant Director of Finance as soon as possible following approval by the Full Council. This takes the form of the issuing of the Budget Book and/or ensuring formal acceptance of annual budgets by Assistant Directors.
- 3.2.4 It is the responsibility of the Corporate Leadership Team to ensure that budget estimates reflecting agreed 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

- 3.2.5 The Section 151 Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. The Section 151 Officer must monitor and control expenditure against budget allocations and report to the Executive on the overall position on a regular basis.
- 3.2.6 It is the responsibility of Assistant Directors and other budget holders to control income and expenditure within their areas and to monitor performance, taking account of financial information provided by the Section 151 Officer (who is the Assistant Director of Finance). They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the Section 151 Officer or to any problems, and report to the Leadership Team as soon as possible thereafter.

Preparation of the Capital Programme

- 3.2.7 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 Full Council. The capital programme is a minimum three-year rolling programme based on the priorities of the council.

Guidelines

- 3.2.8 Guidelines on budget preparation are issued to Members, and the Executive Leadership Team by the Executive following agreement with the Assistant Director of Finance & Section 151 Officer.. The guidelines will take account of:

- legal requirements
- medium-term planning prospects
- available resources
- spending pressures
- relevant government guidelines
- other internal policy documents
- cross-cutting issues (where relevant)

Maintenance of Reserves

- 3.2.9 It is the responsibility of the Section 151 Officer to advise the Executive and/or Full Council on prudent levels of reserves for the Council.

3.3 The Council's Business Plan

- 3.3.1 The purpose of the Business Plan is to explain overall priorities and objectives, current performance, and proposals for further improvement. It is a key element in the Council's programme of engaging with the public.

Key Controls

- 3.3.2 The key controls for the plans are:
- (a) to ensure that all relevant plans are produced and that they are consistent
 - (b) to produce plans in accordance with any statutory requirements
 - (c) to meet the timetables set
 - (d) to ensure that all performance information is accurate, complete and up to date
 - (e) to provide improvement targets which are meaningful, realistic and challenging.

Responsibilities of the Section 151 Officer

3.3.3 To advise and facilitate the provision of financial information that needs to be included in plans in accordance with agreed timetables.

3.3.4 To contribute to the development of corporate and service targets and objectives and performance information.

Responsibilities of the Extended Leadership Team

3.3.5 To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.

3.3.6 To ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

3.3.7 To contribute to the development of plans in line with any statutory requirements.

3.3.8 To contribute to the development of corporate and service targets and objectives and performance information.

3.4 The Budget

3.4.1 The budget explains the way in which financial control and management will be exercised. The format shapes how the rules around virement operate, outlines the operation of budgets and sets the level at which funds may be reallocated within budgets.

Key Controls

3.4.2 The key controls for the budget are:

- (a) legal requirements and government guidance
- (b) CIPFA's Code of Practice
- (c) available resources and spending pressures.

Responsibilities of the Section 151 Officer

3.4.3 To determine the detailed format of the budget

Responsibilities of the Extended Leadership Team

3.4.4 To comply with accounting guidance provided by the Assistant Director of Finance & Section 151 Officer.

3.5 Revenue Budget Preparation, Monitoring and Control

3.5.1 Approval of revenue estimates by Council constitutes authority to incur

expenditure as detailed in the budget. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

- 3.5.2 Assistant Directors should identify and explain variances against budget in their areas. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the agreed budget. Where net overspends are identified Assistant Directors should develop recovery plans
- 3.5.3 For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area or cost centre. However, budgetary control may take place at a more detailed level if this is required by the Assistant Director's scheme of delegation.

Key Controls

- 3.5.4 The key controls for managing and controlling the revenue budget are:
- (a) Budget managers should be responsible only for income and expenditure directly under their control.
 - (b) A nominated budget manager for each cost centre heading
 - (c) Budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities
 - (d) Budget managers follow an approved certification process for all expenditure
 - (e) Income and expenditure are properly recorded and accounted for
 - (f) Performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget.

Responsibilities of the Section 151 Officer or Assistant Director of Finance (where indicated*)

- 3.5.5 To establish an appropriate framework of budgetary management and control which ensures that:
- (a) Budget management is exercised within approved estimates unless the Full Council agrees otherwise
 - (b) Each Assistant Director has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities
 - (c) Expenditure is committed only against an approved budget head
 - (d) All officers responsible for committing expenditure comply with relevant guidance, and the financial regulations
 - (e) Each cost centre has a single named manager, determined by the

relevant Assistant Director. (As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure)

- (f) Significant variances from approved budgets are investigated and reported by budget managers regularly.

3.5.6 To administer the Council's scheme of virement*.

3.5.7 To submit reports to the Executive or to Full Council, in consultation with the Corporate Leadership Scheme, where it is apparent that the budget under the control of an Assistant Director is, or is likely to be, significantly overspent by financial year-end.

3.5.8 To prepare and submit reports on the Council's projected income and expenditure compared with the budget on a regular basis.

Responsibilities of the Extended Leadership Team

3.5.9 To maintain budgetary control within their divisions, in adherence to the principles in 3.5.5, and to ensure that all income and expenditure are properly recorded and accounted for.

3.5.10 To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the Assistant Director (grouped together in a series of cost centres). As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.

3.5.11 To ensure that only spending covered by a budget provision is incurred, it shall be the duty of Assistant Directors, in consultation with the Leadership Team, to report to the Executive any overspending or shortfall of income against the approved budget head as well as proposed recovery plans, other than where such overspendings can be overcome by virement in accordance with 2.3.3 above.

3.5.12 The Extended Leadership Team must ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively.

3.5.13 The Extended Leadership Team must prepare and submit to the Executive reports on their projected expenditure against budget in consultation with the Assistant Director of Finance & Section 151 Officer or their nominated Deputy.

3.5.14 The Extended Leadership Team must ensure prior approval by the Executive for new proposals, of whatever amount, that:

- (a) create financial commitments in future years

- (b) change existing policies, initiate new policies, cease existing policies or materially extend or reduce the Council's services.

3.5.15 All reports should set out the full financial implications, following consultation with the Assistant Director of Finance & Section 151 Officer or their nominated Deputy.

3.5.16 To ensure compliance with the scheme of virement.

3.5.17 To agree with the relevant Assistant Director where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Assistant Director's level of service activity.

3.6 Budgets and Medium Term Planning

3.6.1 The Council is a complex organization responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Council's plans and policies.

3.6.2 The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of Full Council. Budgets (spending plans) are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for a Council to budget for a deficit.

3.6.3 Medium-term planning (or a three- to five-year planning system) involves a planning cycle in which Assistant Directors develop their own plans to operate their services within the resources available. As each year passes, another future year will be added to the medium-term plan. This ensures that the Council is always preparing for events in advance.

Key Controls

3.6.4 The key controls for budgets and medium-term planning are:

- (a) specific budget approval for all expenditure
- (b) that budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Executive for their budgets and the level of service to be delivered
- (c) that a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.
- (d) that budget managers and Assistant Directors are involved in the development of medium-term plans including identification of the

resulting service performance and financial implications.

Responsibilities of the Section 151 Officer

- 3.6.5 To prepare and submit reports on budget prospects for the Executive, including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.
- 3.6.6 To determine the detailed form of revenue estimates and the methods for their preparation, consistent with the budget approved by Full Council and after consultation with the Executive and Assistant Directors.
- 3.6.7 To prepare and submit reports to the Executive on the aggregate spending plans under the responsibility of Assistant Directors and on the resources available to fund them, identifying, where appropriate, the implications for the level of Council tax to be levied.
- 3.6.8 To advise on the medium-term implications of spending decisions.
- 3.6.9 To encourage the best use of resources and value for money by working with Assistant Directors to identify opportunities to improve value for money, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.
- 3.6.10 To advise Full Council on Executive proposals in accordance with their responsibilities under section 151 of the Local Government Act 1972.

Responsibilities of Extended Leadership Team

- 3.6.11 To prepare estimates of income and expenditure, in consultation with the Assistant Director of Finance & Section 151 Officer or, to be submitted to the Executive.
- 3.6.12 To prepare budgets that are consistent with guidelines issued by the Executive. The format should be prescribed by the Section 151 Officer in accordance with the Full Council's general directions.
- 3.6.13 To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- 3.6.14 In consultation with the Assistant Director of Finance & Section 151 Officer or and in accordance with the laid-down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by the appropriate Committee.

3.6.15 When drawing up draft budget requirements, to have regard to:

- (a) Spending patterns and pressures revealed through the budget monitoring process
- (b) Legal requirements
- (c) Policy requirements as defined by Full Council in the approved policy framework
- (d) Initiatives already under way.

3.7 Resource Allocation

3.7.1 A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

Key Controls

3.7.2 The key controls for resource allocation are:

- (a) Resources are acquired in accordance with the law and using an approved authorisation process
- (b) Resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for
- (c) Resources are securely held for use when required
- (d) Resources are used with the minimum level of waste, inefficiency or loss for other reasons.

Responsibilities of the Section 151 Officer

3.7.3 To advise on methods available for the funding of resources, such as grants from central government and borrowing requirements.

3.7.4 To assist in the allocation of resources to budget managers.

Responsibilities of Extended Leadership Team

3.7.5 To work within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way.

3.7.6 To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

3.7.7 Where budget savings are required, deliver these in a way which maximises income delivery and where this is not possible, minimises the impacts on the delivery of Council priorities.

3.8 Capital Programme

- 3.8.1 The Section 151 Officer is responsible for ensuring that a rolling three year capital programme is produced on an annual basis for submission to Council.
- 3.8.2 The Government places strict controls on the financing capacity of the Council. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

Key Controls

- 3.8.3 The key controls for capital programmes are:
- (a) Full Council must approve the programme of capital expenditure
 - (b) Expenditure on capital schemes is subject to the approval of the Assistant Director of Finance & Section 151 Officer or their nominated Deputy
 - (c) A scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the Executive.
 - (d) Approval by the Executive is required where capital schemes are to be financed from the revenue budget, up to the amount shown in the Capital Programme, and subject to the approval of Full Council, where the expenditure exceeds this amount
 - (e) Schedules for individual schemes within the overall budget approved by Full Council must be submitted to the Executive for approval (for example, minor works), or under other arrangements approved by Full Council
 - (f) A named manager is responsible for delivery
 - (g) Monitoring of progress is undertaken in conjunction with expenditure and comparison with approved budget.

Responsibilities of the Section 151 Officer

- 3.8.4 To prepare capital estimates jointly with the Corporate Leadership Team and to report them to the Executive for approval. The Executive will make recommendations on the capital estimates and on any associated financing requirements to Full Council.
- 3.8.5 To prepare and submit reports to the Executive on the projected income, expenditure and resources compared with the approved estimates.
- 3.8.6 To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the Section 151 Officer, having regard to government regulations and accounting requirements.

Responsibilities of the Extended Leadership Team

- 3.8.8 To comply with guidance concerning capital schemes and controls issued by the Assistant Director of Finance & Section 151 Officer or their nominated deputy. .
- 3.8.9 To ensure that all capital proposals have undergone a project appraisal in accordance with such guidance.
- 3.8.10 To prepare regular reports reviewing the capital programme provisions for their services. To ensure that adequate records are maintained for all capital contracts.
- 3.8.11 To proceed with projects only when there is adequate provision in the capital programme, and with the agreement of the Section 151 Officer where required.
- 3.8.12 To prepare and submit reports to the Executive, of any variation in contract costs greater than £50,000 or 5% of the contract value, whichever is the greater.
- 3.8.13 To seek approval per the table below for amendments to the Capital Programme. For amendments of more than £250,000 where there is not associated external funding the approval process is via full Council.

Officer/Body	Power	Constraints
Chief Executive Corporate Directors, Directors and Assistant Directors	Transfer between budget capital schemes controlled by the same manager of up to £50,000	Must not result in an overall change in the size of the Capital Programme

<p>Section 151 Officer</p>	<p>The above plus:</p> <ul style="list-style-type: none"> • the transfer of capital budget provision between schemes controlled by different managers up to £250,000. • The approval of new capital schemes funded by underspends in other projects up to £250,000 • The approval of new capital schemes up to £250,000 for which specific funding has been identified (e.g. grant funding). 	<p>Limited to changes up to £250,000</p>
<p>Executive</p>	<p>The above plus:</p> <ul style="list-style-type: none"> • the approval of new schemes for which specific funding has been identified (e.g. grant funding) • the approval of new schemes up to £250,000 to be funded by borrowing. 	<p>None, other than statutory constraints and those limits contained within the Budget and Policy Framework Procedure Rules</p>

3.8.14 To authorise additional capital expenditure on the replacement of capital assets, provided it can be financed from an associated insurance claim.

3.8.15 To ensure that credit arrangements, such as leasing agreements, are not entered into other than by the Assistant Director of Finance & Section 151 Officer or their nominated deputy and, if applicable, approval of the scheme through the capital programme

3.9 Maintenance of Reserves

3.9.1 The Council must decide the level of general reserves it wishes to maintain before it can decide the level of Council Tax. Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained such as the purchase or renewal of capital items.

Key Controls

- 3.9.2 To maintain reserves in accordance with the Code of Practice on Local Council Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed accounting policies.
- 3.9.3 For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- 3.9.4 Authorisation of budget transfers to and from reserves should be authorised in line with the Reserves Policy.

Responsibilities of the Section 151 Officer

- 3.9.5 To advise the Executive and/or the Full Council on prudent levels of reserves for the Council, and to take account of the advice of the external auditor in this matter where available. The levels will always take full account of associated risks and the assessed needs of the Council, and will reflect any guidelines published by the Chartered Institute of Public Finance and Accountancy.

Responsibilities of Extended Leadership Team

- 3.9.6 To ensure that resources are used only for the purposes for which they were intended.

4. Risk Management and Control of Resources

4.1 Introduction

- 4.1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant risks to the Council. This should include the proactive participation of all those associated with planning and delivering services. The fundamental aim of risk management is to support the council identify and manage risk especially with regards to those risks (both financial and non-financial) that may have an impact on the reputation and performance of the Council as a whole, and in particular, on its ability to deliver on its strategic priorities.

Risk Management

- 4.1.2 The Accounts Audit and Risk Committee will approve the Council's Risk Management Policy Statement and Strategy and review the effectiveness of risk management generally. The Policy will be sent to the Executive for endorsement. The Assistant Director of Finance & Section 151 Officer is responsible for ensuring that proper insurance exists where appropriate.

- 4.1.3 The Section 151 Officer is responsible for preparing the Council's Risk Management Policy Statement, for promoting it throughout the Council and for advising the Executive on proper insurance cover where appropriate.

Internal Control

- 4.1.4 Internal control refers to the systems of control devised by management to help ensure that the Council's objectives are achieved in a manner that ensures effective use of resources and that the Council's assets and interests are safeguarded.
- 4.1.5 The Section 151 Officer and the Monitoring Officer are responsible for advising on effective systems of internal assurance. 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.
- 4.1.6 It is the responsibility of the Extended Leadership Team 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

- 4.1.7 All the activities of the Council are subject to both internal and external audit. The Accounts and Audit (England) Regulations 2011 issued by the Secretary of State require every local Council to maintain an adequate and effective internal audit of its accounting records and of its system of internal assurance.
- 4.1.8 Full Council is responsible for appointing external auditors to the Council.
- 4.1.9 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as Her Majesty's Revenue and Customs (HMRC), who have statutory rights of access.

Preventing Fraud, Bribery and Corruption

- 4.1.10 The Section 151 Officer and the Monitoring Officer are responsible for the development and maintenance of an anti-fraud and anti-bribery and corruption policy.

Assets

- 4.1.11 Assistant Directors should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the

security of assets and continuity of service in the event of disaster or system failure are in place.

Treasury Management

4.1.12 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.

4.1.13 Full Council is responsible for approving the Treasury Management Policy Statement setting out the matters required under CIPFA's "Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (2017 Edition)". 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.

4.1.14 All money in the hands of the Council is controlled by the Section 151 Officer as designated under section 151 of the Local Government Act 1972.

4.1.15 The Section 151 Officer is responsible for reporting to the Executive 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 as well as a proposed Treasury Management Strategy for the coming financial year at or before the start of each financial year.

4.1.16 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.

Staffing

4.1.18 The Head of Paid Service is responsible for determining how officer support is organised.

4.1.19 The Head of Paid Service is responsible for providing overall management to staff. They are also responsible for ensuring that there is proper use of the evaluation process or other agreed systems for determining the remuneration of a job.

4.1.20 The Head of Paid Service is responsible for controlling total staff numbers by:

- advising the Executive on the budget necessary in any given year to cover estimated staffing levels
- 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

4.2 Risk Management

- 4.2.1 All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.
- 4.2.2 Risk management is recognised as being concerned with both the positive and negative aspects of risk; that is to say opportunities as well as threats. The current strategy therefore applies to risk from both perspectives.
- 4.2.3 Risk, can therefore be defined as: “an uncertain event or set of events that, should it occur will have an effect (positive or negative) on the achievement of the councils’ objectives, performing its duties or meeting the expectations of its stakeholders”
- 4.2.4 The Council is aware that risks will always arise and most risks cannot be fully eliminated, only managed to an acceptable level. Within this context the council is committed to managing risk in order to reduce the impact on the organisations priorities and on service provision.
- 4.2.5 Risk management will be embedded within the daily operations of the council, from strategy and policy formulation through to business planning and general management processes. It will also be applied where the council works in partnership with other organisations, to ensure that partnership risks are identified and managed appropriately.
- 4.2.6 Through understanding risks, decision-makers (councillors and managers) will be better able to evaluate the impact of a particular decision or action on the achievement of the councils’ strategic priorities.
- 4.2.7 It is the overall responsibility of the Executive to approve the Council's risk management strategy and to promote a culture of risk management awareness throughout the Council. The Accounts Audit and Risk Committee will have initial responsibility for approving the risk management strategy before sending it to the Executive for approval

Key Controls

4.2.8 The key controls for risk management are:

- (a) Procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Council
- (b) A monitoring process is in place to review regularly, in this case monthly, the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis
- (c) Managers know that they are responsible for managing relevant (e.g. operational, leadership, project risks) risks and are provided with relevant information on risk management initiatives
- (d) Provision is made for losses that might result from the risks that remain
- (e) Procedures are in place to investigate claims within required timescales
- (f) Acceptable levels of risk are determined and insured against where appropriate
- (g) The Council has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibilities of the Extended Leadership Team

4.2.9 To prepare and promote the Council's risk management policy strategy.

4.2.10 To develop risk management controls in conjunction with their service teams (operational risks) and understand the escalation process.

Responsibilities of the Section 151 Officer

4.2.11 To include all appropriate employees of the Council in a suitable fidelity guarantee insurance scheme.

4.2.12 To review annually, or at such shorter period as he/she may consider necessary, all insurance cover in consultation with other Assistant Directors as appropriate.

4.2.13 To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.

4.2.14 To maintain a leadership risk register.

4.2.15 To formulate the Annual Governance Statement.

Responsibilities of Extended Leadership Team

- 4.2.16 To notify the Section 151 Officer immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the Section 151 Officer or the Council's insurers.
- 4.2.17 To take responsibility for risk management, ensuring that insurance covers are adequate and that good risk management practices are followed in their divisions, having regard to advice from the Assistant Director of Finance & Section 151 Officer or their nominated deputy and other specialist officers (e.g. crime prevention, fire prevention, health and safety).
- 4.2.18 To ensure that there are reviews of operational and leadership risk at least once a quarter within their divisions.
- 4.2.19 To notify the Assistant Director of Finance & Section 151 Officer or their nominated deputy promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.
- 4.2.20 To consult the Assistant Director of Finance & Section 151 Officer or their nominated deputy on the terms of any indemnity that the Council is requested to give.
- 4.2.21 To ensure that employees, or anyone covered by the Council's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- 4.2.22 To identify leadership risks in accordance with guidance issued by the Section 151 Officer
- 4.2.23 To identify operational risks and maintain and be responsible for operational risk registers in accordance with guidance issued by the Section 151 Officer

4.3 Internal Controls

- 4.3.1 The Council is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives.
- 4.3.2 The Council has statutory obligations and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.
- 4.3.3 The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.

4.3.4 The system of internal controls is established in order to provide measurable achievement of:

- (a) efficient and effective operations
- (b) reliable financial information and reporting
- (c) compliance with laws and regulations
- (d) risk management.

Key Controls

4.3.5 The key controls and control objectives for internal control systems are:

- (a) Key controls should be reviewed on a regular basis and the Council should make a formal statement annually as part of the Governance Statement that the systems of internal control are operating effectively
- (b) Managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities
- (c) Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems
- (d) An effective internal audit function that is properly resourced. It should operate in accordance with the Accounts and Audit Regulations 2015 and with any other statutory obligations and regulations.
- (e) The preparation of an annual governance statement

Responsibilities of the Section 151 Officer

4.3.6 To assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

4.3.7 To prepare the annual governance statement for signing by the Leader of the Council and the Head of Paid Service.

Responsibilities of Extended Leadership Team

4.3.8 To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.

4.3.9 To review existing controls in the light of changes affecting the Council and to establish and implement new ones in line with guidance from the **Section 151**
May 2022

Officer. Assistant Directors should also be responsible for removing controls that are unnecessary or not cost- or risk-effective – for example, because of duplication.

4.3.10 To ensure staff have a clear understanding of the consequences of lack of control.

4.4 Internal Audit

4.4.1 The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”.

4.4.2 The Accounts and Audit Regulations 2015 require the Council to maintain an adequate and effective Internal Audit Service in accordance with proper internal audit practices. The Public Sector Internal Audit Standards 2017 (PSIAS), which sets out proper practice for Internal Audit, requires the Chief Internal Auditor (CIA) to provide an annual report to those charged with governance, which should include an opinion on the overall adequacies and effectiveness of the internal control environment, comprising risk management, control and governance.

4.4.3 Internal audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

Key Controls

4.4.3 The key controls for Internal Audit are:

- (a) That it is under the independent control and direction of the Assistant Director of Finance.
- (b) The Chief Internal Auditor has direct access to the Chief Executive, all levels of management and directly to elected Members (where internal audit is outsourced the lead officer on the contract for the firm is treated as the Chief Internal Auditor).
- (c) The internal auditors comply with the Audit Commission’s “Code of Audit Practice for Local Government” and “Statements of Responsibilities of Auditors and Audited Bodies” and CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom.
- (d) Compliance with currently agreed Member reporting mechanism

Responsibilities of the Section 151 Officer

4.4.4 To ensure that internal auditors have the authority, without notice, to:

- (a) access Council premises at reasonable times

- (b) access all assets, records, documents, correspondence and control systems
- (c) receive any information and explanation considered necessary concerning any matter under consideration
- (d) require any employee of the Council to account for cash, stores or any other Council asset under his or her control
- (e) access records belonging to third parties, such as contractors. (f) directly access the Chief Executive and the Executive.

4.4.5 To approve the strategic and annual audit plans prepared by the Chief Internal Auditor which take account of the characteristics and relative risks of the activities involved.

4.4.6 To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

Responsibilities of Extended Leadership Team

4.4.7 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.

4.4.8 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.

4.4.9 To consider and respond promptly to recommendations in audit reports.

4.4.10 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

4.4.11 To notify the Section 151 Officer and Chief Executive immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources. Pending investigation and reporting, the Assistant Director should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration. The Chief Executive and Section 151 Officer shall take whatever steps they consider necessary by way of investigation and reporting any matter.

4.4.12 To ensure that new systems for maintaining financial records or records of assets or changes to such systems are discussed with and agreed by the Section 151 Officer prior to implementation.

4.5 External Audit

4.5.1 The basic duties of the external auditor are defined in the Local Government Act 1999. The Local Audit and Accountability Act 2014 sets out the regulatory framework for external audit. External Audit requirements are to be reviewed

- (a) the financial aspects of the audited body's corporate governance arrangements
- (b) the audited body's financial statements
- (c) arrangements for securing economy, efficiency and effectiveness in its use of resources

4.5.3 The Council's accounts are scrutinised by external auditors who must be satisfied that the statement of accounts 'presents fairly' the financial position of the Council and its income and expenditure for the year in question and complies with the legal requirements.

Key Controls

4.5.4 Responsibility for the appointment of External auditors sits with the Full Council.

Responsibilities of the Section 151 Officer

4.5.5 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.

4.5.6 To ensure there is effective liaison between external and internal audit.

4.5.7 To work with the external auditor and advise Full Council, Executive and Assistant Directors on their responsibilities in relation to external audit.

Responsibilities of Extended Leadership Team

4.5.8 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for their purposes.

4.5.9 To ensure that all records and systems are up to date and available for inspection.

4.6 Preventing Fraud Bribery and Corruption

4.6.1 The Council will not tolerate fraud bribery or corruption in the administration of its responsibilities, whether from inside or outside the Council.

4.6.2 The Council's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

4.6.3 The Council also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact will act towards

the Council with integrity and without thought or actions involving fraud bribery or corruption.

Key Controls

4.6.4 The key controls regarding the prevention of financial irregularities are that:

- (a) The Council has an effective anti-fraud and anti-bribery and corruption policy and maintains a culture that will not tolerate fraud or corruption
- (b) All Members and staff act with integrity and lead by example
- (c) Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Council or who are corrupt
- (d) High standards of conduct are promoted amongst Members
- (e) A register of interests is maintained in which any hospitality or gifts accepted must be recorded
- (f) A whistle blowing policy is in place and operates effectively
- (g) Legislation including the Public Interest Disclosure Act 1998 is adhered to
- (h) The Council has a money laundering policy in place.

Responsibilities of the Section 151 Officer

4.6.4 To develop and maintain an anti-fraud and anti-bribery and corruption policy.

4.6.5 To maintain adequate and effective internal control arrangements.

4.6.6 To ensure that all suspected irregularities are reported to the Chief Executive and the Executive where deemed appropriate.

4.6.7 To ensure that, where a large cash payment is offered or made to the Council, these are immediately reported to him/her and to ensure that such occurrence is immediately reported to the National Crime Agency where appropriate. In such circumstances, any cash received should not be banked until appropriate clearance to do so has been received in line with the Money Laundering Policy

Responsibilities of Extended Leadership Team

4.6.8 To ensure that all suspected irregularities are reported to the Section 151 Officer and Chief Executive

4.6.9 To instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

4.6.10 To ensure that, where financial impropriety is discovered, the Chief Executive and Section 151 officer are informed, and, where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in to

determine with the Crown Prosecution Service whether any prosecution will take place.

4.7 Security of Assets

4.7.1 The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

Key Controls

4.7.2 The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software and information are:

- (a) Resources are used only for the purposes of the Council and are properly accounted for
- (b) Resources are available for use when required
- (c) Resources no longer required are disposed of in accordance with the law and the regulations of the Council so as to maximise benefits
- (d) An asset register is maintained for the Council, assets are correctly recorded when they are acquired by the Council and this record is updated as changes occur with respect to the location and condition of the asset
- (e) All staff are aware of their responsibilities with regard to safeguarding the Council's assets and information including the requirements of the Data Protection Act 1998 and software copyright legislation
- (f) All staff are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's computer and internet security policies.

Responsibilities of Extended Leadership Team

4.7.3 The Director for Property, Investment & Facilities Management shall maintain a terrier (a map-based record of all the Council's land ownership on GIS) of all property owned by the Council recording the location, extent and plan reference, purchase details, particulars of rents payable and tenancies granted. The Assistant Director of Finance keeps an asset register for financial accounting purposes but ensuring it is consistent with the land and property asset register held by the Head of Procurement & Contract Management.

4.7.4 To ensure that lessees and other prospective occupiers of Council land are not allowed to take possession, or enter, the land until a lease or agreement, in a form approved by the Assistant Director in consultation with the Assistant Director Law,

Governance and Democratic Services & and Monitoring Officer or their nominated deputy has been established as appropriate.

- 4.7.5 To ensure the proper security of all buildings and other assets under their control.
- 4.7.6 Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a report by the Director for Property, Investment & Facilities Management
- 4.7.7 To pass title deeds to the Assistant Director Law, Governance and Democratic Services who is responsible for custody of all title deeds.
- 4.7.8 To ensure that no Council asset is subject to personal use by an employee without proper authority which means in relation to property assets the Director for Property, Investment & Facilities Management and in relation to any other assets the Assistant Director of Finance.
- 4.7.9 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council.
- 4.7.10 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- 4.7.11 To consult the Section 151 Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 4.7.12 To ensure cash holdings on premises are kept to a minimum and are within limits approved by the Section 151 officer which shall not be exceeded without his or her express approval.
- 4.7.13 To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the Section 151 Officer as soon as possible.
- 4.7.14 To record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless, following consultation with the Section 151 Officer it is agreed otherwise.
- 4.7.15 To advise the Director Digital & IT and Director Customers, who shall be responsible for maintaining a corporate asset register of the Council's ICT assets of any hardware and software acquisitions.
- 4.7.16 To provide the Director of Digital & IT and Director Customers & Cultural Services with copies of all software licences.
- 4.7.17 To ensure that all employees are aware that they have a personal responsibility with

regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council in some way.

4.7.18 Under the direction of the Assistant Director – Law, Governance & Democratic Services and Monitoring Officer, or their nominated Deputy, to ensure all employees are aware of their responsibilities for maintaining proper security and privacy in respect of information held in any computer and also for the need to comply at all times with the provisions of the Data Protection Act, 1998 and the Computer Misuse Act 1990.

4.8 Inventories

Key Controls

4.8.1 The key controls for inventories are:

- (a) That an up to date record is maintained of all relevant property of the Council.
- (b) That disposals, renewals, replacements and additions are recorded in a timely fashion.
- (c) That steps are taken to ensure the prevention of unauthorised use of Council property

Responsibilities of Extended Leadership Team

4.8.2 To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery, the extent and format of which is to be determined by the Assistant Directors.

4.8.3 To carry out an annual check of all items on the inventory in order to verify location, review and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders should be identified, with security markings, as belonging to the Council.

4.8.4 To make sure that property is used only in the course of the Council's business, unless the Assistant Director concerned has given permission otherwise.

4.9 Stocks and Stores

Key Controls

4.9.1 The key controls for stocks and stores are:

- (a) The maintenance of properly maintained records of stocks and stores.
- (b) Steps to ensure the safe custody of Council property
- (c) Steps to ensure the prevention of unauthorised use of Council property

Responsibilities of Extended Leadership Team

- 4.9.2 To make arrangements for the care and custody of stocks and stores in the division, providing the Assistant Director Finance with a year-end return when required and in the approved format.
- 4.9.3 To ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion. All stocks are to be checked at least once per year, with large stock holdings (of a value of £50,000 or more) subject to in-year rolling reviews.
- 4.9.4 To investigate and remove from the Council's records (i.e. write off) discrepancies as necessary, or to obtain Executive approval if they are in excess of £5,000 in value.
- 4.9.5 To authorise or write off disposal of redundant stocks and equipment. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction, unless, following consultation, the Section 151 officer decides otherwise in a particular case.
- 4.9.6 To seek authorisation from the Section 151 Officer to make adjustments to write off deficiencies and obsolete stores and equipment.

4.10 Intellectual Property

- 4.10.1 Intellectual property is a generic term that includes inventions and writing. If these are created by the employee during the course of employment, then, as a general rule, they belong to the employer, not the employee. Legislation covers different types of intellectual property.
- 4.10.2 Certain activities undertaken within the Council may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.

Key Controls

- 4.10.3 In the event that the Council decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with the Council's approved intellectual property procedures.

Responsibilities of the Extended Leadership Team

4.10.4 To develop and disseminate good practice through the Council's intellectual property procedures.

4.10.5 To ensure that controls are in place to ensure that staff do not carry out private work in Council time and that staff are aware of an employer's rights with regard to intellectual property.

4.11 Asset Disposal

4.11.1 The procedure for the disposal of Council assets is covered by section 30 of the Contract Procedure Rules. There are specific rules to follow if the asset is valued above £50,000 unless a suitably qualified person confirms that an alternative procedure is appropriate because of the nature of the asset. If any asset is to be disposed of by scrapping, this shall be done using the most environmentally friendly method subject to such method being cost-effective.

Key Controls

4.11.2 Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the Council and the best price is obtained, bearing in mind other factors, such as environmental issues. For items of above £50,000, disposal should be in accordance with the process set out in section 30 of the Contract Procedure Rules.

4.11.3 Procedures protect staff involved in the disposal from accusations of personal gain.

Responsibilities of the Section 151 Officer

4.11.4 To monitor and review the guidelines representing best practice for the disposal of assets in consultation with the Monitoring Officer.

4.11.5 To ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.

Responsibilities of Extended Leadership Team

4.11.6 To refer to the Contract Procedure Rules and seek advice from purchasing advisors on the disposal of surplus or obsolete materials, stores or equipment and to seek authorisation from the Section 151 Officer before such disposal.

4.11.7 To ensure that income received for the disposal of an asset is properly banked and coded

4.11.8 To ensure that sales of land and buildings are dealt with in the following way:

4.12 Sales

4.12.1 Land and buildings valued at less than £250,000 shall be disposed of by the Director for Property, Investment & Facilities Management in a manner consistent with the Council's statutory duties under Section 123 of the Local Government Act 1972

4.12.2 Unless otherwise agreed by the Executive, all land or buildings valued at £50,000 or more shall be offered on the open market in accordance with one or other of the following procedures:

Sale by Tender - Ad-Hoc Tenders

4.12.3 At least 14 days' notice shall be given in two or more of [the local newspapers circulating in the area of the Council and/or in such national journals or appropriate websites as the Director for Property, Investment & Facilities Management considers desirable stating the nature of the property and inviting tenders for its purchase and stating the last date when tenders will be accepted; or

Sale by Tender - Approved List

4.12.4 Public notice shall be given in respect of a particular transaction in the manner described in 4.12.3 above inviting applications from interested persons to be placed on a list to be approved by the Council from which prospective purchasers shall be selected and invited to submit tenders.

Sale at a Named Figure

4.12.5 An assessment of the value of the property shall be made by a qualified valuer. The Head of Procurement and Contract Management shall issue particulars of the property and the price to all enquiring persons. Details of the property shall be publicly advertised on at least one occasion and on a sign board erected upon the site.

Invited Offers

4.12.6 The property shall be advertised in accordance with 4.12.3 above but no figure shall be placed in the particulars and interested parties shall be asked to make offers for consideration by the Council. In order to give guidance to would-be purchasers a minimum figure may be quoted where appropriate. The administration of 4.12.3 – 4.12.6 may be carried out by approved agents.

Sale by Public Auction

4.12.7 Properly qualified and experienced auctioneers shall be commissioned to act on behalf of the Council in offering for sale by auction land or buildings in the Council's ownership.

4.13 Purchases

4.13.1 All purchases of land and/or buildings shall be the subject of a valuation report by the District Valuer or an independent qualified valuer.

4.13.2 The Executive or Full Council shall approve all land and building purchases, other than exceptions covered by 4.13.3. The report seeking such approval will identify the purpose for which the land will be held. Where urgent action to make an offer is required, the Urgency Powers procedures specified within Delegated Powers will be sought through Lead Member decision making.

Exceptions

4.13.3 Every exception to the procedure shall require the approval of Full Council or the Executive following a report justifying the exception being made.

4.14 Treasury Management

4.14.1 Many millions of pounds pass through the Council's books each year. This has led to the establishment of codes of practice. These aim to provide assurances that the Council's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Council's capital sum.

Key Controls

4.14.2 That the Council's borrowings and investments comply with CIPFA's "Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (2017 Edition) and with the Council's treasury policy statement.

Responsibilities of Section 151 Officer – Treasury Management and Banking

4.14.3 To arrange the borrowing and investments of the Council in such a manner as to comply with CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (2017 Edition) and the Council's treasury management policy statement and annual strategy.

4.14.4 To operate bank accounts and order cheques if considered necessary.

Opening or closing any bank account shall require his approval.

- 4.14.5 To ensure that all cheques on the Council's main bank accounts bear his or her facsimile signature or are signed by him/her or other person authorised by the Council to do so.
- 4.14.6 To ensure that all cheques drawn exceeding £25,000 in value are countersigned by an appropriately authorised signatory designated by the Head of Paid Service.
- 4.14.7 To ensure that all manually prepared cheques are stamped in accordance with procedures authorised by them.

Responsibilities of Extended Leadership Team – Treasury Management and Banking

- 4.14.8 To follow the instructions on banking issued by the Section 151 Officer.

Responsibilities of Section 151 Officer – Investments and Borrowing

- 4.14.9 To ensure that all investments of money are made in the name of the Council or in the name of nominees approved by the Full Council.
- 4.14.10 To ensure that all securities that are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in the custody of the appropriate Assistant Director.
- 4.14.11 To effect all borrowings in the name of the Council.
- 4.14.12 To act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council.
- 4.14.13 To comply with the best available professional published guidance insofar as is reasonably practicable to do so.

Responsibilities of Extended Leadership Team – Investments and Borrowing

- 4.14.14 To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Section 151 Officer.

Responsibilities of Extended Leadership Team – Trust Funds and Funds held for Third Parties

- 4.14.15 To arrange for all trust funds to be held, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities, etc. relating to the trust with the Section 151 Officer,
May 2022

unless the deed otherwise provides.

4.14.16 To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Section 151 Officer, and to maintain written records of all transactions.

4.14.17 To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

Responsibilities of the Section 151 Officer - Imprest Accounts

4.14.18 To provide employees of the Council with cash or bank imprest accounts or purchasing cards to meet minor expenditure on behalf of the Council and to prescribe rules for operating these accounts.

4.14.19 To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.

4.14.20 Purchasing Cards and Credit Cards can be used for a variety of small payments instead of the use of petty cash and imprest floats.

Responsibilities of Extended Leadership Team – Imprest Accounts

4.14.21 To ensure that employees operating an imprest account:

- (a) obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained
- (b) make adequate arrangements for the safe custody of the account
- (c) produce upon demand by the Section 151 Officer cash and all vouchers to the total value of the imprest amount
- (d) record transactions promptly
- (e) reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder
- (f) provide the Section 151 Officer with a certificate of the value of the account held at 31 March each year
- (g) ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made
- (h) on leaving the Council's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Section 151 Officer for the amount advanced to him or her.
- (i) ensure that the imprest account is not used for items which are subject to Income Tax i.e. wages, sub-contractors.

4.15 Staffing

4.15.1 In order to provide the highest level of service, it is crucial that the Council recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

Key Controls

4.15.2 The key controls for staffing are:

- (a) To ensure that staffing requirements and budget allocations and work priorities are matched
- (b) To forecast staffing requirements and costs
- (c) To have in place controls to ensure that staff time is used efficiently and to the benefit of the Council
- (d) To undertake checks prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy
- (e) To operate procedures to ensure the appropriate training and development of staff

Responsibilities of the Section 151 Officer

4.15.3 To ensure that budget provision exists for all existing and new employees.

4.15.4 To act as an advisor to Assistant Directors on areas such as National Insurance and pension contributions, as appropriate.

4.15.5 To determine a sensible and prudent level of vacancy factor and to incorporate this into the budget where appropriate.

Responsibilities of Extended Leadership Team

4.15.6 To produce an annual staffing budget.

4.15.7 To ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).

4.15.8 To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.

4.15.9 To ensure staffing budgets are not exceeded without appropriate approval.

4.15.10 To ensure development needs are identified via the Annual Staff Appraisal Process and that the agreed training plan and programme is supported and attended.

4.15.11 To monitor the level of staffing vacancies against the vacancy factor budget for which they are responsible.

5. Financial Systems and Procedures

5.1 Introduction

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

General

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

5.1.3 Any changes to procedures by Assistant Directors to meet their own specific service needs should be agreed with the Section 151 Officer.

5.1.4 Assistant Directors should ensure that their staff receive relevant financial training that has been approved by the Section 151 Officer.

5.1.5 Assistant Directors must ensure, in consultation with the Assistant Director – Law, Governance & Democratic Services and Monitoring Officer or their nominated Deputy, that, where appropriate, computer and manual filing systems are registered in accordance with data protection legislation. Assistant Directors must ensure, in consultation with the Assistant Director – Law, Governance & Democratic Services, that staff are aware of their responsibilities under freedom of information and environmental information regulations legislation.

Income and Expenditure

5.1.6 It is the responsibility of Assistant Directors to ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify staff authorised to act on the Assistant Director's behalf, or on behalf of the Executive, in respect of payments, income collection and placing orders, together with the limits of their authority. The scheme of delegation should be consistent with those granted in the Council's financial systems. The Executive is responsible for approving procedures for writing off debts as part of the overall control

framework of accountability and control.

Payments to Employees and Members

5.1.7 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

5.1.8 The Section 151 Officer is responsible for advising Assistant Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.

5.1.9 The Section 151 Officer is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Trading Accounts/Units

5.1.10 It is the responsibility of the Section 151 officer to advise on the establishment and operation of trading accounts and units

5.2 General

5.2.1 Divisions have many systems and procedures relating to the control of the Council's assets, including purchasing, costing and management systems. Divisions rely on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

5.2.2 The Section 151 Officer has a professional responsibility to ensure that the Council's financial systems are sound and he/she should therefore be notified of any new developments or changes.

Key Controls

5.2.3 The key controls for systems and procedures are:

- (a) Basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated
- (b) Performance is communicated to the appropriate managers on an accurate, complete and timely basis

- (c) Early warning is provided of deviations from target, plans and budgets that require management attention
- (d) Operating systems and procedures are secure.

Responsibilities of the Section 151 Officer

5.2.4 To make arrangements for the proper administration of the Council's financial affairs, including to:

- (a) issue advice, guidance and procedures for officers and others acting on the Council's behalf
- (b) determine the accounting systems, form of accounts and supporting financial records
- (c) establish arrangements for audit of the Council's financial affairs
- (d) approve any new financial systems to be introduced
- (e) approve any changes to be made to existing financial systems.

Responsibilities of Extended Leadership Team

5.2.5 To ensure that accounting records are properly maintained and held securely.

5.2.6 To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Section 151 officer

5.2.7 To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.

5.2.8 To incorporate appropriate controls to ensure that, where relevant:

- (a) all input is genuine, complete, accurate, timely and not previously processed
- (b) all processing is carried out in an accurate, complete and timely manner
- (c) output from the system is complete, accurate and timely.

5.2.9 To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.

- 5.2.10 To ensure there is a documented and tested business continuity plan to allow information system processing to resume quickly in the event of an interruption.
- 5.2.11 To ensure that systems are documented and staff trained in operations.
- 5.2.12 To consult with the Section 151 Officer before changing any existing system or introducing new systems.
- 5.2.13 To establish a scheme of delegation identifying officers authorised to act upon the Assistant Director's behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- 5.2.14 To supply lists of authorised officers, with specimen signatures and delegated limits, to the Section 151 Officer, together with any subsequent variations.
- 5.2.15 To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building. The Assistant Director with responsibility for ICT will have overall responsibility for business continuity in relation to ICT systems.
- 5.2.16 To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation, that staff are aware of their responsibilities under the legislation and that no system operates live unless the Head of Legal has confirmed that all legislative requirements have been met.
- 5.2.17 To ensure that relevant standards and guidelines for computer systems issued by the Director Digital and IT are observed.
- 5.2.18 To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- 5.2.19 To comply with the copyright, designs and patents legislation and, in particular, to ensure that:
- (a) only software legally acquired and installed by the Council is used on its computers
 - (b) staff are aware of legislative provisions
 - (c) in developing systems, due regard is given to the issue of intellectual property rights.

5.3 Computing

5.3.1 Key Controls

The key controls for computing are:

- (a) The existence of and adherence to a corporate ICT Strategy.
- (b) The existence of a corporate procurement procedure for all hardware and software acquisitions in accordance with the Contract Procedure Rules

Responsibilities of Director of Digital & IT

- 5.3.2 To ensure the currency and relevance of the ICT Strategy through regular review.
- 5.3.3 To ensure that all software acquired by the Council is licensed for use.
- 5.3.4 To ensure appropriate steps are in place to back up key systems.

Responsibilities of the Extended Leadership Team

- 5.3.6 To seek the final approval for all Information and Communications Technology (ICT) development acquisitions and implementation from the Director of Digital & IT and the Assistant Director of Finance or the Chief Executive unless otherwise delegated.
- 5.3.7 To ensure that all activities and processes relating to the evaluation, development, acquisition and implementation of ICT conform to the Council's IT Strategy, Standards and Procedures.
- 5.3.8 To ensure that all ICT acquisitions are conducted in accordance with the Council's Contracts Procedure Rules and, where appropriate, relevant legislation and EU directives.
- 5.3.9 To ensure that all ICT acquisitions and developments are cost-justified and that the benefits are required and necessary to meet the Council's service and business objectives.
- 5.3.10 To ensure that before any new acquisition or development of information systems is undertaken, a project plan, business specification and estimated costs are submitted to the Director of Digital & IT for consideration before the project commences.

- 5.3.11 To submit all bids for the acquisition or the development of new information systems or information technology, whether to be met from within existing budgets, through growth bids or centrally controlled re-investment, in the first instance, to the Director Digital and IT for initial evaluation and, where appropriate, authorisation.
- 5.3.12 Prior to any ICT projects or acquisitions being submitted to Executive Members for approval, to ensure that authorisation is obtained from the Director of Digital & IT and the Assistant Director of Finance or the Chief Executive, as appropriate.
- 5.3.13 To ensure that, in order to facilitate the co-ordination and efficient use of the Council's IS/IT resources, the Director Digital & IT is consulted before any negotiations commence or commitments are made to acquire, rent or lease any computer equipment (including communications technologies and peripherals), software or computer training.
- 5.3.14 To ensure that, in order that the Council's interests are protected, any contracts for ICT are submitted to the Assistant Director – Law, Governance & Democratic Services before being entered into.

5.4 Income and Expenditure

Income

- 5.4.1 Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable, though not always possible, to obtain income in advance of supplying goods or services as this improves the Council's cash-flow and also avoids the time and cost of administering debts.

Key Controls

- 5.4.2 The key controls for income are:
- (a) All income due to the Council is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed
 - (b) All income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery
 - (c) All money received by an employee on behalf of the Council is

paid without delay to the Section 151 Officer or, as he or she directs, to the Council's bank accounts, and properly recorded. The responsibility for cash collection should be separated from that:

- for identifying the amount due
- for reconciling the amount due to the amount received
- (d) Effective action is taken to pursue non-payment within defined timescales
- (e) Formal approval for debt write-off is obtained
- (f) Appropriate write-off action is taken within defined timescales
- (g) Appropriate accounting adjustments are made following write-off action
- (h) All appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule
- (i) Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.
- (j) No income received is paid into an imprest account.

Responsibilities of the Section 151 Officer

- 5.4.3 To agree arrangements for the collection of all income due to the Council and to supervise/approve the procedures, systems and documentation for its collection.
- 5.4.4 To order and supply to divisions all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.
- 5.4.5 To approve all debts to be written off in consultation with the relevant Assistant Director and to keep a record of all sums written off up to:
 - £5,000 for all debts with the exception of non-domestic rates
 - £10,000 for all debts relating to non-domestic rates
- 5.4.6 In consultation with Assistant Directors, to report to the Executive any irrecoverable sums over £5,000 in respect of all debts with the exception of non-domestic rates and £10,000 in respect of debts relating to non-domestic rates
- 5.4.7 To obtain the approval of the Executive in consultation with the relevant Assistant Director for writing off debts in excess of the approved limits specified in 5.4.5 and 5.4.6.
- 5.4.8 To ensure that appropriate accounting adjustments are made following write-off action.
- 5.4.9 To ensure that outdoor collections of Rates, Council Tax, Benefits

Overpayments and other miscellaneous income are, subject to proper safeguards, are paid in at approved Post Offices, bank branches or locations. . Any remaining outdoor and any indoor collections not banked during normal banking hours on the day of receipt, shall be placed either in a night safe or in a locked safe and banked the following day. These should be kept to a minimum and the night safe facility used for all weekend and bank holiday bankings.

5.4.10 To ensure that proper procedures for collection of income by credit or debit card, in person, by telephone or by electronic methods, are in place to minimise risk and ensure proper accountability of such transactions.

Responsibilities of Extended Leadership Team

5.4.11 To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly, in line with corporate policies.

5.4.12 To separate the responsibility for identifying amounts due and the responsibility for collection as far as is practicable.

5.4.13 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly subject to authorisation from the Section 151 Officer.

5.4.14 To issue official receipts or to maintain other documentation for income collection.

5.4.15 To ensure, where possible that at least two employees are present when post is opened so that money received by post is properly identified and recorded.

5.4.16 To hold securely receipts, tickets and other records of income for the appropriate period.

5.4.17 To ensure that income is paid fully, without deduction, and promptly into the appropriate Council bank account or cashier service (where relevant) in the form in which it is received. Appropriate details should be recorded onto paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis. Every cheque or similar instrument shall have a crossing approved by the Section 151 Officer.

5.4.18 To ensure the safe keeping of cash and cheques received until such time as they can properly be banked which in any event must be within 24 hours of receipt unless it is impracticable to do so.

5.4.19 To ensure income is not used to cash personal cheques or other payments

other than under arrangements approved by the Section 151 Officer and supported by a valid banker's cheque or credit card as appropriate.

- 5.4.20 To supply the Section 151 Officer with details relating to work done, goods supplied, services rendered or other amounts due, in order to enable the Section 151 Officer to record correctly the sums due to the Council and to ensure accounts are sent out promptly. To do this, Assistant Directors should use established performance management systems to monitor recovery of income and flag up areas of concern to the Section 151 Officer. Assistant Directors have a responsibility to assist the Section 151 Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.
- 5.4.21 To keep a record of every transfer of money between employees of the Council. The receiving officer must sign for the transfer and the transferor must retain a copy.
- 5.4.22 To recommend to the Section 151 Officer all debts to be written off and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- 5.4.23 To notify the Section 151 Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Section 151 Officer.
- 5.4.24 In consultation with the Section 151 Officer and the Chief Executive, to submit, at least annually, a schedule of recommended fees and charges for services for consideration and approval by the Executive.
- 5.4.25 To raise sundry debtor requisition forms immediately after providing a service for which a cash payment was not received.

5.5 Ordering and Paying For Work, Goods And Services

- 5.5.1 Public money should be spent with demonstrable probity and in accordance with the Council's policies. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements.

General

- 5.5.2 Every Officer and Member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers

and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council.

- 5.5.3 Official orders must be in a form approved under section 19 of the Contract Procedure Rules. Official orders must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases, instructions to Counsel or other exceptions specified by the Section 151 Officer.
- 5.5.4 Each order must conform with the Contract Procedure Rules. Standard terms and conditions must not be varied without the prior approval of the Section 151 Officer.
- 5.5.5 Apart from petty cash and other payments from advance accounts, the normal method of payment from the Council shall be electronic, drawn on the Council's bank accounts by the Section 151 Officer. The use of direct debit shall require the prior agreement of the Section 151 officer. The use of a Council credit card is subject to compliance with the Council Credit Card Usage Protocol attached.
- 5.5.6 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts, unless specifically authorised by the Section 151 Officer.

Key Controls

- 5.5.7 The key controls for ordering and paying for work, goods and services are:
- (a) All goods and services shall be ordered only by authorised persons and are correctly recorded
 - (b) All goods and services shall be ordered in accordance with the Council's Contracts Procedure Rules for tenders and contracts unless they are purchased from sources within the Council.
 - (c) Goods and services received shall be checked to ensure they are in accordance with the order. Goods should not be received by the person who placed the order
 - (d) Payments shall not be made unless goods have been received by the Council to the correct price, quantity and quality standards
 - (e) All payments shall be made to the correct person, for the correct amount and are properly recorded, regardless of the payment method
 - (f) All appropriate evidence of the transaction and payment documents shall be retained and stored for the defined period, in accordance with the document retention schedule
 - (g) All expenditure, including VAT, shall be accurately recorded against the right budget and any exceptions are corrected
 - (h) In addition, the effect of e-business/e-commerce and electronic

- purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically
- (i) All purchases made by Council credit card shall comply with the Council Credit Card Usage protocol appended to these Rules.

Responsibilities of the Section 151 Officer

- 5.5.8 To ensure that all the Council's financial systems and procedures are sound and properly administered.
- 5.5.9 To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- 5.5.10 To approve the form of official orders and associated terms and conditions.
- 5.5.11 To make payments from the Council's funds on the Assistant Director's authorisation that the expenditure has been duly incurred in accordance with financial procedure rules.
- 5.5.12 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- 5.5.13 To make payments to contractors on the certificate of the appropriate Assistant Director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- 5.5.14 To provide advice and encouragement on making payments by the most economical means.
- 5.5.15 To examine such final accounts for contracts, to the extent he/she considers necessary. They shall be entitled to make any enquiries and receive any information and explanations which he considers necessary to satisfy himself of the accuracy of the accounts. On completion, to notify the certifying officer that the examination is complete and that a final certificate can be issued.

Responsibilities of Extended Leadership Team

- 5.5.16 To ensure that the appropriate order form within the accountancy software system is used for all goods and services, other than the exceptions specified in 5.5.3, and that the order includes an estimate of the cost.
- 5.5.17 Except where the Section 151 Officer expressly authorises it, to ensure that orders are only used for goods and services provided to the relevant department or division.

- 5.5.18 To ensure that only those staff authorised by him or her authorise orders and to maintain an up-to-date list of such authorised staff, including specimen signatures (where appropriate) identifying in each case the limits of their authority. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that any necessary quotations or tenders and any trade discounts have been obtained. Value for money should always be achieved and orders must take account of the Council's Contract Procedure Rules .
- 5.5.19 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories or stores records.
- 5.5.20 To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:
- (a) receipt of goods or services
 - (b) that the invoice has not previously been paid and is properly due from the Council.
 - (c) that expenditure has been properly incurred and is within budget provision
 - (d) that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
 - (e) correct accounting treatment of tax
 - (f) that the invoice is correctly coded
 - (g) that discounts have been taken where available
 - (h) that appropriate entries will be made in accounting records, inventories, stores books etc.
- 5.5.21 To ensure that two authorised Members of staff are involved in the ordering, receiving and payment process. If possible, a different officer from the person who authorised the order, and in every case, a different officer from the person checking a written invoice should authorise the invoice.
- 5.5.22 To ensure that the department maintains and reviews periodically a list of staff approved to authorise invoices. Names of authorising officers together with specimen signatures (where appropriate) and details of the limits of their authority shall be forwarded to the Section 151 Officer.
- 5.5.23 To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice, except where authorised by the Section 151 Officer and providing the supplier has confirmed that the document is an exact match of the original and can be supported by relevant documentation. The reason for the copy must be stated on the invoice.

- 5.5.24 To encourage suppliers of goods and services to receive payment by the most economical means for the Council. It is essential, however, that payments made by direct debit have the prior approval of the Section 151 officer
- 5.5.25 To ensure that the Council obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, in line with the Council's Contract Rules of Procedure
- 5.5.26 To ensure that no amendment is made to incorrect accounts which include VAT. These accounts must be returned for correction or held pending receipt of a credit note and a correct account.
- 5.5.27 To ensure that all employees follow any guidance on invoice processing issued from time to time by the Section 151 Officer in relation to the requirements of the Late Payment of Commercial Debts (Interest) Act 1998.
- 5.5.28 To ensure that invoices are passed promptly for payment once all the necessary checks have been carried out in order for the Council to ensure that invoices are paid within 30 days of receipt.
- 5.5.29 To make payments to contractors on account of contracts only on a certificate issued by the appropriate Assistant Director, or an employee nominated by him in writing for the purpose. A certificate issued by a private architect, engineer or consultant engaged by the Council must be countersigned by the appropriate Assistant Director or nominee.
- 5.5.30 To authorise every extra or variation, in writing, unless carried out by a private architect, engineer or consultant or nominated employee and subject to the provisions of the contract in each case.
- 5.5.31 To ensure that any variation or extra, which exceeds £20,000 or 2.5% of the contract value whichever is the greater, is reported to the Executive as soon as practicable, setting out any measures which may be available to minimise the additional cost.
- 5.5.32 To report to the Executive on the final cost of any capital scheme.
Where the total cost of the contract exceeds the contract sum by 5% in the case of contracts of less than or equal to £500,000 and 2.5% in the case of contracts in excess of £500,000 a report on the cost shall, after agreement of the final account, be made to the Executive. For the purposes of this regulation the contract sum shall include any increases or decreases made under price adjustment clauses.
- 5.5.33 To seek legal advice on claiming liquidated damages where completion of a

contract is delayed and to report accordingly to the Executive.

- 5.5.34 To ensure that employees are aware of the code of conduct for local government employees.
- 5.5.35 To ensure that loans, leasing or rental arrangements are arranged only by the Section 151 Officer, who has authority to approve operating leases without prior Executive approval providing there is no impact on the Council's capital resources. A notice period of (up to) four months is required for full details of requirements.
- 5.5.36 To notify the Section 151 Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Section 151 Officer and, in any case, not later than a date specified by the Section 151 Officer from year to year.
- 5.5.37 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Section 151 Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- 5.5.38 To notify the Section 151 Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 5.5.39 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the Council's record retention schedule.

5.6 Payments to Employees and Members

- 5.6.1 Staff costs are the largest item of expenditure for most Council services. It is therefore important that payments are accurate, timely, made only where they are due for services to the Council and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are authorised in accordance with the scheme adopted by the Full Council.

Key Controls

- 5.6.2 The key controls for payments to employees and Members are:
- (a) Proper authorisation procedures are in place and there is adherence to corporate timetables in relation to:

starters
 leavers
 variations
 enhancements

and that payments are made on the basis of timesheets or claims

- (b) Frequent reconciliation of payroll expenditure against approved budget and bank account are undertaken
- (c) All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule
- (d) That HMRC regulations are complied with.

Responsibilities of the Section 151 Officer

- 5.6.3 To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.
- 5.6.4 To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- 5.6.5 To make arrangements for payment of all travel and subsistence claims or allowances.
- 5.6.6 To make arrangements for paying Members travel or other allowances upon receiving the prescribed form, duly completed and authorised.
- 5.6.7 To provide advice and encouragement to secure payment of salaries and wages by the most economical means.
- 5.6.8 To ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis.

Responsibilities of Extended Leadership Team

- 5.6.9 To ensure appointments are made in accordance with the regulations of the Council and approved establishments, grades and scale of pay and that budget provision is adequate.
- 5.6.10 To notify the Section 151 Officer as soon as possible and in the form prescribed by them, of all matters affecting the payment of salaries, wages and pension emoluments, in particular:
 - (a) appointments, resignations, dismissals, suspensions, secondments and transfers

- (b) absences from duty for sickness or other reasons, apart from approved leave with pay.
- (c) details of approved leave with pay which has been authorised for any employee who is leaving the Council's service.
- (d) changes in remuneration, other than pay awards and agreements of general application.
- (e) information necessary to maintain records of service for pensions, income tax, national insurance and similar payroll related data.

5.6.11 To ensure that adequate and effective systems and procedures are operated, so that:

payments are only authorised to bona fide employees
 payments are only made where there is a valid entitlement
 conditions and contracts of employment are correctly applied
 employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

all salary related input data is received by the Section 151 Officer by the 5th working day of the month in which the payment is to be made.

5.6.12 To ensure that all time records or other pay documents are in a form prescribed or approved by the Section 151 officer and are certified in writing by, or on behalf of, the Assistant Director. The names of employees authorised to countersign these records shall be sent to the Section 151 officer by each Assistant Director, together with specimen signatures and any changes which may occur from time to time.

5.6.13 To ensure that payroll transactions are processed only through the payroll system. Assistant Directors should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. The HMRC applies a tight definition for employee status, and, in cases of doubt, advice should be sought from the Assistant Director of HR & OD

5.6.14 Where necessary to certify travel and subsistence claims and other allowances and to submit them, together with any supporting documents (including appropriate VAT receipts for fuel purchases in support of mileage claims subject to any exceptions that may be agreed by the Section 151 officer), to the Section 151 officer in the approved form, made up to the last day of the month. Claims should be submitted for the previous month (wherever possible) in line with the deadlines published on the intranet. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council ensuring that cost-effective use of travel arrangements is

achieved. Employees claims submitted more than three months after the expenses were incurred will be paid only with the express approval of the Section 151 officer. Due consideration should be given to tax implications and the Section 151 officer be informed where appropriate.

5.6.15 To ensure that the Section 151 Officer is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.

5.6.16 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.

5.6.17 To ensure that the Section 151 Officer is regularly provided with the names of employees currently authorised to countersign these records together with specimen signatures.

Responsibilities of Members

5.6.18 To submit claims for Members' travel and subsistence allowances on a regular basis to the Assistant Director – Law, Governance & Democratic Services using the prescribed form and including all supporting documents within two months of the meeting to which they apply. Exceptions to this rule are at the discretion of the Section 151 Officer.

5.7 Taxation

5.7.1 The Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

Key Controls

5.7.2 The key controls for taxation are:

- (a) Budget managers are provided with relevant information and kept up to date on tax issues
- (b) Budget managers are instructed on required record keeping
- (c) All taxable transactions are identified, properly carried out and accounted for within stipulated timescales
- (d) Records are maintained in accordance with instructions
- (e) Returns are made to the appropriate authorities within the stipulated timescale.

Responsibilities of the Section 151 Officer

- 5.7.3 To complete all HMRC returns regarding PAYE.
- 5.7.4 To complete a monthly return of VAT inputs and outputs to HMRC.
- 5.7.5 To provide details to the HMRC regarding the construction industry tax deduction scheme.
- 5.7.6 To maintain up-to-date guidance for Council employees on taxation issues.

Responsibilities of Extended Leadership Team

- 5.7.7 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.
- 5.7.8 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- 5.7.9 To ensure that all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
- 5.7.10 To follow the guidance on taxation issued by the Section 151 officer.

5.8 Trading Accounts and Units

- 5.8.1 Trading accounts and business units are important as local authorities have developed a more commercial culture. Authorities are required to keep trading accounts for services provided on a basis other than straightforward recharge of cost.

Responsibilities of the Section 151 Officer

- 5.8.2 To advise on the establishment and operation of trading accounts and business units.

Responsibilities of Extended Leadership Team

- 5.8.3 To consult with the Section 151 officer and the Assistant Director Law, Governance and Democratic Services & Monitoring Officer where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Council. In

general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty. Reference should be made to the Contract Procedure Rules and legal advice must be sought.

- 5.8.4 To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts.
- 5.8.5 To ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units.

6. External Relationships and Partnerships

6.1 Introduction

- 6.1.1 The Council provides a leadership role for the community and brings together the contributions of various stakeholders. It also acts to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

Partnerships

- 6.1.2 The Executive is responsible for approving delegations, including frameworks for any proposed partnerships.
- 6.1.3 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 Council's constitution. Where functions are delegated, the Executive remains accountable for them to Full Council.
- 6.1.4 The appropriate member of the Leadership Team will represent the Council on partnership and external bodies, in accordance with the scheme of delegation.
- 6.1.5 The Section 151 Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- 6.1.6 Assistant Directors are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

6.2 Partnerships

6.2.1 A partnership is an agreement between two or more independent bodies to work collectively to achieve an objective. Partnerships play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with many outside bodies – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.

6.2.2 Local authorities mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities are measured by what they achieve in partnership with others.

General

6.2.3 The main reasons for entering into a partnership are:

- (a) clear objectives and timescales which can be better achieved together
- (b) the ability to access new resources
- (c) the provision of new and better ways of delivering services
- (d) the creation of new relationships.

6.2.4 A partner is defined as either:

- (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project or a body whose nature or status give it a right or obligation to support the project.

or

- (b) a body whose nature or status gives it a right or obligation to support the project

6.2.5 Partners participate in projects by:

- (a) acting as a project deliverer or sponsor, solely or in concert with others
- (b) acting as a project funder or part funder
- (c) being the beneficiary group of the activity undertaken in a project.

6.2.6 Partners have common responsibilities:

- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation
- (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives

- (c) to be open about any conflict of interests that might arise
- (d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors
- (e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
- (f) to act wherever possible as ambassadors for the project.

Key Controls

6.2.7 The key controls for Council partners are:

- (a) If appropriate, to be aware of their responsibilities under the Council's Financial Procedure rules and Contract Procedure Rules
- (b) To ensure that risk management processes are in place to identify and assess all known risks
- (c) To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise
- (d) To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences
- (e) To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.
- (f) A partnership agreement should be in place containing details of how resources will be pooled and controls will be operated in partnership spending.
- (g) Regular spending statements should be available to all parties.

Responsibilities of the Section 151 Officer

6.2.8 To advise on effective controls that will ensure that resources are not wasted.

6.2.9 To advise on the key elements of funding a project. They include:

- (a) a scheme appraisal for financial viability in both the current and future years
- (b) risk appraisal and management
- (c) resourcing, including taxation issues
- (d) audit, security and control requirements
- (e) carry-forward arrangements.

6.2.10 To ensure that the accounting arrangements are satisfactory.

Responsibilities of Extended Leadership Team

- 6.2.11 To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Section 151 Officer. NB a contract for services is NOT a partnership.
- 6.2.12 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Section 151 Officer.
- 6.2.13 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Council.
- 6.2.14 To ensure that all agreements and arrangements are properly documented.
- 6.2.15 To provide appropriate information to the Section 151 Officer to enable a note to be entered into the Council's statement of accounts concerning material items.

6.3 External Funding

- 6.3.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies such as the National Lottery provide additional resources to enable the Council to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council's overall plan.

Key Controls

- 6.3.2 The key controls for external funding are:
- (a) To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
 - (b) To ensure that funds are acquired only to meet the priorities approved in the policy framework by Full Council
 - (c) To ensure that any match-funding requirements are given due consideration and are affordable prior to entering into long-term agreements and that future revenue budgets reflect these requirements.
 - (d) To ensure that grant conditions are approved as appropriate by the Chief Executive, Corporate Directors and Directors or the Executive, prior to acceptance of grant or implementation of any

scheme or project associated with the grant.

Responsibilities of the Section 151 Officer

- 6.3.3 To ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- 6.3.4 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 6.3.5 To ensure that audit requirements are met.

Responsibilities of Extended Leadership Team

- 6.3.6 To ensure that all claims for funds are made by the due date.
- 6.3.7 To ensure that the project progresses in accordance with the agreed project plan and that all expenditure is properly incurred and recorded.
- 6.3.8 To ensure that the terms and conditions of the grant are complied with in full.
- 6.3.9 To prepare appropriate working papers and documentary evidence to enable the Section 151 Officer to sign grant declaration forms.

6.4 Work For Third Parties (Charging And Trading)

- 6.4.1 Current legislation enables the Council to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is intra-vires.

Key Controls

- 6.4.2 The key controls for working with third parties are:
 - (a) To ensure that proposals are costed properly in accordance with guidance provided by the Section 151 Officer
 - (b) To ensure that contracts are drawn up using guidance provided by the Section 151 Officer and the Head of Legal and that the formal approvals process is adhered to
 - (c) To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibilities of Section 151 Officer

- 6.4.3 To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibilities of Extended Leadership Team

- 6.4.4 To ensure that any necessary approvals are obtained before any negotiations are concluded to work for third parties.
- 6.4.5 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Section 151 Officer.
- 6.4.6 To ensure that appropriate insurance arrangements are made.
- 6.4.7 To ensure that the Council minimises the risk of any bad debts.
- 6.4.8 To ensure that no contract is subsidised by the Council.
- 6.4.9 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 6.4.10 To ensure that the department/unit has the appropriate expertise to undertake the contract.
- 6.4.11 To ensure that such contracts do not impact adversely upon the services provided for the Council.
- 6.4.12 To ensure that all contracts are properly documented.
- 6.4.13 To provide appropriate information to the Section 151 Officer to enable a note to be entered into the statement of accounts.

APPENDIX

Credit Card Usage Protocol

Council credit cards are used to replace other methods of ordering. Particularly where it is an emergency, if a payment is required immediately or payment is made via the internet.

Such credit cards shall be used for the payment of valid business goods and expenses only and the misuse of such cards shall be grounds for disciplinary action

Just like all forms of ordering a budget or funding stream needs to be identified prior to a purchase being made.

Where goods are being purchased for an area where the cardholder is not the budget holder, cardholders must obtain approval to purchase from the relevant budget holder. In all circumstances the cardholder must ensure that there is sufficient budget available to meet the costs of the order.

Holders of purchasing cards must use them only for the purposes for which they have been issued and within the authorised purchase limits.

Cards must not be loaned to another person but other people can place an order on behalf of the cardholder if permission is expressly granted by the cardholder for this to happen.

Cards must never be used for personal or private purchases. Only in absolutely exceptional circumstances should cash be withdrawn using the card and receipts must then be provided for all items of that cash expenditure.

If in doubt advice should be sought from the Assistant Director of Finance & Section 151 Officer

Prevention against Fraud

Reasonable precautions should be taken to prevent fraudulent use of the card. Corporate Cards should not be used by anyone other than the named card holder (unless express permission is given by the cardholder) and PIN numbers (if applicable) should not be written down or disclosed to third parties.

Cardholders should also take care when giving out card details over the phone. The cardholder (or those ordering on the cardholders' behalf) should always initiate the

phone call and be certain that it is the correct person they are giving the card details to.

Users should avoid providing their full card details on any application/registration forms. It is safer to provide the details by phone.

Users should ensure that any purchases placed via the internet are made at secure and reputable web sites.

Card details should never be sent by email.

Budget and Payment Process

Users should use the card as if using a debit card or any other credit card.

Users should ensure that any purchases placed via the internet are made at secure and reputable web sites.

The card holder is solely responsible for every transaction processed on their card and must obtain an itemised receipt/payment confirmation for each transaction.

Expenditure will come through in a statement and the card user will be contacted to identify which budget it should be charged to

Statements will be reviewed and reconciled monthly by Finance but it is the responsibility of budget holders to ensure cards are used appropriately and purchases have an auditable trail.

Constitution Part 3, Officer Scheme of Delegation – Transfer of Functions

All references to delegations to be taken “in consultation with” have been transferred as follows:

- “in consultation with the Director of Human Resources ”, transferred to “in consultation with the Assistant Director of Human Resources and Organisational Development”
- “in consultation with the Director of Finance”, transferred to “in consultation with the Assistant Director of Finance”
- “in consultation with the Director of Law and Governance”, transferred to “in consultation with the Assistant Director – Law, Governance & Democratic Services”
- “in consultation with the Assistant Director Housing and Social Care Commissioning”, transferred to “in consultation with the Assistant Director Housing / Assistant Director Wellbeing (from 1 June)”
- “in consultation with the Assistant Director Property, Investment and Contract Management”, transferred to “in consultation with the Director of Property, Investment & Facilities”

Delegation	Previously delegated to	Transferred to
All delegations	Corporate Director Place and Growth	Assistant Director Planning and Development
All delegations	Director of Finance	Assistant Director of Finance
All delegations excluding those in relation to land charges	Director of Law and Governance	Assistant Director – Customer Focus
Delegations in relation to land charges	Director of Law and Governance	Assistant Director Customer Focus
All delegations	Director of Human Resources	Assistant Director Human Resources and Organisational Development
All delegations in relation to Planning, Conservation, Building Control, Highways and the following listed under “Other” <ul style="list-style-type: none"> • To sign Completion Certificates and Occupation Certificates • To issue community protection notices 	Assistant Director Planning and Economy	Assistant Director Planning and Development

Appendix 3

<ul style="list-style-type: none"> • To agree statements of common ground that may be necessary with developers and statutory bodies as part of the 'development consent' process • To arrange planning site visits as required in consultation with the Chairman of Planning Committee. 		
<p>The following delegations listed under "Other"</p> <ul style="list-style-type: none"> • To exercise the Council's powers to take steps to encourage visitors to the area in support of the local economy including the provision of tourist information where appropriate. • To provide business and employment services, including apprenticeships, job clubs and business advice. • To serve notices seeking possession of residential Council tenancies (of any tenure) in consultation with the Assistant Director Housing (Assistant Director of Wellbeing from 1 June) • To acquire and manage properties for the purpose of residential housing accommodation subject to the Director of Property, Investment & Facilities Management, Assistant Director of Wellbeing & Community being satisfied as to the consideration payable for such acquisition 	<p>Assistant Director Planning and Economy</p>	<p>Assistant Director Growth and Economy</p>

Appendix 3

All delegations	Assistant Director Social Care Commissioning and Housing	Assistant Director Housing; Assistant Director Wellbeing from 1 June 2022
All delegations	Assistant Director Property, Investment and Contract Management	Director of Property, Investment & Facilities

Proper Officers and Authorised Officer Appointments

Proper Officer and Authorised Officer Appointments have been transferred as set out below. Unless specified, the transfer is for all Proper Officer / Authorised Officer Appointments:

Legislation Act & Section	From	To
All	Assistant Director Social Care Commissioning and Housing	Assistant Director Housing; Assistant Director Wellbeing from 1 June 2022
All, excluding Local Land Charges Act 1975 S.9	Director of Law and Governance	Assistant Director – Customer Focus
All excluding Local Government Act 1972 S.204	Assistant Director Planning and Economy	Assistant Director Planning and Development
Local Government Act 1972 S.204	Assistant Director Planning and Economy	Assistant Director Regulatory Services
Local Land Charges Act 1975 S.9	Director of Law and Governance	Assistant Director - Customer Focus
All	Director of Human Resources	Assistant Director Human Resources and Organisational Development
All	Assistant Director Property, Investment and Contract Management	Director of Property, Investment & Facilities
All	Assistant Director Communities	Assistant Director Regulatory Services

**Accounts, Audit & Risk Committee
Annual Report**

**Report of the work of the Accounts, Audit
& Risk Committee during 2021-22**

Contents

Section	Page
Chairman's Introduction	3
Role of the Accounts, Audit & Risk Committee	4
Key Activities	5

Annex

1. Accounts, Audit & Risk Committee Functions (terms of reference)

Chairman's Introduction

As the Chairman I am very pleased to present this annual report which sets out the role of the Accounts, Audit & Risk Committee and summarises the work we have undertaken during the financial year 2021/22.

The Committee is a key component of the council's governance framework, providing independent support to ensure good governance and strong public financial management.

The Committee continues to be well supported by Officers, providing a high standard of reports and presentations. I would like to thank the Finance Team, Risk & Performance Team, and Internal Audit for their input.

I should like to take this opportunity to give my personal thanks to all the officers, my Vice Chairman Cllr Hugo Brown and without exception, all fellow Committee members who have contributed and supported the work of the Committee in such a meaningful and positive way throughout the past year, despite the challenges presented by the COVID pandemic to the administration and operation of the department.

COUNCILLOR MIKE KERFORD-BYRNES

Chairman, Accounts, Audit & Risk Committee

Role of the Accounts, Audit & Risk Committee

The Accounts, Audit & Risk Committee operates in accordance with the “Audit Committees, Practical Guidance for Local Authorities” produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2018. The Guidance defines the purpose of an Audit Committee as follows:

1. Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high - level resource to support good governance and strong public financial management.
2. The purpose of and Audit Committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

The key functions of the Account's Audit & Risk Committee are defined within its terms of reference; this is attached as Annex 1 to this report.

How the Committee has discharged its responsibilities during 2021/22

Key AARC Activities	June 21	July 21	Sept 21	Nov 21	Jan 22	March 22
Financial Reporting						
Considered monthly performance, risk & finance monthly report						
2020/21 Annual Statement of Accounts up-date						
Review of Treasury Management Outturn 2020/21						
Treasury Management 2021/22 update						
Capital and Investment Strategy 2022/23						
Treasury Management Strategy 2022/23						
Treasury Management Training						
Housing Benefit Subsidy Audit						
Housing Benefit Risk Based Verification Policy						
Review of Support to Subsidiaries						
Internal Audit						
Annual Report of the Chief Internal Auditor 2020/21						
Internal Audit Strategy and Plan 2021/22						
Review of Internal Audit Reports and monitor of in-year progress						
Review of Internal Audit Charter and Quality Assurance Programme						
Update on implementation of management actions from audit of GDPR 2021/22						
External Audit						
External audit progress updates						
Review of those charged with governance – response to EY						
Annual Audit Opinion						
Appointment of External Auditors						
Governance & Risk Management						
As above under financial reporting - Considered monthly performance, risk & finance monthly report						
Approval of Annual Governance Statement (AGS) for 2020/21						
Annual Governance Statement – review of actions						
AARC – draft annual report						
Appointment of independent member						
Risk Management Training						

Key AARC Activities	June 21	July 21	Sept 21	Nov 21	Jan 22	March 22
Counter-Fraud						
Approval of Counter-Fraud Strategy and plan for 2021/22						
Counter-Fraud Plan update						

Our work in 2020/21

The key activities of the Committee are captured in the table above. In summary:

Financial Reporting

The Committee reviewed and approved the annual statement of accounts on behalf of the Council and considered the external auditors report. The Committee reviewed the proposed accounting policies for the statement of accounts.

The Committee receives reports on Treasury Management throughout the year, exercising its stewardship role, including the Treasury Management Outturn Report for 2020/21 and quarterly Treasury Management monitoring reports for 2021/22. Additionally, the Committee considered the Capital and Investment Strategy and the Treasury Management Strategy 2022/23 and submitted recommendations for the adoption of all three to full Council. The Committee have provided effective scrutiny of the treasury management strategy and policies through receiving regular reports of activity, reviewing the treasury risk profile and adequacy of treasury risk management.

Internal Audit

The Committee approved the Internal Audit Strategy for 2021/22, including the annual audit plan.

The Committee receives regular progress reports from the Chief Internal Auditor, including summaries of the outcomes from Internal Audit work.

The Committee has continued to review, and monitor material weaknesses identified from the internal audit reports with Senior Managers attending to provide assurance on how the issues were being addressed. This has supported the implementation of the actions plans to deliver the required improvements in key areas for the Council.

The completion of the Internal Audit Plan and the annual statement of the Chief Internal Auditor is produced for the Committee at the end of the financial year. Based on the evidence of the reports presented to the Committee, the internal audit team continues to provide an effective challenge and therefore assurance on the key risk activities.

The Committee approves the Internal Audit Charter on an annual basis, this was approved at the July 2021 meeting.

External Audit

The Council's external auditors, Ernst and Young, attended the committee meetings during 2021/22, providing regular updates on their work plan and any matters arising.

The Committee is satisfied that the External Auditors are free to carry out their duties without restrictions. We are also assured that if identified they would bring any material issues to the attention of the Committee.

The Committee endorses the nationally expressed criticisms of the intensity and timetables of External Audits. They are especially concerned about the knock-on effects of delays to the 2020/21 Audit on the start (and completion) of the 2021/22 Audit.

Governance & Risk Management

The Committee approved the Annual Governance Statement (AGS) for 2020/21 as part of the Council's accounts.

The Committee receives regular updates on risk management, considering the Performance, Risk and Finance Monitoring Report which includes review of the Leadership Risk Register.

The Committee have considered and agreed to the recruitment and appointment of an independent member in line with good practice guidelines for audit committees.

Counter-Fraud

The Committee receives regular updates from the Counter Fraud Team on outcomes of investigations. The Committee plays a key role in monitoring the effectiveness of the Council's counter fraud arrangements.

Overall, the Council has a strong system of internal control, so as expected, there is very little fraud identified; however nationally statistics show that fraud is on the increase, so it is important that the Council remains vigilant.

Annex 1 – Accounts, Audit & Risk Committee Terms of Reference

Accounts, Audit and Risk Committee Terms of Reference

Accounts, Audit and Risk Committee shall comprise 8 members with unnamed Substitutes. Every permanent Committee member shall undertake appropriate training before being permitted to serve on the Committee.

Statement of Purpose

1. The Accounts, Audit and Risk Committee is a key component of Cherwell District Council's corporate governance framework. It provides an independent and high-level focus on the adequacy of the risk management framework, the internal control environment, the integrity of the financial reporting and governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

Governance, risk and control

2. To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.

3. To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

4. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

5. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

6. To monitor the effective development and operation of risk management in the council.

7. To monitor progress in addressing risk-related issues reported to the committee.

8. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

9. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.

10. To monitor the counter-fraud strategy, actions and resources.

11. To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal Audit

12. To approve the internal audit charter.

13. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

14. To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

15. To approve significant interim changes to the risk-based internal audit plan and resource requirements.

16. To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
17. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
18. To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work
 - b) regular reports on the results of the QAIP (Quality Assurance Improvement Programme)
 - c) reports on instances where the internal audit function does not conform to the PSIAS (Public Sector Internal Audit Standards), considering whether the non-conformance is significant enough that it must be included in the AGS.
19. To consider the head of internal audit's annual report:
 - a) The statement of the level of conformance with the PSIAS and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
 - b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.
20. To consider summaries of specific internal audit reports as requested.
21. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
22. To contribute to the QAIP and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
23. To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

External audit

24. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA (Public Sector Audit Appointments) or the authority's auditor panel as appropriate.
25. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
26. To consider specific reports as agreed with the external auditor.
27. To comment on the scope and depth of external audit work and to ensure it gives value for money.
28. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial reporting

29. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
30. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability arrangements

31. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

32. To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee.

33. To publish an annual report on the work of the committee.

Treasury Management

34. To be responsible for ensuring effective scrutiny of the treasury management strategy and policies. Receiving regular reports of activity, reviewing the treasury risk profile and adequacy of treasury risk management processes.

Accounts, Audit and Risk Committee Terms of Reference

(The Accounts, Audit and Risk Committee shall comprise 8 members with unnamed substitutes *and 1 Independent Member (non-voting)*. Every permanent Committee member ~~or appointed substitute~~ shall undertake appropriate training before being permitted to serve on the Committee. *Substitute Members are not required to undertake such training*)

Statement of Purpose

1. The Accounts, Audit and Risk Committee is a key component of Cherwell District Council's corporate governance framework. It provides an independent and high-level focus on the adequacy of the risk management framework, the internal control environment, the integrity of the financial reporting and governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

Governance, risk and control

2. To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
3. To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
4. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
5. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
6. To monitor the effective development and operation of risk management in the council.
7. To monitor progress in addressing risk-related issues reported to the committee.
8. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
9. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
10. To monitor the counter-fraud strategy, actions and resources.
11. To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal Audit

12. To approve the internal audit charter.
13. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

Appendix 2

14. To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
15. To approve significant interim changes to the risk-based internal audit plan and resource requirements.
16. To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
17. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
18. To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work
 - b) regular reports on the results of the QAIP (Quality Assurance Improvement Programme)
 - c) reports on instances where the internal audit function does not conform to the PSIAS (Public Sector Internal Audit Standards), considering whether the non-conformance is significant enough that it must be included in the AGS.
19. To consider the head of internal audit's annual report:
 - a) The statement of the level of conformance with the PSIAS and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
 - b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.
20. To consider summaries of specific internal audit reports as requested.
21. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
22. To contribute to the QAIP and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
23. To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

External audit

Appendix 2

24. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA (Public Sector Audit Appointments) or the authority's auditor panel as appropriate.
25. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
26. To consider specific reports as agreed with the external auditor.
27. To comment on the scope and depth of external audit work and to ensure it gives value for money.
28. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
29. Recommend to Full Council whether the external auditors should be selected by Public Sector Audit Appointments (PSAA) or whether internal arrangements should be set up to appoint the auditors.

Financial reporting

30. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
31. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability arrangements

32. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
33. To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee.
34. To publish an annual report on the work of the committee.

Treasury Management

35. To be responsible for ensuring effective scrutiny of the treasury management strategy and policies. Receiving regular reports of activity, reviewing the treasury risk profile and adequacy of treasury risk management processes.