

Notice of Meeting

Governance and Audit Committee

Monday, 24th November, 2014 at 5.00 pm
in Committee Room 1 Council Offices
Market Street Newbury

Date of despatch of Agenda: Friday, 14 November 2014

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Andy Day / Moira Fraser on (01635) 519459 / (01635) 51904

e-mail: aday@westberks.gov.uk / mfraser@westberks.gov.uk

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Agenda - Governance and Audit Committee to be held on Monday, 24 November 2014
(continued)

To: Councillors Paul Bryant, Sheila Ellison, Tony Linden, Geoff Mayes and Julian Swift-Hook (Vice-Chairman)

Substitutes: Councillors Gwen Mason and Tony Vickers

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 1 September 2014.	1 - 6
3. Declarations of Interest To remind Members of the need to record the existence and nature of any Personal, Disclosable Pecuniary or other interests in items on the agenda, in accordance with the Members' Code of Conduct .	
4. Changes to the Constitution - Parts 9 Budget and Policy Framework, 10 Finance Rules of Procedure and 12 Personnel Rules of Procedure (C2887) <i>Purpose: To review and amend Parts 9 (Budget and Policy Framework), 10 (Finance Rules of Procedure) and 12 (Personnel Rules of Procedure) in light of legislative changes, policy changes and recent government guidance.</i>	7 - 64

Andy Day
Head of Strategic Support

If you require this information in a different format or translation, please contact Moira Fraser on telephone (01635) 519045.

DRAFT

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, 1 SEPTEMBER 2014

Councillors Present: Peter Argyle, Brian Bedwell, Paul Bryant, Sheila Ellison, Tony Linden, Geoff Mayes, Julian Swift-Hook (Vice-Chairman) and Quentin Webb (Chairman)

Also Present: Andy Day (Head of Strategic Support), Alex O'Connor (Assistant Community Safety Officer), Ian Priestley (Chief Internal Auditor) and Andy Walker (Head of Finance), Ian Pennington (KPMG)

PART I

4. Minutes

The Minutes of the meeting held on 28th April 2014 and 15th May 2014 were approved as a true and correct record and signed by the Chairman.

5. Declarations of Interest

There were no declarations of interest received.

6. KPMG Opinion (ISA 260)

The Council's Auditors, KPMG, were required by the Auditing Standards to obtain appropriate representations from Management before their audit report was issued. In a local government context it was appropriate for these representations to be discussed and agreed by the Governance and Audit Committee.

A copy of the proposed representation letter from the Council had been included in the agenda pack and expressed an opinion as to whether the financial statements gave a fair view of the financial position of the Council as at the end of March 2014 and of the Authority's expenditure and income for that year.

Ian Pennington (KPMG) was present. In introducing the item, Ian Pennington reported that this item was intrinsically linked with the Council's Financial Statements 2013/14. In accordance with the Accounts and Audit Regulations, the Governance and Audit Committee were being asked to consider approving the Council's financial statements after hearing the external auditor's opinion. KPMG's audit had been undertaken between July and September of this year.

Ian Pennington reported that KPMG had concluded that their audit opinion was unqualified, which was good news for the Council. The Committee was informed that some areas of governance and risk might need to be reviewed particularly in relation to the following:

- (i) Agresso upgrade
- (ii) Finance Team resilience

Ian Pennington reported that he considered that the Council should review the "ownership" of the corporate risk register. At the present time this was owned by the Chief Internal Auditor. This could be perceived to be a conflict of interest. The issue of

GOVERNANCE AND AUDIT COMMITTEE - 1 SEPTEMBER 2014 - MINUTES

the recruitment and retention of staff in Children's Services should also be included on the corporate risk register.

Members thanked KPMG for the clear report and thanked Officers and KPMG for the work they had carried out in undertaking the audit.

RESOLVED that the Governance and Audit Committee noted and welcomed the representation letter as tabled at the meeting on 1st September 2014.

7. West Berkshire Council Financial Statements 2013/14

Andy Walker provided Members with the final copy of the Council's Financial Statements for 2013-14 which Members were required to approve in order for the audit to be finalised and the accounts to be closed for the 2013-14 financial year.

The s151 Officer had approved the draft Financial Statements in June 2014 and these had been published online. KPMG had completed their audit over the Summer and had issued an unqualified opinion of the Financial Statements. The Council, delegated to the Governance and Audit Committee, was required to approve the financial statements by the statutory deadline of 30th September 2014.

RESOLVED that the Financial Statements and KPMG's Governance report be approved.

8. Annual Internal Audit Report 2013/14 (GA2863)

Ian Priestley provided the Governance and Audit Committee with an opinion from the Chief Internal Auditor on the Council's internal control framework which provided evidence to support the Council's Annual Governance Statement by setting out the results of the work Internal Audit had undertaken over the last year. The report built on the interim report which had been made to the Committee earlier in the year.

The report highlighted the fact that no fundamental weaknesses had been identified during the year and that where weaknesses had been identified then management action had been taken to remedy them. It was therefore considered that the Council's internal control framework remained robust.

RESOLVED that the report be noted.

9. Annual Governance Statement 2013-14 (GA2868)

Ian Priestley presented the Annual Governance Statement for the Council for 2013-14 which was designed to provide stakeholders of the Council with assurance that the Council had operated within the law and that the Council had met the requirements of the Accounts and Audit Regulations.

No areas of concern, in terms of the Council's governance arrangements, were noted in 2013-14 and it was felt that the Council had effective governance arrangements in place which were kept under constant review. In relation to the summary returns made by the respective Heads of Service, Ian Pennington reported that he would expect all returns to be made prior to the accounts being signed off.

RESOLVED that:

- The Annual Governance Statement for 2013/14 be approved;
- That to enable the 2013/14 accounts to be signed off by KPMG all outstanding Heads of Service returns needed to be made.

10. Annual Governance Statement-Statement in Support by the Section 151 Officer (GA2869)

Andy Walker presented a report which provided evidence and independent verification of governance matters which might impact on the Annual Governance Statement from the viewpoint of the Section 151 Officer.

As part of the Annual Governance Statement, CIPFA guidance recommended that the Section 151 Officer should provide “a key source of assurance that the Council’s systems and procedure of internal control which were in operation were effective, efficient and being complied with”. The Section 151 Officer should ensure that all parts of the Council acted in accordance with the budgetary and policy requirements in connection with the setting of the budget and financial administration standards within the Council.

The Section 151 Officer’s assessment was that all parts of the Council had acted in accordance with the budgetary and policy requirements in connection with the setting of the budget and met financial administration standards as set out in legislation. There had been no formal reports required by the Section 151 Officer to Council under the relevant legislation.

RESOLVED that the report be noted.

11. Annual Governance Statement-Statement in Support by the Monitoring Officer (GA2870)

Andy Day presented a report which provided evidence and independent verification of governance matters which might impact on the Annual Governance Statement from the viewpoint of the Monitoring Officer.

As part of the Annual Governance Statement, CIPFA guidance recommended that the Section 151 Officer and Monitoring Officer should provide “a key source of assurance that the Council’s systems and procedure of internal control which were in operation were effective, efficient and being complied with”. The Monitoring Officer looked at the legality of actions by bodies within the Council as part of duties under Section 5 of the Local Government and Housing Act 1989.

The Monitoring Officer’s view of the Council’s governance arrangements were that they were robust and effective. There had been no necessity to report formally to Council under Section 5 of the 1989 Act. Ethical matters were managed by the Standards Committee.

RESOLVED that the report was noted.

12. Amendment to the Constitution-Part 7 Speaking Rights at Planning Meetings (C2859)

Andy Day presented a report which proposed an amendment to speaking rights for Ward Members that were Members of a Planning Committee at Planning Committee meetings.

At a recent Planning Policy Task Group meeting Members had requested that consideration be given to amending Part 7 of the Constitution, Regulatory and Other Committees Rules of Procedure (paragraph 7.13.4) which dealt with the time allowed in respect of speaking rights at Planning Committee meetings. The Portfolio Holder for Planning had also request that the current situation be reviewed.

Currently Ward Members who were not Members of the Planning Committee were permitted five minutes to speak, which was the same as all other speakers. However, Ward Members who were also members of a Planning Committee did not have any such

GOVERNANCE AND AUDIT COMMITTEE - 1 SEPTEMBER 2014 - MINUTES

time constraint. It was therefore proposed that Ward Members, who were Planning Committee Members, should have the same five minute allocation to speak on any application within their Ward. This amendment would not impact on their ability to take part in the debate on the application or to make further comment during the ensuing debate. Where there were two or more Ward Members they too would be required to share the five minute speaking time unless one of the Ward Members wished to speak in support of the application and one Ward Member wished to object to it. In that case each of the Ward Members would have five minutes each to speak.

RESOLVED that the Council be recommended to approve the proposed amendments (as set out in the report) to Paragraph 7.13.4 of the Regulatory and Other Committees Rules of Procedure.

13. **Anti Social Behaviour, Crime and Policing Act 2014 (C2886)**

Alex O'Connor appraised Members of the Anti-Social Behaviour, Crime and Policing Act 2014 in relation to changes required to be made to the Council's Scheme of Delegation.

The Anti-Social Behaviour, Crime and Policing Act 2014 had received Royal Assent on 13th March 2014 and proposed a number of reforms to existing legislation which put the victim at the heart of the response to anti-social behaviour and provided professionals with greater flexibility to deal with any given situation.

The reforms set out in Parts 1-6 of the Act were intended to ensure that professionals from a number of agencies dealing with a variety of anti-social behaviours had effective powers which were quick, practical and easy to use in order to provide better protection to victims and communities whilst acting as a deterrent to perpetrators.

19 existing powers were to be replaced with 6 simpler and more flexible ones but their implementation would require effective and co-ordinated consideration by all the agencies involved. In adopting the powers it would be necessary to amend the Council's Scheme of Delegation (Part 3 of the Council's Constitution) and to be aware of the additional pressures which could be placed on some services. However, it should be noted that this Council would always seek restorative solutions to issues and would only use these powers as a last resort.

RESOLVED that in accordance with the Anti Social Behaviour, Crime and Policing Act 2014, the Council be recommended to amend the Council's Scheme of Delegation as set out below:

- (i) That the Head of Culture and Environmental Protection, in consultation with the Head of Legal Services, be given delegated authority to serve Community Protection Notices in accordance with Part 4 of the Anti Social Behaviour, Crime and Policing Act 2014.
- (ii) That the Council also delegate the serving of Community Protection Notices to Registered Social Landlords in accordance with Part 4 of the Anti Social Behaviour, Crime and Policing Act 2014.
- (iii) That the Council also delegate the serving of Community Protection Notices and Fixed Penalty Notices in the event of a breach to Police Community Support Officers in accordance with Part 4 of the Anti Social Behaviour, Crime and Policing Act 2014.
- (iv) That the Head of Legal Services, in consultation with the Head of Care Commissioning, Safeguarding and Housing, be given delegation authority to seek

GOVERNANCE AND AUDIT COMMITTEE - 1 SEPTEMBER 2014 - MINUTES

a Civil Injunction in accordance with Part 1 of the Anti Social Behaviour, Crime and Policing Act 2014.

- (v) That the Head of Strategic Support, in consultation with the Head of Legal Services, be given delegated authority to make a PSPO in accordance with Chapter 2 of the Anti-Social Behaviour, Crime and Policing Act 2014.
- (vi) That the Council's partners (Neighbourhood Wardens, Street Rangers etc) be approached to ascertain whether they intend to use the PSPO powers.
- (vii) That the Head of Legal Services or his nominee, in consultation with the Head of Strategic Support, be granted delegated authority to issue an Closure Notice and apply for a Closure Order in accordance with Chapter 3 of the Anti-Social Behaviour, Crime and Policing Act 2014.

(The meeting commenced at 5.00 pm and closed at 6.15 pm)

CHAIRMAN

Date of Signature

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Title of Report:	Changes to the Constitution - Parts 9 (Budget and Policy Framework), 10 (Finance Rules of Procedure) and 12 (Personnel Rules of Procedure)
Report to be considered by:	Council
Date of Meeting:	11 December 2014
Forward Plan Ref:	C2887

Purpose of Report: To review and amend Parts 9 (Budget and Policy Framework), 10 (Finance Rules of Procedure) and 12 (Personnel Rules of Procedure) in light of legislative changes, policy changes and recent government guidance.

Recommended Action:

1. To consider the amendments and any additional changes required and recommend them to Full Council for approval.
2. To agree that the changes will come into effect on the 12 December 2014.

Reason for decision to be taken: To ensure that the Council has adjusted the scheme in light of legislative and policy changes.

Other options considered: Not to agree the changes

Key background documentation: None

The proposals will also help achieve the following Council Strategy principles:

- CSP7 - Empowering people and communities**
- CSP8 - Doing what's important well**

The proposals contained in this report will help to achieve the above Council Strategy principles by:
Ensuring that the Constitution is up to date

Member Details	
Name & Telephone No.:	Councillor Quentin Webb
E-mail Address:	qwebb@westberks.gov.uk
Date Portfolio Member agreed report:	

Contact Officer Details	
Name:	David Holling/Andy Walker
Job Title:	Monitoring Officer/S151 Officer
Tel. No.:	01635 519422/ 01635 519433
E-mail Address:	dholling@westberks.gov.uk

Implications

Policy:	Will require changes to Parts 9,10 and 12 of the Constitution
Financial:	None – will be undertaken within existing resources.
Personnel:	None
Legal/Procurement:	Will require the Constitution to be updated
Property:	None
Risk Management:	None

Is this item relevant to equality?	Please tick relevant boxes	Yes	No
Does the policy affect service users, employees or the wider community and:			
• Is it likely to affect people with particular protected characteristics differently?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Is it a major policy, significantly affecting how functions are delivered?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Will the policy have a significant impact on how other organisations operate in terms of equality?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Does the policy relate to functions that engagement has identified as being important to people with particular protected characteristics?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Does the policy relate to an area with known inequalities?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Outcome (Where one or more 'Yes' boxes are ticked, the item is relevant to equality)			
Relevant to equality - Complete an EIA available at www.westberks.gov.uk/eia			<input type="checkbox"/>
Not relevant to equality			<input checked="" type="checkbox"/>

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 Management Commission or associated Task Groups within preceding six months		<input type="checkbox"/>
Item is Urgent Key Decision		<input type="checkbox"/>
Report is to note only		<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 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. This report proposes amendments to Parts 9 (Budget and Policy Framework), 10 (Finance Rules of Procedure) and 12 (Personnel Rules of Procedure) in light of legislative changes, policy changes and recent government guidance.

2. Part 9 Budget and Policy Framework

- 2.1 The following minor changes have been made to the document by the Finance and Governance Group:

- Inclusion of cross referencing to other Paragraphs and Parts of the Council
- The former paragraph 9.4.4 on Virements has been transferred to Part 10 of the Constitution in order to be considered more easily in relation to other Financial Procedures.

3. Part 10 Finance Rules of Procedure

- 3.1 The following minor changes have been made to the document by the Finance and Governance Group

- Inclusion of cross referencing to other Paragraphs and Parts of the Council;
- Removal of duplication in relation to matters such as Unauthorised Overspend, Powers of the Monitoring Officer and Members' Allowances;
- Correction of references to Legislation e.g. Local Government Finance Act 1972;
- Replacing the term 'person having responsibility for the administration of the financial affairs of the Council' with s151 Officer.

- 3.2 The following additional changes have been made to the document by the Finance and Governance Group

- Paragraph 10.9.3 (Moving Budgets Between Cost Centres) has been transferred from Part 9 of the Constitution in order to be considered more easily in relation to other Financial Procedures;
- Paragraph 10.10.2 (Variations to the Approved Capital Strategy and Programme) has been inserted with a view to clarifying thresholds for amending or viring budgets within the Capital Programme;

- The Committee is asked to consider whether or not the limits set out in the tables are appropriate.

3.3 The formatting of the report will be corrected once all the tracked changes are agreed.

4. Part 12 Personnel Rules of Procedure

4.1 The following changes have been made to the document by Officers

- The Constitution has been updated to reflect the current Recruitment and Selection Policy;
- Amendment of the title of Group Executives.

5. Proposals

5.1 It is proposed that the Governance and Audit Committee recommends the amendments to Parts 9 (Budget and Policy Framework), 10 (Finance Rules of Procedure) and 12 (Personnel Rules of Procedure) to Governance and Audit and Full Council for approval.

6. Equalities Impact Assessment Outcomes

6.1 This item is not relevant to equality.

7. Conclusion

7.1 The report is a required update to take cognisance of legislative and policy changes. For the avoidance of doubt the changes will come into effect on the 12 December 2014 if approved.

Executive Report

1. Introduction

1.1 *

Appendices

*There are no Appendices to this report.

Appendix A - *

Appendix B - *

Consultees

Local Stakeholders: *

Officers Consulted: *

Trade Union: *

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Part 9

Budget and Policy Framework Rules of Procedure

Document Control

Document Ref:	WB/P&C/MF/2008-11	Date Created:	May 2007
Version:	3	Date Modified:	September 2012
Revision due			
Author:	Moirra Fraser – Democratic Services Manager		
Owning Service	Strategic Support		

Change History

Version	Date	Description	Change ID
1	May 2011	Renumbered as Part 9 (Previously Part 10)	9.2.2, 9.2.4, 9.2.5, 9.2.6, 9.2.7, 9.4.1, 9.4.4
2	April 2012	Changes to whole document as a consequence of the Senior Management Review	
3	27 Sept 2012 Council Meeting	Remove and amend sections around 9.2.5 to better clarify the wording; Changes to in-year budgets due to Central Government funding changes requiring a report to Executive - the £100k mark was removed as 1% of the budget is always over £1m, not £100k. This is amending an error in the original constitution.	



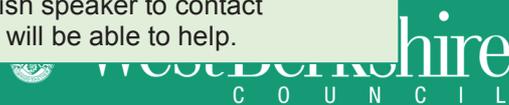
Version	Date	Description	Change ID
4.	<u>December 2014</u>	<u>Paragraphs 9.2.2, 9.2.4, 9.2.6, 9.3.1, 9.3.2, 9.4.2</u> <u>Paragraph 9.4.4. Virements moved to Part 10 of the Constitution</u>	

West Berkshire Council Constitution

Any Acts, Rules or Regulations mentioned in the text of this document can be accessed on the Office of Public Sector Information website at:

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

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9.1 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.

9.2 Process for Developing the Framework

9.2.1 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.

9.2.2 Role of the Overview and Scrutiny Management Commission

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 Sub-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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9.2.3 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.

9.2.4 Notification of Council Decisions

The Council's decision will be publicised in accordance with Part 4 (Council Rules of Procedure) 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 their nominated deputy formally objects in that period.

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9.2.5 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.

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 ([Council Rules of Procedure](#)) of this Constitution, and shall be implemented immediately.

9.2.6 Extent of Virement by Executive

In approving the Budget and Policy Framework, the Council will also specify the extent of virement [as set out in Part 10 \(Financial Rules of Procedure\)](#) within the Budget and degree of in-year changes to the Policy Framework which may be undertaken by the Executive. Any other changes to the Budget and Policy Framework are reserved to the Council.

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Deleted: in accordance with paragraphs 9.4.4 (Virement) and 9.4.5 of these Rules (In-Year Changes to Policy Framework).

9.3 Decisions Outside the Budget and Policy Framework

9.3.1 Scope

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 9.4.1 ([Basic Rules](#)) to 9.4.3 ([Report to Council](#)) below.

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9.3.2 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 Section 151 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 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 9.4 ([Urgent Decisions Outside the Budget and Policy Framework](#)) shall apply.

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9.4 Urgent Decisions Outside the Budget and Policy Framework

9.4.1 Basic Rules

The Executive, Committee(s) 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.

9.4.2 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 of Council, will be sufficient.

9.4.3 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.

9.4.4 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 Section 151 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.

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

9.5.1 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 section151 Officer or nominated Officer.

9.5.2 Reports to Executive

In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or Section 151 Officer or 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 Section 151 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 section 151 Officer or nominated Officer conclude that the decision was not a departure.

9.5.3 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 Section 151 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 Section 151 Officer or nominated Officer. The Council may either:

- 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 Section 151 Officer or nominated Officer.

Part 10

Financial Rules of Procedure

Document Control

Document Ref:	WB/P&C/MF/2008-11	Date Created:	May 2007
Version:	3	Date Modified:	April 2012
Revision due			
Author:	Moira Fraser – Democratic Services Manager		
Owning Service	Strategic Support		

Change History

Version	Date	Description	Change ID
1	May 2011	Changed to Part 10 (was Part 11) Nearly all paragraphs changed.	
2	April 2012	Changes to whole document as a consequence of the Senior Management Review	
3	27 Sept 2012 Council Meeting	Minor amendments on the roles and responsibilities of Heads of Service (section 10.2.9)	
4	11 December 2014	<u>Minor amendments to 10.1.2, 10.1.3, 10.1.4, 10.1.5, 10.1.8, 10.1.9, 10.1.10, 10.2.1, 10.2.2, 10.2.6, 10.3.1, 10.3.4, 10.4.1, 10.4.3, 10.4.5, 10.4.6, 10.5.2, 10.7.4, 10.8.4, 10.8.6, 10.10.3, 10.13.2, 10.13.4, 10.14.2, 10.17.2, 10.21.1</u> <u>Changes to 10.8.3 and 10.10.2</u>	



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10.1 Introduction

10.1.1 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.

10.1.2 Section 151 of the Local Government Act 1972

Section 151 of the Local Government 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.

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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.

10.1.3 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 setting 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.

10.1.4 Purpose of Financial Rules of Procedure

The purpose of these rules is therefore to set down in one document, for the benefit of Members, ~~Officers and the public~~, 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 ~~European Union Directives~~, in everyday matters.

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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.

10.1.5 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 Local Education Authority (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.
- Entering into finance leases; this is prohibited without the consideration and permission of the Head of Finance

10.1.6 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.

10.1.7 Scope 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.

10.1.8 **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.

10.1.9 **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 and the relevant implications section of the report template must be completed.

10.1.10 **Interpretation of Rules**

Any doubt as to the interpretation of these rules must, if unresolved after consultation with the S151 Officer in consultation with the Monitoring Officer, be referred to the Executive.

10.2 **The Legal Framework**

10.2.1 **Current Regulations**

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

- The Accounts and Audit Regulations 2011 – Section 5 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.

10.2.2 **Accounting Records - Section 5**

Section 5 of the Accounts and Audit Regulations 2011 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 2011.

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;

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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. ¶

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Deleted: <#>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.¶

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Deleted: <#>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.¶

- 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 an European Union Institution.

Section 5 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 5 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.

10.2.3 Accounting Regulations – Section 6

Section 6 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.

10.2.4 Review of the Systems of Internal Control – Section 4

Section 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.

10.2.5 Review of the System of Internal Audit – Section 6

Section 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.

10.2.6 Local Government Finance Act 1988 – Section 114

The s151 Officer 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.

Deleted: person having responsibility for the administration of the financial affairs of the Council

Under Section 114 of the [Local Government Finance Act 1988](#), the [s151 Officer](#) will make a report if it appears to [them](#) 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.

Deleted: person having responsibility for the administration of the financial affairs of the Council

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10.3 Accounting and System Development

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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.¶

<#>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.¶

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 Council to consult so far as is practicable with the Section 151 Officer of the Authority.¶

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10.3.1 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 [relevant legislation and guidance](#) for the time being in force and such other statutory provisions which affect the financial affairs of the whole Council or any specific service.

10.3.2 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 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.

10.3.3 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.

10.3.4 Consultation [with the Head of Finance on Financial Computing Systems](#)

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 [at the soonest opportunity whether that be the feasibility study stage or the initial outline specification stage](#).

10.4 Internal Audit and Internal Control

10.4.1 Regulations

The Head of Finance or nominated officer shall in accordance with the [Accounts and Audit Regulations](#) [for the time being in force and future](#)

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amendments, arrange for a continuous and current internal audit of all activities of the Council.

10.4.2 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.

10.4.3 Accounts and Audit Regulations required by the Secretary of State

Any Member or Officer will make available documents relating to financial or other records 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.

Deleted: Under Section 23 of the Local Government Finance Act 1982, the Accounts and Audit Regulations 2011,, specify that any Officer or Member of the Council will, if the Section 151 Officer requires,

10.4.4 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.

10.4.5 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 Portfolio Holders, 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 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.

10.4.6 **Financial Irregularities with Regard to Council Functions**

Where matters arise which involve or are thought to involve financial irregularities 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 Human Resources, the Head of Finance or the Chief Internal Auditor.

Deleted: (cash, stores, assets of the Authority or its clients)

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 Services, Head of Human Resources or any other appropriate officer.

Should any Member fail to disclose a Disclosable Pecuniary Interest and the matter was referred to the Monitoring Officer they shall refer such breach to the Police in accordance with the Code of Conduct and its underpinning procedures.

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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).

10.5 Treasury Management

10.5.1 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" (the 1996 Code) 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.

10.5.2 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 the '1996 Code' and the "Treasury Policy Statement" as currently approved by the Council's Executive.

Deleted: CIPFA's Revised Code of Practice for Treasury Management in Local Authorities 1996

10.6 Banking Arrangements

10.6.1 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 and other electronic transactions as they 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.

Deleted: , including Girobank and Credit Card Company accounts

10.6.2 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.

10.7 Trust Funds and Private Funds

10.7.1 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.

10.7.2 Funds Held by Schools

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

10.7.3 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.

10.7.4 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 Local Government Act 1972).

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10.7.5 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.

10.7.6 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.

10.8 Financial Planning “Accounting” and the Budget Process

10.8.1 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.

10.8.2 Asset Management Strategy

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

10.8.3 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.

10.8.4 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 alongside the 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, including the Capital Programme, will be approved by Council.

10.8.5 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.

10.8.6 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 for the next financial year subject to compliance with the relevant provisions of the Contract Rules of Procedure.

10.9 Revenue Expenditure - Control

10.9.1 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.

10.9.2 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.

10.9.3 Moving Budgets Between Cost Centres

The rules for moving budgets between revenue cost centres (virement) are shown in the table below.

Amount to be moved	Who can approve it?
Up to £100k within a directorate	Relevant Head of Service and Finance Manager
Up to £250k within a directorate	Corporate Director and Finance Manager
Over £250k and less than £500k within a directorate	Section 151 Officer in consultation with Portfolio Holder, reported to Executive
Over £500k within a directorate	Executive
Up to £100k between directorates	Relevant Corporate Directors and Finance Manager
Up to £250k between directorates	Section 151 Officer in consultation with Portfolio Holder, reported to Executive
Over £250k between directorates	Executive

The following transfers will not count as virement for these purposes:

- (a) Budget movements which occur as a result of year end procedures
- (b) Transfers of budgets when a whole service transfers from one directorate to another
- (c) Income and expenditure budgets related to additional grants not included in the Council's approved budget

- (d) Transfers arising from changes in legislation
- (e) Any support service recharges (allocation of overheads) for accounting purposes.

Any in year unplanned contributions from reserves will need to be reported to the Executive; those at year end are considered by the Governance and Audit Committee as part of approving the Council's financial statements. Financial Rules on use of funds in an emergency are set out in Part 10.1.6 (Emergency Situations) of this Constitution.

Any in-year amendments from central government to the Council's net budget of over / under 1% of the net budget approved by the Council will require the sign off of the Section 151 Officer in consultation with the Portfolio Holder for Finance , followed by a report to the Executive outlining the changes if they are over the 1%.

10.9.4 **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.

10.9.5 **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.

10.9.6 **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 Financial 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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10.9.7 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:
 - (f) a change in the level of service provision; or
 - (g) a commitment to incur expenditure in future years; or
 - (h) a change in policy; or
 - (i) 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 ~~they~~ consider that the expenditure is significant, require a report to be submitted to the Executive.

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10.9.8 Carry Forward of Under and Overspends

Genuine provisions for liability as recognised by the Code ~~in force~~ 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. These requests are to be considered by the Finance and Governance Group

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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.

10.9.9 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.

10.10 Capital Expenditure - Control

10.10.1 Council Approval of Capital Strategy and Programme

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

- Capital expenditure to be incurred in the budget year and for commitments to be made on capital schemes included for the budget year and for the previous years to the extent that provision has already been made;
- Expenditure to be incurred or commitments to be made 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.

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10.10.2 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 March by Council. Amendments to the approved Capital Programme may be made in the following ways:

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<u>Type of Amendment</u>	<u>Who can approve it</u>
<u>Virements (i.e. transfers of expenditure budgets between different cost centres)</u>	
<u>Up to £50k per cost centre per transaction within a service</u>	<u>Head of Service and Finance Manager</u>
<u>Up to £50k per cost centre per transaction across services within a Directorate</u>	<u>Corporate Director and Finance Manager</u>
<u>Up to £50k across Directorates and between £50k and £250k per cost centre per transaction</u>	<u>S151 Officer (or nominated officer) in consultation with the Portfolio Holder for Finance</u>
<u>Over £250k per cost centre per transaction</u>	<u>S151 Officer (or nominated officer) in consultation with the Portfolio Holder for Finance, with the change being subsequently reported to the Executive</u>
<u>New Invest to Save Schemes to be Added to the Budget (i.e. new schemes, or additions to existing schemes where the capital financing cost is met from revenue savings)</u>	
<u>Up to £50k per scheme</u>	<u>S151 Officer (or nominated officer) in consultation with the Portfolio Holder for Finance</u>
<u>Over £50k per scheme</u>	<u>Executive</u>
<u>Additions to Expenditure Budgets Funded from Government Grants, Developers Contributions or other sources of external funding</u>	
<u>Up to £50k per cost centre or per</u>	<u>Head of Service and Finance</u>

source of funding (excluding s106 contributions or CIL)	Manager
Up to £50k per cost centre per transaction from s106 contributions	Head of Service and Finance Manager in consultation with the Portfolio Holder for the relevant service
All additions from CIL up to £250k and any other additions between £50k and £250k per cost centre per source of funding	S151 Officer (or nominated officer) in consultation with the Portfolio Holder for Finance
Over £250k per cost centre or per source of funding (excluding s106 contributions)	S151 Officer (or nominated officer) in consultation with the Portfolio Holder for Finance, with the change being subsequently reported to the Executive
Over £250k per cost centre per transaction from s106 contributions	S151 Officer (or nominated officer) in consultation with the Portfolio Holders for Finance and for the relevant service, with the change being subsequently reported to the Executive
Movement of Capital Budget between Programme Years	
Less than £250k approved budget per cost centre to be brought forward from a future year of the programme	S151 Officer (or nominated officer) in consultation with the Portfolio Holder for Finance
More than £250k approved budget per cost centre to be brought forward from a future year of the programme	Executive
Any approved capital budget to be reprofiled to later years of the programme	S151 Officer (or nominated officer) in consultation with the Portfolio Holder for Finance, with the change being subsequently reported to the Executive

10.10.3 Other Additional Expenditure Requests

Any other [additions to capital budgets](#) (excluding items in paragraph 10.10.2) outside the agreed Budget and Policy Framework [must be approved by](#) the Executive.

10.10.4 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.

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- 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.

10.11 Contracts

10.11.1 Rules of Procedure

All Officers must adhere to the Council's Contract Rules of Procedure (see Part 11) relating to contracts and to these Financial Rules of Procedure before they enter into any contract.

10.12 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.

10.12.1 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.

10.12.2 Placing an Order

Unless ~~the service has~~ 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.

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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.

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10.12.3 Regular Periodic Payments

Any circumstances causing the cessation or variation of a regular periodical payment must be notified immediately to the Head Of Customer Services or nominated officer.

10.12.4 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 (10.9.2 ([Roles of Heads of Service](#)) 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.

10.13 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.

10.14 Payment of Accounts

10.14.1 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.

10.14.2 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 them.

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10.14.3 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.

10.14.4 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.

10.14.5 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.

10.14.6 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.

10.15 Local Bank Accounts - Imprest / Petty Cash Accounts

10.15.1 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.

10.15.2 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.

10.15.3 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.

10.15.4 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.

10.15.5 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.

10.15.6 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.

10.15.7 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.

10.16 Income

10.16.1 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 Customer Services 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.

10.16.2 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.

10.16.3 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.

10.16.4 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.

10.16.5 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.

10.16.6 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.

10.16.7 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.

10.16.8 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.

10.16.9 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.

10.16.10 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.

10.17 Write-Offs - Income

10.17.1 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.

10.17.2 Written-off Debts

Any debt written off in accordance with Rule 10.17.1 ([Discharge of Debts](#)) 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.

10.18 Charging for Services

10.18.1 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).

10.18.2 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.

10.19 Salaries and Wages

10.19.1 Responsibility for Payments to Employees

The Head ~~of~~ Customer Services 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.

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10.19.2 Notification of Relevant Matters

Heads of Service shall notify the Head ~~of~~ Customer Services 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:

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- 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.

10.19.3 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.

10.19.4 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 except in exceptional circumstances and the Corporate Director and Portfolio Holder have confirmed that the directorate has the monies to cover the exit costs liability.

10.19.5 Timesheets & Overtime Claims

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

10.20 Travelling and Subsistence

10.20.1 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 Customer Services 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 2 month old.

10.21 Members Allowances

10.21.1 Members Allowances Scheme

Members Allowances will be dealt with in accordance with Part 14 (Members' Allowances Scheme) of the Constitution.

10.22 Inventories

10.22.1 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.

10.22.2 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.

10.22.3 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.

10.22.4 IT Equipment

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

10.23 Stocks / Stores

10.23.1 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;

Deleted: <#>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.¶

<#>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 Head of Strategic Support 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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- 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.

10.23.2 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.

10.23.3 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.

10.24 Disposal of Surplus or Obsolete Goods, Plant and Stocks

10.24.1 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 (e.g. 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.

10.24.2 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.

10.24.3 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.

10.24.4 Income from Disposal

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

10.24.5 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.

10.25 Insurance

10.25.1 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.

10.25.2 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.

10.25.3 Incident / Accident Reporting

Every event with the potential to give rise to a financial loss, or involving injury to a member of staff, an elected Councillor 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 inputted onto the Webrisk System by nominated staff.

10.25.4 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.

10.25.5 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.

10.25.6 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.

10.26 Security

10.26.1 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.

10.26.2 Data Protection Legislation

The Chief Executive in conjunction with the Head of ICT and Corporate Support, and in consultation with Heads of Service and the Data Controller, will ensure that all computer systems and written records, (including those in the possession of elected Councillors) 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.

10.27 Estates

10.27.1 Responsibility of Head of Service

The Head of Education 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 reference(s), purchase details where available, details of interest and rents payable and particulars of tenancies of other interests granted.

10.27.2 Custody of Deeds

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

10.27.3 Valuation of Assets

The Head of Finance 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.

10.27.4 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.

10.27.5 Register of Assets

The Head of Education or nominated officer is responsible for maintaining an up to date asset register and the Head of Finance is responsible for an asset management plan.

The Head of Education 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.

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.

Part 12

Personnel Rules of Procedure

Document Control

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Author:	Moira Fraser – Democratic Services Manager		
Owning Service	Strategic Support		

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Version	Date	Description	Change ID
1	May 2011	Numbers realigned due to the removal of the previous Section 8 of the Constitution	
2	December 2011	Changes approved at Council meeting on 6 December 2011.	
3	April 2012	Changes to whole document as a consequence of the Senior Management Review	
4	December 2014	12.1.1, 12.1.2, 12.1.3 and 12.1.8	



Any Acts, Rules or Regulations mentioned in the text of this document can be accessed on the Office of Public Sector Information website at:

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

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12.1 Recruitment and Appointment

12.1.1 Recruitment and Selection Policy

Recruitment of staff will be in accordance with the Council's adopted Recruitment and Selection Policy. It is the Council's policy to carry out all recruitment and selection activities to ensure that:

- Selection for interview and appointment is based solely on the qualifications, skills, experience and abilities necessary to do the job;
- Opportunities for promotion for existing employees are encouraged by advertising suitable vacancies internally only in the first instance;
- Disabled applicants who meet the minimum selection criteria for the job are guaranteed an interview;
- The Council works towards a workforce which matches, as closely as possible, the demographic make-up of the population of West Berkshire.

Deleted: which states "the Council will recruit from the widest possible field and will appoint on the sole criterion of merit, except where race and gender is a genuine occupational qualification, or there are exceptional circumstances i.e. potential redundancy".

12.1.2 Legislation

The Council's recruitment and selection policy and procedures are governed by legislation and codes of practice, particularly the law relating to equality. The Council's recruitment and selection policy is set out in the Recruitment and Selection Policy, Procedure and Guidance document on the Council's intranet.

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Deleted: They also reflect the Council's own procedures and Rules set out in Series 2 of the Management Guidance Notes and which supplement the Rules set out here.

12.1.3 Declarations

These will be considered as follows:

- The Council will draw up a statement requiring any candidate for appointment as an Officer to state in writing whether they are a relative or partner of an existing Councillor or employee of the Council.

[Note: For the purposes of this paragraph a 'relative' is defined as a person who is related by blood or marriage.]

- A candidate who fails to disclose such a relationship shall be disqualified for the appointment and if appointed shall be liable to dismissal without notice.
- Every Member and Officer of the Council at senior management level or above shall disclose to the Chief Executive any relationship known to them to exist between themselves and any person they know is a candidate for an appointment with the Council.
- Where the recruiting manager selects for appointment a candidate who has a declared relevant relationship, they must clear the appointment with their Head of Service.

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Deleted: Handbook.

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- Where one party to the relationship is the Head of Service, the appointment should be authorised by the Corporate Director and Head of Human Resources.

Deleted: No candidate so related to a Member or an Officer will be appointed to the same Service Unit without the authority of the Chief Executive or relevant Corporate Director.

12.1.4 Seeking Support for an Appointment

The following conditions will apply:

- Subject to Rule (c) below, the Council will disqualify any applicant who directly or indirectly seeks the support of any Councillor for any appointment with the Council. The content of this Rule will be included in any recruitment information.
- Subject to Rule (c) below, no Member will seek support for any person for any appointment with the Council.
- Nothing in Rule (a) and (b) above will preclude a Member from giving a written reference for a candidate for submission with an application for employment.

12.1.5 Recruitment of Chief Executive, Corporate Directors and Heads of Service

Where the Council proposes to appoint a Chief Executive, Corporate Director or Head of Service, and it is not proposed that the appointment be made exclusively from among their existing Officers, the Council will:

- draw up a statement specifying:
 - the duties of the Officer concerned; and
 - any qualifications or qualities to be sought in the person to be appointed;
- make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it;
- make arrangements for a copy of the statement mentioned in (a) to be sent to any person on request.

12.1.6 Appointment of Chief Executive

The full Council will approve the appointment of the Chief Executive following the recommendations of the Appointments Panel. The Appointments Panel will include at least one Member of the Executive.

The full Council may only make or approve the appointment of the Chief Executive where no well-founded objection has been made by any Member of the Executive.

12.1.7 Appointment of Corporate Directors and Heads of Service

Corporate Directors and Heads of Service will be appointed by the Appointments Panel, which will include at least one Member of the Executive.

An offer of employment as a Corporate Director or Head of Service shall only be made where no well-founded objection from any Member of the Executive has been received.

12.1.8 Other Appointments

The following conditions will apply:

- Appointment of Officers below Head of Service (other than ~~Group Executives~~) is the responsibility of the Chief Executive or ~~their~~ nominee and may not be made by Members. Deleted: assistants to political groups
- Appointment of ~~a Group Executive~~ shall be made in accordance with the wishes of that political group. Deleted: his/her
- Deleted: an assistant to a political group

12.2 Disciplinary Action

12.2.1 Suspension

In terms of suspension, it must be noted that:

- only the Chief Executive has the authority to suspend a Corporate Director;
- only the Chief Executive or a Corporate Director has the authority to suspend a Head of Service;
- only an Officer at Head of Service level or above, or nominated manager where the Head of Service has authorised delegation, has the authority to suspend an employee not covered in the two points above.

Members will not be involved in the disciplinary action against any Officer below Head of Service except where such involvement is necessary for any investigation or enquiry into alleged misconduct. However, the Council's disciplinary, capability and related procedures, as adopted from time to time may allow a right of appeal to Members in respect of disciplinary action.

12.2.2 Dismissal

Members will not be involved in the dismissal of any Officer below Head of Service level except where such involvement is necessary for any investigation or inquiry into alleged misconduct, through the Council's disciplinary, capability and related procedures, as adopted from time to time may allow a right of appeal to Members in respect of dismissals.

12.3 Appointment of Assistants to Political Groups

12.3.1 Number of Posts

The Local Government and Housing Act 1989 enables Councils to create not more than three posts of Assistants to Political Groups.

12.3.2 Rules Relating to Creation of Posts

It also specifies processes that must be included in the Council's Rules relating to the making of appointments to any such posts. These are set out below:

- No such appointment shall be made until the Council has allocated such a post to each political group, which qualifies for one under the Act.
- No such appointment shall be made in respect of any political group, which does not qualify for one under the Act.
- Not more than one post shall be allocated to any political group.
- The appointment of an assistant to a political group shall be made in accordance with the wishes of that political group