

Notice of Meeting

Governance and Audit Committee

Monday, 18th April, 2011 at 6.00 pm
in Council Chamber Council Offices
Market Street Newbury

Date of despatch of Agenda: Friday, 8 April 2011

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Moira Fraser on (01635) 519045
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Agenda - Governance and Audit Committee to be held on Monday, 18 April 2011
(continued)

To: Councillors Jeff Beck (Chairman), Paul Bryant, David Holtby, Tony Linden, Julian Swift-Hook (Vice-Chairman), Tony Vickers and Quentin Webb
Substitutes: Councillors Brian Bedwell, Adrian Edwards and Keith Woodhams

Agenda

Part I	Page No.
1. Apologies To receive apologies for inability to attend the meeting (if any).	
2. Minutes To approve as a correct record the Minutes of the meeting of this Committee held on 28 March 2011.	1 - 4
3. Declarations of Interest To receive any Declarations of Interest from Members.	
4. Amendments to Part 1, 2, 10 and 11 of the Council's Constitution (C2104) <i>Purpose: To consider the amendments to Parts 1, 2, 10 and 11 of the Constitution following a review of these sections of the Constitution by the Finance and Governance Group.</i>	5 - 134

Andy Day
Head of Policy and Communication

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Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY, 28 MARCH 2011

Councillors Present: Jeff Beck (Chairman), Tony Linden, Tony Vickers and Quentin Webb

Also Present: Joseph Holmes (Chief Accountant), Ian Priestley (Chief Internal Auditor) and Andy Walker (Head of Finance), Stephen Chard (Policy Officer) and Moira Fraser (Democratic Services Manager)

Apologies for inability to attend the meeting: Councillor David Holtby

Councillor(s) Absent: Councillor Paul Bryant and Councillor Julian Swift-Hook

PART I

36. Minutes

The amended Minutes of the meeting held on 14 February 2011 were circulated at the meeting, approved as a true and correct record and signed by the Chairman.

37. Declarations of Interest

There were no declarations of interest received.

38. International Financial Report Standards - Accounting Policies and Prior Year Comparators (GA2212)

The Committee considered a report (Agenda Item 4) concerning approval of accounting policies for the 2010-11 financial statements and the restated prior year comparator figures.

There had been some recent changes made to the Accounting and Audit Regulations 2003. Joseph Holmes noted that these changes meant that this report no longer needed to be included on this agenda but following discussions with KPMG (the Council's External auditor) both they and Officers felt that it would still be appropriate for Members to have sight of the document at this time.

Joseph Holmes presented the accounting policies for the 2010/11 financial statements and the restated prior year comparator figures. The 2010/11 financial statements would be significantly different, in both format and detail, from the 2009/10 statements. The report set out some of the changes in advance of the publication of the financial statements in the Summer of 2011. Joseph Holmes explained that the Committee would no longer be required to approve the financial statements in June and September as had previously happened. The revised procedures would mean that Officers would present the financial statements in September after they had been considered by the S151 Officer and the External Auditors. This would mean that Members would be able to consider the Auditor's opinion before they signed off the documents.

Joseph Holmes noted that he would still circulate the statements to Members of the Committee towards the end of June as members of the public would have an opportunity to comment on the financial statements from the 01 July 2011.

GOVERNANCE AND AUDIT COMMITTEE - 28 MARCH 2011 - MINUTES

Joseph Holmes explained that the prior year's figures would be presented in a revised format in June, but this revision would have no effect on the bottom line or Council Tax. IFRS meant that the statements would be presented in such a way that they were more closely aligned with those presented in the private sector. One of the consequences was that there would be changes to the way accruals would be measured notably in relation to teaching and non-teaching staff. The accrual needed to be completed on the assumption that the Council would cease trading on the 31 March 2011.

RESOLVED that the accounting policies for the 2010-11 financial statements be approved and the restated 2009-10 financial statements be approved.

39. **Anti Fraud and Corruption Strategy 2011-12 (GAC1905)**

The Committee considered a report (Agenda Item 5) concerning a review of the Anti Fraud and Corruption Strategy for the forthcoming year 2011-12.

Ian Priestley presented the review of the Anti Fraud and Corruption Strategy for the coming year 2011/12. He explained that the Strategy had to be reviewed annually. There had not been any significant changes to the Strategy but he outlined emerging issues in the covering report. The Strategy set out the key elements of the measures that the Council undertook in order to combat fraud.

Ian Priestley reported that the Bribery Act would come into force on 1st April 2011 and would introduce a corporate offence of failure to prevent bribery by persons working on behalf of a business. A conviction could be avoided if a business could show that it had adequate procedures in place to prevent bribery. It would also be a criminal offence to give, promise or offer a bribe or to request, agree or receive a bribe either at home or abroad.

The range of threats of fraud was constantly changing and the latest examples involved fraudsters faking supplier documentation. A number of Councils had been caught by this type of fraud and had lost significant sums as a result. However, West Berkshire had been aware of the risk and Officers had been able to prevent frauds of this nature occurring. Officers noted that the recently introduced Transparency Agenda which required the Council to publish details of suppliers where transactions exceeded £500 might be contributing to this type of fraud threat.

RESOLVED that the revised Strategy be approved.

40. **Internal Audit Plan 2011-14 (GAC2268)**

The Committee considered a report (Agenda Item 6) concerning an outline of the Internal Audit Strategy for the next three years.

Ian Priestley presented an Internal Audit Strategy for the next three years. The Strategy would ensure that adequate assurance was provided and that the Council's Internal Framework remained robust. The work programme for Internal Audit for the period 2011-14 was attached at Appendix B covering both Corporate Audits and Service Based Audits and was based on levels of risk. Appendix A set out the rights and responsibilities of the Internal Audit Team and Appendix C set out the protocol for reporting back on the internal audits.

Ian Priestley noted that resourcing in the team had been reduced in line with cuts taking place across the Council. This had led to a commensurate reduction in the work of Internal Audit. Ian Priestley was supported by 6 FTE and the two vacancies in the team were currently being recruited to. He had sought assurance from Corporate and Management Board that this level of staffing would not be further reduced. The capacity

GOVERNANCE AND AUDIT COMMITTEE - 28 MARCH 2011 - MINUTES

of the team was reflected in the number of audit days set out in the Internal Audit Plan. Officers confirmed that the plan did make allowances for short term absence.

The Committee was concerned about the level of resourcing in the team. They noted that any long term absence would mean that the Internal Audit Plan could not be completed in year. In addition Councillor Tony Vickers was concerned about the combined effect a reduction in Scrutiny Structures and a reduction in resourcing in this area would have.

The Chief Internal Auditor explained that the plan was developed following discussions with Heads of Service and Corporate Directors and their concerns were reflected in the document where appropriate.

RESOLVED that the proposed plan be approved.

41. Review of Internal Audit (GAC2269)

The Committee considered a report (Agenda Item 7) concerning a review of the internal audit systems.

Ian Priestley informed the Committee that the requirement to carry out a review of the system of Internal Audit was a requirement of the Accounts and Audit Regulations 2006. This had been undertaken based on the CIPFA Code of Practice and latest CIPFA guidance. The Chief Internal Auditor noted that in the latest version of this guidance the reference to 'system' had been removed. This meant that only an annual review of Internal Audit was required.

Ian Priestley had therefore undertaken an assessment of how the Council compared against the CIPFA Code of Practice. This analysis was contained in the Appendix A to the report. He had not identified any areas for development. The assessment had been considered at the Finance and Governance Group who had concurred with his analysis. He also noted that in the last KPMG Annual Audit letter they had confirmed that they were able to rely on the work of Internal Audit and that Internal Audit fully complied with the CIPFA Code of Practice for Internal Audit.

In terms of resourcing, Corporate Board had determined that the staffing of Internal Audit should not be reduced below 6.5FTE. BuMP was aware of this view. Members noted that this issue had been raised a number of times during discussions relating to Internal Audit. They queried whether this item appeared on the Finance Service's Risk Register. Andy Walker noted that it did not currently appear on the risk register but that he would rectify this situation.

Members were supportive of a shared service as they felt that it would provide much needed resilience to the team.

RESOLVED that:

1. the review be noted;
2. Andy Walker to include an item relating to staffing levels in the Internal Audit Team on the Finance Service Risk Register.

(The meeting commenced at 6.05 pm and closed at 6.44 pm)

CHAIRMAN

Date of Signature

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Agenda Item 4.

Title of Report:	Amendments to Part 1, 2, 10 and 11 of the Council's Constitution
Report to be considered by:	Council
Date of Meeting:	17 May 2011
Forward Plan Ref:	C2104

Purpose of Report: To consider the amendments to Parts 1,2,10 and 11 of the Constitution following review of the sections of the Constitution by the Finance and Governance Group.

Recommended Action: To approve the revisions to Parts 1, 2, 10 and 11 of the Constitution.

Reason for decision to be taken: To ensure that the Council has established a constitution that is in accordance with statutory requirements / good practice and that there are processes in place ensuring the effective management and maintenance of the Constitution in accordance with good practice guidelines (e.g. CIPFA / SOLACE Code of practice for Corporate Governance)

Other options considered: None

Key background documentation: The Local Government Act 2000 (Constitution) (England) Direction 2000

The proposals will also help achieve the following Council Plan Themes:	
<input checked="" type="checkbox"/>	CPT12 - Including Everyone
<input checked="" type="checkbox"/>	CPT13 - Value for Money
<input checked="" type="checkbox"/>	CPT14 - Effective People
<input checked="" type="checkbox"/>	CPT15 - Putting Customers First
The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by: Ensuring that the Constitution is up to date and applies with legislation	

Portfolio Member Details	
Name & Telephone No.:	Councillor Graham Jones
E-mail Address:	gjones@westberks.gov.uk
Date Portfolio Member agreed report:	07 April 2011

Contact Officer Details	
Name:	Andy Walker/ David Holling
Job Title:	Head of Finance/ Head of Legal and Electoral Services
Tel. No.:	01635 519433/519422
E-mail Address:	awalker@westberks.gov.uk dholling@westberks.gov.uk

Implications

Policy:	Will include changes to the Constitution
Financial:	None – will be undertaken within existing resources
Personnel:	None
Legal/Procurement:	Will include changes to the Constitution
Property:	None
Risk Management:	None
Equalities Impact Assessment:	Stage one EIA completed
Corporate Board's Recommendation:	Corporate Board supported the changes and requested that a version of the report containing tracked changes be provided to Members.

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval		<input checked="" type="checkbox"/>
Delays in implementation could have serious financial implications for the Council		<input type="checkbox"/>
Delays in implementation could compromise the Council's position		<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Commission or associated		<input type="checkbox"/>
Task Groups within preceding six months		<input type="checkbox"/>
Item is Urgent Key Decision		<input type="checkbox"/>

Executive Summary

1. Introduction

- 1.1 Following an internal audit of the Management of the Constitution in 2010 it was noted that one of the responsibilities of the Finance and Governance Group is to have ownership of the Council's Constitution. The content of the Local Code of Corporate Governance says that there will be an annual review of the operation of the Constitution.
- 1.2 A timetable has now been established for the Finance and Governance Group to review individual sections of the Constitution and a number of Officers have been involved in revising specific parts of the Constitution. To date Parts 1,2, 10 and 11 of the Constitution have been reviewed and amended. Full Council will be asked to ratify these amendments at the meeting on the 17 May 2011.

2. Proposals

- 2.1 That the amendments to Parts 1,2, 10 and 11 of the Council's Constitution are approved in order to ensure that the Council has established a constitution that is in accordance with statutory requirements / good practice and that there are processes in place ensuring the effective management and maintenance of the Constitution in accordance with good practice guidelines (e.g. CIPFA / SOLACE Code of Corporate Governance)

3. Conclusion

- 3.1 The report is a required update, due to the changes in service areas, governance arrangements and changes to legislation and good practice guidelines.

Executive Report

4. Introduction

- 4.1 The internal audit review of the Constitution made a number recommendations to enhance the management of the Constitution including:
- (1) that the Governance Group should establish a process to review the content and application of the Constitution on an annual basis in accordance with the requirements of the Council's Local Code of Corporate Governance.
 - (2) that members of the Governance Group are allocated responsibility for maintaining specific Articles and Rules of the Constitution
 - (3) that the Governance Group should monitor progress of proposed amendments to the Constitution to ensure that they are appropriately approved and published.
- 4.2 A timetable was established for the Finance and Governance Group to review individual sections of the Constitution and relevant Officers have been allocated responsibility for maintaining specific parts of the Constitution. Given the wide ranging nature of the Constitution a number of officers have contributed to the review of each part.
- 4.3 To date Parts 1,2, 10 and 11 of the Constitution have been reviewed and amended. The review has been comprehensive and has led to a significant rewriting of sections of the Constitution. This is largely because no formal review process has been in place previously and a number of significant changes have been made in the way the Council's procedures operate. A good example of this is the implementation of the Agresso accounting system which has changed the processes around the ordering and paying for goods and services.
- 4.4 Full Council will be asked to ratify these amendments at the meeting on the 17 May 2011 2011.

5. Outline of the main changes

- 5.1 Part 1 – Summary and Explanation
- (1) Revised Scrutiny arrangements have been put in place;
 - (2) The terms of reference of the Personnel Committee have been amended to reflect the Committee's role in reviewing and approving Health and Safety policies and procedures.
- 5.2 Part 2 – Articles of the Constitution
- (1) Revised Scrutiny arrangements have been put in place,
 - (2) The terms of reference of the Personnel Committee have been amended to reflect the Committee's role in reviewing and approving Health and Safety policies and procedures.
- 5.3 Part 10 – Budget and Policy Framework Rules of Procedure
- (1) The limits on Virement have been increased to allow greater flexibility
- 5.4 Part 11 – Financial Rules of Procedure

- (1) The Accounts and Audit Regulations have been amended to introduce new requirements that there should be an annual review of both the Council's System of Internal Control and System of Internal Audit.
- (2) The role of the Governance and Audit Committee in receiving regular reports from the Chief Internal Auditor on the outcomes of internal audit work has been included.
- (3) Changes in the way internal audit work and report on their work has been included.
- (4) The way underspends / overspends are handled at year end has been amended to reflect the latest accounting requirements.
- (5) Reference to virements has been removed, as these are no longer required. Heads of Service are expected to manage budgets to the bottom line.
- (6) Reference to contracts has largely been removed as these issues sit more effectively within the Contracts Rules of Procedure. (currently being revised)
- (7) Ordering and income collection procedures have changed due to the implementation of the Agresso system, so significant changes have been made to ensure the rules reflect these.
- (8) Changes have been made to reflect the use of the Webrisk system for insurance claims and incident reporting.

6. Conclusion

- 6.1 Given the wide ranging nature of the changes made, particularly to Part 11, the Committee are asked to review the documents as a whole, rather than to focus on changes made.

Appendices

Appendix A – Part 1 of the Constitution
Appendix B - Part 2 of the Constitution
Appendix C - Part 10 of the Constitution
Appendix D - Part 11 of the Constitution

Consultees

Local Stakeholders: Not consulted

Officers Consulted: Finance and Governance Group

Trade Union: Not consulted

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Part 1

Summary and Explanation

Document Control

Document Ref:	WB/P&C/MF/2008-11	Date Created:	May 2007
Version:	1	Date Modified:	September 2009
Revision due			
Author:	Moirra Fraser – Democratic Services Manager		
Owning Service	Policy and Communication		

Change History

Version	Date	Description	Change ID
1	May 2007	Original document	
2	Sept 2009	Changes to reflect revised Scrutiny operation and removal of Area Forums	1.1, 1.2, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10
3			



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Contents

1.1	The Council’s Constitution	1
1.2	What is in the Constitution	1
1.3	How the Council Operates	2
1.4	How decisions are made.....	2
1.5	Overview and Scrutiny Management Commission	2
1.6	Planning and Licensing Committees	3
1.7	The Standards Committee	3
1.8	The Council’s Staff.....	3
1.9	Citizens’ Rights	<u>4</u>

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1.1 The Council's Constitution

West Berkshire District Council has produced a Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these decisions are efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose. The Constitution is divided into 15 Articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate rules and protocols at the end of the document.

All reports presented at public meetings (except for those deemed as exempt or confidential), agendas and minutes, decisions made, timetables of meetings and the West Berkshire Council Forward Plan can also be found on the website at <http://www.westberks.gov.uk/decisionmaking> .

1.2 What is in the Constitution

The Constitution is divided into 15 Parts.

Part 1 is this summary and explanation.

Part 2 contains 15 sub sections called 'the Articles'. Article 1 of the Constitution commits the Council to using the Constitution to help fulfil its corporate aims and values. Articles 2 to 14 explain the rights of citizens and how the key parts of the Council operate. These are:

- Citizens and the Council (Article 2)
- Members of the Council (Article 3)
- Decision-Making (Article 4)
- The Full Council (Article 5)
- The Executive (Article 6)
- Overview and Scrutiny (Article 7)
- Regulatory and Other Committees (Article 8)
- The Standards Committee (Article 9)
- Joint Arrangements (Article 10)
- Officers (Article 11)
- Finance, Contracts and Legal Matters (Article 12)
- Review and Revision of the Constitution (Article 13)
- Suspension, Interpretation and Publication of the Constitution (Article 14)
- Description of Executive Arrangements (Schedule 1)

Part 3 sets out the functions that have been delegated by 'the Council' to the Executive, Overview and Scrutiny, regulatory committees, individual Elected Members and employees of the Council, known as 'officers'.

Parts 4, 5, 6 and 7 set out the rules of procedure under which the Council's decision-making bodies operate.

Part 8 explains the public’s right of access to information.

Part 9 details the Council’s budget and policy framework rules of procedure.

Parts 10, 11 and 12 outline the financial, contractual and personnel rules of procedure.

Part 13 details a range of codes and protocols by which Members and officers must abide, including the Code of Conduct.

Part 14 sets out the Members’ Allowances Scheme.

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Part 15 sets out the management structure of the Council.

1.3 How the Council Operates

The Council is composed of 52 Councillors elected every four years. Councillors are democratically accountable to residents of their ward. The overriding duty of Councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them. Councillors have to agree to follow the Code of Conduct to ensure high standards in the way they undertake their duties. The Standards Committee trains and advises them on the Code of Conduct.

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All Councillors meet together as ‘the Council’. Meetings of the Council are normally open to the public. Here Councillors decide the Council’s overall policies and set the budget each year. The Council is responsible for electing the Strong Executive Leader and is ultimately responsible for holding the Executive to account.

1.4 How Decisions are Made

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The Executive is the part of the Council which is responsible for most day-to-day decisions, most of the operational decision making is, however, delegated to officers. The Executive is made up of the Leader and a Cabinet of up to nine Councillors whom they appoint. When major decisions are to be discussed or made, these are published in West Berkshire Council’s Forward Plan insofar as they can be anticipated. All these major decisions will be discussed at meetings of the Executive. Officers will be in attendance to advise Councillors at these meetings.

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These meetings will generally be open for the public to attend except where exempt or confidential matters are being discussed. The Executive has to make decisions which are in line with the Council’s overall policies and budget. If it wishes to make a decision which is outside the Budget and Policy Framework, this must be referred to the Council as a whole to decide (see Part 9).

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Decisions can also be made by individual Executive Members, provided that the item is included in the West Berkshire Council Forward Plan and is in accordance with the approved individual decision making protocol (see Rule 5.1.3 and Appendix B of Part 13).

1.5 Overview and Scrutiny Management Commission

There is one Overview and Scrutiny Management Commission supported by a Select Committee(s). The Commission supports the work of the Executive and the Council as a whole by providing a mechanism through

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which the actions of the Executive can be challenged. It prepares reports and recommendations which advise the Executive on its policies, budget and service delivery, consulting within and outside the Council.

The Overview and Scrutiny Management Commission also monitors the decisions of the Executive. Any five Members of the Council may 'call in' a decision which has been made by the Executive but not yet implemented. This enables the Overview and Scrutiny Management Commission to consider whether the decision is appropriate. It may recommend that the Executive reconsider the decision. It may also be consulted by the Executive or the Council on forthcoming decisions.

1.6 Planning and Licensing Committees

The Council has established a District Planning Committee, two Area Planning Committees and a Licensing Committee to deal with a range of regulatory functions (set out in Article 8) relating to planning applications and licensing applications and policies.

1.7 Governance and Audit Committee

The main roles of the Governance and Audit Committee is to challenge and provide independent assurance on the Risk Management Framework and associated internal controls of the Council, consider and make recommendations to the Council on proposed changes to the Constitution, review the Council's financial statements and review the external auditors annual audit letter.

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1.8 The Standards Committee

The main role of the Standards Committee is to promote and maintain high standards of conduct throughout the Council. They promote, educate and support Councillors (both District and Parish) in following the highest standards of conduct and ensuring that those standards are fully owned locally.

The Standards Committee has established three sub-committees to deal with any complaints received in respect of District or Parish Councillors' behaviour.

The Standards Committee also has a role in considering and recommending improvements to the relevant sections of the Constitution covering the conduct of Councillors and ethical standards of the Council.

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1.9 The Personnel Committee

The Personnel Committee is responsible for agreeing and making changes to the Council's HR and Health and Safety Policies and Procedures, appointing staff at Head of Service level or above by means of an Appointments Panel and for determining requests for the early release of pensions (although the financial implications of each request have to be considered and approved by the Executive).

1.10 The Council's Staff

The Council has people working for it (called 'Officers') to give advice, implement decisions and manage the day-to-day delivery of its services.

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Some of the Officers have a specific duty to ensure that the Council acts within the law and uses its resources wisely. A code of practice governs the relationships between Officers and Members of the Council (see Part 13).

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1.11 Citizens' Rights

Citizens have a number of rights in their dealings with the Council. These are set out in more detail in Article 2. Some of these are legal rights, whilst others depend on the Council's own processes. The local Citizen's Advice Bureau can advise on an individual's legal rights.

Where members of the public use specific Council services, for example as a parent of a school pupil or a social services client, they have additional rights. These are not covered in this Constitution.

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Citizens have the right to:

- vote at local elections provided they are registered;
- contact their local Councillor about any matters of concern to them;
- obtain a copy of the Council's Constitution (available on the Council website at www.westberks.gov.uk/constitution);
- attend public meetings of the Council and committees except where, for example, exempt or confidential matters are being discussed;
- petition to request a referendum on a mayoral form of Executive;
- ask questions at certain Council meetings and contribute to investigations, on request, by the Overview and Scrutiny Management Commission and Select Committee(s);
- find out, from the West Berkshire Council's Forward Plan, what major decisions are to be discussed by the Executive or decided by the Executive, individual Executive Members or Officers, and when;
- attend meetings of the Executive and Council where key decisions are being discussed or decided, except where, for example, exempt or confidential matters are being discussed;
- in accordance with Government Regulations, to see reports and background papers, and any record of decisions made by the Council and Executive and any Committees (except personal or confidential information);
- complain to the Council about something the Council should have done or something that they have done but should not have;
- complain to the Council concerning an Officer's attitude or actions;
- complain to the Local Government Ombudsman if they think the Council has not followed its procedures properly. However, they should only do this after using the Council's own complaints process;
- complain to the Standards Committee if they have evidence which they think shows that a District or Parish/Town Councillor has not followed the National Code of Conduct;

- inspect the Council's accounts and make their views known to the external auditor.

The Council welcomes participation by citizens in its work. For further information on your rights as a citizen, please contact:

Head of Policy and Communication
West Berkshire Council
Council Offices
Market Street
Newbury
Berkshire RG14 5LD

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Part 2

Articles of the Constitution

Document Control

Document Ref:	WB/P&C/MF/2008-11	Date Created:	April 2007
Version:	2	Date Modified:	May 2008
Revision due			
Author:	Moirra Fraser – Democratic Services Manager		
Owning Service	Policy and Communication		

Change History

Version	Date	Description	Change ID
1	May 2008	Paragraph 2.6.5 updated	
2			
3			

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Contents

2.1	Article 1 – The Constitution	1
2.1.1	Powers of the Council.....	1
2.1.2	The Constitution.....	1
2.1.3	Purpose of the Constitution.....	1
2.1.4	Decision-making	1
2.1.5	Interacting with the Local Community	1
2.1.6	Interpretation and Review of the Constitution.....	2
2.2	Article 2 – Citizens and The Council	3
2.2.1	Citizens’ Rights	3
2.2.2	Voting and Petitions.....	3
2.2.3	Definition of Citizens’ Rights.....	3
2.2.4	Participation	3
2.2.5	Complaints	4
2.2.6	Citizens’ Responsibilities	4
2.3	Article 3 – Members of the Council	5
2.3.1	Composition	5
2.3.2	Eligibility	5
2.3.3	Election and Terms of Councillors	5
2.3.4	Key Roles.....	5
2.3.5	Rights and Duties	5
2.3.6	Conduct.....	6
2.3.7	Allowances	6
2.3.8	Confidentiality – Non-Disclosure of Reports.....	6
2.3.9	Constitution to be given to Members	6
2.4	Article 4 - Decision-Making	7
2.4.1	Responsibility for Decision-Making	7
2.4.2	Principles of Decision-Making	7
2.4.3	Types of Decision	8
2.5	Article 5 – The Full Council	10
2.5.1	Role and Function of the Chairman	10
2.5.2	Policy Framework	10

2.5.3	Budget Framework	11
2.5.4	Budget.....	11
2.5.5	Functions of the Full Council.....	11
2.5.6	Council Meetings	12
2.5.7	Responsibility for Functions	12
2.6	Article 6 – The Executive.....	13
2.6.1	Role of the Executive	13
2.6.2	Form and Composition of the Executive.....	13
2.6.3	Executive Leader.....	13
2.6.4	Other Executive Members.....	13
2.6.5	Executive Portfolios.....	13
2.6.6	Proceedings of the Executive	14
2.6.7	Access to Information.....	14
2.6.8	Responsibility for Functions.....	14
2.7	Article 7 – Overview and Scrutiny.....	15
2.7.1	Form and Composition.....	15
2.7.2	Terms of Reference.....	15
2.7.3	Co-optees	16
2.7.4	Task Groups	17
2.7.5	Call-in.....	17
2.7.6	Councillor Call for Action.....	17
2.7.7	Finance	17
2.7.8	Proceedings of the Overview and Scrutiny Management Commission and Select Committee(s)	17
2.7.9	Access to Information.....	17
2.7.10	Reports	17
2.7.11	Proceedings of Overview and Scrutiny Commissions, Scrutiny Panels and Task Groups	18
2.8	Article 8 – Regulatory and Other Committees	19
2.8.1	Area and District Planning Committees.....	19
2.8.2	Licensing Committee.....	19
2.8.3	Licensing Sub-Committee	19
2.8.4	Governance and Audit Committee.....	19
2.8.5	Personnel Committee.....	20
2.8.6	Allocation of Non-Executive Functions	20

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2.8.7	West Berkshire Council's Regulatory Committees and Sub-Committees	20
2.9	Article 9 - The Standards Committee	22
2.9.1	Composition	22
2.9.2	Independent Members.....	22
2.9.3	Parish / Town Members.....	22
2.9.4	Chairing the Committee.....	22
2.9.5	Role and Function.....	22
2.10	Article 10 - Joint Arrangements	24
2.10.1	Arrangements to Promote Wellbeing.....	24
2.10.2	Joint Arrangements.....	24
2.10.3	Access to Information	24
2.10.4	Delegation to and from Other Local Authorities	25
2.10.5	Contracting Out.....	25
2.11	Article 11 – Officers.....	26
2.11.1	Management Structure	26
2.11.2	Functions of the Head of Paid Service	26
2.11.3	Functions of the Monitoring Officer	26
2.11.4	Functions of the Chief Finance Officer	27
2.11.5	Conduct.....	28
2.11.6	Employment.....	28
2.11.7	Access to Information - Proper Officer for Access to Information	28
2.12	Article 12 - Finance, Contracts and Legal Matters.....	29
2.12.1	Financial Management	29
2.12.2	Contracts.....	29
2.12.3	Legal Proceedings	29
2.12.4	Authentication of Documents	29
2.12.5	Common Seal of the Council	29
2.13	Article 13 - Review and Revision of the Constitution	30
2.13.1	Duty to Monitor and Review the Constitution	30
2.13.2	Protocol for Monitoring and Review of Constitution by Monitoring Officer	30
2.13.3	Changes to the Constitution.....	30

2.14	Article 14 - Suspension, Interpretation and Publication of the Constitution	31
2.14.1	Suspension of the Constitution	31
2.14.2	Interpretation of the Constitution during Council Meetings.....	31
2.14.3	Publication of the Constitution	31
2.14.4	Schedule 1 - Description of Executive Arrangements.....	32

2.1 Article 1 – The Constitution

2.1.1 Powers of the Council

The Council will exercise all its powers and duties in accordance with the law and this Constitution.

2.1.2 The Constitution

This Constitution, and all its appendices, is the Constitution of West Berkshire District Council.

2.1.3 Purpose of the Constitution

The purpose of the Constitution is to put in place a structure for decision-making to help the Council realise its corporate aims, objectives and priorities in an efficient and effective manner whilst meeting its legal duties.

In particular the Constitution seeks to help the Council meet its stated corporate priorities of:

- supporting our communities through the economic downturn;
- raising levels of educational achievement;
- with partner agencies, reducing crime and the fear of crime.

2.1.4 Decision-making

The Constitution provides the means to focus the Council's decision-making to ensure that it:

- reflects closely the needs and aspirations of local communities, towns and villages;
- encourages community involvement;
- helps Councillors represent their constituents effectively;
- enables decisions to be taken efficiently and effectively;
- creates a powerful and effective means of holding decision-makers to public account;
- ensures that no one will review or scrutinise a decision in which they were directly involved;
- is clear who is accountable for making specific decisions;
- promotes community leadership.

2.1.5 Interacting with the Local Community

The Council sees its Constitution as more than a series of procedures and rules. It will play a major part in demonstrating how all parts of the Council intend to engage actively with the local community. It will bring about more efficient and effective decision-making, which in turn will ensure that the Council is able to realise its vision:

“To facilitate a thriving local community and good quality of life in West Berkshire, now and for the future”.

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<#>helping everyone to lead an independent and healthy life;¶
<#>supporting children, young people and their families to lead better lives;¶
<#>listening to and supporting local communities to make their area a better place to live and work;¶
<#>becoming a more efficient and effective council.¶

2.1.6 Interpretation and Review of the Constitution

Where the Constitution permits the Council to choose between different courses of action, the Council will always choose that option which it believes most closely reflects the objectives and values stated above.

The Council will monitor and evaluate the operation of the Constitution as set out in Article 13.

2.2 Article 2 – Citizens and the Council

2.2.1 Citizens' Rights

Citizens have certain rights as defined below. Their rights to information and to participate are explained in more detail in the Access to Information Rules in Part 8 of this Constitution.

2.2.2 Voting and Petitions

Citizens on the electoral roll for the District have the right to vote and sign a petition to request a referendum for an elected mayor for the Council (subject to the Regulation on time limits).

2.2.3 Definition of Citizens' Rights

Citizens have the right to:

- attend meetings of the Council, its Committees and Sub-Committees except where confidential or exempt information is likely to be disclosed, and the meeting is therefore held in private (see Rule 8.10 – Exclusion of Access by the Public to Meetings);
- attend meetings of the Executive (and any Committee which it may appoint) except where confidential or exempt information is disclosed and the meeting is therefore held in private;
- find out from West Berkshire Council's Forward Plan, what key decisions will be taken by the Executive and when, subject to the provisions covering urgent decisions;
- find out from West Berkshire Council's Forward Plan what items the Overview and Scrutiny Management Commission and the Select Committee(s) are to consider;
- see reports, background papers and any records of decisions made by the Council, its Committees and Sub-Committees;
- see reports, background papers and any records of decisions made by the Executive; and
- inspect the Council's accounts and make their views known to the external auditor.

2.2.4 Participation

Citizens have the right to:

- submit petitions to the Council as set out in Part 13 Codes and Protocols – Appendix C;
- submit written questions to the Council, Executive, its Committees and Sub-Committees, provided that this is done in accordance with the rules of procedure or approved protocol (see relevant sections in Parts 4, 5 and 7);
- ask no more than one supplementary question in respect of each question at the meeting provided it is relevant to the original question;
- actively contribute to the work of the Overview and Scrutiny Management Commission or the Select Committee(s) by providing written or verbal evidence when so invited;

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- speak at Area Planning Committees and District Planning Committee in respect of planning applications for approval and consent. Rule 7.13 refers;
- speak at Licensing Sub-Committees in respect of licensing applications for approval and consent. Rule 7.14 refers.

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2.2.5 Complaints

Citizens have the right to complain to:

- the Council itself under its [Customer](#) Comments and Complaints Procedure;
- the Local Government Ombudsman after using the Council's own Comments and Complaints Procedure;
- the Standards Committee about any breach of the Members' Code of Conduct.

2.2.6 Citizens' Responsibilities

Citizens must not be violent, abusive or threatening to Councillors or Officers and must not wilfully harm property owned by the Council, Councillors or Officers.

2.3 Article 3 – Members of the Council

(Part 4 also refers)

2.3.1 Composition

The Council will comprise fifty-two Councillors, also referred to in this Constitution as Members. One or more Councillors will be elected by the voters of each ward in accordance with a scheme drawn up by the Local Government Commission and approved by the Electoral Commission.

2.3.2 Eligibility

Only registered voters of the District or those living or working there, or having an interest in land in the District, will be eligible to hold the office of Councillor.

2.3.3 Election and Terms of Councillors

The regular election of Councillors will normally be held on the first Thursday in May every four years beginning in 2003. The terms of office of Councillors will start on the fourth day after being elected and will finish on the fourth day after the date of the next regular election.

2.3.4 Key Roles

All Councillors should:

- collectively be the ultimate policy-makers and carry out a number of strategic and corporate management functions;
- individually and collectively advise the Council, its Overview and Scrutiny Management Commission and Select Committee(s) on issues of policy;
- represent their communities and bring their views into the Council's decision-making process, and thereby act as the advocate of and for their communities;
- contribute to the good governance of the area and actively encourage community participation and citizen involvement in decision-making;
- deal with individual casework and act as an advocate for constituents in resolving particular concerns or grievances in a fair and impartial manner;
- balance different interests identified within the ward and represent the ward as a whole;
- be involved in decision-making;
- be available to represent the Council on other bodies; and
- maintain the highest standards of conduct and ethics.

2.3.5 Rights and Duties

All Councillors will:

- have such rights of access to such documents, information, land and buildings of the Council as are necessary for the proper discharge of their functions and in accordance with the law;

(NB: Documents dealing with individuals or other confidential matters may not be available.)

- not make public, information which is confidential or exempt without the consent of the Council or divulge information given in confidence by any person or body to anyone other than a Councillor or Officer entitled to know it.

For these purposes, the terms “confidential” and “exempt” information are defined in the Access by the Public to Information Rules of Procedure in Part 9 of this Constitution.

2.3.6 Conduct

Councillors will at all times observe the Members’ Code of Conduct and the Protocol on Member/Officer Relations set out in Part 13 of this Constitution. Co-opted Members of Committees will be guided by the principles in the Members’ Code of Conduct.

2.3.7 Allowances

Councillors will be entitled to receive allowances in accordance with the Members’ Allowances Scheme set out in Part 14 of this Constitution.

2.3.8 Confidentiality – Non-Disclosure of Reports

Reports to Committees, Sub-Committees, Panels or Task Groups which are “not for publication”, in accordance with the statutory provisions on the grounds that they contain confidential or exempt information, shall be treated as confidential and shall not be disclosed by a Member or officer of the Council unless the Committee, Sub-Committee, Panel or Task Group decides otherwise.

After the meeting of the Committee, Sub-Committee, Panel or Task Group the information shall continue to be treated as confidential except in so far as it ceases to be confidential by virtue of the statutory provisions or its inclusion in the Minutes of the meeting which are made available for public inspection.

2.3.9 Constitution to be given to Members

As soon as possible following the declaration of acceptance of office, each Member shall be sent a copy of the Constitution. Amendments to the Constitution shall be sent to each Member as soon as possible after their approval.

2.4 Article 4 - Decision-Making

2.4.1 Responsibility for Decision-Making

The Council will issue and keep up to date a record of what part of the Council or individual has responsibility for particular types of decision or decisions relating to particular areas or functions. This record is set out in Part 3 of this Constitution.

2.4.2 Principles of Decision-Making

Any decisions taken must be in accordance with the terms of this Constitution.

Under the Constitution, decisions will be taken by the full Council, the Executive (both collectively and by individual Members of the Executive), Committees, Sub-Committees and by Officers.

Whichever body or individual is responsible for taking a decision, the decision should be taken, as far as possible, in accordance with the following principles:

- there should be a presumption in favour of decision-making being open and transparent, with members of the public being afforded effective access to relevant information and the processes by which decisions are taken;
- due consultation should take place with those likely to be affected by a decision. So far as practicable, decision-taking should be planned in advance and the public given due notification of forthcoming decisions;
- where a decision is likely to have wide-ranging or significant impact on the community, additional time and emphasis should be given to consultation and members of the public actively encouraged to contribute their views;
- decisions must be taken with regard to all relevant considerations and ignoring all irrelevant matters;
- decisions should be taken on the basis of the Council's corporate aims and values and have regard to any approved policies or procedures of the Council;
- appropriate professional advice should be obtained from suitably-qualified Officers of the Authority;
- decisions must be taken with regard to proportionality – the action must therefore be proportionate to the desired outcome;
- decisions must be taken with regard to any relevant statutory requirements and with respect for human rights;
- any decisions taken must be formally recorded in accordance with the requirements of this Constitution. Where the decision is taken by the Executive, or a Member of the Executive, the formal record should state what alternative options were considered and the reason for the decision that was taken.

In some cases (e.g. where urgent action is necessary, or confidential matters are under discussion) it may not be practicable to fully comply with all of these principles, but decision-makers should satisfy themselves that they have been complied with so far as reasonably practicable in the

circumstances. Decision-makers may be held to account for any failure to comply with these principles.

2.4.3 Types of Decision

(a) **Decisions Reserved to Full Council**

Decisions relating to the functions listed in Rule 2.5.5 will be made by the full Council and not delegated.

(b) **Key Decisions**

A 'key decision' means an Executive decision which is likely either:

- to result in the Local Authority incurring expenditure which is, or the making of savings which are, significant, having regard to the Local Authority's budget for the service or function to which the decision relates: or
- to be significant in terms of its effects on communities living or working in an area comprising two or more Wards within the District.

Key decisions may only be taken in accordance with the requirements of the Executive Rules of Procedure set out in Part 5 of this Constitution.

(c) **Decision-making by the Full Council**

Subject to (h) below, the Council meeting will follow the Council Rules of Procedures set out in Part 4 of this Constitution when considering any matter.

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(d) **Decision-making by the Executive**

Subject to (h) below, the Executive will follow the Executive Rules of Procedure set out in Part 5 of this Constitution when considering any matter.

(e) **Decision-making by an Individual Executive Member**

Subject to (h) below, an individual Executive Member will follow the Executive Rules of Procedure and associated Individual Decision Protocol of the Constitution when considering any matter.

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(f) **Decision-making by the Overview and Scrutiny Management Commission**

The Overview and Scrutiny Management Commission and associated Select Committee(s) will follow the Overview and Scrutiny Rules of Procedure set out in Part 6 of this Constitution when considering any matter.

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(g) **Decision-making by other Committees and Sub-Committees established by the Council**

Subject to (h) below, other Council Committees and Sub-Committees will follow the Rules of Procedure as set out in Part 7 of this Constitution.

(h) **Decision-making by Council Bodies acting as Tribunals**

The Council, a Councillor or an Officer acting as a tribunal or in a quasi-judicial manner or determining/considering (other than for the purposes of giving advice) the civil rights and obligations or the criminal responsibility of any person, will follow a proper procedure which accords with the requirements of natural justice and the right to a fair trial contained in Article 6 of the European Convention on Human Rights.

2.5 Article 5 – The Full Council

(Part 4 also refers)

2.5.1 Role and Function of the Chairman

The Chairman and Vice-Chairman will be elected by the Council on an annual basis. The Chairman is the civic head of West Berkshire and will represent the Council at official engagements arranged by the Authority or to which the Authority is invited. The Chairman (or in his/her absence, the Vice-Chairman) has precedence within the District but not prejudicially as to affect the monarch's Royal Prerogative. The Chairman therefore takes precedence over the Town Mayors of Newbury, Thatcham and Hungerford. In addition, the Chairman also has the following responsibilities:

- to uphold and promote the purposes of the Constitution, and to interpret the Constitution where necessary;
- to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the interests of the community and the rights of Councillors;
- to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and the place at which Members who are not on the Executive are able to hold the Executive to account;
- to promote public involvement in the Council's activities;
- to act in a neutral manner on matters that affect the Council;
- to attend such civic and ceremonial functions as the Council and he/she determines appropriate;
- to ensure that good working relations are maintained between Members and Officers.

2.5.2 Policy Framework

The Policy Framework means the following plans and strategies, and any others which are of a similar nature:

- (a) Those required to be included by Regulations made under the Local Government Act 2000:
 - Sustainable Communities Strategy;
 - Council Plan;
 - Community Safety Strategy;
 - Licensing and Gambling Policies;
 - Local Transport Plan;
 - Plans and strategies which together comprise the Local Development Framework;
 - Youth Justice Plan.
- (b) Those other plans and strategies requiring approval and not included in the approved Policy Framework will be delegated to the Council's Executive:

2.5.3 Budget Framework

- The Council's Budget framework is as follows:
- Revenue Budget;
- Capital Programme;
- Capital Strategy;
- Medium Term Financial Strategy;
- Borrowing Limits.

2.5.4 Budget

The Budget includes the allocation of financial resources to different services and projects, proposed contingency funds, the Council Tax base, setting the Council Tax and decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and the setting of virement limits.

2.5.5 Functions of the Full Council

Only the Council will exercise the following functions:

- adopting and changing the Constitution;
- approving the Budget and Policy Framework;
- subject to the Urgency Procedure contained in the Access by the Public to Information Rules of Procedure in Part 8 of this Constitution, making decisions about any matter in the discharge of an Executive function which is covered by the Budget and Policy Framework where the decision-maker is minded to make it in a manner which would be contrary to the Framework or contrary to/or not wholly in accordance with the budget;
- appointing the **Strong** Executive Leader;
- agreeing and/or amending the terms of reference for Committees, the Overview and Scrutiny Management Commission and Select Committee(s) and deciding on their composition and making appointments to them;
- appointing representatives to outside bodies unless the appointment is an Executive function or has been delegated by the Council;
- adopting an allowances scheme under Part 14;
- changing the name of the District;
- confirming the appointment of the Head of Paid Service;
- making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or Personal Bills;
- all local choice functions set out in Part 3 of this Constitution which the Council decides should be undertaken by itself rather than the Executive;
- all other matters which, by law, must be reserved to Council;
- establish a pool of suitably trained Members from which:
 - i. Client Appeals Panels will be constituted by the Head of Policy and Communication to deal with a wide range of appeals in respect of homelessness, school admissions and exclusions and home-to-school transport;

- ii. an Interview Panel will be constituted by the Head of Policy and Communication to undertake the appointment of Officers at Head of Service level and above.

2.5.6 Council Meetings

There are three types of Council meeting:

- the annual meeting;
- ordinary meetings;
- extraordinary meetings.

These meetings will be conducted in accordance with the Council Rules of Procedure in Part 4 of this Constitution.

2.5.7 Responsibility for Functions

Part 3 of this Constitution sets out the responsibilities for those Council functions which are not the responsibility of the Executive.

2.6 Article 6 – The Executive

(Part 5 also refers)

2.6.1 Role of the Executive

The Executive will carry out all of the Council's functions which are not the responsibility of any other part of the local authority, whether by law or under this Constitution.

2.6.2 Form and Composition of the Executive

The Executive will consist of the **Strong** Executive Leader together with at least two but no more than nine Members appointed to the Executive by the **Leader of the Council**.

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The Executive cannot include the Chairman or Vice Chairman of the Council and there will be no substitutes or co-optees for Executive Members.

Members of the Executive cannot be Members of the Overview and Scrutiny Management Commission or Select Committee(s).

2.6.3 **Strong** Executive Leader

The **Strong** Executive Leader will be a Member elected at the Annual Meeting of the Council to the position of **Strong** Executive Leader by the Council. The **Strong** Executive Leader will hold office until:

- he/she resigns from the office; or
- he/she is suspended from being a Member under Part III of the Local Government Act 2000 (as amended by the Local Government and Public Involvement in Health Act 2007) or the Standards Committee (England) Regulations 2008 (although he/she may resume office at the end of the period of suspension); or
- he/she is no longer a Member; or
- he/she is removed from office by resolution of the Council.

2.6.4 Other Executive Members

Other Executive Members shall hold office until the next Annual Meeting of the Council, or until:

- they resign from office; or
- they are suspended from being a Member under Part III of the Local Government Act 2000 (as amended by the Local Government and Public Involvement in Health Act 2007) or the Standards Committee (England) Regulations 2008 (although he/she may resume office at the end of the period of suspension); or
- they are no longer Members; or
- they are removed from office by the **Strong** Executive Leader who must give written notice of any removal to the Chief Executive. The removal will take effect immediately after receipt of the notice by the Chief Executive.

2.6.5 Executive Portfolios

The Executive Portfolios are as follows:

- Leader of Council
- Deputy Leader, also responsible for Partnerships, Equality, The Visions;
- Planning, Housing, Transport Policy;
- Education;
- Children & Families, Youth Service, Culture & Leisure;
- Environment, “Cleaner Greener”, Public Protection, Customer Services;
- Finance, Economic Development, Property, Health & Safety;
- Highways, Transport (Operational), ICT;
- Community Care, Pensions, Insurance;
- Strategy, Performance, Community Safety.

2.6.6 Proceedings of the Executive

Proceedings of the Executive shall take place in accordance with the Executive Rules of Procedure set out in Part 5 of this Constitution.

2.6.7 Access to Information

The Head of Policy and Communication will ensure that Executive decisions, together with the reasons for those decisions and relevant Officer reports and background papers, are made publicly available as soon as possible.

2.6.8 Responsibility for Functions

The Executive Leader will maintain a list within Part 3 of this Constitution setting out which individual Members of the Executive, Committees of the Executive, Officers or joint arrangements are responsible for the exercise of particular Executive functions.

2.7 Article 7 – Overview and Scrutiny

(Part 6 also refers)

2.7.1 Form and Composition

The Council will appoint one Overview and Scrutiny Management Commission and ~~Select Committee(s)~~ to discharge the functions conferred by it under Section 21 of the Local Government Act 2000, the Health and Social Care Act 2001, the Local Government Act 2003, the Police and Justice Act 2006 and the Local Government and Public Involvement in Health Act 2007.

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The Commission will consist of **7 Members**, reflecting the political composition of the Authority. Members of the Executive cannot be Members of the Overview and Scrutiny Management Commission.

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2.7.2 Terms of Reference

Within its terms of reference the Overview and Scrutiny Management Commission will:

- (a) Have overall responsibility for the management, co-ordination and development of the scrutiny function through which the decisions taken by the Executive and by committees and officers of the Council are scrutinised and the use of resources/provision of services are reviewed.
- (b) Be aware of the 'forward plan', the forward work programme and other anticipated decisions of the Executive and council services
- (c) Monitor the decisions taken by or on behalf of the Executive and the activities of service areas;
- (d) Co-ordinate the work programmes of the Overview and Scrutiny ~~Select Committee(s)~~ and monitor progress against them.
- (e) Exercise the right set out in the Procedure Rules to call in and recommend for reconsideration any decisions made but not yet implemented by on or behalf of the Executive, Leader, Executive Member of Officer;
- (f) Receive requests from members of the public, Councillors, officers of the Council, co-optees, the West Berkshire Partnership or other organisations for particular topics to be scrutinised and determine the appropriate action.
- (g) Receive proposals from the ~~Select Committee(s)~~ for planned in-depth scrutiny review, investigation and report on issues relating to the Council's functions, and determine the appropriate action.
- (h) Appoint task-orientated, time-limited overview and scrutiny task groups to review in depth, investigate and report on a particular topic with such terms of reference and duration as it considers appropriate to that topic.
- (i) Consider and formally agree the reports of all task groups and submit them to the Executive and/or relevant agencies for response and action,

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- (j) Consider and formally agree the reports of all ~~Select Committee(s)~~ and submit them to the Executive for consideration. Deleted: Select Committees
- (k) Establish and develop effective working relationships between the Overview and Scrutiny Management Committee and ~~Select Committee(s)~~, the West Berkshire Partnership, the Executive and its members, committees and sub-committees of the Council and its officers. Deleted: Select Committees
- (l) Have responsibility for the development and co-ordination of the overview and scrutiny of partnerships and external bodies.
- (m) Have responsibility for progressing and monitoring the overall objectives of the overview and scrutiny function
- (n) Agree terms of reference and work plans of task groups and other time limited groups, (for example those dealing with Community Calls for Action), and monitor their progress.
- (o) Undertake overview and scrutiny work, in its own right, as deemed appropriate.

Within their terms of reference the Select Committee(s) will:

- (a) Have an overview of the practice and policy of the relevant thematic areas;
- (b) Identify areas of service practice and implementation or of policy that cause concern to members of the public and ~~Councillors~~ and report these to the Overview and Scrutiny Management Commission to determine what action should be taken; Deleted: c
- (c) Receive internal and external inspection reports on the services and challenge the action plans drawn up in response to problems that have been identified; monitor progress in implementing the action plans;
- (d) Ensure that the communities of West Berkshire and specific users of services are able to be involved in and inform the work of the Select Committee(s);
- (e) Promote the work of the Select Committee(s), including through the local media.
- (f) Develop focused programmes of work and identify the most appropriate means of progressing such work including the use of task groups;
- (g) Scrutinise the work of the local strategic partnership and its sub-partnerships, specifically the performance of the sub-partnerships in relation to the Local Area Agreement
- (h) Scrutinise the effectiveness of the Council's representatives in regional/sub regional and national forums.

2.7.3 Co-optees

The Council wishes to promote the involvement of the local community in its decision making. Appropriate procedures and structures will therefore be put in place to enable as wide a cross section of the Community to be involved as possible.

2.7.4 Task Groups

The Overview and Scrutiny Management Commission may choose to create Task Groups to investigate or review a particular topic. Task Groups will also reflect the political composition of the Authority. Members of the Executive may also be Members of a Task Group.

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2.7.5 Call-in

Decisions taken by the Executive and individual Executive Members or Officers can be called-in (by five Members giving notice) within five days of the decision being published, provided the decision has not been implemented. The Overview and Scrutiny Management Commission will then review the decision at its next meeting or at a Special meeting and decide whether or not to refer it back to the Executive or Executive Member or to refer it to the Council for review.

2.7.6 Councillor Call for Action

The Councillor Call for Action is a mechanism that provides Elected Members of the Council with the opportunity to ask for discussions as scrutiny committees on issues where local problems have arisen and where other methods of resolution have been exhausted.

The Overview and Scrutiny Management Commission will appoint members to any body established to consider a Councillor Call for Action. Terms of reference and all connected matters will be agreed by the Overview and Scrutiny Management Commission Part 13, Appendix I refers.

2.7.7 Finance

The Overview and Scrutiny Management Commission and Select Committee(s) will exercise overall responsibility for any finances made available to them.

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2.7.8 Proceedings of the Overview and Scrutiny Management Commission and Select Committee(s)

Proceedings of the Overview and Scrutiny Management Commission and Select Committee(s) shall take place in accordance with the Overview and Scrutiny Rules of Procedure set out in Part 6 of this Constitution.

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2.7.9 Access to Information

The Head of Policy and Communication will ensure that Overview and Scrutiny Management Commission and Select Committee(s), reports and background papers, are made publicly available as soon as possible.

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2.7.10 Reports

The Overview and Scrutiny Management Commission will report annually on the work it, its Select Committee(s) and Task Groups have completed or proposed to undertake for inclusion in the Council's Forward Plan.

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2.7.11 Proceedings of Overview and Scrutiny Commissions, Scrutiny Panels and Task Groups

The Overview and Scrutiny Commission, ~~Select Committee(s)~~ and Task Groups will conduct their proceedings in accordance with the Procedure Rules set out in Part 6 of this Constitution.

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2.8 Article 8 – Regulatory and Other Committees

(Part 7 also refers)

2.8.1 Area and District Planning Committees

The Council will delegate its powers in respect of certain regulatory functions (as set out in Part 3) to the two Area Planning Committees (Eastern and Western) and the District Planning Committee. The Area Planning Committees will consider applications that are not delegated to Officers applications or issues referred to the Committee in accordance with the approved protocol. Both Area Planning Committees will comprise 12 Members with 8 substitutes, reflecting the political composition of the Authority.

Recommendations from Area Planning Committees considered by the Development Control Manager and/or his representative to have a possible conflict with a policy that would undermine the Development Plan or the Local Development Framework, or where there is a district wide public interest or there is a possibility for claims for significant costs against the Council, will be referred to the District Planning Committee.

The District Planning Committee will comprise 12 Members (6 Members drawn from the Membership of the Eastern Area Planning Committee and 6 Members drawn from the Membership of the Western Area Planning Committee), reflecting the political composition of the Authority. Meetings will be arranged as and when required to deal specifically with matters referenced up from the two Area Planning Committees. The Chairman of the District Planning Committee shall not be the Chairman of the Area Planning Committee that referenced the item up.

2.8.2 Licensing Committee

The Council will delegate all its Licensing Authority functions (as set out in Part 3) to a Licensing Committee. The Licensing Committee will consist of 14 Members, reflecting the political composition of the Authority and may not appoint substitutes.

No Member who sits on the Licensing Committee shall be entitled to determine a Licensing Application from within their own Ward.

2.8.3 Licensing Sub-Committee

The Licensing Committee will appoint as and when necessary a Sub-Committee to determine applications where representations have been received (as set out in Part 3). The Sub-Committee shall comprise three Members drawn from the Membership of the Licensing Committee.

2.8.4 Governance and Audit Committee

The Governance and Audit Committee shall consist of 7 Members reflecting the political balance of the Council. The Council will delegate its work in relation to the governance and financial probity of the Council.

The overall purpose of the Governance and Audit Committee is to provide effective challenge across the Council and independent assurance on the risk management framework and associated internal control environment to members and the public, independently of the Executive.

2.8.5 Personnel Committee

The Personnel Committee shall consist of 5 Members reflecting the political balance of the Council. The Council will delegate its work in relation to agreeing and making changes to HR Policies and Procedures, appointing staff at Head of Service level and above by means of an Appointments Panel, appointment of Proper Officers, and for determining requests for the early release of pensions, subject to the financial implications of each request being approved the Executive decision making process.

2.8.6 Allocation of Non-Executive Functions

Further details about the allocation of non-Executive functions are set out in Part 3 of this Constitution.

2.8.7 West Berkshire Council's Regulatory Committees and Sub-Committees

Committee	Purpose
Eastern Area Planning Committee	To consider, on behalf of Council, applications for planning permission and other Development Control matters which are outside those delegated to Officers or are referred to the Committees in accordance with the approved protocol.
Western Area Planning Committee	To consider certain regulatory functions eg planning conditions, listed building and conservation area consent, where relevant (see Part 3 of the Constitution)
	To assist in the development of the Local Development Framework and Local Transport Plan and other strategic plans in order to make recommendations to the Executive on these matters.
District Planning Committee	To consider, on behalf of the Council, recommendations from Area Planning Committees considered by the Development Control Manager and/or his representative to have a possible conflict with a policy that would undermine the Development Plan or the Local Development Framework or where there is a district wide public interest or there is a possibility for claims for significant costs against the Council.
	Following a vote on the matter /application where the majority of Members of an Area Planning Committee so resolve.
Licensing Committee	To consider, on behalf of the Council as Licensing Authority, applications for licences where relevant representations have been received by the Police. The Committee will also consider applications to review Premises Licences/Club Premises Licences.

Committee	Purpose
Licensing Sub-Committee	<p>To consider, on behalf of the Licensing Committee, applications for a Premises Licence, Personal Licence, Premises Licence/Club Premises Certificate, Provisional Statement or variation of a Premises Licence/Club Premises Certificate where relevant representations have been received.</p> <p>The Sub-Committee will also consider applications for a Personal Licence from individuals with unspent convictions and determination of a Police representation to a temporary event notice.</p>
Governance and Audit Committee	<p>To provide effective challenge and independent assurance on the risk management framework and associated internal control environment across the Council to Members and the public.</p>
Personnel Committee	<p>To appoint staff at Head of Service level and above by means of an Appointments Panel.</p> <p>(Note: The Appointments Panel shall be selected from a pool of relevant Members.)</p> <p>To determine requests for the early release of pensions subject to the financial implications of each request being approved through the Executive decision making process.</p> <p>To appoint Proper Officers.</p> <p>To designate officers as Head of Paid Service, Monitoring Officer and Section 151 Officer.</p> <p>To agree the financial implications of requests for the early release of pensions, subject to the personnel aspects of each request being approved by the Personnel Committee.</p> <p>To approve new and revised HR Policies.</p> <p>To approve new and revised HR procedures.</p> <p>(Note: The power to approve new and revised HR policies and procedures is delegated to the Chief Executive. The Chief Executive may decide to refer particular HR policies and procedures to the Personnel Committee rather than exercise the delegation.)</p>
Client Appeals Panels	<p>To consider, on behalf of the Council, appeals from individuals in respect of decisions taken by the Council including Social Services complaints, homelessness, school admissions and exclusions and home-to-school transport.</p>

2.9 Article 9 - The Standards Committee

(Part 7 also refers)

2.9.1 Composition

The Standards Committee will be composed of:

- six District Councillors, only one of whom may be a Member of the Executive; this cannot include the Executive Leader;
- three independent members who are not Councillors or Officers of the Council or any other body having a Standards Committee;
- three Members of a Parish / Town Council wholly in the Council's area who will be selected annually, either in consultation with the West Berkshire Association of Local Councils, and other Local Councils, or by other appropriate means.

2.9.2 Independent Members

Independent Members will be entitled to vote at these meetings.

2.9.3 Parish / Town Members

The Parish / Town Members or his/her/their substitute, who is/are not to be a District Councillor, must be present when matters relating to Parish / Town Councils or their Members are being considered.

2.9.4 Chairing the Committee

The Committee and any sub-committees are to be chaired by an Independent Member.

2.9.5 Role and Function

The Standards Committee will have the following roles and functions:

- (a) promoting and maintaining high standards of conduct by Councillors, co-opted Members and church and parent governor representatives;
- (b) assisting the Councillors, co-opted Members, and church and parent governor representatives to observe the Members' Code of Conduct;
- (c) advising the Council on the adoption or revision of the Members' Code of Conduct;
- (d) monitoring the operation of the Members' Code of Conduct;
- (e) advising, training or arranging to train Councillors, co-opted Members and church and parent governor representatives on matters relating to the Members' Code of Conduct;
- (f) granting dispensations to Councillors, co-opted Members and church and parent governor representatives on requirements relating to interests set out in the Members' Code of Conduct;
- (g) dealing with any complaints and reports from the Monitoring Officer on any alleged breaches of the Members' Code of Conduct;
- (h) the exercise of (a) to (g) above in relation to the Parish / Town Councils wholly or mainly in its area and the Members of those Parish / Town Councils;

- (i) reviewing where appropriate the standard of Officers' conduct in relation to the Officers' Code of Conduct in Part 13 of this Constitution.

2.10 Article 10 - Joint Arrangements

2.10.1 Arrangements to Promote Wellbeing

The Executive, in order to promote the economic, social or environmental wellbeing of its area, may:

- enter into arrangements or agreements with any person or body;
- co-operate with, or facilitate or co-ordinate the activities of, any person or body; and
- exercise on behalf of that person or body any functions of that person or body.

2.10.2 Joint Arrangements

The following conditions will be put in place in respect of joint arrangements:

- the Council may establish joint arrangements with one or more local authorities and/or their Executives to exercise functions in any of the participating authorities, or advise the Council;
- the Executive may establish joint arrangements with one or more local authorities to exercise functions which are Executive functions. Such arrangements may involve the appointment of Joint Committees with these other local authorities;
- except as set out below, the Executive may only appoint Executive Members to a Joint Committee and those Members need not reflect the political composition of the local authority as a whole;
- the Executive may appoint Members to a Joint Committee from outside the Executive where the Joint Committee has functions for only part of the area of the authority, and that area is smaller than two-fifths of the Authority by area or population. The Executive may appoint to the Joint Committee any Councillor who is a Member for a Ward which is wholly or partly contained within the area; in this case the political balance requirements do not apply to such appointments;
- details of any joint arrangements including any delegations to Joint Committees will be found in the Council's Scheme of Delegation in Part 3 of this Constitution.

2.10.3 Access to Information

The following conditions will be put in place in respect of access to information:

- The Access by the Public to Information Rules of Procedure in Part 8 of this Constitution apply to joint arrangements.
- If all the Members of a Joint Committee are Members of the Executive in each of the participating authorities then its access to information regime is the same as that applied to the Executive.
- If the Joint Committee contains Members who are not on the Executive of any participating authority then the Access to

Information Rules in Part VA of the Local Government Act 1972 will apply.

2.10.4 Delegation to and from Other Local Authorities

The following conditions will be put in place in respect of delegation to and from other local authorities:

- The Council may delegate non-Executive functions to another local authority or, in certain circumstances, the Executive of another local authority.
- The Executive may delegate Executive functions to another local authority or the Executive of another local authority in certain circumstances.
- The decision whether or not to accept such a delegation from another local authority shall be reserved to the Council meeting.

2.10.5 Contracting Out

The Council (for non-Executive functions) and the Executive (for Executive functions) may contract out to another body or organisation functions which may be exercised by an Officer and which are subject to an order under Section 70 of the Deregulation and Contracting Out Act 1994, or under contracting arrangements where the contractor acts as the Council's agent under usual contracting principles, provided there is no delegation of the Council's discretionary decision-making.

2.11 Article 11 – Officers

(Part 15 also refers)

2.11.1 Management Structure

(a) **General**

The Council may engage such staff (referred to as 'Officers') as it considers necessary to carry out its functions.

(b) **Chief Officers**

The Council will engage persons to a number of Chief Officer posts as set out in Part 15 of this Constitution.

(c) **Head of Paid Service, Monitoring Officer and any Financial Officer**

The Council will designate the following posts as shown:

- Chief Executive - Head of Paid Service
- Head of Legal and Electoral Services - Monitoring Officer
- Head of Finance - Chief Finance Officer

The Head of Paid Service will determine and publicise a description of the overall structure of the Council, showing the management structure and deployment of Officers. This is outlined in detail in Part 15 of this Constitution.

2.11.2 Functions of the Head of Paid Service

(a) **Discharge of Functions by the Council**

The Head of Paid Service will report to full Council on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of Officers required for the discharge of functions and the organisation of Officers.

(b) **Restrictions on Functions**

The Head of Paid Service may not be the Monitoring Officer but may hold the post of Chief Finance Officer if a qualified accountant.

2.11.3 Functions of the Monitoring Officer

(a) **Maintaining the Constitution**

The Monitoring Officer will maintain an up-to-date version of the Constitution and will ensure that it is widely available for consultation by Members, staff and the public.

(b) **Ensuring Lawfulness and Fairness of Decision-Making**

After consulting with the Head of Paid Service and Chief Finance Officer, the Monitoring Officer will report to the full Council, or to the Executive in relation to an Executive function, if he or she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the

proposal or decision being implemented until the report has been considered.

(c) **Supporting the Standards Committee**

The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through provision of support to the Standards Committee.

(d) **Receiving Reports**

The Monitoring Officer will receive and act on reports made by Ethical Standards Officers and decisions of the case tribunals.

(e) **Conducting Investigations**

The Monitoring Officer will conduct investigations into matters referred by Ethical Standards Officers or the Standards Committee and make reports or recommendations in respect of them to the Standards Committee or its relevant sub-committee.

(f) **Executive Decisions within the Budget and Policy Framework**

The Monitoring Officer will advise whether decisions of the Executive are in accordance with the Budget and Policy Framework.

(g) **Providing Advice**

The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Councillors.

(h) **Restrictions on Posts**

The Monitoring Officer cannot be the Chief Finance Officer or the Head of Paid Service.

2.11.4 Functions of the Chief Finance Officer

(a) **Ensuring Lawfulness and Financial Prudence of Decision-Making**

After consulting with the Head of Paid Service and the Monitoring Officer, the Chief Finance Officer will report to the full Council, or to the Executive in relation to an Executive function, and the Council's external auditor, if he or she considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency, or if the Council is about to enter an item of account unlawfully.

(b) **Administration of Financial Affairs**

The Chief Finance Officer will have responsibility for the administration of the financial affairs of the Council.

(c) **Contributing to Corporate Management**

The Chief Finance Officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.

(d) **Providing Advice**

The Chief Finance Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Councillors and will support and advise Councillors and Officers in their respective roles.

(e) **Giving Financial Information**

The Chief Finance Officer will provide financial information to the media, Members of the public and the community.

(f) **Provision of Resources**

The Council will provide the Monitoring Officer and Chief Finance Officer with such Officers, accommodation and other resources as are in their opinion sufficient to allow their duties to be performed.

2.11.5 Conduct

Officers will comply with the Officers' Code of Conduct and the Protocol on Officer/Member Relations set out in Part 13 of this Constitution.

2.11.6 Employment

The recruitment, selection and dismissal of Officers will comply with the Personnel Rules of Procedure set out in Part 12 of this Constitution.

2.11.7 Access to Information - Proper Officer for Access to Information

The Head of Policy and Communication will ensure that all decisions made by the Council, Executive, Committees and Sub-Committees together with the reasons for those decisions and relevant Officer reports and background papers, are made publicly available as soon as possible.

2.12 Article 12 - Finance, Contracts and Legal Matters

(Parts 10 and 11 also refer)

2.12.1 Financial Management

The management of the Council's financial affairs will be conducted in accordance with the Financial Rules of Procedure set out in Part 10 of this Constitution.

2.12.2 Contracts

Every contract made by the Council will comply with the Contract Rules of Procedure set out in Part 11 of this Constitution.

2.12.3 Legal Proceedings

The Head of Legal and Electoral Services is authorised to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council or in any case where the Head of Legal and Electoral Services considers that such action is necessary to protect the Council's interests.

2.12.4 Authentication of Documents

Where any document is necessary to any legal procedure or proceedings on behalf of the Council, it will be signed by the Head of Legal and Electoral Services or other person authorised by him/her, unless any enactment otherwise authorises or requires, or the Council has given requisite authority to some other person.

All contracts entered into by the Council must be in writing in a form approved by the Head of Legal and Electoral Services or his delegated Officer. Standard Forms of Contract must be used wherever possible.

The Head of Legal and Electoral Services must witness the affixing of the common seal of the Council to any contract exceeding £50,000.

2.12.5 Common Seal of the Council

The Common Seal of the Council will be kept in a safe place in the custody of the Head of Legal and Electoral Services. A decision of the Council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Head of Legal and Electoral Services should be sealed. The affixing of the Common Seal will be attested by the Head of Legal and Electoral Services or some other person authorised by him/her.

2.13 Article 13 - Review and Revision of the Constitution

2.13.1 Duty to Monitor and Review the Constitution

The Council will monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect.

2.13.2 Protocol for Monitoring and Review of Constitution by Monitoring Officer

A key role for the Monitoring Officer is to be aware of the strengths and weaknesses of the Constitution adopted by the Council, and to make recommendations for ways in which it could be amended in order better to achieve the purposes set out in Article 1. In undertaking this task the Monitoring Officer may:

- have regard to changes in legislation;
- observe meetings of different parts of the Member and Officer structure;
- undertake an audit trail of a sample of decisions;
- record and analyse issues raised with him/her by Members, Officers, the public and other relevant stakeholders; and
- compare practices in this Authority with those in other comparable authorities, or national examples of best practice.

2.13.3 Changes to the Constitution

Changes to the Constitution will only be approved by the full Council.

2.14 Article 14 - Suspension, Interpretation and Publication of the Constitution

2.14.1 Suspension of the Constitution

The Articles of this Constitution may not be suspended.

The Rules specified in Parts 4, 5, 6, and 7 of this Constitution may be suspended in the following circumstances:

- (a) Where specific provision for suspensions are included within the Rules. In such a case, the Procedure outlined in that provision must be followed.
- (b) By decision of the Council, provided that notice has been given in the form of a formal Notice or Notices or in a report within the agenda papers for the meeting; or
- (c) By decision of the Council, with at least half the total number of Councillors present.

The extent and duration of any suspension of Rules must be proportionate to the result to be achieved, and must take account of the purposes of the Constitution set out in Article 1.

2.14.2 Interpretation of the Constitution during Council Meetings

The ruling of the Chairman of Council as to the construction or application of this Constitution or as to any proceedings of the Council shall not be challenged at any meeting of the Council. Such interpretation will have regard to the purposes of this Constitution contained in Article 1.

2.14.3 Publication of the Constitution

The following conditions will apply in respect of publication of this Constitution:

- The Monitoring Officer will give a copy of this Constitution to each Member of the Authority upon delivery to him/her of that individual's declaration of acceptance of office on the Member first being elected to the Council.
- The Monitoring Officer will ensure that copies are available for inspection on the World Wide Web, and at Council offices, libraries and other appropriate locations, and can be purchased by members of the local press and the public on payment of a reasonable fee.
- The Monitoring Officer will ensure that the summary of the Constitution is made widely available within the area and is updated as necessary.

2.14.4 Schedule 1 - Description of Executive Arrangements

The following parts of this Constitution constitute the Executive arrangements:

- Article 4 (Decision-making) and the Access by the Public to Information Rules of Procedure
- Article 6 (The Executive) and the Executive Rules of Procedure;
- Article 7 (Overview and Scrutiny) and the Overview and Scrutiny Rules of Procedure;
- Article 10 (Joint arrangements);
- Part 3 (Responsibility for Functions).

Part 10

Budget and Policy Framework Rules of Procedure

Document Control

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Owning Service	Policy and Communication		

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<http://www.opsi.gov.uk/legislation/uk>

If you require this information in a different format, such as audio tape or in another language, please ask an English speaker to contact Moira Fraser on 01635 519045 who will be able to help.

Contents

10.1 The Framework for Executive Decisions

The Council will be responsible for the adoption of its Budget and Policy Framework as set out in Article 5 in Part 2 of this Constitution. Once the Budget and Policy Framework is in place, it will be the responsibility of the Executive to implement it.

10.2 Process for Developing the Framework

10.2.1 Publication

The Executive will publicise, by including in the Forward Plan, a timetable for making proposals to the Council for the adoption of any plan, strategy, policy or budget that forms part of the Budget and Policy Framework, and its arrangements for consultation after publication of those initial proposals. The Chairman of the Overview and Scrutiny Management Commission will also be notified.

10.2.2 Role of the Overview and Scrutiny Management Commission and Select Committees

As the Overview and Scrutiny Management Commission and [any of its Sub-Committees](#) have responsibility for fixing their own work programme, it is for them to investigate, research or report in detail with policy recommendations before the end of the consultation period, if they so wish. The Executive will take any response from a Commission or [Scrutiny Committee](#) into account in drawing up firm proposals for submission to the Council and its report to Council will reflect the comments made by consultees and the Executive's response.

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10.2.3 Role of Council

The Council will consider the proposals of the Executive and may adopt them, amend them, refer them back to the Executive for further consideration, or substitute its own proposals in their place.

10.2.4 Notification of Council Decisions

The Council's decision will be publicised in accordance with Part 4 of this Constitution and a copy shall be given to the [Leader of the Council](#). The notice of decisions shall be dated and shall state either that the decision shall be effective immediately (if the Council accepts the Executive's proposal without amendment) or (if the Executive's proposal is not accepted without amendment), that the Council's decision will become effective on the expiry of five clear working days after the publication of the notice of decision, unless the [Leader of the Council](#) or his/her nominated deputy formally objects in that period.

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10.2.5 Notification of Objections by [Leader of the Council](#)

If the [Leader of the Council](#) objects to the decision of the Council, he/she shall give written notice to the Head of Policy and Communication to that effect prior to the date upon which the

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decision is to be effective. The written notification must state the reasons for the objection. Where such notification is received, the Head of Policy and Communication shall convene a further meeting of the Council to reconsider its decision and the decision shall not be effective pending that meeting.

10.2.6 Reconsideration by Council following Objections

The Council meeting must take place within ten clear working days of the receipt of the [Leader of the Council](#)'s written objection. At that Council meeting, the decision of the Council shall be reconsidered in the light of the objection, which shall be available in writing for the Council.

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The Council shall, at that meeting, make its final decision on the matter on the basis of a simple majority. The decision shall be made public in accordance with Part 4 of this Constitution, and shall be implemented immediately.

10.2.7 Extent of Virement by Executive

In approving the Budget and Policy Framework, the Council will also specify the extent of virement within the Budget and degree of in-year changes to the Policy Framework which may be undertaken by the Executive, in accordance with paragraphs 10.4.4 (Virement) and 10.4.5 of these Rules (In-Year Adjustments). Any other changes to the Budget and Policy Framework are reserved to the Council.

10.3 Decisions Outside the Budget and Policy Framework

10.3.1 Scope

Subject to the provisions of Rule 10.4.4 (Virement), the Executive, Committees of the Executive, individual Members of the Executive and any Officers, ~~or joint arrangements discharging Executive functions~~ may only take decisions which are in line with the Budget and Policy Framework. If any of these bodies or persons wishes to make a decision which is contrary to the Policy Framework, or contrary to or not wholly in accordance with the Budget approved by full Council, then that decision may only be taken by the Council, subject to Rules 10.4.1 to 10.4.3 below.

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10.3.2 Advice on Decisions

If the Executive, Committees of the Executive, individual Members of the Executive and any Officers or joint arrangements discharging Executive functions want to make such a decision, they shall take advice from the Monitoring Officer and/or the [S151 Officer](#) or nominated Officer as to whether the decision they want to make would be contrary to the Policy Framework, or contrary to or not wholly in accordance with the Budget. If the advice of either of those Officers is that the decision would not be in line with the

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existing Budget and/or Policy Framework, then the decision must be referred by that body or person to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in Rules 10.4.1 to 10.4.3 (Urgent Decisions Outside the Budget and Policy Framework) shall apply.

10.4 Urgent Decisions Outside the Budget and Policy Framework

10.4.1 Basic Rules

The Executive, ~~Committees~~, of the Executive, individual ~~Members~~ of the Executive ~~and any~~ Officers or joint arrangements discharging Executive functions may take a decision which is contrary to the Council's Policy Framework or contrary to or not wholly in accordance with the Budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:

- if it is not practical to convene a quorate meeting of the full Council; and
- if the Chairman of the Overview and Scrutiny Management Commission agrees that the decision is a matter of urgency.

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10.4.2 Notification of Decision not to Call Quorate Meeting

The reasons why it is not practical to convene a quorate meeting of full Council and the Chairman of the Overview and Scrutiny Management Commission's consent to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the Chairman of the Overview and Scrutiny Management Commission, the consent of the Chairman of the Council, and in the absence of both, the Vice-Chairman, will be sufficient.

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10.4.3 Report to Council

Following the decision, the decision-taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

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10.4.4 Virement

Steps taken by the Executive, Committees of the Executive, an individual Member of the Executive and any Officers or joint arrangements discharging Executive functions to implement Council policy shall not exceed those budgets allocated to each budget head. However, such bodies or individuals shall be entitled to vire across budget heads up to £250,000, with a limit per individual virement of £100,000. In the case of Executive Members, virement will also require the agreement of the Leader. Beyond that limit, approval to any virement across budget heads shall require the approval of the full Council, delegated to the

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¶ Any amendments from central government to the Council's formula grant or Area Based Grant in year of over / under 1% of the net budget approved by the Council will require the sign off of the portfolio holder for finance on the advice of the s151 officer, followed by a report to the Executive outlining the changes if there are over £100,000. Any changes above 1% of net budget will need to be approved by the Executive.¶

Executive. All virements over £50,000 between directorates must be approved by the Council, delegated to the Executive. Any in year unplanned contributions from reserves will need to be approved by the Executive; those at year end are seen by the Governance and Audit Committee as part of approving the Council's financial statements. Financial Rules on use of contingency are set out in Part 9 of this Constitution (Financial Rules of Procedure).

Any amendments from central government to the Council's net budget in year of over / under 1% of the net budget approved by the Council will require the sign off of the Portfolio Holder for Finance on the advice of the s151 Officer, followed by a report to the Executive outlining the changes if there are over £100,000. Any changes above 1% of net budget will need to be approved by the Executive.

10.4.5 In-Year Changes to Policy Framework

The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the Executive, Committees of the Executive, an individual ~~Member of the Executive~~ and any Officers or joint arrangements discharging Executive functions must be in line with it. Changes to any policy or strategy can only be made by the Executive, who shall take the advice of the Monitoring Officer and/or s151 Officer or nominated Officer, where it:

- will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
- is necessary to ensure compliance with the law, ministerial direction or Government guidance;
- is in relation to the Policy Framework in respect of a policy which would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration.

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10.5 Call-in of Decisions Outside the Budget or Policy Framework

10.5.1 Officer Advice on Decisions

Where the Overview and Scrutiny Management Commission is of the opinion that an Executive decision is, or if made would be, contrary to the Policy Framework, or contrary to or not wholly in accordance with the Council's Budget, then it shall seek advice from the Monitoring Officer and/or S151 Officer or nominated Officer.

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10.5.2 Reports to Executive

In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or S151 Officer or

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nominated Officer's report shall be sent to the Executive with a copy to every Member of the Council. Regardless of whether the decision is delegated or not, the Executive must meet to decide what action to take in respect of the Monitoring Officer's report and to prepare a report to Council in the event that the Monitoring Officer or the [s151 Officer](#) or nominated Officer conclude that the decision was a departure, and to the Overview and Scrutiny Management Commission if the Monitoring Officer or the [S151 Officer](#) or nominated Officer conclude that the decision was not a departure.

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10.5.3 Referring Decisions to Council

If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer and/or the [S151 Officer](#) or nominated Officer is that the decision is or would be contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget, the Overview and Scrutiny Management Commission may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council shall meet within ten clear working days of the request by the Overview and Scrutiny Management Commission. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the [S151 Officer](#) or nominated Officer. The Council may either:

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- endorse a decision or proposal of the Executive decision-taker as falling within the existing Budget and Policy Framework. In this case no further action is required, save that the decision of the Council be minuted and circulated to all Councillors in the normal way; or
- amend the Council's Financial Rules of Procedure or the policy concerned to encompass the decision or proposal of the body or individual responsible for that Executive function and agree to the decision with immediate effect. In this case, no further action is required save that the decision of the Council be minuted and circulated to all Councillors in the normal way; or
- where the Council accepts that the decision or proposal is contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget, and does not amend the existing Framework to accommodate it, it will require the Executive to reconsider the matter in accordance with the advice of either the Monitoring Officer and/or [S151 Officer](#) or nominated Officer.

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West Berkshire Council
Constitution

Part 11
Financial
Rules of Procedure

April 2007

Contents

Part 11 Financial Rules of Procedure

11.1	Introduction	8	
11.1.1	Procedures	8	
11.1.2	Section 151 of the Local Government Finance Act 1972	8	
11.1.3	Statutory Responsibility of Head of Finance or <u>Nominated officer</u> and Others	8	Deleted: Nominated Officer
11.1.4	Purpose of Financial Rules of Procedure	8	
11.1.5	Financial Rules as Applying to Schools (Fair Funding Scheme).....	9	
11.1.6	Engagement of External Consultant/Contractor	9	
11.1.7	Purpose of Financial Rules of Procedure	9	
11.1.8	Unauthorised Overspend	9	
11.1.9	Non-Compliance with Rules	9	Deleted: 10
11.1.10	Approval of Head of Finance or <u>Nominated officer</u>	10	Deleted: Nominated Officer
11.1.11	Interpretation of Rules	10	
11.2	The Legal Framework	10	
11.2.1	Powers of the Monitoring Officer	10	
11.2.2	Current Regulations.....	10	
11.2.3	Accounting Records - Section 4	10	
11.2.4	Accounting Regulations – Section 5	11	
11.2.5	Local Government Finance Act 1988 – Section 114.....	11	
11.2.6	Local Government and Housing Act 1989 - Section 5	12	
11.2.7	Duties of Monitoring Officer	12	
11.3	Accounting and System Development	12	
11.3.1	Accounting Procedures.....	12	
11.3.2	Responsibility of Head of Finance or <u>Nominated officer</u>	12	Deleted: Nominated Officer
11.3.3	Allocation of Accounting Duties	13	Deleted: 12
11.3.4	Consultation with Head of Finance or <u>Nominated officer</u>	13	Deleted: Nominated Officer
11.4	Internal Audit and Internal Control	13	
11.4.1	Regulations.....	13	
11.4.2	Role of Internal Audit	13	
11.4.3	Accounts and Audit Regulations required by the Secretary of State	13	
11.4.4	Powers of Internal Audit Staff	14	Deleted: 13
11.4.5	Role and Responsibilities of Internal Audit	14	
11.4.6	Inclusion in Service Plans.....	14	
11.4.7	Irregularities with Regard to Council Functions	14	
11.5	Treasury Management	15	
11.5.1	Activities of Treasury Management.....	15	
11.5.2	Executive Decisions Involving Finance.....	15	
11.6	Banking Arrangements	15	
11.6.1	Arrangements with Council's Bankers	15	
11.6.2	Cheques	15	

11.7 Trust Funds and Private Funds 15

11.7.1 Responsibility of Officers 15

11.7.2 Funds Held by Schools 15

11.7.3 Funds Held on Behalf of Others 15

11.7.4 Value Added Tax 16

11.7.5 Investment 16

11.7.6 Officer Involvement 16

11.8 Financial Planning “Accounting” and the Budget Process 16

11.8.1 Financial Strategy 16

11.8.2 Asset Management Strategy 16

11.8.3 Capital and Revenue Budgets 16

11.8.4 Capital Programmes 16

11.8.5 Submission to Executive 17

11.8.6 Approval of Estimates 17

11.9 Revenue Expenditure - Control 17

11.9.1 Budgetary Control 17

11.9.2 Role of Heads of Service 17

11.9.3 Unauthorised Overspend 17

11.9.4 Monthly Statements 17

11.9.5 Cash Limited Budgets 18

11.9.6 Virements 18

11.9.7 Exceeding Cost Centre Estimate 18

11.9.8 Carry Forward of Under and Overspends 18

11.9.9 Coding of Expenditure and Income 19

11.10 Capital Expenditure - Control 19

11.10.1 Council Approval of Capital Strategy and Programme 19

11.10.2 Variations to the approved Capital Strategy and Programme 19

11.10.3 Additional ‘Invest to save’ bids 19

11.10.4 Other Additional expenditure requests 20

11.10.5 Moving expenditure between years within the Capital Strategy and Programme 20

11.10.6 Virements 20

11.11 Contracts 20

11.11.1 Rules of Procedure 20

11.11.2 Caution by Officers 21

11.11.3 Register of Contracts 21

11.11.4 Legal Liability 21

11.11.5 Verification of Contractor’s Financial Ability 21

11.12 Official Orders 21

11.12.1 Placing an Order 21

11.12.2 Official Order 21

11.12.3 Regular Periodic Payments 21

11.12.4 Composition of Order 21

11.12.5 Signing of Order 22

Deleted: 16

Deleted: 21

Deleted: 21

Deleted: 22

Deleted: 22

Deleted: 22

Deleted: 22

Deleted: 22

Deleted: 22

11.13	Payment of Accounts.....	<u>22</u>	Deleted: 23
11.13.1	Payment of Invoices	<u>22</u>	Deleted: 23
11.13.2	Format of Payment Accounts	<u>22</u>	Deleted: 23
11.13.3	Issuing an Order	<u>22</u>	Deleted: 23
11.13.4	Destination of Invoices.....	<u>22</u>	Deleted: 23
11.13.5	Verification of Account.....	<u>22</u>	Deleted: 23
11.13.6	Amendments and Deletions.....	<u>22</u>	Deleted: 24
11.13.7	Payment of Invoices	<u>22</u>	Deleted: 24
11.13.8	Accounts Outstanding.....	<u>23</u>	Deleted: 24
11.13.9	Examination of Accounts	<u>23</u>	Deleted: 24
11.14	Local Bank Accounts - Imprest / Petty Cash Accounts	<u>23</u>	Deleted: 24
11.14.1	Imprest / Petty Cash Advances	<u>23</u>	Deleted: 24
11.14.2	Changes to Officers.....	<u>23</u>	Deleted: 25
11.14.3	Disbursements.....	<u>23</u>	Deleted: 25
11.14.4	Security of Cash	<u>23</u>	Deleted: 25
11.14.5	Use of Imprest Accounts.....	<u>24</u>	Deleted: 25
11.14.6	Use of Imprest Funds	<u>24</u>	Deleted: 25
11.14.7	Examination of Local Bank Accounts.....	<u>24</u>	Deleted: 25
11.15	Income	<u>24</u>	Deleted: 26
11.15.1	Collection of Monies	<u>24</u>	Deleted: 26
11.15.2	Recording of Sums Due.....	<u>24</u>	Deleted: 26
11.15.3	Payment of Amounts Due.....	<u>24</u>	Deleted: 26
11.15.4	Introduction of New Electronic Payment Facility	<u>25</u>	Deleted: 26
11.15.5	Payments made to Service Units.....	<u>25</u>	Deleted: 26
11.15.6	Change Money	<u>25</u>	Deleted: 26
11.15.7	Payment into Council Account.....	<u>25</u>	Deleted: 26
11.15.8	Issue of Receipts	<u>25</u>	Deleted: 26
11.15.9	Recording Receipt of Monies.....	<u>25</u>	Deleted: 27
11.15.10	Transfer of Monies.....	<u>26</u>	Deleted: 27
11.15.11	Outstanding Transactions.....	<u>26</u>	Deleted: 27
11.15.12	Credit of Income	<u>26</u>	Deleted: 27
11.16	Write-Offs - Income	<u>26</u>	Deleted: 27
11.16.1	Discharge of Debts	<u>26</u>	Deleted: 27
11.16.2	Written-off Debts.....	<u>26</u>	Deleted: 28
11.17	Charging for Services	<u>26</u>	Deleted: 28
11.17.1	Review of Service Charges	<u>26</u>	Deleted: 28
11.17.2	Unmet Estimates	<u>26</u>	Deleted: 28
11.18	Salaries and Wages.....	<u>27</u>	Deleted: 28
11.18.1	Responsibility for Payments to Employees.....	<u>27</u>	Deleted: 28
11.18.2	Notification of Relevant Matters.....	<u>27</u>	Deleted: 28
11.18.3	Appointment of Employees.....	<u>27</u>	Deleted: 29
11.18.4	Externally Funded Posts.....	<u>27</u>	Deleted: 29
11.18.5	Overtime, Sickness, Mileage Claims	<u>27</u>	Deleted: 29
11.18.6	Timesheets	<u>27</u>	Deleted: 29

11.19 Travelling and Subsistence	<u>27</u>	Deleted: 29
11.19.1 Claims for Payment.....	<u>27</u>	Deleted: 29
11.20 Members Allowances	<u>28</u>	Deleted: 30
11.20.1 Submission of Claims.....	<u>28</u>	Deleted: 30
11.20.2 Payments.....	<u>28</u>	Deleted: 30
11.21 Inventories	<u>28</u>	Deleted: 30
11.21.1 Preparation of Inventories.....	<u>28</u>	Deleted: 30
11.21.2 Presentation of Inventories.....	<u>28</u>	Deleted: 30
11.21.3 Checking and Maintaining of Inventories.....	<u>28</u>	Deleted: 30
11.21.4 Inclusion in Inventories.....	<u>28</u>	Deleted: 31
11.21.5 IT Equipment.....	<u>29</u>	Deleted: 31
11.21.6 Moveable Plant and Machinery.....	<u>29</u>	Deleted: 31
11.22 Stocks / Stores	<u>29</u>	Deleted: 31
11.22.1 Documentation.....	<u>29</u>	Deleted: 31
11.22.2 Responsibility for Stocks.....	<u>29</u>	Deleted: 31
11.22.3 Surplus or Deficiency.....	<u>29</u>	Deleted: 32
11.22.4 Checking of Stock.....	<u>29</u>	Deleted: 32
11.23 Disposal of Surplus or Obsolete Goods, Plant and Stocks	<u>30</u>	Deleted: 32
11.23.1 Authorisation for Disposal.....	<u>30</u>	Deleted: 32
11.23.2 Sale of Stock.....	<u>30</u>	Deleted: 32
11.23.3 Recording Disposal.....	<u>30</u>	Deleted: 32
11.23.4 Income from Disposal.....	<u>30</u>	Deleted: 32
11.23.5 VAT.....	<u>30</u>	Deleted: 32
11.24 Insurance	<u>30</u>	Deleted: 32
11.24.1 Responsibility for Insurance.....	<u>30</u>	Deleted: 32
11.24.2 Record of Insurances.....	<u>30</u>	Deleted: 33
11.24.3 Friar 1 Form.....	<u>31</u>	Deleted: 33
11.24.4 Accidents.....	<u>31</u>	Deleted: 33
11.24.5 Fidelity Guarantee Insurance.....	<u>31</u>	Deleted: 33
11.24.6 Review of Risk Financing Arrangements.....	<u>31</u>	Deleted: 33
11.24.7 Consultation.....	<u>31</u>	Deleted: 33
11.24.8 Hiring of Professional Services.....	<u>31</u>	Deleted: 33
11.25 Security	<u>31</u>	Deleted: 34
11.25.1 Responsibility for Security.....	<u>31</u>	Deleted: 34
11.25.2 Data Protection Legislation.....	<u>32</u>	Deleted: 34
11.26 Estates	<u>32</u>	Deleted: 34
11.26.1 Responsibility of Head of Service.....	<u>32</u>	Deleted: 34
11.26.2 Custody of Deeds.....	<u>32</u>	Deleted: 34
11.26.3 Valuation of Assets.....	<u>32</u>	Deleted: 34
11.26.4 Notification of Purchase or Disposal.....	<u>32</u>	Deleted: 34
11.26.5 Register of Assets.....	<u>32</u>	Deleted: 34

11.1 Introduction

11.1.1 Procedures

Any organisation with a large financial turnover needs to lay down the procedures to be observed in its financial dealings. Such procedures are especially necessary in the case of a local authority which is limited by legislation in what it is able to do, is subject to statutory audit and must account for its actions and stewardship to the general public.

11.1.2 Section 151 of the Local Government Finance Act 1972

Section 151 of the Local Government Finance Act 1972 requires that every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has responsibility for the administration of those affairs.

The Head of Finance or nominated officer shall for the purposes of Section 151 of the Local Government Act 1972 be responsible, under the general direction of the Executive, for the proper administration of the Council's financial affairs.

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11.1.3 Statutory Responsibility of Head of Finance or Nominated officer and Others

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The Head of Finance or nominated officer (Section 151 Officer) has a statutory responsibility for ensuring that adequate systems and procedures exist to account for all income due to, and expenditure made on behalf of, the Council and that controls operate to protect the Council's assets from loss, waste, fraud or other impropriety.

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The Head of Finance or nominated officer shall discharge that responsibility in part by the issue and maintenance of these Financial Rules of Procedure.

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The Council is responsible for the adoption of its Budget and Policy Framework. The Executive is responsible for implementing the Budget and Policy Framework, which includes regulating and controlling the finances of the Council.

Heads of Service are individually responsible for the proper financial management of resources allocated to their operational areas through the budget-making process, and for the identification of all income arising from the activities within those areas. This responsibility includes the accountability for and control of staff, and the security, custody and management of assets including plant, equipment, buildings, materials, cash and stores. Each Head of Service shall in consultation with the Head of Finance or nominated officer devise and implement controls and procedures as are necessary in accordance with these Financial Rules of Procedure.

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It is the Head of Finance or nominated officer who will take ultimate responsibility for ruling on the controls and procedures which each Head of Service puts in place.

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11.1.4 Purpose of Financial Rules of Procedure

The purpose of these rules is therefore to set down in one document, for the benefit of Members and Officers, basic financial rules and guidance in order that everyone works to an approved common standard in the financial dealings of the Council. They do not over-ride the requirement to observe statute, including EC Directives, in everyday matters.

These Financial Rules of Procedure apply to all areas of the Council and should be read in conjunction with the rest of the Council's Constitution.

11.1.5 Financial Rules as Applying to Schools (Fair Funding Scheme)

In relation to Schools operating under the Council's Fair Funding Scheme the basis for advice and guidance to governors and head teachers is contained in these Financial Rules and also in the Council's Contract Rules of Procedure.

Under West Berkshire's Scheme of Local Management for Schools (Fair Funding), governors will be required to observe certain financial conditions relating to:

- arrangements for the management of delegated expenditure, in particular for authorising expenditure, or transactions involving commitments to expenditure;
- the keeping and auditing of accounts and records (including school funds);
- the provision to the LEA of copies of accounts and records (including school funds) and any other relevant documents and information that the LEA may, from time to time, require from the governing body.

11.1.6 Emergency Situations

The provision of these rules does not prevent the Council acting through the Chief Executive, Corporate Director(s) or Heads of Service from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or situation relating to Section 138 of the Local Government Act 1972. This is subject to the action being reported as soon as practicable to the appropriate authority.

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The provision of these rules does not prevent the Council acting through the Chief Executive, Corporate Director(s) or Heads of Service from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or situation relating to Section 138 of the Local Government Act 1972. This is subject to their action being reported as soon as practicable to the appropriate authority.

11.1.7 Purpose of Financial Rules of Procedure

The purpose of these rules is to ensure that:

- Heads of Service remain within their budget and only spend what they have in their budget;
- Heads of Service maintain adequate commitment records;
- Heads of Service monitor their budgets;
- where there are any problems with overspend or failure to perform these problems are reported at the earliest opportunity;
- Heads of Service should have effective reporting arrangements from their budget holders;
- Corporate Directors should have effective reporting arrangements from their Heads of Service.

11.1.8 Unauthorised Overspend

The unauthorised overspend of a budget may lead to disciplinary action being taken against the budget holder. The unauthorised overspend overall by a service may lead to disciplinary action being taken against the Head of Service.

11.1.9 Non-Compliance with Rules

The Head of Finance or nominated officer must, after consultation with the relevant Head of Service, report to the Executive any non-compliance with the Financial Rules that come to their attention.

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11.1.10 Approval of Head of Finance or **Nominated officer**

Where matters are to be considered by the Executive that in any way affect the finances of the Council or that require the supply of financial information by the Head of Finance or nominated **officer**, the Head of Finance or nominated **officer** must be notified by the Head of Service concerned, in sufficient time, to enable the Head of Finance or nominated **officer** to report. This means that the Head of Finance or nominated **officer** or a nominated representative must approve all financial implications on all committee reports.

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11.1.11 Interpretation of Rules

Any doubt as to the interpretation of these regulations must, if unresolved after consultation with the Chief Executive, be referred to the Executive.

11.2 The Legal Framework

11.2.1 Powers of the Monitoring Officer

The Monitoring Officer has powers under Part 3 of the Local Government Act 2000 to conduct investigations which will include investigations into any breach of these Financial Rules of Procedure, and to report these breaches to the Standards Committee.

11.2.2 Current Regulations

The Statutes and Statutory Instruments and Regulations which currently affect these rules are as follows:

- Local Government Finance Act 1972 – Section 151 requires every local authority to make arrangements for the proper administration of its financial affairs and requires the local authority to ensure that one of its Officers has responsibility for the administration of those affairs.
- The Accounts and Audit Regulations 1996 – Section 4 requires the accounting system, the form of its accounts and supporting accounting records to be determined by the responsible Financial Officer who shall ensure that the accounting systems determined by them are observed and that the accounts and supporting records of the body are maintained in accordance with proper practices and kept up to date.

11.2.3 Accounting Records - Section 4

Section 4 also requires that the accounting records required by the Financial Officer will be sufficient to show the Council's transactions and to enable the responsible Financial Officer to ensure that any statement of accounts, incoming expenditure account, balance sheet or record of receipts and payments and additional information to be provided by way of notes to the accounts comply with the Accounts and Audit Regulations 1996.

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In particular this means that accounting records must contain:

- Entries from day to day of all sums of money received and expended by the body and the matters to which the incoming expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the body; and

- a record of incoming expenditure of the body in relation to claims made or to be made by them for contribution grant or subsidy from any Minister of the Crown a body to whom such a Minister may pay sums out of monies provided by Parliament or a Community Institution.

Section 4 also requires that the accounting controls systems ensure that the financial transactions of the Council are recorded as soon and as accurately as reasonably possible, that there are measures in place to enable the prevention and detection of inaccuracies and fraud and there is the ability to reconstitute any lost records.

Section 4 also requires that the duties of Officers dealing with financial transactions are identified and the division of responsibilities of those Officers are identified in relation to significant transactions and that procedures for uncollectable amounts including bad debts will not be written off except with the approval of a responsible Financial Officer or a member of staff nominated by the responsible Financial Officer.

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11.2.4 Accounting Regulations – Section 5

Section 5 of the Accounts and Audit Regulations 1996 requires the Council to maintain an adequate and effective internal audit of its accounting records on control systems. Any Officer or Member of the Council shall, if Internal Audit requires, make available such documents of the Council which relate to its accounting and other records as appear to Internal Audit to be necessary for the purpose of the audit. Internal Audit shall also be supplied with such information and explanations that Internal Audit considers necessary for that purpose.

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11.2.5 Review of the Systems of Internal Control – Regulation 4

Regulation 4 of the Accounts and Audit Regulations 2006 requires the Council to carry out a review of the effectiveness of the system of internal control. The results of this review, contained in the Annual Governance Statement, are considered by the Governance and Audit Committee.

11.2.6 Review of the System of Internal Audit – Regulation 6

Regulation 6 of the Accounts and Audit Regulations 2006 require the Council to carry out a review of the effectiveness of the system of internal audit. This review is conducted by the Finance and Governance Group, and the results reported to the Governance and Audit Committee.

11.2.7 Local Government Finance Act 1988 – Section 114

The person having responsibility for the administration of the financial affairs of the Council will report to the Council if they have reason to believe that the Council or any part of the Council:

- has made or is about to make a decision which involves or would involve the Council incurring expenditure which is unlawful, or
- has taken or is about to take a course of action which if pursued to its conclusion would be unlawful and likely to cause loss or deficiency on the part of the Authority, or

- is about to enter an item of account the entry of which is unlawful.

Under Section 114 of the Local Government Finance Act 1988, the person having responsibility for the administration of the financial affairs of the Council will make a report if it appears to him/her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

11.2.8 Local Government and Housing Act 1989 - Section 5

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It is the duty of the Council to designate one of its Officers to be “the Monitoring Officer” and that Officer is responsible for performing the duties under Section 5 of the Local Government and Housing Act 1989. The Monitoring Officer cannot be the Section 151 Officer.

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11.2.9 Duties of Monitoring Officer

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It is the duty of the Monitoring Officer, if at any time they believe that a proposal, decision or omission by the Authority, the Executive, or any Committee, Sub-Committee or Officer of the Authority has given rise to, or is likely to give rise to a contravention by the Authority, the Executive or any Committee, Sub-Committee or Officer of the Authority of any enactment or rule of law or any code of practice or maladministration or injustice, to prepare a report to the Authority which in the first instance shall go to the Standards Committee.

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Schedule 5 of the Local Government Act 2000 amends Section 5 of the Local Government and Housing Act 1989 so that the Monitoring Officer may not be the Head of Paid Service.

It is the duty of the Monitoring Officer in preparing any report to the Standards Committee or to Council to consult so far as is practicable with the Section 151 Officer of the Authority.

11.3 Accounting and System Development

11.3.1 Accounting Procedures

All accounting procedures and records of the Council and its Officers shall be determined by the Head of Finance or nominated officer in consultation, where necessary, with the appropriate Head of Service concerned. Such procedures shall have regard to Section 151 of the Local Government Act 1972 and shall be in accordance with the Accounts and Audit Regulations for the time being in force and such other statutory provisions which affect the financial affairs of the whole Council or any specific service.

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11.3.2 Responsibility of Head of Finance or Nominated officer

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The Head of Finance or nominated officer shall be responsible for the compilation of the main accounting records (including the provision of centralised costing and stores accounting) for the Council.

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The Head of Finance or nominated officer may from time to time issue written “financial instructions” dealing with detailed procedures to be followed in certain matters. Such instructions shall be issued after consultation with the Heads of Service affected.

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The Head of Finance or nominated officer shall be responsible for the maintenance of a management information system, the General Ledger.

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11.3.3 Allocation of Accounting Duties

The following principles shall be observed in the allocation of accounting duties by all employees or consultants engaged by the Council:

- The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
- Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

11.3.4 Consultation with Head of Finance or Nominated officer

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The Head of Finance or nominated officer shall be consulted at feasibility study or initial outline specification stage (whichever is the earlier), and approve the final design or selection of any computer system likely to have an impact on corporate financial or finance - related systems, including accounting, payments, stocks, stores, payroll and income.

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Notwithstanding consultation at the feasibility study stage, the Head of Finance or nominated officer shall also agree the final design of the proposed controls within any such system, prior to its production and implementation.

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No feeder computer system shall be linked into any corporate financial system without prior consent or authority of the Head of Finance or nominated officer.

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11.4 Internal Audit and Internal Control

11.4.1 Regulations

The Head of Finance or nominated officer shall in accordance with the Accounts and Audit Regulations 1996, arrange for a continuous and current internal audit of all activities of the Council.

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11.4.2 Role of Internal Audit

Internal Audit will assist Heads of Service and Senior Managers in the effective discharge of their responsibilities by giving assurance on financial and management control systems, identifying weaknesses, giving advice on how to resolve financial and management problems and improve control, investigating suspected irregularities and by undertaking Value for Money (VFM) reviews and management studies.

11.4.3 Accounts and Audit Regulations required by the Secretary of State

Under Section 23 of the Local Government Finance Act 1982, the Accounts and Audit Regulations 1996, as amended by the Accounts and Audit (Amendment) (England) Regulations 2001, specify that any Officer or Member of the Council will, if the Section 151 Officer requires, make available documents of the Council which relate to their accounting. Other records, as appear to the Section 151 Officer necessary for the purpose of Internal Audit, will be supplied together with any such information and explanation as the Section 151 Officer considers necessary for that purpose.

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11.4.4 Powers of Internal Audit Staff

The Head of Finance or nominated officer being the authorised Internal Audit staff are empowered to enter at reasonable times any premises or land and require employees to produce Council property and records under their control.

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11.4.5 Role and Responsibilities of Internal Audit

Internal Auditors will at all times respect confidentiality.

Internal Audit will be carried out in accordance with the Code of Practice for Internal Audit in Local Government (as revised) issued by CIPFA.

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On the conclusion of each internal audit review, Internal Audit will submit a report and recommendations (if any) to relevant Corporate Directors, the Head of Finance or nominated officer, Head of Service as appropriate and the Service Manager concerned. The Head of Service is responsible for agreeing an action plan to implement any recommendations. Corporate Directors and the Chief Executive will, through the performance management process, monitor progress on implementation of agreed recommendations.

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Internal Audit will follow up implementation of recommendations. Recommendations will be followed up six months after the issue of the final audit report.

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Internal Audit will report twice a year to Corporate Board, and the Governance and Audit Committee on the outcome of audit work and progress in implementing audit recommendations. Internal Audit will confirm whether the policies and procedures approved by the Council are in place and being maintained throughout the Council's operations.

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The Chief Internal Auditor will produce an annual report for the Governance and Audit Committee that will give an opinion on the effectiveness on the Council's System of Internal Control.

11.4.6 Irregularities with Regard to Council Functions

Where matters arise which involve or are thought to involve irregularities (cash, stores, assets of the Authority or its clients) in connection with the functions of the Authority, the Corporate Director and Head of Service concerned must ensure that the Head of Finance or nominated officer is notified immediately. They must obtain advice from the Head of Finance or nominated officer regarding investigations to be conducted. Where there is a possibility of criminal proceedings any interviews should be conducted under guidance from the Head of Finance or the Chief Internal Auditor.

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Heads of Service will include within their Service Plan details of planned audit work to be carried out in the coming year. Heads of Service will include results of audit work when reporting on the outcome of Service Plans.¶

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A decision to refer matters to the Police will be taken by the Head of Finance or nominated officer following consultation with the Head of Legal and Electoral Services, Human Resources or any other appropriate officer.

Internal Audit must report details of any financial irregularities to the next available meeting of Corporate Board. The Head of Finance or nominated officer will recommend whether a report is needed to the Governance and Audit Committee (and the Head of Finance or nominated officer in consultation with the Monitoring Officer will decide if a report is needed to the Standards Committee).

11.5 Treasury Management

11.5.1 Activities of Treasury Management

All Treasury Management activities will be carried out in accordance with the CIPFA "Revised Code of Practice for Treasury Management in Local Authorities 1996" and the "Treasury Policy Statement" as currently approved by the Council's Executive.

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All money in the hands of the Council shall be aggregated for the purposes of Treasury Management.

11.5.2 Executive Decisions Involving Finance

All Executive decisions on borrowing, investment or financing is delegated to the Head of Finance or nominated officer, who are required to act in accordance with CIPFA's Revised Code of Practice for Treasury Management in Local Authorities 1996 and the "Treasury Policy Statement" as currently approved by the Council's Executive.

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11.6 Banking Arrangements

11.6.1 Arrangements with Council's Bankers

All arrangements with the Council's bankers must be made by or under arrangements approved by the Head of Finance or nominated officer, who is authorised to operate such banking accounts, including Girobank and Credit Card Company accounts and other electronic transactions as he/she may consider necessary. No other Officer has authority to open a bank account without prior specific written delegation of that authority by the Head of Finance or nominated officer.

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11.6.2 Cheques

Cheques to be drawn on the Council's banking accounts will bear the facsimile signature of the Head of Finance or nominated officer or be signed by the Head of Finance or nominated officer or any other Officer authorised to do so and they will be crossed A/C Payee only.

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All cheques, other than those drawn on authorised imprest accounts, shall be ordered only on the authority of the Head of Finance or nominated officer, who shall make proper arrangements for their safe custody.

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11.7 Trust Funds and Private Funds

11.7.1 Responsibility of Officers

Officers administering any funds (Trust or Private) on behalf of others shall declare all such funds to the Head of Finance or nominated officer and shall deposit all securities etc., relating to such funds, with the Head of Finance or nominated officer unless the deeds otherwise provide.

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11.7.2 Funds Held by Schools

All funds held by Schools shall be declared to the Board of Governors.

Deleted: In respect of Social Service establishments, new sums of money received on behalf of Clients shall be reported promptly to the appropriate Area Provider Office.

11.7.3 Funds Held on Behalf of Others

All funds held on behalf of others (Trust or Private) shall be subject to an annual audit, which shall be undertaken by a suitably qualified person. A copy of all audit

reports and the final accounts shall be made available, on request, to Internal Audit for information. In respect of Schools, the audit report and the findings shall be presented to their School Governors.

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11.7.4 Value Added Tax

Officers who are responsible for the administration of Trust or Private funds shall be responsible for ensuring that all Value Added Tax is correctly accounted for, and shall have due regard to the treatment of Value Added Tax on donated funds (as detailed in Section 15 of the Finance Act 1972).

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11.7.5 Investment

Officers shall be responsible for ensuring that Trust and Private Funds are appropriately invested for the benefit of the fund. Advice as to the most appropriate method of investment will be obtained from the Head of Finance or nominated officer.

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11.7.6 Officer Involvement

Officers must declare an interest and absent themselves from any managerial involvement in any trusts or private funds from which they or their family could directly or indirectly benefit.

11.8 Financial Planning “Accounting” and the Budget Process

11.8.1 Financial Strategy

The Head of Finance or nominated officer shall prepare annually a financial strategy for the Council for a short (one year), and medium term (three to four year) period. This will be reported to Corporate Board and the Executive. It will set out the parameters for the budget build process for the coming year in the light of likely grant settlement, service pressures, available balances, and consultation with clients and partners of the Council. The Budget and Policy Framework will be approved by Council.

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11.8.2 Asset Management Strategy

The Head of Property and Public Protection or nominated officer will produce and maintain an Asset Management Strategy to feed into the annual Capital Programme.

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11.8.3 Capital and Revenue Budgets

The detailed form of Capital and Revenue budgets shall be determined by the Head of Finance or nominated officer consistent with the general directions of the Executive and after consultation with Corporate Board. The Budget and Policy Framework will be approved by Council.

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11.8.4 Capital Programme

Heads of Service and their nominated budget holders, in consultation with the Head of Finance or nominated officer, shall jointly prepare for consideration by Corporate Board and the Executive, a draft Capital Programme and revenue income and expenditure budgets. These must be prepared in accordance with the policies and timescales determined by the Executive. The Budget and Policy Framework will be approved by Council.

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11.8.5 Submission to Executive

Corporate Board and the Executive must consider the strategic effect of these estimates and programmes upon the Council's financial and other resources. After any necessary amendments they must be submitted by the Executive to the Council for approval within the required legislative timetable, and with a recommendation of the overall general fund budget requirement and the Council ~~Tax~~ to be levied for the coming financial year.

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11.8.6 Approval of Estimates

The estimates, once approved by the Council shall become the Council's Revenue Budget and Capital Programme for the next financial year.

Approval of the annual estimates by the Council will confer authority on the Executive, Committees, Corporate Directors and Heads of Service of the Council to incur revenue expenditure so provided subject to compliance with the relevant provisions of the Contract Rules of Procedure.

11.9 Revenue Expenditure - Control

11.9.1 Budgetary Control

Corporate Directors and the Chief Executive must ensure, through the performance management scheme, that their Heads of Service are managing their budgets, including commitments, appropriately by requiring regular reports from their Heads of Service.

11.9.2 Role of Heads of Service

Budgets are allocated to Heads of Service to enable them to deliver services approved by Members through the relevant Service Plan. It is the responsibility of each Head of Service to ensure that the budgets for which they are responsible are used to deliver the Service Plan and are not overspent. Where budget pressures indicate that overspending may occur, then the Head of Service must apply the rules set out under cash limited budgets below.

Heads of Service are responsible for allocating responsibility for managing each cost centre within their service. They must inform the Head of Finance or ~~nominated officer~~ of the allocation and any changes as soon as they occur.

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Heads of Service must ensure, through the Performance Management Scheme, that their managers who are budget holders are properly trained in budget management and apply adequate budgetary control through local commitment ~~accounting~~ by requiring regular reports from budget holders.

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11.9.3 Unauthorised Overspend

The unauthorised overspend of a budget may lead to disciplinary action being taken against the budget holder. The unauthorised overspend overall by a service may lead to disciplinary action being taken against the Head of Service.

11.9.4 Monthly Statements

The Head of Finance or ~~nominated officer~~ will provide each Head of Service and each Budget Holder with monthly statements of receipts and payments under each cost centre. Budget Holders must provide the Head of Finance or ~~nominated officer~~

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with written confirmation each month that this information is correct, as this information forms the basis of reporting to Corporate Board and the Executive.

11.9.5 Cash Limited Budgets

Budgets are limited to the net annual budget for the relevant service. The Council maintains a general reserve which is to be used in exceptional circumstances where there is an uncontrollable overspend position at the end of the financial year. Therefore, Heads of Service must ensure that they and their budget holders do not overspend their service budgets.

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Revenue Expenditure may not be incurred which cannot be met from the amount provided in the revenue budget under the Service for that Head of Service to which the expenditure would be charged.

The Head of Service can present overspend to the relevant Corporate Director who can consider whether the overspend can be contained within the overall service grouping. The Corporate Director and Head of Service will then report to Corporate Board for consideration and approval. Corporate Board need to take a view on what is a significant overspend in terms of the overall budget for the Council and anything which they consider significant should be reported to the Executive. Approval will only be given in exceptional circumstances. In all cases Contract Rules of Procedure must be complied with. The approval of the additional expenditure budget may include provision for the repayment of the overspend.

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11.9.6 Exceeding Cost Centre Estimate

Heads of Service may authorise expenditure which would otherwise exceed the estimate for a cost centre, provided that the expenditure:

- can be met from savings or under spending on other cost centres within the same service with the exception of windfall increases in income or decreases in expenditure;
- will not constitute Capital Expenditure or result in:
 - (a) a change in the level of service provision; or
 - (b) a commitment to incur expenditure in future years; or
 - (c) a change in policy; or
 - (d) a breach of the Council's Workforce Strategy.
- is not a virement from a support service recharge code.
- is notified in the prescribed form to the Head of Finance or nominated officer who may if he/she considers that the expenditure is significant, require a report to be submitted to the Executive.

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11.9.7 Carry Forward of Under and Overspends

Genuine provisions for liability as recognised by the CIPFA Code of Practice on Local Authority Accounting in the UK must be accounted for in accordance with this guidance. Where budget holders wish to carry forward any unspent monies into the next financial year, then they must provide a business case to the Head of Finance. These cases will be assessed against the relevant accounting guidance and the explanations provided in the case. The final decision for the carry forward of under spends is for the Head of Finance.

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Overspends are not permitted to be carried forward; all known overspends where no action can take place to rebalance budgets should be corrected via service investments and approved by the Council when setting the next financial year's budget.

11.9.8 Coding of Expenditure and Income

All expenditure and income must be charged / credited to the cost centre and appropriate account code to which it relates. Miscoding expenditure / income distorts the Council's financial information and, therefore, may result in disciplinary action being taken against the Officer responsible.

The detailed form of Capital and Revenue budgets shall be determined by the Head of Finance or nominated officer consistent with the general directions of the Executive and after consultation with Corporate Board.

Journal transfers may only be made if they have been approved by the budget holder charged with the expenditure.

Budget holders may only charge expenditure against budgets for which they are responsible.

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11.10 Capital Expenditure - Control

11.10.1 Council Approval of Capital Strategy and Programme

Council's approval of the Capital Budget – The Budget and Policy Framework constitutes authority for:

- expenditure to be incurred in the budget year and the schemes included for the budget year and for the previous years to the extent that provision has already been made;
- expenditure for advance site acquisition, design fees and other associated preliminary expenditure but only if an appropriate budget allocation has been approved in the relevant year within the Capital Strategy and Programme.

11.10.2 Variations to the **Approved Capital Strategy and Programme**

The Council's five year Capital Strategy and Programme, which forms an integral part of the Council's Budget and Policy Framework, is generally agreed in February or March by Council. Additional expenditure requests are seen as extraordinary and, with some limited exceptions, need to be approved by the Executive (see paragraph 11.10.4). Additional Invest to Save bids are considered in a different way (see paragraph 11.10.3). Moving funding for approved projects between years within the five year Capital Strategy and Programme is permitted under some circumstances (see paragraph 11.10.5). It is also permitted to vire funding between approved capital projects within the financial year.

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11.10.3 Additional 'Invest to Save' Bids

As part of the Council's Efficiency Programme capital investment is often used to improve the efficiency of the Council's operations. Short to long term capital investment is therefore often made to deliver long term revenue savings. Proposals that involve 'investing to save' will generally be considered as part of the annual review of the Capital Strategy and Programme.

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Where opportunities are identified in year to deliver revenue savings, these opportunities will be considered on their merits in the following manner.

- The relevant Head of Service will prepare a report, in consultation with the Section 151 Officer for consideration by Capital Strategy Group.
- If the report is endorsed by Capital Strategy Group and the relevant Portfolio Holder, the Head of Service will be able to activate the recommendations in the report and this decision will be authority for completion of any contractual documentation.
- If the proposal involves capital expenditure above £50,000 the Executive must consider and approve the proposal.
- No more than a total of £250,000 'Invest to Save' bids may be made in any one financial year beyond those already agreed by Council as part of the Capital Strategy and Programme, but excluding those bids requiring Executive approval.

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11.10.4 Other Additional Expenditure Requests

Any other requests for additional capital expenditure (excluding items in paragraphs 11.10.3) outside the agreed Budget and Policy Framework will first be presented to Capital Strategy Group for consideration. If agreed they will be referred to Corporate Board and then to the Executive for approval.

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11.10.5 Moving Expenditure Between Years within the Capital Strategy and Programme

- In general expenditure on capital schemes can only occur during the year for which approval was given by Council as part of the Capital Strategy and Programme.
- In exceptional circumstances and with the endorsement of the relevant Portfolio Holder (relevant Shadow Portfolio Member to be advised for information), following consideration by Capital Strategy Group, a scheme which has been approved in a later year(s) of the Capital Strategy and Programme may be brought forward, provided:
 - sound reasons for so doing are accepted by Capital Strategy Group or
 - future viability or delivery of the scheme is in question.
- No more than £250,000 of such schemes may be brought forward in any financial year.
- Approval of the scheme will be delegated to the relevant Corporate Director/Head of Service as Project Sponsor in consultation with the Section 151 Officer. The Corporate Director/Head of Service will have authority to enter into any contractual documentation relating to the scheme/project.

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 The following rules apply with regard to viring budgets between approved schemes:¶
 <#>Up to £50,000 – the Head of Service must approve the virement. Capital Management Group should be informed through their monthly monitoring of the capital budget.¶
 <#>£50,000 - £100,000 – following endorsement by the relevant portfolio holder, the relevant Corporate Director in consultation with the Section 151 Officer may vire a budget between schemes, approved in the Capital Strategy and Programme. The Corporate Director or Project Sponsor must inform Capital Management Group of the virement as part of its monthly monitoring arrangements. ¶
 <#>£100,000 - £500,000 – the relevant Corporate Director in consultation with the Section 151 Officer and the relevant portfolio holder (shadow portfolio member to be informed for information) may vire a budget, provided a report has been considered by Capital Management Group. ¶
 <#>Over £500,000 – the relevant Corporate Director/Head of Service in consultation with the Section 151 Officer must prepare a report for Capital Management Group. If Capital Management Group is content with the virement request it will be presented to Corporate Board and then to the Executive for approval.¶
 In all cases set out above, once relevant authority has been obtained, the Project Sponsor/Head of Service/Corporate Director shall have authority to enter into any contractual documentation relating to the scheme.¶

11.11 Contracts

11.11.1 Rules of Procedure

All Officers must adhere to the Council's Contract Rules of Procedure (see Part 12) relating to contracts and to these Financial Rules of Procedure before they enter into any contract.

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11.12 Official Orders

~~Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies of public utility services, for periodical payments (rent + rates), petty cash purchases, or such exceptions as the Head of Finance or nominated Officer may approve. Orders must clearly state the quantity of the goods and nature of the work or services and whether covered by contract or an agreed price and discounts specified therein or an estimated value. No payment will be made to suppliers without a purchase order having been raised.~~

11.12.1 Raising a Purchase Requisition

~~The Head of Service shall nominate those Officers eligible to raise Purchase Requisitions on the Council's financial system. The Finance system converts the Purchase Requisition into a Purchase Order upon the approval of the Budget Holder or nominated Authorising Officer.~~

11.12.2 Placing an Order

~~Unless you have a budget an order cannot be placed. Placing an order commits the Council to spending the money.~~

~~All official orders for goods and services must be raised using the Council's Financial System. Exceptions to this requirement require written approval from the Head of Finance or nominated Officer.~~

~~The Council's Finance system will generate the appropriate commitment accounting record of outstanding orders. Verbal orders must not be made except as a matter of genuine urgency and must be confirmed immediately with a written order produced through the Council's Finance System.~~

~~Other than in cases of genuine emergency, No supplier shall be asked to provide goods or services before a purchase order has been issued to them.~~

11.12.3 Regular Periodic Payments

Any circumstances causing the cessation or variation of a regular periodical payment must be notified immediately to the Head of ~~Benefits and Exchequer~~ or ~~nominated officer~~.

11.12.4 Approval of Order

~~The ability to raise a requisition for goods or services and the subsequent approval and creation of the Order must only be undertaken by Officers nominated by the Head of Service (11.9.2 refers). Nominations shall be notified in writing to the Head of Finance or nominated Officer.~~

~~Goods properly supplied or work done without an official order due to a genuine emergency must be covered as soon as possible by a confirmation order.~~

~~Whenever practicable the duties of requisitioning goods or services and the subsequent confirmation of their receipt (goods received note process) shall not be performed by the Officer authorising the Order.~~

~~Each Head of Service shall be responsible for all orders issued from their Service.~~

Deleted: <#>Caution by Officers¶
Officers should be aware that, the Council can be bound contractually by statements made by Officers appearing to have authority whether made in writing or orally. Officers must, therefore, take the greatest care not to commit the Council without authority or to hold themselves out as having authority which they do not have, otherwise they may be faced with disciplinary action by the Council, and/or action by the External Auditor. Correspondence or conversation need not bind the Council if they are expressed to be subject to confirmation or subject to contract.¶ Where informal quotations are obtained from specialist firms for the purpose of advising the Executive of the likely cost of a project which is to be approved, it must be remembered that the Contract Rules of Procedure will still require the proper procedure to be observed when later obtaining official tenders.¶ Whenever the Council is committed to expenditure or income under any contract or agreement, the Head of Finance or nominated Officer must (in the absence of an arrangement with him/her to the contrary) be informed in writing, and any appropriate documents shall be made available for inspection by the Head of Resources or nominated Officer should he/she so desire.¶

<#>Register of Contracts¶
The Head of Finance or nominated Officer must make arrangements for a register of all contracts and the payments made under those contracts.¶

<#>Legal Liability¶ ... [1]

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11.13 Goods Received Process

~~The Head of Service or Delegated Officer shall ensure that the Corporate Finance System is promptly updated when goods or services are received. Before completing the Goods Received Note process the verifying Officer shall, save to the extent that the Head of Finance or nominated Officer may otherwise determine, be satisfied:~~

- ~~that the goods have been duly received examined and approved as being in accordance with the specification or match the official order and are satisfactory;~~
- ~~that the works done or services rendered have been satisfactorily carried out and that, where applicable, the materials used were of the requisite standard;~~
- ~~that the proper entries have been made in the inventories or stores records, where appropriate;~~
- ~~that the Council's purchasing guidance has been followed.~~

11.14 Payment of Accounts

11.14.1 Payment of Invoices

It is the Council's policy to pay all invoices within 30 days of invoice date. It is therefore the responsibility of all staff to assist Central Payments Team in ensuring invoices can be processed for payment as soon as possible through full compliance with all the relevant financial procedures.

11.14.2 Other Payment Requests

Payment requests shall be prepared in accordance with the format determined by the Head of Finance or nominated Officer who if satisfied, shall process and pay in accordance with a timetable prepared by him/her.

11.14.3 Destination of Invoices

Invoices for payment must be sent in the first instance to the Exchequer Service's Central Payments Team. Such invoices must be made out by creditors themselves and must not be made out by any Officer of the Council.

11.14.4 Amendments and Deletions

Amendments to or deletions from an invoice must only be made in exceptional circumstances and must be authorised by the Head of Finance or nominated officer. Where changes are required they must be made in ink of a distinctive colour and initialled by, or on behalf of the Head of Service, and the reasons, if not obvious, briefly stated on the invoice. No alterations to a Value Added Tax invoice may be made but a new invoice or credit note must be sought from the supplier. To avoid the possibility of duplicate payments photocopies or faxes are not accepted as valid invoices except in emergencies.

11.14.5 Payment of Invoices

The Head of Finance or nominated officer shall pay all invoices and other payment requests which they are satisfied are in order, apart from petty cash imprest accounts or Local Bank Accounts.

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Orders, including copy orders retained by the service, must clearly state the quantity of the goods and nature of the work or services and whether covered by contract or an agreed price and discounts specified therein or an estimated value.¶
Stocks of unused order pads held in Service Units must be securely held by a designated Officer.¶

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Orders originating from each Service Unit must be signed only by Officers nominated by the Head of Service, nominations shall be notified in writing to the Head of Finance or nominated Officer together with a specimen signature. Goods properly supplied or work done without an official order, and not the subject of a formal contract, must be covered as soon as possible by a confirmation order.¶
Each Head of Service shall be responsible for all orders issued from their Service Unit. ¶

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Accounts for payment shall be prepared in accordance with the format determined by the Head of Finance or nominated Officer who if satisfied, shall process and pay in accordance with a timetable prepared by him/her.¶

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The Head of Service or Delegated Officer issuing an order shall be responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment vouchers or accounts arising from sources in his/her Service Unit(... [3])

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The Head of Finance shall ensure that appropriate arrangements are in place for ensuring that invoices received in the Central Payments Team are matched against official orders. Payment of invoices shall only be made when:

- the ordering Service has confirmed that the goods have been duly received, examined and approved;
- the prices are in accordance with the order;
- the payment is in accordance with Council Policy and legally payable;
- the account is correct, and that VAT is properly accounted for where appropriate;
- the item has not been previously passed for payment and is a proper liability of the Council.

The normal method of payment of money due from the Council shall be by cheque, electronic transfer or other instrument drawn on the Council's bank account by the Head of Finance or nominated officer.

11.14.6 Examination of Accounts

The Head of Finance or nominated officer may at their discretion examine the verified accounts passed for payment, as to their compliance with the minutes and Council regulations, contracts, accepted tenders or other authorities and for this purpose shall be entitled to receive such information and explanation as may be required.

11.15 Local Bank Accounts - Imprest / Petty Cash Accounts

11.15.1 Imprest / Petty Cash Advances

The Head of Finance or nominated officer will provide imprests and petty cash advances, where appropriate, to Officers for the purpose of defraying expenses. A receipt shall be signed in respect of each advance by the Officer concerned, who shall be responsible for accounting for monies. A receipt should be signed in respect of sub - floats issued to Officers.

11.15.2 Changes to Officers

Any changes to Officers responsible must be immediately notified to the Head of Finance or nominated officer. An outgoing imprest holder must reconcile the imprest to the total amount held, whilst the incoming responsible Officer should satisfy themselves that all is in order before accepting responsibility for the imprest.

11.15.3 Disbursements

Vouchers for disbursements must be obtained, and attached to claims for reimbursement. Claims must be properly certified and forwarded for payment to the Head of Finance or nominated officer at specified intervals, normally not exceeding one month. Nil returns will be forwarded to the Head of Finance or nominated officer if no reimbursement is required.

11.15.4 Security of Cash

Heads of Service are responsible for ensuring that all cash is kept in a safe and secure place and that bank accounts are reconciled on a regular basis, not less

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<#>Accounts Outstanding¶
Each Head of Service shall send to the Head of Finance or nominated Officer, in accordance with the closedown timetable, schedules of all accounts outstanding relating to the previous financial year, and when such accounts are subsequently verified for payment, shall identify them accordingly.¶

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than monthly. A bank statement must be received at least monthly for all imprest bank accounts.

Heads of Service are advised for reasons of security that cash balances of greater than £250 should be kept in a bank account.

11.15.5 Use of Imprest Accounts

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Imprest accounts can be used for amounts up to £250:

- to pay for local purchases by cheque at the time of collection or delivery;
- to secure discounts or take advantage of special offers;
- to reimburse staff who have purchased small value items directly;

All such payments must be supported by VAT invoices or receipts.

11.15.6 Use of Imprest Funds

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Imprest funds must never be used to pay salaries, wages, or other employee expenses i.e., travel/subsistence and removal/relocation expenses, without the specific approval of the Head of Finance or nominated officer. Such payments may attract liability to Income Tax or National Insurance contributions and must therefore be made via the payroll system.

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11.15.7 Examination of Local Bank Accounts

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The Head of Finance or nominated officer may at their discretion examine and reconcile Local Bank Accounts and for this purpose shall be entitled to receive such information and explanation as may be required.

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11.16 Income

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11.16.1 Collection of Monies

The framework and regulation of the collection of all monies due to the Council shall be subject to the approval of the Head of Finance or nominated officer and shall comply with these Financial Rules of Procedure.

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The Head of Finance or nominated officer's Head of Benefits and Exchequer or nominated officer shall be notified promptly of all monies due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council. The Head of Finance or nominated officer shall have the right to inspect any documents or other evidence in this connection as they may decide.

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11.16.2 Invoicing for Sums Due

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Each Head of Service shall establish procedures to ensure that invoices are raised on the Council's Finance System in respect of work done, goods supplied, services rendered and all other amounts due to the Council. These procedures must ensure that all invoices due are raised promptly in order to assist recovery of the debts.

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11.16.3 Payment of Amounts Due

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Each Head of Service shall furnish the Head of Finance or nominated Officer with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required by him/her to record correctly all sums due to the Council and to ensure the prompt rendering of accounts for the recovery of income due.¶

All accounts rendered in respect of amounts due to the Council shall contain a statement that payment must be made direct to the Head of Finance or nominated

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officer and that cheques, money orders, and postal orders should be made payable to West Berkshire District Council.

All cheques, money orders and postal orders received in any Service Unit shall be crossed "West Berkshire District Council". Personal Cheques must not be cashed out of the money held on behalf of the Council.

11.16.4 Introduction of New Electronic Payment Facility

The Head of Finance or nominated officer shall be consulted at an early stage on any proposals to introduce a new electronic payment facility. No such facility shall go live without the specific authorisation of the Head of Finance or nominated officer.

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11.16.5 Payments made to Service Units

Each Head of Service shall be responsible for the prompt collection of such cash income as may be due to the Council from activities within their service area and must make proper arrangements for receipting, holding and banking of this income.

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11.16.6 Change Money

The Head of Finance or nominated officer shall advance such sums as they may deem necessary to each collecting Officer for the purpose of change money, and the existence of the sums shall be verified periodically.

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11.16.7 Payment into Council Account

All monies received by an Officer on behalf of the Council shall, without delay, be paid to the Head of Finance or nominated officer. No deduction may be made from such money save to the extent that the Head of Finance or nominated officer may specifically authorise.

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Officers who bank money shall enter on the paying in slip and on the reverse of each cheque a reference to the related debt (receipt number or the name of the debtor) or otherwise indicate the origin of the cheque. The name of the originating Service/Section shall be recorded on the paying in slip.

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11.16.8 Issue of Receipts

Every sum received by a cashier or other Officer of the Council shall be immediately acknowledged by the issue of an official receipt, ticket or voucher except in the case of cheques other arrangements may only be established with the express approval of the Head of Finance or nominated officer.

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All official receipts, tickets, books and other cash tokens shall, except by special arrangements approved by the Head of Finance, be controlled and issued to Service Units by the Head of Finance or nominated officer, who shall keep a register of their receipt and issue. Departments shall keep proper records of the issue and use of all receipts, tickets and cash tokens.

11.16.9 Recording Receipt of Monies

Each Officer who receives monies on behalf of the Council, or for which they are accountable to the Council, shall keep records in a form approved by the Head of Finance or nominated officer.

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11.16.10 Transfer of Monies

Every transfer of official money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving Officer.

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11.17 Write-Offs - Income

11.17.1 Discharge of Debts

No debt due to the Council, after it has been correctly established, shall be discharged otherwise than by payment in full or by the writing-off of the debt or the unpaid portion of it, on the authority of the Head of Finance or nominated officer where:

- either:
 - (a) the debt is not enforceable or that attempted recovery is likely to involve expensive litigation with limited hope of success; or
 - (b) the cost of recovery would be disproportionate to the amount involved;
- the debt does not exceed £10,000 or in cases of bankruptcy or liquidation the full amount;
- Housing rent does not exceed £10,000.

Deleted: <#>Outstanding Transactions¶
The Head of Service shall, in each year, in accordance with a timetable prepared by the Head of Finance or nominated Officer give to the Head of Finance or nominated Officer a schedule of outstanding transactions relating to income accruing in the previous financial year, and not yet brought into account.¶
<#>Credit of Income¶
Income must be credited to income codes on the Council's General Ledger.¶

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11.17.2 Written-off Debts

Any debt written off in accordance with Rule 11.17.1 above shall be properly recorded on the Council's Financial System.

All other debts may only be written off following approval by the Executive.

Written off debts will be charged back to the originating budget.

Budget Holders will be provided with details of those debts where write off is appropriate. Such details are to include information on recovery action already taken.

In exceptional circumstances Corporate Board may recommend to the Executive that a debt should not be written off to the service budget but will be written off corporately.

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Deleted: within three months if considered uncollectable. The budget holder will be informed of this 28 days in advance of the write off

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Deleted: A separate corporate additional expenditure code will then be requested from the Executive.

11.18 Charging for Services

11.18.1 Review of Service Charges

All Heads of Service shall review their charges for services at least annually with the object of ensuring that the income is increased by not less than the rate of inflation experienced by that service. Such review must be carried out as part of the Council's budget build process (the timetable for this is published each year).

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11.18.2 Unmet Estimates

Where it appears that income targets as set out in the Council's estimates will not be met then the Head of Service shall either meet the shortfall from within the service budgets or apply for an additional expenditure budget.

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11.19 Salaries and Wages

11.19.1 Responsibility for Payments to Employees

The Head of Benefits and Exchequer or nominated officer shall be responsible for making arrangements for the payment of all salaries, wages, pensions, compensation and other payments to all current and former employees of the Council.

11.19.2 Notification of Relevant Matters

Heads of Service shall notify the Head of Benefits and Exchequer or nominated officer and the Head of Human Resources as soon as possible and in the approved form, of all matters affecting the payment of salaries and wages, and in particular:

- appointments, resignations, dismissals, suspensions, secondments and transfers;
- absences from duty for sickness or other reason apart from approved leave, changes in remuneration, other than normal increments and pay awards and agreements of general application;
- information necessary to maintain records for compliance with Inland Revenue reporting on benefits provided to staff.

11.19.3 Appointment of Employees

Appointments of all employees shall be made in accordance with the regulations of the Council and the approved grades and rates of pay.

11.19.4 Externally Funded Posts

Before confirming an appointment to a fixed term contract, the recruiting manager must seek advice from HR to ensure the funding source from which the post is being funded is sufficient to cover the exit costs liability in the event of non renewal by reason of redundancy. The Council must not become liable to pay redundancy payments arising from externally funded appointments unless the post is essential and the Corporate Director and Portfolio Holder have confirmed that the directorate has the monies to cover the exit costs liability.

11.19.5 Timesheets & Overtime Claims

The Head of Service, or other authorised Officer, shall be responsible for the authorisation of all staff timesheets and overtime claims.

11.20 Travelling and Subsistence

11.20.1 Claims for Payment

All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be made in a form approved by the Head of Finance or nominated officer and shall be submitted to the payroll section, duly authorised.

The Head of Benefits and Exchequer or nominated officer shall make payments in accordance with Statute, Regulations, Schemes and Conditions of Service and any resolutions of the Council.

The authorisation by or on behalf of the Head of Service shall be taken to mean that the authorising Officer is satisfied that the journeys were authorised, the expenses

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Deleted: The names of Officers authorised to sign such records shall be sent to the Exchequer Manager by each Head of Service together with specimen signatures and shall be amended on the occasion of any change.¶

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Deleted: <#>Overtime, Sickness, Mileage Claims¶
The Head of Service, or other authorised Officer, shall be responsible for the certification of all returns for overtime worked, sickness absences, mileage claims and any payment for additional allowances for each of their employees. The Head of Service, or other authorised Officer is also responsible for the delivery of such returns to the Exchequer Manager in accordance with the prepared timetable [which is set out in th... [7]

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properly and necessarily incurred, the most economical method of travelling was undertaken and that the allowances are properly payable by the Council.

Officer's claims should be submitted promptly at the end of each month in which the journeys were made or the expenses incurred. The Head of Finance or nominated officer may refuse to make payment of claims over 3 month old.

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11.21 Members Allowances

11.21.1 Submission of Claims

Members are encouraged to submit all claims relating to travelling, subsistence and other appropriate expenses in writing and in arrears within two months of the date of the meeting in respect of which the entitlement to the allowance arises and must be received for processing by the Members' Services Officer by the 5th of each month. Claims do not need to be submitted for allowances that are paid automatically.

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The certification by or on behalf of the Head of Service shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, the most economical method of travelling was undertaken and that the allowances are properly payable by the Council. ¶
Officers' claims submitted more than three months after the expenses were incurred will be paid only with the express approval of the Head of Finance or nominated Officer.¶

11.21.2 Payments

The Head of Finance or nominated officer shall make arrangements for the monthly payment to Members of the Council who are entitled to claim travelling or other allowances, as per the Rules in Part 15 of this Constitution, upon receipt of the prescribed form duly completed and certified.

The certification by or on behalf of the Head of Policy and Communication shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and the allowances are properly payable by the Council.

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11.22 Inventories

11.22.1 Preparation of Inventories

Inventories in a form approved by the Head of Finance or nominated officer shall be prepared and kept up to date by each Head of Service for all moveable plant, machinery, or items which are considered to be portable and desirable belonging to the Council.

Inventories should be updated in a timely fashion to reflect acquisitions or disposals.

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11.22.2 Checking and Maintaining of Inventories

The Head of Finance or nominated officer shall be entitled to check stores and equipment and be supplied with such information relating to the accounting, costing and financial records of the Council.

Heads of Service shall arrange in respect of their inventories for an annual check. The Head of Finance or nominated officer may arrange for a member of their staff to be present at the checking.

Where possible the roles of maintaining the inventory and checking the inventory for completeness and accuracy should be undertaken by two separate Officers.

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A certified copy of the inventory shall be forwarded to the Head of Finance or nominated Officer annually by the each Head of Service and copied to the Audit Manager¶
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11.22.3 Inclusion in Inventories

All items belonging to the Council which are required to be included on the inventory shall be marked as the property of the Council.

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11.22.4 IT Equipment

The Head of ICT or nominated officer shall be responsible for maintaining the inventory of all IT equipment, hardware and software.

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11.23 Stocks / Stores

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All items of moveable plant and machinery considered portable and of a financial value above £50 shall be marked with "Indsol" tracer (Smartwater) before being added to the inventory.¶

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Deleted: <#>Documentation¶
Documentation for the control and recording of stocks shall be approved by the Head of Finance or nominated Officer. ¶

11.23.1 Responsibility for Stocks

Each Head of Service shall ensure:-

- the proper custody of their stocks and stores in their Service Unit and shall ensure that they are subject to an effective system of stock recording and control;
- that stores are held in reasonable quantities and that consideration has been given to turnover, value, delivery quantities and delivery periods;
- that practicable steps are taken to ensure that a delivery note is submitted by a supplier for every delivery at the time of delivery;
- as soon as practicable after the delivery has been made that goods are checked to ensure that the correct quantity has been delivered and that they meet the appropriate quality standard;
- that no articles or goods are removed from stock without proper authority;
- that stocktakes are carried out in accordance with the procedures laid down by the Head of Finance or nominated officer;
- that an annual review of stocks held is undertaken with a view to reducing the number of slow moving items and disposing of obsolete stock items;
- that obsolete or other stocks no longer required for the purpose acquired are disposed of under arrangements approved by the Head of Finance or nominated officer;
- that accounts and records are maintained in connection with the receipt and issue of stores in such form and timetable as the Head of Finance or nominated officer may approve after consultation with Corporate Board;
- that on the 31st March each year the value of stocks held is certified and reported to the Head of Finance or nominated officer.

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11.23.2 Surplus or Deficiency

Where any surplus or deficiency is revealed in excess of £5,000 in any item of stock the Chief Internal Auditor shall be advised. A report shall be presented to Corporate Board in order that authority to write off deficiencies or bring surpluses into charge may be obtained. The appropriate form should be completed for any deficiency and sent to the nominated officer responsible for Risk Management.

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11.23.3 Checking of Stock

The Head of Finance or nominated officer is entitled to check stores and be supplied with any information relating to the accounting, costing, and financial records of the Council.

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11.24 Disposal of Surplus or Obsolete Goods, Plant and Stocks

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11.24.1 Authorisation for Disposal

Surplus or obsolete goods or plant, whether held in store, on inventories or otherwise up to the value of £2,000 per item or group of like items, must not be disposed of either by sale or destruction except upon the authorisation of the appropriate Corporate Director of the Service Unit concerned. Where the value is between £2,001 and £10,000 the authorisation of the Head of Finance or nominated officer must also be obtained. Where the value exceeds £10,000, sanction by Corporate Board must be obtained.

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In relation to inventory items (eg IT equipment etc) all items surplus to requirements should, in the first instance, be offered to other Council departments, schools etc prior to being disposed of.

11.24.2 Sale of Stock

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Sale must be effected by public tender except when, in the opinion of the appropriate Corporate Director of the Service Unit concerned and the Head of Finance or nominated officer, the financial interest of the Council is better served by disposal by any other means. This could be by public auction.

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11.24.3 Recording Disposal

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A record of each disposal should be maintained (i.e. the approval, the price obtained and if appropriate the alternative method of disposal used). Inventories or stock records should be up-dated in a timely fashion to reflect the disposal.

11.24.4 Income from Disposal

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Income from disposals shall be credited to the holding service unit.

11.24.5 VAT

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Value Added Tax shall be accounted for on the sale proceeds if appropriate and the amount identified when banking the income. The Head of Finance or nominated officer should be contacted if clarification of the VAT position is required.

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11.25 Insurance

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11.25.1 Responsibility for Insurance

The Head of Finance or nominated officer is responsible for the arrangement of risk funding on advice from the Chief Internal Auditor. The administration and resolution of all losses is the responsibility of the nominated officer in consultation with other Officers where necessary by reporting to the Head of Finance or nominated officer.

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11.25.2 Record of Insurances

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The Head of Finance will keep a permanent record of all insurances, risks covered, premiums paid and of all self-funded risks and losses paid. This includes third parties arranging insurance where the Council has an insurable interest. Documents to be permanently retained must include policy schedules and all liability insurance certificates for every period of insurance. Such responsibilities may be delegated to the nominated officer.

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11.25.3 Incident / Accident Reporting

Every event with the potential to give rise to a financial loss, or involving injury to a member of staff or client of the Council, must be reported via Webrisk (the Council's incident reporting system). It is the responsibility of the Head of Service to ensure that there are nominated staff trained to input information on Webrisk.

Any serious incidents covered by Reporting of Injuries, Diseases or Dangerous Occurrences Regulations (RIDDOR) will be automatically reported to the Health and Safety Executive, once input onto the Webrisk System by nominated staff.

11.25.4 Review of Risk Financing Arrangements

The Head of Finance or nominated officer and the Chief Internal Auditor shall annually review the Council's risk financing arrangements and look at adequacy of provision in the light of changes in the environment including new legislation, imposed or contractual responsibilities, legal precedent, newly identified and quantified risks, or other concerns identified.

11.25.5 Consultation

Before any indemnity requested from the Council is provided, the Head of Service responsible shall obtain written agreement from the Head of Finance or the nominated officer. Generally Heads of Service should not allow burdens or responsibilities to be imposed on the Council through contract that would not otherwise be imposed by common law or statute.

11.25.6 Hiring of Professional Services

Heads of Service must provide, on a quarterly basis, to the Head of Finance full details of all professional services hired or sold to others and the estimated fee income for the twelve month period ahead. The Head of Finance and the nominated officer will ensure that appropriate professional indemnity insurance is in place for the exposure notified.

11.26 Security

11.26.1 Responsibility for Security

All Heads of Services are responsible for maintaining proper security at all times for all information, buildings, stocks, stores, furniture, equipment and cash under their control and shall consult via the Head of Service chairing the Security Group or nominated officer (such as the Information Security Officer or Facilities Manager) where they consider security is thought to be defective or where they consider special arrangements are needed.

Appropriate security controls for all assets shall be identified by the risk assessment process and by referring to security standards and procedures. Arrangements shall be agreed as above.

Maximum limits for cash holdings shall be identified by the risk assessment process and agreed with the Head of Finance or nominated officer and shall not be exceeded without permission.

Key holders for safes and similar security receptacles are to be agreed by each Head of Service in conjunction with the Head of Finance or nominated officer. The

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Every event with the potential to give rise to a financial loss must be reported via Webrisk (the Council's web-based software for risk management). It is the responsibility of the Head of Service to ensure there are nominated staff trained to input information on Webrisk.

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Accidents to persons involving death or serious injury as defined by Health and Safety legislation must be immediately reported to the Health and Safety Executive (Infoline: tel. 08701 545500). Heads of Service must ensure that all reporting responsibilities are understood throughout their service and are maintained in all areas for which they have responsibility.

<#>Fidelity Guarantee Insurance
Fidelity guarantee insurance must be maintained in place to protect the Council's financial resources. Such insurance will operate in respect of all Officers who have financial responsibilities and/or budget responsibilities or who are authorised cheque signatories, and others as notified to the nominated Officer responsible for Risk Management and Internal Audit by the Audit Manager.

<#>Review of Risk Financing Arrangements
The Head of Finance or nominated Officer, the Risk Manager and the Audit Manager shall annually r ... [8]

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loss of keys shall be reported immediately using the security incident reporting procedures.

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11.26.2 Data Protection Legislation

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Each Head of Service in conjunction with the Head of ICT, and in consultation with the Data Controller, will ensure that all computer systems and written records in their Service Units which store sensitive personal data are operated in accordance with the Council’s Data Protection Policy, Data Protection legislation, and that proper security and confidentiality is maintained.

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11.27 Estates

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11.27.1 Responsibility of Head of Service

The Head of Property and Public Protection or nominated officer will maintain a terrier of all land and properties owned by the Council recording the purpose for which the property is held, the location, extent and plan references, purchase details where available, details of interest and rents payable and particulars of tenancies of other interests granted.

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11.27.2 Custody of Deeds

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The Head of Legal and Electoral Services has custody of all title deeds under secure arrangements.

11.27.3 Valuation of Assets

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The Head of Property and Public Protection or nominated officer shall ensure that all assets are valued (reinstatement and open market valuation) for capital accounting purposes in accordance with the latest CIPFA code.

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11.27.4 Notification of Purchase or Disposal

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Any purchases or disposals of property for which responsibilities are assumed under any contract must be notified to the Head of Finance or nominated officer. Additionally the nominated officer responsible for Risk Management must be notified to ensure that the Council’s databases are fully up to date and accurate.

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11.27.5 Register of Assets

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The Head of Property and Public Protection or nominated officer is responsible for maintaining an up to date asset register and an asset management plan.

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The Head of Property and Public Protection or nominated officer must notify all changes to the asset register to the nominated officer responsible for Risk Management for updating of the risk management database.

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Caution by Officers

Officers should be aware that, the Council can be bound contractually by statements made by Officers appearing to have authority whether made in writing or orally. Officers must, therefore, take the greatest care not to commit the Council without authority or to hold themselves out as having authority which they do not have, otherwise they may be faced with disciplinary action by the Council, and/or action by the External Auditor. Correspondence or conversation need not bind the Council if they are expressed to be subject to confirmation or subject to contract.

Where informal quotations are obtained from specialist firms for the purpose of advising the Executive of the likely cost of a project which is to be approved, it must be remembered that the Contract Rules of Procedure will still require the proper procedure to be observed when later obtaining official tenders.

Whenever the Council is committed to expenditure or income under any contract or agreement, the Head of Finance or nominated Officer must (in the absence of an arrangement with him/her to the contrary) be informed in writing, and any appropriate documents shall be made available for inspection by the Head of Resources or nominated Officer should he/she so desire.

Register of Contracts

The Head of Finance or nominated Officer must make arrangements for a register of all contracts and the payments made under those contracts.

Legal Liability

Any claim arising from a contract that is not clearly within the terms of the contract (i.e. a variation may be agreed), must be referred to the Head of Legal and Electoral Services for consideration of the Council's legal liability and to the Head of Finance or nominated Officer for financial consideration before any settlement is reached.

Verification of Contractor's Financial Ability

The Head of Finance or nominated Officer must, after notification from the relevant Head of Service of a pending contract, verify the contractor's financial ability to execute the required works, before the contract is made.

For detailed guidance on Contracts please refer to the Contract Rules of Procedure contained in Part 12 of this Constitution.

Placing an Order

Unless you have a budget an order cannot be placed. Placing an order commits the Council to spending the money.

All official orders for goods and services must be in a form approved by the Head of Finance or nominated Officer. All stocks of forms are to be subject to controls agreed by the Head of Finance or nominated Officer.

A commitment accounting record of outstanding orders must be maintained by each Budget Holder. Details of such commitments must be reported to Heads of Service and Corporate Directors and used in budget monitoring and reporting.

Order forms shall be appropriately addressed, numbered and referenced for each Service Unit by the Head of Finance or nominated Officer with an instruction that invoices should be sent to the Service Unit/Establishment issuing the order. Verbal orders must not be made except as a matter of genuine urgency and must be confirmed immediately with a written order.

Official Order

Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies of public utility services, for periodical payments (rent + rates), petty cash purchases, or such exceptions as the Head of Finance or nominated Officer may approve.

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Format of Payment Accounts

Accounts for payment shall be prepared in accordance with the format determined by the Head of Finance or nominated Officer who if satisfied, shall process and pay in accordance with a timetable prepared by him/her.

Issuing an Order

The Head of Service or Delegated Officer issuing an order shall be responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment vouchers or accounts arising from sources in his/her Service Unit. Such certification shall be signed by or on behalf of the Head of Service.

The names of Officers authorised to sign such records will be sent to the Head of Finance or nominated Officer by each Head of Service together with specimen signatures and shall be amended on the occasion of any change therein.

Whenever practicable the duties of ordering, receiving goods, and verifying the related invoices for payment shall not be performed by one Officer, and in no case shall an invoice be finally verified for payment by an Officer assuming personal control over the goods or services to which the invoice relates.

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Invoices must not be accepted in which the details are not written in ink, indelible pencil, typewritten, or recorded by other acceptable permanent methods.

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Verification of Account

Before verifying an account the verifying Officer shall, save to the extent that the Head of Finance or nominated Officer may otherwise determine, be satisfied:-

- that the goods have been duly received, examined and approved as being in accordance with the specification or match the copy official order and are satisfactory and, that the prices are in accordance with the contract or order;
- that the works done or services rendered have been satisfactorily carried out and that, where applicable, the materials used were of the requisite standard and the prices charged are correct;
- that the payment or disbursement is in accordance with Council Policy and legally payable;

that the account is correct, and that VAT is properly accounted for where appropriate;

that the item of expenditure is within approved budget, or has been otherwise approved by the Executive or the Council and is charged to the correct cost centre and account code;

that the item has not been previously passed for payment and is a proper liability of the Council;

that the proper entries have been made in the inventories or stores records, where appropriate, and copy orders duly endorsed with the payment made and the date thereof;

that the order number is on the invoice;

that the Council's purchasing guidance has been followed.

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All amendments to or deletions from an invoice must be made in ink of a distinctive colour and initialled by, or on behalf of the Head of Service, and the reasons, if not obvious, briefly stated on the invoice. No alterations to a Value Added Tax invoice may be made but a new invoice or credit note must be sought from the creditor. To avoid the possibility of duplicate payments photocopies or faxes are not accepted as valid invoices except in emergencies.

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Overtime, Sickness, Mileage Claims

The Head of Service, or other authorised Officer, shall be responsible for the certification of all returns for overtime worked, sickness absences, mileage claims and any payment for additional allowances for each of their employees. The Head of Service, or other authorised Officer is also responsible for the delivery of such returns to the Exchequer Manager in accordance with the prepared timetable [which is set out in the Employee Handbook].

Timesheets

Timesheets, summary or individual, shall be certified by the appropriate supervisor unless otherwise agreed by the Head of Finance or nominated Officer. The certification by or on behalf of the Head of Service or Officers delegated by him/her shall be taken to mean that the certifying Officer is satisfied that the hours worked including overtime and bonus paid were authorised and necessarily incurred and are properly payable by the Council.

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Accidents

Accidents to persons involving death or serious injury as defined by Health and Safety legislation must be immediately reported to the Health and Safety Executive (Infoline: tel. 08701 545500). Heads of Service must ensure that all reporting responsibilities are understood throughout their service and are maintained in all areas for which they have responsibility.

Fidelity Guarantee Insurance

Fidelity guarantee insurance must be maintained in place to protect the Council's financial resources. Such insurance will operate in respect of all Officers who have financial responsibilities and/or budget responsibilities or who are authorised cheque signatories, and others as notified to the nominated Officer responsible for Risk Management and Internal Audit by the Audit Manager.

Review of Risk Financing Arrangements

The Head of Finance or nominated Officer, the Risk Manager and the Audit Manager shall annually review the Council's risk financing arrangements and look at adequacy of provision in the light of changes in the environment including new legislation, imposed or contractual responsibilities, legal precedent, newly identified and quantified risks, or other concerns identified.

Page 31: [9] Deleted	LPye	06/04/11 15:18:00
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Heads of Service must, in August each year, (because the Council's insurance contract is renewed on 1st October) provide to the Head of Finance full details of all professional services hired or sold to others and the estimated fee income for the twelve month period ahead. The Head of Finance and the nominated Officer will ensure that appropriate professional indemnity insurance is in place for the exposure notified.

Page 31: [10] Deleted	LPye	06/04/11 15:19:00
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with the Head of Finance or nominated Officer where they consider security is thought to be defective or where they feel special arrangements are needed.



West Berkshire Council **Constitution**

Part 11 Financial Rules of Procedure

April 2007

Contents

Part 11 Financial Rules of Procedure

11.1	Introduction	8
11.1.1	Procedures	8
11.1.2	Section 151 of the Local Government Finance Act 1972.....	8
11.1.3	Statutory Responsibility of Head of Finance or Nominated officer and Others.....	8
11.1.4	Purpose of Financial Rules of Procedure	8
11.1.5	Financial Rules as Applying to Schools (Fair Funding Scheme).....	9
11.1.6	Engagement of External Consultant/Contractor.....	Error! Bookmark not defined.
11.1.7	Purpose of Financial Rules of Procedure	9
11.1.8	Unauthorised Overspend.....	9
11.1.9	Non-Compliance with Rules	9
11.1.10	Approval of Head of Finance or Nominated officer	10
11.1.11	Interpretation of Rules	10
11.2	The Legal Framework	10
11.2.1	Powers of the Monitoring Officer	10
11.2.2	Current Regulations.....	10
11.2.3	Accounting Records - Section 4	10
11.2.4	Accounting Regulations – Section 5	11
11.2.5	Local Government Finance Act 1988 – Section 114.....	11
11.2.6	Local Government and Housing Act 1989 - Section 5	12
11.2.7	Duties of Monitoring Officer	12
11.3	Accounting and System Development	12
11.3.1	Accounting Procedures.....	12
11.3.2	Responsibility of Head of Finance or Nominated officer	12
11.3.3	Allocation of Accounting Duties	13
11.3.4	Consultation with Head of Finance or Nominated officer	13
11.4	Internal Audit and Internal Control	13
11.4.1	Regulations.....	13
11.4.2	Role of Internal Audit	13
11.4.3	Accounts and Audit Regulations required by the Secretary of State	13
11.4.4	Powers of Internal Audit Staff	14
11.4.5	Role and Responsibilities of Internal Audit	14
11.4.6	Inclusion in Service Plans.....	Error! Bookmark not defined.
11.4.7	Irregularities with Regard to Council Functions	14
11.5	Treasury Management	15
11.5.1	Activities of Treasury Management.....	15
11.5.2	Executive Decisions Involving Finance.....	15
11.6	Banking Arrangements	15
11.6.1	Arrangements with Council's Bankers	15
11.6.2	Cheques	15

11.7	Trust Funds and Private Funds	15
11.7.1	Responsibility of Officers.....	15
11.7.2	Funds Held by Schools	15
11.7.3	Funds Held on Behalf of Others	15
11.7.4	Value Added Tax.....	16
11.7.5	Investment.....	16
11.7.6	Officer Involvement	16
11.8	Financial Planning “Accounting” and the Budget Process	16
11.8.1	Financial Strategy	16
11.8.2	Asset Management Strategy	16
11.8.3	Capital and Revenue Budgets.....	16
11.8.4	Capital Programmes.....	16
11.8.5	Submission to Executive	17
11.8.6	Approval of Estimates	17
11.9	Revenue Expenditure - Control.....	17
11.9.1	Budgetary Control	17
11.9.2	Role of Heads of Service.....	17
11.9.3	Unauthorised Overspend	17
11.9.4	Monthly Statements	17
11.9.5	Cash Limited Budgets	18
11.9.6	Virements	Error! Bookmark not defined. 18
11.9.7	Exceeding Cost Centre Estimate	18
11.9.8	Carry Forward of Under and Overspends	18
11.9.9	Coding of Expenditure and Income	19
11.10	Capital Expenditure - Control.....	19
11.10.1	Council Approval of Capital Strategy and Programme	19
11.10.2	Variations to the approved Capital Strategy and Programme	19
11.10.3	Additional ‘Invest to save’ bids	19
11.10.4	Other Additional expenditure requests	20
11.10.5	Moving expenditure between years within the Capital Strategy and Programme	20
11.10.6	Virements	Error! Bookmark not defined. 20
11.11	Contracts	20
11.11.1	Rules of Procedure	20
11.11.2	Caution by Officers.....	Error! Bookmark not defined. 21
11.11.3	Register of Contracts.....	Error! Bookmark not defined. 21
11.11.4	Legal Liability	Error! Bookmark not defined. 21
11.11.5	Verification of Contractor’s Financial Ability.....	Error! Bookmark not defined. 22
11.12	Official Orders	21
11.12.1	Placing an Order	Error! Bookmark not defined. 22
11.12.2	Official Order.....	Error! Bookmark not defined. 22
11.12.3	Regular Periodic Payments.....	21
11.12.4	Composition of Order	21
11.12.5	Signing of Order	Error! Bookmark not defined. 22

11.13	Payment of Accounts	22
11.13.1	Payment of Invoices	22
11.13.2	Format of Payment Accounts	Error! Bookmark not defined. 23
11.13.3	Issuing an Order	Error! Bookmark not defined. 23
11.13.4	Destination of Invoices.....	22
11.13.5	Verification of Account.....	Error! Bookmark not defined. 23
11.13.6	Amendments and Deletions.....	22
11.13.7	Payment of Invoices	22
11.13.8	Accounts Outstanding.....	Error! Bookmark not defined. 24
11.13.9	Examination of Accounts	23
11.14	Local Bank Accounts - Imprest / Petty Cash Accounts	23
11.14.1	Imprest / Petty Cash Advances	23
11.14.2	Changes to Officers	23
11.14.3	Disbursements.....	23
11.14.4	Security of Cash	23
11.14.5	Use of Imprest Accounts.....	24
11.14.6	Use of Imprest Funds	24
11.14.7	Examination of Local Bank Accounts.....	24
11.15	Income	24
11.15.1	Collection of Monies	24
11.15.2	Recording of Sums Due.....	24
11.15.3	Payment of Amounts Due.....	24
11.15.4	Introduction of New Electronic Payment Facility	25
11.15.5	Payments made to Service Units.....	25
11.15.6	Change Money	25
11.15.7	Payment into Council Account.....	25
11.15.8	Issue of Receipts	25
11.15.9	Recording Receipt of Monies.....	25
11.15.10	Transfer of Monies.....	26
11.15.11	Outstanding Transactions.....	Error! Bookmark not defined. 27
11.15.12	Credit of Income	Error! Bookmark not defined. 27
11.16	Write-Offs - Income	26
11.16.1	Discharge of Debts	26
11.16.2	Written-off Debts.....	26
11.17	Charging for Services	26
11.17.1	Review of Service Charges	26
11.17.2	Unmet Estimates	26
11.18	Salaries and Wages	27
11.18.1	Responsibility for Payments to Employees.....	27
11.18.2	Notification of Relevant Matters	27
11.18.3	Appointment of Employees.....	27
11.18.4	Externally Funded Posts.....	27
11.18.5	Overtime, Sickness, Mileage Claims .	Error! Bookmark not defined. 29
11.18.6	Timesheets.....	Error! Bookmark not defined. 29

11.19 Travelling and Subsistence	27
11.19.1 Claims for Payment.....	27
11.20 Members Allowances	28
11.20.1 Submission of Claims.....	28
11.20.2 Payments	28
11.21 Inventories	28
11.21.1 Preparation of Inventories	28
11.21.2 Presentation of Inventories.....	Error! Bookmark not defined. 30
11.21.3 Checking and Maintaining of Inventories.....	28
11.21.4 Inclusion in Inventories.....	28
11.21.5 IT Equipment.....	29
11.21.6 Moveable Plant and Machinery	Error! Bookmark not defined. 31
11.22 Stocks / Stores	29
11.22.1 Documentation	Error! Bookmark not defined. 31
11.22.2 Responsibility for Stocks	29
11.22.3 Surplus or Deficiency	29
11.22.4 Checking of Stock	29
11.23 Disposal of Surplus or Obsolete Goods, Plant and Stocks	30
11.23.1 Authorisation for Disposal	30
11.23.2 Sale of Stock.....	30
11.23.3 Recording Disposal	30
11.23.4 Income from Disposal.....	30
11.23.5 VAT	30
11.24 Insurance	30
11.24.1 Responsibility for Insurance	30
11.24.2 Record of Insurances	30
11.24.3 Friar 1 Form	Error! Bookmark not defined. 33
11.24.4 Accidents.....	31
11.24.5 Fidelity Guarantee Insurance	Error! Bookmark not defined. 33
11.24.6 Review of Risk Financing Arrangements.....	Error! Bookmark not defined. 33
11.24.7 Consultation	31
11.24.8 Hiring of Professional Services	31
11.25 Security	31
11.25.1 Responsibility for Security	31
11.25.2 Data Protection Legislation	32
11.26 Estates	32
11.26.1 Responsibility of Head of Service.....	32
11.26.2 Custody of Deeds.....	32
11.26.3 Valuation of Assets	32
11.26.4 Notification of Purchase or Disposal.....	32
11.26.5 Register of Assets	32

11.1 Introduction

11.1.1 Procedures

Any organisation with a large financial turnover needs to lay down the procedures to be observed in its financial dealings. Such procedures are especially necessary in the case of a local authority which is limited by legislation in what it is able to do, is subject to statutory audit and must account for its actions and stewardship to the general public.

11.1.2 Section 151 of the Local Government Finance Act 1972

Section 151 of the Local Government Finance Act 1972 requires that every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has responsibility for the administration of those affairs.

The Head of Finance or nominated officer shall for the purposes of Section 151 of the Local Government Act 1972 be responsible, under the general direction of the Executive, for the proper administration of the Council's financial affairs.

11.1.3 Statutory Responsibility of Head of Finance or Nominated officer and Others

The Head of Finance or nominated officer (Section 151 Officer) has a statutory responsibility for ensuring that adequate systems and procedures exist to account for all income due to, and expenditure made on behalf of, the Council and that controls operate to protect the Council's assets from loss, waste, fraud or other impropriety.

The Head of Finance or nominated officer shall discharge that responsibility in part by the issue and maintenance of these Financial Rules of Procedure.

The Council is responsible for the adoption of its Budget and Policy Framework. The Executive is responsible for implementing the Budget and Policy Framework, which includes regulating and controlling the finances of the Council.

Heads of Service are individually responsible for the proper financial management of resources allocated to their operational areas through the budget-making process, and for the identification of all income arising from the activities within those areas. This responsibility includes the accountability for and control of staff, and the security, custody and management of assets including plant, equipment, buildings, materials, cash and stores. Each Head of Service shall in consultation with the Head of Finance or nominated officer devise and implement controls and procedures as are necessary in accordance with these Financial Rules of Procedure.

It is the Head of Finance or nominated officer who will take ultimate responsibility for ruling on the controls and procedures which each Head of Service puts in place.

11.1.4 Purpose of Financial Rules of Procedure

The purpose of these rules is therefore to set down in one document, for the benefit of Members and Officers, basic financial rules and guidance in order that everyone works to an approved common standard in the financial dealings of the Council. They do not over-ride the requirement to observe statute, including EC Directives, in everyday matters.

These Financial Rules of Procedure apply to all areas of the Council and should be read in conjunction with the rest of the Council's Constitution.

11.1.5 Financial Rules as Applying to Schools (Fair Funding Scheme)

In relation to Schools operating under the Council's Fair Funding Scheme the basis for advice and guidance to governors and head teachers is contained in these Financial Rules and also in the Council's Contract Rules of Procedure.

Under West Berkshire's Scheme of Local Management for Schools (Fair Funding), governors will be required to observe certain financial conditions relating to:

- arrangements for the management of delegated expenditure, in particular for authorising expenditure, or transactions involving commitments to expenditure;
- the keeping and auditing of accounts and records (including school funds);
- the provision to the LEA of copies of accounts and records (including school funds) and any other relevant documents and information that the LEA may, from time to time, require from the governing body.

11.1.6 Emergency Situations

The provision of these rules does not prevent the Council acting through the Chief Executive, Corporate Director(s) or Heads of Service from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or situation relating to Section 138 of the Local Government Act 1972. This is subject to the action being reported as soon as practicable to the appropriate authority.

11.1.7 Purpose of Financial Rules of Procedure

The purpose of these rules is to ensure that:

- Heads of Service remain within their budget and only spend what they have in their budget;
- Heads of Service maintain adequate commitment records;
- Heads of Service monitor their budgets;
- where there are any problems with overspend or failure to perform these problems are reported at the earliest opportunity;
- Heads of Service should have effective reporting arrangements from their budget holders;
- Corporate Directors should have effective reporting arrangements from their Heads of Service.

11.1.8 Unauthorised Overspend

The unauthorised overspend of a budget may lead to disciplinary action being taken against the budget holder. The unauthorised overspend overall by a service may lead to disciplinary action being taken against the Head of Service.

11.1.9 Non-Compliance with Rules

The Head of Finance or nominated officer must, after consultation with the relevant Head of Service, report to the Executive any non-compliance with the Financial Rules that come to their attention.

11.1.10 Approval of Head of Finance or Nominated officer

Where matters are to be considered by the Executive that in any way affect the finances of the Council or that require the supply of financial information by the Head of Finance or nominated officer, the Head of Finance or nominated officer must be notified by the Head of Service concerned, in sufficient time, to enable the Head of Finance or nominated officer to report. This means that the Head of Finance or nominated officer or a nominated representative must approve all financial implications on all committee reports.

11.1.11 Interpretation of Rules

Any doubt as to the interpretation of these regulations must, if unresolved after consultation with the Chief Executive, be referred to the Executive.

11.2 The Legal Framework

11.2.1 Powers of the Monitoring Officer

The Monitoring Officer has powers under Part 3 of the Local Government Act 2000 to conduct investigations which will include investigations into any breach of these Financial Rules of Procedure, and to report these breaches to the Standards Committee.

11.2.2 Current Regulations

The Statutes and Statutory Instruments and Regulations which currently affect these rules are as follows:

- Local Government Finance Act 1972 – Section 151 requires every local authority to make arrangements for the proper administration of its financial affairs and requires the local authority to ensure that one of its Officers has responsibility for the administration of those affairs.
- The Accounts and Audit Regulations 1996 – Section 4 requires the accounting system, the form of its accounts and supporting accounting records to be determined by the responsible Financial Officer who shall ensure that the accounting systems determined by them are observed and that the accounts and supporting records of the body are maintained in accordance with proper practices and kept up to date.

11.2.3 Accounting Records - Section 4

Section 4 also requires that the accounting records required by the Financial Officer will be sufficient to show the Council's transactions and to enable the responsible Financial Officer to ensure that any statement of accounts, incoming expenditure account, balance sheet or record of receipts and payments and additional information to be provided by way of notes to the accounts comply with the Accounts and Audit Regulations 1996.

In particular this means that accounting records must contain:

- Entries from day to day of all sums of money received and expended by the body and the matters to which the incoming expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the body; and

- a record of incoming expenditure of the body in relation to claims made or to be made by them for contribution grant or subsidy from any Minister of the Crown a body to whom such a Minister may pay sums out of monies provided by Parliament or a Community Institution.

Section 4 also requires that the accounting controls systems ensure that the financial transactions of the Council are recorded as soon and as accurately as reasonably possible, that there are measures in place to enable the prevention and detection of inaccuracies and fraud and there is the ability to reconstitute any lost records.

Section 4 also requires that the duties of Officers dealing with financial transactions are identified and the division of responsibilities of those Officers are identified in relation to significant transactions and that procedures for uncollectable amounts including bad debts will not be written off except with the approval of a responsible Financial Officer or a member of staff nominated by the responsible Financial Officer.

11.2.4 Accounting Regulations – Section 5

Section 5 of the Accounts and Audit Regulations 1996 requires the Council to maintain an adequate and effective internal audit of its accounting records on control systems. Any Officer or Member of the Council shall, if Internal Audit requires, make available such documents of the Council which relate to its accounting and other records as appear to Internal Audit to be necessary for the purpose of the audit. Internal Audit shall also be supplied with such information and explanations that Internal Audit considers necessary for that purpose.

11.2.5 Review of the Systems of Internal Control – Regulation 4

Regulation 4 of the Accounts and Audit Regulations 2006 requires the Council to carry out a review of the effectiveness of the system of internal control. The results of this review, contained in the Annual Governance Statement, are considered by the Governance and Audit Committee.

11.2.6 Review of the System of Internal Audit – Regulation 6

Regulation 6 of the Accounts and Audit Regulations 2006 require the Council to carry out a review of the effectiveness of the system of internal audit. This review is conducted by the Finance and Governance Group, and the results reported to the Governance and Audit Committee.

11.2.7 Local Government Finance Act 1988 – Section 114

The person having responsibility for the administration of the financial affairs of the Council will report to the Council if they have reason to believe that the Council or any part of the Council:

- has made or is about to make a decision which involves or would involve the Council incurring expenditure which is unlawful, or
- has taken or is about to take a course of action which if pursued to its conclusion would be unlawful and likely to cause loss or deficiency on the part of the Authority, or

- is about to enter an item of account the entry of which is unlawful.

Under Section 114 of the [Local Government Finance Act 1988](#), the person having responsibility for the administration of the financial affairs of the Council will make a report if it appears to him/her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

11.2.8 Local Government and Housing Act 1989 - Section 5

It is the duty of the Council to designate one of its Officers to be “the Monitoring Officer” and that Officer is responsible for performing the duties under Section 5 of the [Local Government and Housing Act 1989](#). The Monitoring Officer cannot be the Section 151 Officer.

11.2.9 Duties of Monitoring Officer

It is the duty of the Monitoring Officer, if at any time they believe that a proposal, decision or omission by the Authority, the Executive, or any Committee, Sub-Committee or Officer of the Authority has given rise to, or is likely to give rise to a contravention by the Authority, the Executive or any Committee, Sub-Committee or Officer of the Authority of any enactment or rule of law or any code of practice or maladministration or injustice, to prepare a report to the Authority which in the first instance shall go to the Standards Committee.

Schedule 5 of the [Local Government Act 2000](#) amends Section 5 of the Local Government and Housing Act 1989 so that the Monitoring Officer may not be the Head of Paid Service.

It is the duty of the Monitoring Officer in preparing any report to the Standards Committee or to Council to consult so far as is practicable with the Section 151 Officer of the Authority.

11.3 Accounting and System Development

11.3.1 Accounting Procedures

All accounting procedures and records of the Council and its Officers shall be determined by the Head of Finance or nominated officer in consultation, where necessary, with the appropriate Head of Service concerned. Such procedures shall have regard to Section 151 of the Local Government Act 1972 and shall be in accordance with the Accounts and Audit Regulations for the time being in force and such other statutory provisions which affect the financial affairs of the whole Council or any specific service.

11.3.2 Responsibility of Head of Finance or Nominated officer

The Head of Finance or nominated officer shall be responsible for the compilation of the main accounting records (including the provision of centralised costing and stores accounting) for the Council.

The Head of Finance or nominated officer may from time to time issue written “financial instructions” dealing with detailed procedures to be followed in certain matters. Such instructions shall be issued after consultation with the Heads of Service affected.

The Head of Finance or nominated officer shall be responsible for the maintenance of a management information system, the General Ledger.

11.3.3 Allocation of Accounting Duties

The following principles shall be observed in the allocation of accounting duties by all employees or consultants engaged by the Council:

- The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
- Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

11.3.4 Consultation with Head of Finance or Nominated officer

The Head of Finance or nominated officer shall be consulted at feasibility study or initial outline specification stage (whichever is the earlier), and approve the final design or selection of any computer system likely to have an impact on corporate financial or finance - related systems, including accounting, payments, stocks, stores, payroll and income.

Notwithstanding consultation at the feasibility study stage, the Head of Finance or nominated officer shall also agree the final design of the proposed controls within any such system, prior to its production and implementation.

No feeder computer system shall be linked into any corporate financial system without prior consent or authority of the Head of Finance or nominated officer.

11.4 Internal Audit and Internal Control

11.4.1 Regulations

The Head of Finance or nominated officer shall in accordance with the Accounts and Audit Regulations 1996, arrange for a continuous and current internal audit of all activities of the Council.

11.4.2 Role of Internal Audit

Internal Audit will assist Heads of Service and Senior Managers in the effective discharge of their responsibilities by giving assurance on financial and management control systems, identifying weaknesses, giving advice on how to resolve financial and management problems and improve control, investigating suspected irregularities and by undertaking Value for Money (VFM) reviews and management studies.

11.4.3 Accounts and Audit Regulations required by the Secretary of State

Under Section 23 of the Local Government Finance Act 1982, the Accounts and Audit Regulations 1996, as amended by the Accounts and Audit (Amendment) (England) Regulations 2001, specify that any Officer or Member of the Council will, if the Section 151 Officer requires, make available documents of the Council which relate to their accounting. Other records, as appear to the Section 151 Officer necessary for the purpose of Internal Audit, will be supplied together with any such information and explanation as the Section 151 Officer considers necessary for that purpose.

11.4.4 Powers of Internal Audit Staff

The Head of Finance or nominated officer being the authorised Internal Audit staff are empowered to enter at reasonable times any premises or land and require employees to produce Council property and records under their control.

11.4.5 Role and Responsibilities of Internal Audit

Internal Auditors will at all times respect confidentiality.

Internal Audit will be carried out in accordance with the Code of Practice for Internal Audit in Local Government (as revised) issued by CIPFA.

On the conclusion of each internal audit review, Internal Audit will submit a report and recommendations (if any) to relevant Corporate Directors, the Head of Finance or nominated officer, Head of Service as appropriate and the Service Manager concerned. The Head of Service is responsible for agreeing an action plan to implement any recommendations. Corporate Directors and the Chief Executive will, through the performance management process, monitor progress on implementation of agreed recommendations.

Internal Audit will follow up implementation of recommendations. Recommendations will be followed up six months after the issue of the final audit report.

Internal Audit will report twice a year to Corporate Board, and the Governance and Audit Committee on the outcome of audit work and progress in implementing audit recommendations. Internal Audit will confirm whether the policies and procedures approved by the Council are in place and being maintained throughout the Council's operations.

The Chief Internal Auditor will produce an annual report for the Governance and Audit Committee that will give an opinion on the effectiveness on the Council's System of Internal Control.

11.4.6 Irregularities with Regard to Council Functions

Where matters arise which involve or are thought to involve irregularities (cash, stores, assets of the Authority or its clients) in connection with the functions of the Authority, the Corporate Director and Head of Service concerned must ensure that the Head of Finance or nominated officer is notified immediately. They must obtain advice from the Head of Finance or nominated officer regarding investigations to be conducted. Where there is a possibility of criminal proceedings any interviews should be conducted under guidance from the Head of Finance or the Chief Internal Auditor.

A decision to refer matters to the Police will be taken by the Head of Finance or nominated officer following consultation with the Head of Legal and Electoral Services, Human Resources or any other appropriate officer.

Internal Audit must report details of any financial irregularities to the next available meeting of Corporate Board. The Head of Finance or nominated officer will recommend whether a report is needed to the Governance and Audit Committee (and the Head of Finance or nominated officer in consultation with the Monitoring Officer will decide if a report is needed to the Standards Committee).

11.5 Treasury Management

11.5.1 Activities of Treasury Management

All Treasury Management activities will be carried out in accordance with the CIPFA "Revised Code of Practice for Treasury Management in Local Authorities 1996" and the "Treasury Policy Statement" as currently approved by the Council's Executive.

All money in the hands of the Council shall be aggregated for the purposes of Treasury Management.

11.5.2 Executive Decisions Involving Finance

All Executive decisions on borrowing, investment or financing is delegated to the Head of Finance or nominated officer who are required to act in accordance with CIPFA's Revised Code of Practice for Treasury Management in Local Authorities 1996 and the "Treasury Policy Statement" as currently approved by the Council's Executive.

11.6 Banking Arrangements

11.6.1 Arrangements with Council's Bankers

All arrangements with the Council's bankers must be made by or under arrangements approved by the Head of Finance or nominated officer, who is authorised to operate such banking accounts, including Girobank and Credit Card Company accounts and other electronic transactions as he/she may consider necessary. No other Officer has authority to open a bank account without prior specific written delegation of that authority by the Head of Finance or nominated officer.

11.6.2 Cheques

Cheques to be drawn on the Council's banking accounts will bear the facsimile signature of the Head of Finance or nominated officer or be signed by the Head of Finance or nominated officer or any other Officer authorised to do so and they will be crossed A/C Payee only.

All cheques, other than those drawn on authorised imprest accounts, shall be ordered only on the authority of the Head of Finance or nominated officer, who shall make proper arrangements for their safe custody.

11.7 Trust Funds and Private Funds

11.7.1 Responsibility of Officers

Officers administering any funds (Trust or Private) on behalf of others shall declare all such funds to the Head of Finance or nominated officer and shall deposit all securities etc., relating to such funds, with the Head of Finance or nominated officer unless the deeds otherwise provide.

11.7.2 Funds Held by Schools

All funds held by Schools shall be declared to the Board of Governors.

11.7.3 Funds Held on Behalf of Others

All funds held on behalf of others (Trust or Private) shall be subject to an annual audit, which shall be undertaken by a suitably qualified person. A copy of all audit

reports and the final accounts shall be made available, on request, to Internal Audit for information. In respect of Schools, the audit report and the findings shall be presented to their School Governors.

11.7.4 Value Added Tax

Officers who are responsible for the administration of Trust or Private funds shall be responsible for ensuring that all Value Added Tax is correctly accounted for, and shall have due regard to the treatment of Value Added Tax on donated funds (as detailed in Section 15 of the Finance Act 1972).

11.7.5 Investment

Officers shall be responsible for ensuring that Trust and Private Funds are appropriately invested for the benefit of the fund. Advice as to the most appropriate method of investment will be obtained from the Head of Finance or nominated officer.

11.7.6 Officer Involvement

Officers must declare an interest and absent themselves from any managerial involvement in any trusts or private funds from which they or their family could directly or indirectly benefit.

11.8 Financial Planning “Accounting” and the Budget Process

11.8.1 Financial Strategy

The Head of Finance or nominated officer shall prepare annually a financial strategy for the Council for a short (one year), and medium term (three to four year) period. This will be reported to Corporate Board and the Executive. It will set out the parameters for the budget build process for the coming year in the light of likely grant settlement, service pressures, available balances, and consultation with clients and partners of the Council. The Budget and Policy Framework will be approved by Council.

11.8.2 Asset Management Strategy

The Head of Property and Public Protection or nominated officer will produce and maintain an Asset Management Strategy to feed into the annual Capital Programme.

11.8.3 Capital and Revenue Budgets

The detailed form of Capital and Revenue budgets shall be determined by the Head of Finance or nominated officer consistent with the general directions of the Executive and after consultation with Corporate Board. The Budget and Policy Framework will be approved by Council.

11.8.4 Capital Programme

Heads of Service and their nominated budget holders, in consultation with the Head of Finance or nominated officer, shall jointly prepare for consideration by Corporate Board and the Executive, a draft Capital Programme and revenue income and expenditure budgets. These must be prepared in accordance with the policies and timescales determined by the Executive. The Budget and Policy Framework will be approved by Council.

11.8.5 Submission to Executive

Corporate Board and the Executive must consider the strategic effect of these estimates and programmes upon the Council's financial and other resources. After any necessary amendments they must be submitted by the Executive to the Council for approval within the required legislative timetable, and with a recommendation of the overall general fund budget requirement and the Council Tax to be levied for the coming financial year.

11.8.6 Approval of Estimates

The estimates, once approved by the Council shall become the Council's Revenue Budget and Capital Programme for the next financial year.

Approval of the annual estimates by the Council will confer authority on the Executive, Committees, Corporate Directors and Heads of Service of the Council to incur revenue expenditure so provided subject to compliance with the relevant provisions of the Contract Rules of Procedure.

11.9 Revenue Expenditure - Control

11.9.1 Budgetary Control

Corporate Directors and the Chief Executive must ensure, through the performance management scheme, that their Heads of Service are managing their budgets, including commitments, appropriately by requiring regular reports from their Heads of Service.

11.9.2 Role of Heads of Service

Budgets are allocated to Heads of Service to enable them to deliver services approved by Members through the relevant Service Plan. It is the responsibility of each Head of Service to ensure that the budgets for which they are responsible are used to deliver the Service Plan and are not overspent. Where budget pressures indicate that overspending may occur, then the Head of Service must apply the rules set out under cash limited budgets below.

Heads of Service are responsible for allocating responsibility for managing each cost centre within their service. They must inform the Head of Finance or nominated officer of the allocation and any changes as soon as they occur.

Heads of Service must ensure, through the Performance Management Scheme, that their managers who are budget holders are properly trained in budget management and apply adequate budgetary control through local commitment accounting by requiring regular reports from budget holders.

11.9.3 Unauthorised Overspend

The unauthorised overspend of a budget may lead to disciplinary action being taken against the budget holder. The unauthorised overspend overall by a service may lead to disciplinary action being taken against the Head of Service.

11.9.4 Monthly Statements

The Head of Finance or nominated officer will provide each Head of Service and each Budget Holder with monthly statements of receipts and payments under each cost centre. Budget Holders must provide the Head of Finance or nominated officer

with written confirmation each month that this information is correct, as this information forms the basis of reporting to Corporate Board and the Executive.

11.9.5 Cash Limited Budgets

Budgets are limited to the net annual budget for the relevant service. The Council maintains a general reserve which is to be used in exceptional circumstances where there is an uncontrollable overspend position at the end of the financial year. Therefore, Heads of Service must ensure that they and their budget holders do not overspend their service budgets.

Revenue Expenditure may not be incurred which cannot be met from the amount provided in the revenue budget under the Service for that Head of Service to which the expenditure would be charged.

The Head of Service can present overspend to the relevant Corporate Director who can consider whether the overspend can be contained within the overall service grouping. The Corporate Director and Head of Service will then report to Corporate Board for consideration and approval. Corporate Board need to take a view on what is a significant overspend in terms of the overall budget for the Council and anything which they consider significant should be reported to the Executive. Approval will only be given in exceptional circumstances. In all cases Contract Rules of Procedure must be complied with. The approval of the additional expenditure budget may include provision for the repayment of the overspend.

11.9.6 Exceeding Cost Centre Estimate

Heads of Service may authorise expenditure which would otherwise exceed the estimate for a cost centre, provided that the expenditure:

- can be met from savings or under spending on other cost centres within the same service with the exception of windfall increases in income or decreases in expenditure;
- will not constitute Capital Expenditure or result in:
 - (a) a change in the level of service provision; or
 - (b) a commitment to incur expenditure in future years; or
 - (c) a change in policy; or
 - (d) a breach of the Council's [Workforce](#) Strategy.
- is not a virement from a support service recharge code.
- is notified in the prescribed form to the Head of Finance or nominated officer who may if he/she considers that the expenditure is significant, require a report to be submitted to the Executive.

11.9.7 Carry Forward of Under and Overspends

Genuine provisions for liability as recognised by the CIPFA Code of Practice on Local Authority Accounting in the UK must be accounted for in accordance with this guidance. Where budget holders wish to carry forward any unspent monies into the next financial year, then they must provide a business case to the Head of Finance. These cases will be assessed against the relevant accounting guidance and the explanations provided in the case. The final decision for the carry forward of under spends is for the Head of Finance.

Overspends are not permitted to be carried forward; all known overspends where no action can take place to rebalance budgets should be corrected via service investments and approved by the Council when setting the next financial year's budget.

11.9.8 Coding of Expenditure and Income

All expenditure and income must be charged / credited to the cost centre and appropriate account code to which it relates. Miscoding expenditure / income distorts the Council's financial information and, therefore, may result in disciplinary action being taken against the Officer responsible.

The detailed form of Capital and Revenue budgets shall be determined by the Head of Finance or nominated officer consistent with the general directions of the Executive and after consultation with Corporate Board.

Journal transfers may only be made if they have been approved by the budget holder charged with the expenditure.

Budget holders may only charge expenditure against budgets for which they are responsible.

11.10 Capital Expenditure - Control

11.10.1 Council Approval of Capital Strategy and Programme

Council's approval of the Capital Budget – The Budget and Policy Framework constitutes authority for:

- expenditure to be incurred in the budget year and the schemes included for the budget year and for the previous years to the extent that provision has already been made;
- expenditure for advance site acquisition, design fees and other associated preliminary expenditure but only if an appropriate budget allocation has been approved in the relevant year within the Capital Strategy and Programme.

11.10.2 Variations to the Approved Capital Strategy and Programme

The Council's five year Capital Strategy and Programme, which forms an integral part of the Council's Budget and Policy Framework, is generally agreed in February or March by Council. Additional expenditure requests are seen as extraordinary and, with some limited exceptions, need to be approved by the Executive (see paragraph 11.10.4). Additional Invest to Save bids are considered in a different way (see paragraph 11.10.3). Moving funding for approved projects between years within the five year Capital Strategy and Programme is permitted under some circumstances (see paragraph 11.10.5). It is also permitted to vire funding between approved capital projects within the financial year.

11.10.3 Additional 'Invest to Save' Bids

As part of the Council's Efficiency Programme capital investment is often used to improve the efficiency of the Council's operations. Short to long term capital investment is therefore often made to deliver long term revenue savings. Proposals that involve 'investing to save' will generally be considered as part of the annual review of the Capital Strategy and Programme.

Where opportunities are identified in year to deliver revenue savings, these opportunities will be considered on their merits in the following manner.

- The relevant Head of Service will prepare a report, in consultation with the Section 151 Officer for consideration by Capital Strategy Group.
- If the report is endorsed by Capital Strategy Group and the relevant Portfolio Holder, the Head of Service will be able to activate the recommendations in the report and this decision will be authority for completion of any contractual documentation.
- If the proposal involves capital expenditure above £50,000 the Executive must consider and approve the proposal.
- No more than a total of £250,000 'Invest to Save' bids may be made in any one financial year beyond those already agreed by Council as part of the Capital Strategy and Programme, but excluding those bids requiring Executive approval.

11.10.4 Other Additional Expenditure Requests

Any other requests for additional capital expenditure (excluding items in paragraphs 11.10.3) outside the agreed Budget and Policy Framework will first be presented to Capital Strategy Group for consideration. If agreed they will be referred to Corporate Board and then to the Executive for approval.

11.10.5 Moving Expenditure Between Years within the Capital Strategy and Programme

- In general expenditure on capital schemes can only occur during the year for which approval was given by Council as part of the Capital Strategy and Programme.
- In exceptional circumstances and with the endorsement of the relevant Portfolio Holder (relevant Shadow Portfolio Member to be advised for information), following consideration by Capital Strategy Group, a scheme which has been approved in a later year(s) of the Capital Strategy and Programme may be brought forward, provided:
 - sound reasons for so doing are accepted by Capital Strategy Group or
 - future viability or delivery of the scheme is in question.
- No more than £250,000 of such schemes may be brought forward in any financial year.
- Approval of the scheme will be delegated to the relevant Corporate Director/Head of Service as Project Sponsor in consultation with the Section 151 Officer. The Corporate Director/Head of Service will have authority to enter into any contractual documentation relating to the scheme/project.

11.11 Contracts

11.11.1 Rules of Procedure

All Officers must adhere to the Council's Contract Rules of Procedure (see Part 12) relating to contracts and to these Financial Rules of Procedure before they enter into any contract.

11.12 Official Orders

Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies of public utility services, for periodical payments (rent + rates), petty cash purchases, or such exceptions as the Head of Finance or nominated Officer may approve. Orders must clearly state the quantity of the goods and nature of the work or services and whether covered by contract or an agreed price and discounts specified therein or an estimated value. No payment will be made to suppliers without a purchase order having been raised.

11.12.1 Raising a Purchase Requisition

The Head of Service shall nominate those Officers eligible to raise Purchase Requisitions on the Council's financial system. The Finance system converts the Purchase Requisition into a Purchase Order upon the approval of the Budget Holder or nominated Authorising Officer.

11.12.2 Placing an Order

Unless you have a budget an order cannot be placed. Placing an order commits the Council to spending the money.

All official orders for goods and services must be raised using the Council's Financial System. Exceptions to this requirement require written approval from the Head of Finance or nominated Officer.

The Council's Finance system will generate the appropriate commitment accounting record of outstanding orders. Verbal orders must not be made except as a matter of genuine urgency and must be confirmed immediately with a written order produced through the Council's Finance System.

Other than in cases of genuine emergency, No supplier shall be asked to provide goods or services before a purchase order has been issued to them.

11.12.3 Regular Periodic Payments

Any circumstances causing the cessation or variation of a regular periodical payment must be notified immediately to the Head of Benefits and Exchequer or nominated officer.

11.12.4 Approval of Order

The ability to raise a requisition for goods or services and the subsequent approval and creation of the Order must only be undertaken by Officers nominated by the Head of Service (11.9.2 refers). Nominations shall be notified in writing to the Head of Finance or nominated Officer.

Goods properly supplied or work done without an official order due to a genuine emergency must be covered as soon as possible by a confirmation order.

Whenever practicable the duties of requisitioning goods or services and the subsequent confirmation of their receipt (goods received note process) shall not be performed by the Officer authorising the Order.

Each Head of Service shall be responsible for all orders issued from their Service.

11.13 Goods Received Process

The Head of Service or Delegated Officer shall ensure that the Corporate Finance System is promptly updated when goods or services are received. Before completing the Goods Received Note process the verifying Officer shall, save to the extent that the Head of Finance or nominated Officer may otherwise determine, be satisfied:

- that the goods have been duly received examined and approved as being in accordance with the specification or match the official order and are satisfactory;
- that the works done or services rendered have been satisfactorily carried out and that, where applicable, the materials used were of the requisite standard;
- that the proper entries have been made in the inventories or stores records, where appropriate;
- that the Council's purchasing guidance has been followed.

11.14 Payment of Accounts

11.14.1 Payment of Invoices

It is the Council's policy to pay all invoices within 30 days of invoice date. It is therefore the responsibility of all staff to assist Central Payments Team in ensuring invoices can be processed for payment as soon as possible through full compliance with all the relevant financial procedures.

11.14.2 Other Payment Requests

Payment requests shall be prepared in accordance with the format determined by the Head of Finance or nominated Officer who if satisfied, shall process and pay in accordance with a timetable prepared by him/her.

11.14.3 Destination of Invoices

Invoices for payment must be sent in the first instance to the Exchequer Service's Central Payments Team. Such invoices must be made out by creditors themselves and must not be made out by any Officer of the Council.

11.14.4 Amendments and Deletions

Amendments to or deletions from an invoice must only be made in exceptional circumstances and must be authorised by the Head of Finance or nominated officer. Where changes are required they must be made in ink of a distinctive colour and initialled by, or on behalf of the Head of Service, and the reasons, if not obvious, briefly stated on the invoice. No alterations to a Value Added Tax invoice may be made but a new invoice or credit note must be sought from the supplier. To avoid the possibility of duplicate payments photocopies or faxes are not accepted as valid invoices except in emergencies.

11.14.5 Payment of Invoices

The Head of Finance or nominated officer shall pay all invoices and other payment requests which they are satisfied are in order, apart from petty cash imprest accounts or Local Bank Accounts.

The Head of Finance shall ensure that appropriate arrangements are in place for ensuring that invoices received in the Central Payments Team are matched against official orders. Payment of invoices shall only be made when:

- the ordering Service has confirmed that the goods have been duly received, examined and approved;
- the prices are in accordance with the order;
- the payment is in accordance with Council Policy and legally payable;
- the account is correct, and that VAT is properly accounted for where appropriate;
- the item has not been previously passed for payment and is a proper liability of the Council.

The normal method of payment of money due from the Council shall be by cheque, electronic transfer or other instrument drawn on the Council's bank account by the Head of Finance or nominated officer.

11.14.6 Examination of Accounts

The Head of Finance or nominated officer may at their discretion examine the verified accounts passed for payment, as to their compliance with the minutes and Council regulations, contracts, accepted tenders or other authorities and for this purpose shall be entitled to receive such information and explanation as may be required.

11.15 Local Bank Accounts - Imprest / Petty Cash Accounts

11.15.1 Imprest / Petty Cash Advances

The Head of Finance or nominated officer will provide imprests and petty cash advances, where appropriate, to Officers for the purpose of defraying expenses. A receipt shall be signed in respect of each advance by the Officer concerned, who shall be responsible for accounting for monies. A receipt should be signed in respect of sub - floats issued to Officers.

11.15.2 Changes to Officers

Any changes to Officers responsible must be immediately notified to the Head of Finance or nominated officer. An outgoing imprest holder must reconcile the imprest to the total amount held, whilst the incoming responsible Officer should satisfy themselves that all is in order before accepting responsibility for the imprest.

11.15.3 Disbursements

Vouchers for disbursements must be obtained, and attached to claims for reimbursement. Claims must be properly certified and forwarded for payment to the Head of Finance or nominated officer at specified intervals, normally not exceeding one month. Nil returns will be forwarded to the Head of Finance or nominated officer if no reimbursement is required.

11.15.4 Security of Cash

Heads of Service are responsible for ensuring that all cash is kept in a safe and secure place and that bank accounts are reconciled on a regular basis, not less

than monthly. A bank statement must be received at least monthly for all imprest bank accounts.

Heads of Service are advised for reasons of security that cash balances of greater than £250 should be kept in a bank account.

11.15.5 Use of Imprest Accounts

Imprest accounts can be used for amounts up to £250:

- to pay for local purchases by cheque at the time of collection or delivery;
- to secure discounts or take advantage of special offers;
- to reimburse staff who have purchased small value items directly;

All such payments must be supported by VAT invoices or receipts.

11.15.6 Use of Imprest Funds

Imprest funds must never be used to pay salaries, wages, or other employee expenses i.e., travel/subsistence and removal/relocation expenses, without the specific approval of the Head of Finance or nominated officer. Such payments may attract liability to Income Tax or National Insurance contributions and must therefore be made via the payroll system.

11.15.7 Examination of Local Bank Accounts

The Head of Finance or nominated officer may at their discretion examine and reconcile Local Bank Accounts and for this purpose shall be entitled to receive such information and explanation as may be required.

11.16 Income

11.16.1 Collection of Monies

The framework and regulation of the collection of all monies due to the Council shall be subject to the approval of the Head of Finance or nominated officer and shall comply with these Financial Rules of Procedure.

The Head of Finance or nominated officer's Head of Benefits and Exchequer or nominated officer shall be notified promptly of all monies due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council. The Head of Finance or nominated officer shall have the right to inspect any documents or other evidence in this connection as they may decide.

11.16.2 Invoicing for Sums Due

Each Head of Service shall establish procedures to ensure that invoices are raised on the Council's Finance System in respect of work done, goods supplied, services rendered and all other amounts due to the Council. These procedures must ensure that all invoices due are raised promptly in order to assist recovery of the debts.

11.16.3 Payment of Amounts Due

All accounts rendered in respect of amounts due to the Council shall contain a statement that payment must be made direct to the Head of Finance or nominated

officer and that cheques, money orders, and postal orders should be made payable to West Berkshire District Council.

All cheques, money orders and postal orders received in any Service Unit shall be crossed "West Berkshire District Council". Personal Cheques must not be cashed out of the money held on behalf of the Council.

11.16.4 Introduction of New Electronic Payment Facility

The Head of Finance or nominated officer shall be consulted at an early stage on any proposals to introduce a new electronic payment facility. No such facility shall go live without the specific authorisation of the Head of Finance or nominated officer.

11.16.5 Payments made to Service Units

Each Head of Service shall be responsible for the prompt collection of such cash income as may be due to the Council from activities within their service area and must make proper arrangements for receipting, holding and banking of this income.

11.16.6 Change Money

The Head of Finance or nominated officer shall advance such sums as they may deem necessary to each collecting Officer for the purpose of change money, and the existence of the sums shall be verified periodically.

11.16.7 Payment into Council Account

All monies received by an Officer on behalf of the Council shall, without delay, be paid to the Head of Finance or nominated officer. No deduction may be made from such money save to the extent that the Head of Finance or nominated officer may specifically authorise.

Officers who bank money shall enter on the paying in slip and on the reverse of each cheque a reference to the related debt (receipt number or the name of the debtor) or otherwise indicate the origin of the cheque. The name of the originating Service/Section shall be recorded on the paying in slip.

11.16.8 Issue of Receipts

Every sum received by a cashier or other Officer of the Council shall be immediately acknowledged by the issue of an official receipt, ticket or voucher except in the case of cheques other arrangements may only be established with the express approval of the Head of Finance or nominated officer.

All official receipts, tickets, books and other cash tokens shall, except by special arrangements approved by the Head of Finance, be controlled and issued to Service Units by the Head of Finance or nominated officer, who shall keep a register of their receipt and issue. Departments shall keep proper records of the issue and use of all receipts, tickets and cash tokens.

11.16.9 Recording Receipt of Monies

Each Officer who receives monies on behalf of the Council, or for which they are accountable to the Council, shall keep records in a form approved by the Head of Finance or nominated officer.

11.16.10 Transfer of Monies

Every transfer of official money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving Officer.

11.17 Write-Offs - Income

11.17.1 Discharge of Debts

No debt due to the Council, after it has been correctly established, shall be discharged otherwise than by payment in full or by the writing-off of the debt or the unpaid portion of it, on the authority of the Head of Finance or nominated officer where:

- either:
 - (a) the debt is not enforceable or that attempted recovery is likely to involve expensive litigation with limited hope of success; or
 - (b) the cost of recovery would be disproportionate to the amount involved;
- the debt does not exceed £10,000 or in cases of bankruptcy or liquidation the full amount;
- Housing rent does not exceed £10,000.

11.17.2 Written-off Debts

Any debt written off in accordance with Rule 11.17.1 above shall be properly recorded on the Council's Financial System.

All other debts may only be written off following approval by the Executive.

Written off debts will be charged back to the originating budget.

Budget Holders will be provided with details of those debts where write off is appropriate. Such details are to include information on recovery action already taken.

In exceptional circumstances Corporate Board may recommend to the Executive that a debt should not be written off to the service budget but will be written off corporately.

11.18 Charging for Services

11.18.1 Review of Service Charges

All Heads of Service shall review their charges for services at least annually with the object of ensuring that the income is increased by not less than the rate of inflation experienced by that service. Such review must be carried out as part of the Council's budget build process (the timetable for this is published each year).

11.18.2 Unmet Estimates

Where it appears that income targets as set out in the Council's estimates will not be met then the Head of Service shall either meet the shortfall from within the service budgets or apply for an additional expenditure budget.

11.19 Salaries and Wages

11.19.1 Responsibility for Payments to Employees

The Head of Benefits and Exchequer or nominated officer shall be responsible for making arrangements for the payment of all salaries, wages, pensions, compensation and other payments to all current and former employees of the Council.

11.19.2 Notification of Relevant Matters

Heads of Service shall notify the Head of Benefits and Exchequer or nominated officer and the Head of Human Resources as soon as possible and in the approved form, of all matters affecting the payment of salaries and wages, and in particular:

- appointments, resignations, dismissals, suspensions, secondments and transfers;
- absences from duty for sickness or other reason apart from approved leave, changes in remuneration, other than normal increments and pay awards and agreements of general application;
- information necessary to maintain records for compliance with Inland Revenue reporting on benefits provided to staff.

11.19.3 Appointment of Employees

Appointments of all employees shall be made in accordance with the regulations of the Council and the approved grades and rates of pay.

11.19.4 Externally Funded Posts

Before confirming an appointment to a fixed term contract, the recruiting manager must seek advice from HR to ensure the funding source from which the post is being funded is sufficient to cover the exit costs liability in the event of non renewal by reason of redundancy. The Council must not become liable to pay redundancy payments arising from externally funded appointments unless the post is essential and the Corporate Director and Portfolio Holder have confirmed that the directorate has the monies to cover the exit costs liability.

11.19.5 Timesheets & Overtime Claims

The Head of Service, or other authorised Officer, shall be responsible for the authorisation of all staff timesheets and overtime claims.

11.20 Travelling and Subsistence

11.20.1 Claims for Payment

All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be made in a form approved by the Head of Finance or nominated officer and shall be submitted to the payroll section, duly authorised.

The Head of Benefits and Exchequer or nominated officer shall make payments in accordance with Statute, Regulations, Schemes and Conditions of Service and any resolutions of the Council.

The authorisation by or on behalf of the Head of Service shall be taken to mean that the authorising Officer is satisfied that the journeys were authorised, the expenses

properly and necessarily incurred, the most economical method of travelling was undertaken and that the allowances are properly payable by the Council.

Officer's claims should be submitted promptly at the end of each month in which the journeys were made or the expenses incurred. The Head of Finance or nominated officer may refuse to make payment of claims over 3 month old.

11.21 Members Allowances

11.21.1 Submission of Claims

Members are encouraged to submit all claims relating to travelling, subsistence and other appropriate expenses in writing and in arrears within two months of the date of the meeting in respect of which the entitlement to the allowance arises and must be received for processing by the Members' Services Officer by the 5th of each month. Claims do not need to be submitted for allowances that are paid automatically.

11.21.2 Payments

The Head of Finance or nominated officer shall make arrangements for the monthly payment to Members of the Council who are entitled to claim travelling or other allowances, as per the Rules in Part 15 of this Constitution, upon receipt of the prescribed form duly completed and certified.

The certification by or on behalf of the Head of Policy and Communication shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and the allowances are properly payable by the Council.

11.22 Inventories

11.22.1 Preparation of Inventories

Inventories in a form approved by the Head of Finance or nominated officer shall be prepared and kept up to date by each Head of Service for all moveable plant, machinery, or items which are considered to be portable and desirable belonging to the Council.

Inventories should be updated in a timely fashion to reflect acquisitions or disposals.

11.22.2 Checking and Maintaining of Inventories

The Head of Finance or nominated officer shall be entitled to check stores and equipment and be supplied with such information relating to the accounting, costing and financial records of the Council.

Heads of Service shall arrange in respect of their inventories for an annual check. The Head of Finance or nominated officer may arrange for a member of their staff to be present at the checking.

Where possible the roles of maintaining the inventory and checking the inventory for completeness and accuracy should be undertaken by two separate Officers.

11.22.3 Inclusion in Inventories

All items belonging to the Council which are required to be included on the inventory shall be marked as the property of the Council.

11.22.4 IT Equipment

The Head of ICT or nominated officer shall be responsible for maintaining the inventory of all IT equipment, hardware and software.

11.23 Stocks / Stores

11.23.1 Responsibility for Stocks

Each Head of Service shall ensure:-

- the proper custody of their stocks and stores in their Service Unit and shall ensure that they are subject to an effective system of stock recording and control;
- that stores are held in reasonable quantities and that consideration has been given to turnover, value, delivery quantities and delivery periods;
- that practicable steps are taken to ensure that a delivery note is submitted by a supplier for every delivery at the time of delivery;
- as soon as practicable after the delivery has been made that goods are checked to ensure that the correct quantity has been delivered and that they meet the appropriate quality standard;
- that no articles or goods are removed from stock without proper authority;
- that stocktakes are carried out in accordance with the procedures laid down by the Head of Finance or nominated officer;
- that an annual review of stocks held is undertaken with a view to reducing the number of slow moving items and disposing of obsolete stock items;
- that obsolete or other stocks no longer required for the purpose acquired are disposed of under arrangements approved by the Head of Finance or nominated officer;
- that accounts and records are maintained in connection with the receipt and issue of stores in such form and timetable as the Head of Finance or nominated officer may approve after consultation with Corporate Board;
- that on the 31st March each year the value of stocks held is certified and reported to the Head of Finance or nominated officer.

11.23.2 Surplus or Deficiency

Where any surplus or deficiency is revealed in excess of £5,000 in any item of stock the Chief Internal Auditor shall be advised. A report shall be presented to Corporate Board in order that authority to write off deficiencies or bring surpluses into charge may be obtained. The appropriate form should be completed for any deficiency and sent to the nominated officer responsible for Risk Management.

11.23.3 Checking of Stock

The Head of Finance or nominated officer is entitled to check stores and be supplied with any information relating to the accounting, costing, and financial records of the Council.

11.24 Disposal of Surplus or Obsolete Goods, Plant and Stocks

11.24.1 Authorisation for Disposal

Surplus or obsolete goods or plant, whether held in store, on inventories or otherwise up to the value of £2,000 per item or group of like items, must not be disposed of either by sale or destruction except upon the authorisation of the appropriate Corporate Director of the Service Unit concerned. Where the value is between £2,001 and £10,000 the authorisation of the Head of Finance or nominated officer must also be obtained. Where the value exceeds £10,000, sanction by Corporate Board must be obtained.

In relation to inventory items (eg IT equipment etc) all items surplus to requirements should, in the first instance, be offered to other Council departments, schools etc prior to being disposed of.

11.24.2 Sale of Stock

Sale must be effected by public tender except when, in the opinion of the appropriate Corporate Director of the Service Unit concerned and the Head of Finance or nominated officer, the financial interest of the Council is better served by disposal by any other means. This could be by public auction.

11.24.3 Recording Disposal

A record of each disposal should be maintained (i.e. the approval, the price obtained and if appropriate the alternative method of disposal used). Inventories or stock records should be up-dated in a timely fashion to reflect the disposal.

11.24.4 Income from Disposal

Income from disposals shall be credited to the holding service unit.

11.24.5 VAT

Value Added Tax shall be accounted for on the sale proceeds if appropriate and the amount identified when banking the income. The Head of Finance or nominated officer should be contacted if clarification of the VAT position is required.

11.25 Insurance

11.25.1 Responsibility for Insurance

The Head of Finance or nominated officer is responsible for the arrangement of risk funding on advice from the Chief Internal Auditor. The administration and resolution of all losses is the responsibility of the nominated officer in consultation with other Officers where necessary by reporting to the Head of Finance or nominated officer.

11.25.2 Record of Insurances

The Head of Finance will keep a permanent record of all insurances, risks covered, premiums paid and of all self-funded risks and losses paid. This includes third parties arranging insurance where the Council has an insurable interest. Documents to be permanently retained must include policy schedules and all liability insurance certificates for every period of insurance. Such responsibilities may be delegated to the nominated officer.

11.25.3 Incident / Accident Reporting

Every event with the potential to give rise to a financial loss, or involving injury to a member of staff or client of the Council, must be reported via Webrisk (the Council's incident reporting system). It is the responsibility of the Head of Service to ensure that there are nominated staff trained to input information on Webrisk.

Any serious incidents covered by Reporting of Injuries, Diseases or Dangerous Occurrences Regulations (RIDDOR) will be automatically reported to the Health and Safety Executive, once input onto the Webrisk System by nominated staff.

11.25.4 Review of Risk Financing Arrangements

The Head of Finance or nominated officer and the Chief Internal Auditor shall annually review the Council's risk financing arrangements and look at adequacy of provision in the light of changes in the environment including new legislation, imposed or contractual responsibilities, legal precedent, newly identified and quantified risks, or other concerns identified.

11.25.5 Consultation

Before any indemnity requested from the Council is provided, the Head of Service responsible shall obtain written agreement from the Head of Finance or the nominated officer. Generally Heads of Service should not allow burdens or responsibilities to be imposed on the Council through contract that would not otherwise be imposed by common law or statute.

11.25.6 Hiring of Professional Services

Heads of Service must provide, on a quarterly basis, to the Head of Finance full details of all professional services hired or sold to others and the estimated fee income for the twelve month period ahead. The Head of Finance and the nominated officer will ensure that appropriate professional indemnity insurance is in place for the exposure notified.

11.26 Security

11.26.1 Responsibility for Security

All Heads of Services are responsible for maintaining proper security at all times for all information, buildings, stocks, stores, furniture, equipment and cash under their control and shall consult via the Head of Service chairing the Security Group or nominated officer (such as the Information Security Officer or Facilities Manager) where they consider security is thought to be defective or where they consider special arrangements are needed.

Appropriate security controls for all assets shall be identified by the risk assessment process and by referring to security standards and procedures. Arrangements shall be agreed as above.

Maximum limits for cash holdings shall be identified by the risk assessment process and agreed with the Head of Finance or nominated officer and shall not be exceeded without permission.

Key holders for safes and similar security receptacles are to be agreed by each Head of Service in conjunction with the Head of Finance or nominated officer. The

loss of keys shall be reported immediately using the security incident reporting procedures.

11.26.2 Data Protection Legislation

Each Head of Service in conjunction with the Head of ICT, and in consultation with the Data Controller, will ensure that all computer systems and written records in their Service Units which store sensitive personal data are operated in accordance with the Council's Data Protection Policy, Data Protection legislation, and that proper security and confidentiality is maintained.

11.27 Estates

11.27.1 Responsibility of Head of Service

The Head of Property and Public Protection or nominated officer will maintain a terrier of all land and properties owned by the Council recording the purpose for which the property is held, the location, extent and plan references, purchase details where available, details of interest and rents payable and particulars of tenancies of other interests granted.

11.27.2 Custody of Deeds

The Head of Legal and Electoral Services has custody of all title deeds under secure arrangements.

11.27.3 Valuation of Assets

The Head of Property and Public Protection or nominated officer shall ensure that all assets are valued (reinstatement and open market valuation) for capital accounting purposes in accordance with the latest CIPFA code.

11.27.4 Notification of Purchase or Disposal

Any purchases or disposals of property for which responsibilities are assumed under any contract must be notified to the Head of Finance or nominated officer. Additionally the nominated officer responsible for Risk Management must be notified to ensure that the Council's databases are fully up to date and accurate.

11.27.5 Register of Assets

The Head of Property and Public Protection or nominated officer is responsible for maintaining an up to date asset register and an asset management plan.

The Head of Property and Public Protection or nominated officer must notify all changes to the asset register to the nominated officer responsible for Risk Management for updating of the risk management database.