



Audit and Standards Committee

Thursday 8 March 2018 at 6.30 pm

**Large & Small Committee Room, King George V House, King George V
Road, Amersham**

A G E N D A

Item

- 1 Evacuation Procedures
- 2 Apologies for Absence
- 3 Minutes (*Pages 5 - 10*)

To agree the Minutes of the meeting held on 17 January 2018.
- 4 Declarations of Interest
- 5 Review of the Protocol on the Role of the Monitoring Officer (*Pages 11 - 14*)

Appendix 1: Protocol on the Role of the Monitoring Officer (Pages 15 - 18)
- 6 Standards Work Programme for 2018/19 (*Pages 19 - 20*)
- 7 Waste Audit Update (*Verbal Report*)
- 8 Review of Risk Based Verification Policy (*Pages 21 - 24*)

Appendix A (Pages 25 – 27)

Reason for restriction: paragraph 7 – Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

- 9 Risk Management Update (*Pages 29 - 40*)
- 10 Internal Audit Progress Report (*Pages 41 - 48*)
- 11 Annual Internal Audit Report (*Pages 49 - 54*)
- 12 Audit Requirements for Housing Benefit Subsidy Grant claim from 2018/19 onwards (*Pages 55 - 56*)
- 13 Proposed Amendments to the Financial Procedure Rules (*Pages 57 - 64*)
Appendix A: Financial Procedure Rules May 2018 (Draft) (Pages 65 - 106)
- 14 Audit Work Programme (*Pages 107 - 108*)
- 15 Exclusion of the Public (if required)

To resolve that under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act.

Note: All reports will be updated orally at the meeting if appropriate and may be supplemented by additional reports at the Chairman's discretion.

Membership: Audit and Standards Committee (CDC)

Councillors: J Gladwin (Chairman)

A Bacon

C Ford

C Jackson

V Martin

D Phillips

N Varley

C Wertheim

R J Jones

Independent Persons:

C Langley

E Jones

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CHILTERN DISTRICT COUNCIL

MINUTES of the Meeting of the
AUDIT AND STANDARDS COMMITTEE
held on **17 JANUARY 2018**

PRESENT: Councillor J Gladwin - Chairman

Councillors: A Bacon
C Jackson
V Martin
D Phillips
C Wertheim

APOLOGIES FOR ABSENCE were received from Councillors N Varley, R Jones and C Ford

30 MINUTES

The Minutes of the meeting of the Audit & Standards Committee held on 27 September 2017 were agreed by the Committee and signed by the Chairman as a correct record.

31 DECLARATIONS OF INTEREST

There were no declarations of interest.

32 INTERIM PROGRESS REPORT

Chris Harris took the Committee through the interim progress report and key points raised included:

1. The Committee was pleased to note that good progress had been made and the audit plan was on track to be completed on schedule.
2. A concern was raised that there had been significant delays between the date of some reports being issued and responses to these being received from the relevant officers. It was proposed that the Chairman contact the Management Team drawing this matter to their attention to raise with Heads of Service.
3. The Committee noted that the Waste Services – Health and Safety Review had been carried out as a pre-HSE inspection audit at the request of the Head of Environment. Members were advised that the Clay Lane Depot highlighted in the report as causing concern was owned by Wycombe District Council, therefore it did not fall under the Council’s jurisdiction. The Committee were concerned that the site had consistently been deemed unsatisfactory and Members felt that WDC

should be encouraged to address the issues surrounding the site. It was proposed that the Chairman contact the Chairman of the Joint Waste Collection Committee to enquire as to a resolution to this issue and that the Chairman of WDC's Audit Committee also be notified.

4. Members were advised that the Waste Services contract with Biffa would end in 2021 and that work would begin in 2018 to explore options for a co-terminus end date with South Bucks District Council.

RESOLVED

That the Interim Progress Report be noted.

33 STRATEGIC PLAN 2018/19 TO 2020/21 AND ANNUAL INTERNAL AUDIT PLAN 2018/19

The Audit Strategic Plan 2018/19 to 2020/21 and the Annual Internal Audit Plan 2018/19 were presented to the meeting. Members were advised that the plan was subject to change based on the outcome of the audit work as it progressed throughout the year.

Members felt that a review of the Amersham Multi-Storey Car Park project at the conclusion of the construction should be included in the plan in order to assess outcome against budget and the impact on future revenues.

It was noted that the Legal department had never been audited as a separate entity, however the various functions carried out by the department had been included as part of other audits.

A concern was raised that Electoral Registration had not been audited in recent years. The Committee were advised that the need to audit the Electoral Registration team would be assessed to ascertain whether an audit was required.

It was noted that 342 days of audit work were planned for 2018/19, therefore there was some spare capacity should any further work be required.

RESOLVED

That the Strategic Plan 2018/19 and Annual Internal Audit Plan 2018/19 be noted.

34 FRAUD & CORRUPTION UPDATE

An update was provided to Members from Alistair Webb on fraud and corruption within the Council. The Committee were pleased to note that there were no fraud or corruption issues identified at a corporate level.

35 EY ANNUAL GRANT CERTIFICATION REPORT

Sue Gill of Ernst & Young presented the Certification of claims and returns annual report and the key points raised included in relation to Housing Benefit:

1. EY expressed their sincere thanks to the Council officers for their co-operation, with particular thanks given to the contribution of the Housing Benefits team for their hard work.
2. It was explained that claim samples were devised on a representative basis using sampling and the findings were extrapolated. The figure produced by this technique represented a £28,000 overpayment in the year 2016/17.
3. It was noted that the fee charged by EY was as originally estimated.

RESOLVED

That the EY Grant Certification Report be noted.

36 EY ANNUAL AUDIT PLAN

Members were advised that the Audit Plan for 2017/18 would be very similar to previous years, there was no change in risk or focus and no significant risks identified in value for money. The Committee noted the agreed fee listed on page 89 and it was explained that this was unlikely to change as an efficient audit was expected.

An update was given regarding the pension valuation work carried out by Barnett Waddingham. Members were advised that Barnett Waddingham's valuation methodology was considered an outlier against the work of other actuaries and there had been some concern regarding this. It was noted that Barnett Waddingham had agreed to share their methodology with PwC in order that the matter could be investigated further.

RESOLVED

That the EY Annual Audit Plan 2017/18 be noted.

37 AUDIT WORK PROGRAMME

RESOLVED

That the work programme of the Audit Committee be noted.

38 ANNUAL REVIEW OF CODE OF CONDUCT AND COMPLAINTS PROCEDURE

The Committee considered a report which made recommendations to amend the Code of Conduct and Complaints procedure. Members were advised that a change had been made to the report removing a reference to the Local Government Ombudsman in the reasons for recommendation.

It was explained that clarification had been added to the code of conduct following complaints made around the declaration of personal interests. It was advised that Members who declared a personal interest were entitled to speak and vote on the item of business concerned. It was noted that only in cases of a prejudicial interest being declared would Members be required to withdraw from a meeting.

Members noted the proposed changes in the format of the complaints form for the public and that the new arrangements included details about the investigation and hearing procedures, so that all the relevant information for the complainant and subject member was contained in one reference document.

RESOLVED

1. That arrangements for dealing with complaints be revised as set out in Appendix 3 of the report.
2. That the revised assessment criteria at Appendix 3, Annex 3 be agreed.
3. That the proposed procedure for Hearing Committees at Appendix 3, Annexes 5 and 6 be agreed.

And further

RECOMMENDED to Full Council that the code of conduct be amended to clarify that a member who declares a personal interest is still entitled to speak and vote on an item of business.

39 REVIEW OF MEMBER TRAINING IN 2017

The Committee noted the training provided to Members over the past year and were asked to consider and agree the areas and topics for training on standards in the coming year. Members were advised that due to the increased use of external borrowing by local authorities and an increase in commercial activity, it may be beneficial to offer training to raise Members awareness around the revised Prudential Code and risk management issues in the longer term.

RESOLVED

1. That the position on Member training in 2017 be noted.
2. That training on the Prudential Code be arranged for Members in 2018.

40 STANDARDS WORK PROGRAMME

RESOLVED

That the work programme of the Standards Committee be noted.

41 FREEDOM OF INFORMATION MANAGEMENT AND RIPA ANNUAL REPORT

Members were presented with a report which detailed the public engagement with the Freedom of Information Act and RIPA. The Committee noted that the number of Freedom of Information requests had increased year on year and that 87% of requests were responded to within the allotted time frame. It was advised that a large proportion of requests related to Business Support originating from Commercial Businesses. In relation to the RIPA regulations, it was noted that the Council had not carried out any form of surveillance for a number of years.

RESOLVED

That the Freedom of Information Management and RIPA Annual Report be noted.

The meeting ended at 7.58 pm

SUBJECT:	Review of the Protocol on the Role of the Monitoring Officer
REPORT OF:	Monitoring Officer
RESPONSIBLE OFFICER	Joanna Swift
REPORT AUTHOR	Joanna Swift
WARD/S AFFECTED	None

1. Purpose of Report

To consider whether the protocol on the role of the monitoring officer remains fit for purpose.

RECOMMENDATION:

That the updated Protocol attached at Appendix 1 be approved.

2. Reasons for Recommendations

It is good practise to review protocols and procedures on a regular basis to ensure they remain up to date and effective.

3. Content of Report

- 3.1 The monitoring officer is a statutory appointment under section 5 of the Local Government and Housing Act 1989. At both Chiltern and South Bucks District Councils this role is undertaken by the Head of Legal and Democratic Services
- 3.2 The monitoring officer has a duty to submit a report to Full Council on any proposal, decision or omission by the Council, Cabinet, committee or officer which has given rise to, or would be likely to give rise to, a contravention of any law or statutory code of practice. To date it has not been necessary for the monitoring officer to make such a report. There is also a duty to report on any finding of maladministration made against the Council by the Local Government Ombudsman. Again to date it has not been necessary for the monitoring officer to make such a report.
- 3.3 The monitoring officer also serves as the guardian of the Council's Constitution and decision-making processes with responsibility for advising the Council on the legality of its decisions and providing guidance to members and officers on procedural rules and legal powers. Under the Council's Access to Information Procedure Rules the monitoring officer is required to ensure that decisions of the Cabinet (together with reasons for those decisions), officers acting under delegated authority and background papers are made publicly available.
- 3.4 The monitoring officer also supports Audit and Standards Committee in discharging its duty to promote and maintain high standards of conduct and probity within the Council. Under the Member Complaints procedure the monitoring officer decides, in consultation with the Chairman of this committee and the Council's Independent Person, whether an investigation should be held into allegations that members of the Council (and town/parish councils in the

District) may have breached the members' code of conduct. The monitoring officer also deals with members' requests for dispensation under section 33 of the Localism Act again in consultation with the Chairman of this Committee and the Independent Person.

- 3.5 Under the Localism Act 2011 the monitoring officer is required to establish and maintain a register of members' disclosable pecuniary interests for both district and town/parish councillors, as well as any other non-pecuniary interests required to be disclosed under the Councils' codes of conduct.
- 3.6 It is vital that the monitoring officer carries out these various responsibilities in a positive manner which seeks to enhance the overall reputation of the Council. In doing so the monitoring officer will also safeguard, as far as possible, members and officers from legal challenge and/or criminal sanctions whilst acting in their official capacities
- 3.7 To undertake this role effectively the monitoring officer needs to foster and maintain good working relations with members and officers. Equally, a speedy flow of relevant information (particularly in the early stages of any decision-making by the Council) is vital; so communication needs to be two-way. To ensure that members and officers understand the role and are clear about how the monitoring officer will discharge it, the adoption of a protocol is considered to be useful best practice. The protocol attached at Appendix 1 was originally approved in October 2013. The Committee last reviewed and updated it in January 2016.
- 3.8 The Committee is invited to consider whether the protocol remains fit for purpose and to agree the proposed amendments shown in bold and underlined at Appendix 1, which seek to clarify the role and key contacts involved.

4. Consultation

There is no statutory requirement to consult on changes to this protocol.

5. Options

The Committee has the option of proposing other changes to the protocol which, if substantive, would be the subject of wider consultation with members and the senior management team.

6. Corporate Implications

Financial - None
Legal – As set out in the report
Risks issues – None
Equalities - None

7. Links to Council Policy Objectives

Whilst there is no direct link to the Council's main objectives the adoption and regular review of a protocol on the role of the monitoring officer supports arrangements to ensure good governance of the Council.

8. Next Steps

An updated Protocol will be published on the Council's website.

Background Papers:	None except those referred to in the report
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CHILTERN
District Council

Protocol on the Role of the Monitoring Officer

1. The Monitoring Officer undertakes to discharge the responsibilities outlined in this protocol with **a positive** determination and in a manner that will enhance the reputation of the Council. In general terms the Monitoring Officer's ability to discharge these duties depends on excellent working relations with colleagues and members but also the flow of information and access to debate particularly at early stages. **A summary list of the Monitoring Officer's responsibilities appears in the attached Annex.**
2. The following arrangements and understandings between the Monitoring Officer and colleagues and members are designed to help ensure the effective discharge of his or her functions:
 - a) Although not a member of the Management Team the Monitoring Officer will have advance notice of any such meetings, agenda and reports and the right to attend and speak.
 - b) Management Team and Heads of Service will alert the Monitoring Officer to all emerging issues of concern including legality, probity, vires and constitutional issues.
 - c) The Monitoring Officer will have copies of all report to members.
 - d) The Monitoring Officer will be expected to deal with allegations of members' misconduct upon receipt of a written complaint in accordance with the Council's adopted procedure for handling complaints against members.
 - e) The Monitoring Officer will establish a sound working relationship with the Council's Independent Person/s and Chairman of the Audit and Standards Committee in relation to complaints about members and will ensure that the Head of Paid Service and Chief Finance Officer have up-to-date information regarding emerging issues.
 - f) The Monitoring Officer is expected to develop good working relationships and liaison with relevant contacts at Thames Valley Police in respect of complaints that members may have committed offences under the Localism Act 2011.
 - g) The Head of Paid Service, Chief Finance Officer and Monitoring Officer will meet as necessary to consider and recommend action in connection with any current governance issues and other matters of concern regarding probity.
 - h) In carrying out any investigation (whether under the Council's formal complaints' procedure or otherwise) the Monitoring Officer will have unqualified access to any information held by the Council and any employee who can assist in the discharge of their function.

- i) The Monitoring Officer will be responsible for providing any necessary guidance and training for members on the ethical framework subject to the approval of Audit and Standards Committee.
- j) ~~The Monitoring Officer will report to **Governance and Electoral Arrangements Committee** ~~the Council~~ from time to time on the Constitution and any necessary or desirable changes following consultation with **the Corporate Management Team and Governance and Electoral Arrangements Committee**, ~~the Cabinet Leader (as appropriate)~~, ~~Head of Paid Service and Chief Financial Officer~~.~~
- k) ~~j)~~ In consultation with the Chairman of the Council the Monitoring Officer may defer the making of a formal report under section 5 of the Local Government and Housing Act 1989 where another investigative body is involved.
- l) ~~k)~~ The Monitoring Officer will appoint a deputy and keep them briefed on emerging issues.
- m) ~~l)~~ The Monitoring Officer will make arrangements to ensure good communications with Clerks to the Town and Parish Councils and with **Buckinghamshire and Milton Keynes Association of Local Councils** ~~BALC~~ in relation to the maintenance of the registers of members' disclosable pecuniary and non-pecuniary interests and the Council's procedure for dealing with complaints about members' conduct.

Protocol on the Role of the Monitoring Officer V4 03/18

A SUMMARY OF MONITORING OFFICER FUNCTIONS

Description	Source
1. <u>Report on contraventions or likely contraventions of any enactment or rule of law in relation to the District Council.</u>	<u>Section 5 and 5A Local Government and Housing Act 1989</u>
2. <u>Report on any maladministration or injustice where Ombudsman has carried out an investigation.</u>	<u>Section 5 and 5A Local Government and Housing Act 1989</u>
3. <u>Appointment of Deputy.</u>	<u>Section 82A Local Government Act 2000</u>
4. <u>Report on sufficiency of resources.</u>	<u>Section 5 and 5A Local Government and Housing Act 1989</u>
5. <u>Establish, maintain and publish registers of Members' interests.</u>	<u>Section 29 Localism Act 2011</u>
6. <u>Maintain, review and monitor the Constitution.</u>	<u>Constitution</u>
7. <u>Proper Officer for the receipt of dispensations.</u>	<u>Section 33 Localism Act 2011</u>
8. <u>Proper Officer for Access to Information Procedure Rules.</u>	<u>Constitution</u>
9. <u>Officer (with Deputy) for receipt of Member complaints and determination of whether to reject/investigate or undertake informal action.</u>	<u>Constitution</u>
10. <u>Advise on vires issues and bias/predetermination.</u>	<u>Section 5 and 5A Local Government and Housing Act 1989, and Constitution</u>
11. <u>Maintains register of member declarations of gifts or hospitality</u>	<u>Constitution</u>

CHILTERN DISTRICT COUNCIL

AUDIT AND STANDARDS COMMITTEE

STANDARDS WORK PROGRAMME

2018/2019

		2018			2019
	Contact	16.07.18	11.10.18	24.01.19	10.04.19
16.07.18					
<ul style="list-style-type: none"> Complaints Monitoring Report 2017/18 	Joanna Swift	X			
<ul style="list-style-type: none"> Review of the Protocol on the role of the Independent Person 	Joanna Swift	X			
11.10.18					
<ul style="list-style-type: none"> Annual Review of the Code of Conduct and Complaints Procedure 	Joanna Swift		X		
<ul style="list-style-type: none"> Committee on Standards in Public Life Annual Report 	Joanna Swift		X		
24.01.19					
<ul style="list-style-type: none"> Review of Guidance on Dispensations 	Joanna Swift			X	
<ul style="list-style-type: none"> Standards Training for new councillors 	Joanna Swift			X	
10.04.19					
<ul style="list-style-type: none"> Update on the Standards Framework 	Joanna Swift				X
<ul style="list-style-type: none"> Work programme for 2019/20 	Joanna Swift				X

SUBJECT:	<i>Review of Risk Based Verification Policy</i>
REPORT OF:	<i>Customer Services Portfolio Holder Cllr Fred Wilson</i>
RESPONSIBLE OFFICER	<i>Nicola Ellis – Head of Customer Services</i>
REPORT AUTHOR	<i>Nicola Ellis – Head of Customer Services</i> Nellis@chiltern.gov.uk
WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

This report is for the committee to review and approve the revised policy to be used for the assessment of Housing Benefit and Council Tax Support claims from 1st April 2018.

RECOMMENDATION:

- That the revised risk based verification policy shown at confidential Appendix A be approved and adopted for the assessment of Housing Benefit and Council Tax Support claims from 1st April 2018.**

2. Reasons for Recommendations

2.1 The continuing use of Risk Based Verification will support improved processing times and focus resources on claims that may contain fraud or error.

3. Risk Based Verification (RBV)

3.1 Chiltern District Council adopted RBV in October 2016. The process is now embedded into the claim process and assists in providing a customer focused service to support the new claim process, enabling quick turn arounds for the majority of claims.

3.2 In adopting RBV there is still the obligation to obtain all the facts and make an accurate assessment but there is not the need to gather full documentary evidence in all cases.

3.3 Claims are assessed prior to payment and put into one of three categories – **Low** Risk, **Medium** Risk or **High** Risk and this determines the requirement to gather proof. The risk category is determined by software using statistical information and experience gathered over many years about what type of claims represents what type of risk.

3.4 **Low** Risk – Over the past year an average of 41% of all new claims will be deemed to be low risk. Low risk claims will normally be paid based on the information provided on the claim form.

These claims are more likely to be non-working claimants with low capital, lower Council Tax Band and living in Housing Association property. Mostly receiving Jobseekers Allowance, Income Support or Employment Support Allowance

Medium Risk - 27% of claims were deemed to be medium risk. Additional information and evidence will normally be required for this group of claims.

These claims are typically couples aged 45-64 with children aged up to 10, working and with capital over £6,000. Mostly they are not receiving DWP passported benefits.

High Risk – The remaining 32% of claims were deemed to be high risk. As well as a full verification check, additional checks will also be carried out on this type of claim. This may involve telephone checks, visits, credit reference agency checks etc.

These claims are typically couples aged 35-54. Many not working or working part time with some 'other' income. A large number would have over £6,000 in capital. Mostly they are not receiving passported benefits and are claiming Council Tax Support or Housing Benefit and Council Tax Support with a bias to having a previous claim.

*Note – the descriptions of typical risk group type are very generalised and for illustrative purposes only

Once the category is identified, individual claims cannot be downgraded by an assessor to a lower risk group. They can however, exceptionally be upgraded with the approval of a senior officer if the assessor has reasons to think this is appropriate. All cases which are upgraded will be recorded along with the reasons for doing so.

Claimants in each risk group will be required to provide differing levels of information and documentation before their claim can be processed. The table within the policy at Appendix A shows the requirements in more detail.

4. Benefits of continuing with Risk Based Verification

4.1 The continued use of Risk Based Verification provides the following benefits to customers and the Council.

- Improving claim processing times, especially for those claims assessed as low risk
- More focused customer contact
- Reduction in both incoming and outgoing post and associated scanning and indexing
- Improved opportunities to identify fraud and error.

4.2 The RBV policy will be reviewed annually and any changes will be referred to the Audit Committee for approval. In accordance with DWP guidance changes to the policy will not be made in-year as this would complicate the audit process.

5. Options

5.1 To discontinue using Risk Based Verification and revert to full verification of claims.

7. Corporate Implications

7.1 Financial if RBV policy continues no financial implications beyond existing commitments.

- Legal Regulation 86 of the Housing Benefit Regulations 2006 states;

‘a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or the award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person’s entitlement to, or continuing entitlement to housing benefit and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.’
- Use of Risk Based Verification is not a legal requirement it complies with the recommendations from the Department for Work and Pensions (DWP) outlined in the Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011.

7.2 Equalities

- The Policy applies equally to all claimants, therefore no equalities issues arise.

8. Links to Council Policy Objectives

8.1 Risk Based Verification works towards the Councils objective of delivering cost effective customer focused services

9. Next Step

9.1 If the policy is approved all new claims will be assessed using the revised Risk Based Verification with effect from 1 April 2018.

Background Papers:	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633018/s11-2011.pdf
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By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

SUBJECT:	RISK MANAGEMENT UPDATE
REPORT OF:	Director of Resources
REPORT AUTHOR	Director of Resources
WARD/S AFFECTED	N/a

1. Purpose of Report

- 1.1 The purpose of this report is to update Members on the risk management framework in place for the across the two authorities.

RECOMMENDATION

The Committee is asked to note the report

2. Information

- 2.1 Risk management can be consider to be the identification of issues or risks that can prevent the authority achieving its objectives, and putting in place measures to manage these risks. Risks can have consequences in terms of finance and reputation is not managed.
- 2.2 The starting point is the Councils' statements of their objectives which are in their Business Plans.
- 2.3 The Strategic risks of the authorities are those that are considered to be the significant corporate risks that exist the medium term, and which require management at a corporate level in the authority. These issues can be service specific or cross cutting. The Strategic risks are appended to this report.
- 2.4 At any point in time there are risks that require particular management focus at either a service or corporate level. These are the key Operational risks. At main current operational risks are appended to the report.
- 2.5 The management of most risks focuses on the four main areas.
- Financial
 - Property & Systems
 - People
 - Information

2.6 The following table highlights the main controls that exist for these areas.

	Controls	Monitoring
Financial	Financial procedure rules Contract standing orders	Monthly budget monitoring Audit of accounts Identification of financial risks as part of the budget process.
Property & Systems	Maintenance agreements and warranties Management by qualified professional Land and Property plans Process documentation and system diagrams Business continuity plans	Condition surveys Insurance inspections Network and application monitoring diagnostic tools.
People	HR policies and procedures Staff appraisal and development process Workforce planning	Monthly monitoring of key staffing statistics
Information	Policies and procedures around data security and management Retention and disposal schedules Structured file plans	Annual review of retention & disposal schedules Monitoring data on electronic file storage

- 2.7 An important aspect of managing risks is the work of Internal Audit. This is through the internal audit plan and work they undertake with managers to re-enforce the relevance of risk management to what they do. Internal Audit is crucial to the process of monitoring organisation controls.
- 2.8 The Annual Governance Statement which accompanies the Councils' annual accounts, is the annual assessment by the Councils of the effectiveness of their controls and procedures and what are significant control risks that need to be focused on going forward. The Annual Governance Statements are reviewed and approved by the Audit Committees.
- 2.9 Over the last year Internal Audit has done work with middle managers as part of their development programme on risk management. In the coming year the joint risk management guidance for the Councils will be reviewed, with input from Internal Audit.

3. Consultation

Not applicable

4. Options

Not applicable

5. Corporate Implications

5.1 There are no financial implications arising from this report, nor any any implications for the Council's policies and procedures.

6. Links to Council Policy Objectives

6.1 Risk management is one of the main elements of corporate governance. Effective organisations have a proactive approach to risk management.

7. Next Steps

7.1 Not applicable.

Background Papers:	None
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**Council Aims & Objectives
[Business Plan]**

Strategic Risks

Key Operational Risks

Financial

**Property &
Systems**

People

Information

Annual Governance Statement

CHILTERN & SOUTH BUCKS STRATEGIC RISKS

Risk Description	Control	Officer Resp	Member Resp
<u>Joint working</u> Friction develops between two authorities that stalls progress and affects service delivery	<ul style="list-style-type: none"> Governance in place – Joint Cmm, JSC Programme documentation and programme management resources Member involvement in joint working in line with member expectations Communication plan for members, staff, external partners 	M/T	CAB
<u>Transformation and Management of Change</u> No acceptance of change to ways of working and service delivery by officers and members prevents achievement of council aims and meeting customer needs. Progress inhibited by capacity issues and lack of finance, and programme losses momentum	<ul style="list-style-type: none"> Senior members and managers show commitment to change e.g. Stronger in Partnership. Case for changes clearly made and communicated. Build on success, in order to establish confidence to change. Prioritise programme of change, and ensure it is adequately resourced. Develop change management approach, and organisational development plan 	M/T	CAB
<u>Financial Stability</u> Authorities forced into short term reactive measures to a) reduced Govt funding, b) unavoidable cost increases. Reputational risk from decision that have to be taken. Reduced financial capacity to manage transformation	<ul style="list-style-type: none"> Review of MTFs to support Prudential Borrowing. Clear service priorities Analysis of Govt spending plans (Fair Funding Review). Savings programmes agreed and monitored Annual review of cost base Strategies for use of reserves 	M/T	CAB
<u>Workforce Issues</u> High turnover, low morale, lack of succession planning, skills gaps etc	<ul style="list-style-type: none"> Organisational development and Workforce planning. Monitoring of key personnel statistics. Good staff communications processes 	M/T	CAB

Risk Description	Control	Officer Resp	Member Resp
affect services. Reduced staffing capacity to manage transformation.	<ul style="list-style-type: none"> Staff assistance programme Training and development strategies in place, resourced and monitored. (e.g. middle managers programme) Appropriate management policies, procedures and approach in place 		
<u>Waste & Environmental Services</u> Both - Impact of changes to disposal arrangement by BCC increase costs. CDC – Failure or poor performance of joint waste contract.	<ul style="list-style-type: none"> Governance in place for joint contract (CDC/WDC). Have adequate in-house knowledge of cost share model. Co-ordinated approach by both Councils with BCC Effective contract monitoring and good relationships with contractors by joint client team Good communications with residents. 	HoE	PH - Env
<u>Joint/Partnership working</u> Due to reduced resources and capacity partnership working diminishes and benefits are lost.	<ul style="list-style-type: none"> Co-ordinate and streamline representation on partnership groups Monitor impact of changes arising from partner cut backs Identify key partnerships to support 	M/T	CAB
<u>Business Continuity</u> Material service interruption or degradation, possibly combined with loss of data leading to costs and reputational damage	<ul style="list-style-type: none"> Clear senior management arrangements for responsibility on business continuity Business continuity plans in place. ICT DR plans in place Maximise use of shared assets and teams across two Councils. Emergency Plan reviewed and in place and support arrangements via the Thames Valley Resilience Forum 	HoHC	PH -SS PH – BCS
<u>Information Management & Security</u> Loss or data, or inappropriate disclosure of sensitive data leads to financial costs and reputational damage, particularly with local	<ul style="list-style-type: none"> Robust cybersecurity polices around patch, firewall maintenance. Policies and procedures in place overseen by IG group, and made common where practical. Communication and training for staff on policies and procedures Officer mechanisms to enable corporate approach to be taken to 	HoBS	PH -SS PH – BCS

Risk Description	Control	Officer Resp	Member Resp
residents and tax payers. Inefficient service processes due to difficulty in using/retrieving data	information management. <ul style="list-style-type: none"> • Focus on reducing unstructured electronic data. • Information management incorporated in transformation projects as appropriate. • Plan for impact of GDPR changes (May 2018) 		
<u>New Legislative Changes</u> Failure to reasonably comply leads to financial costs and reputational damage. Substantial changes in Govt policies or direction.	<ul style="list-style-type: none"> • Corporate capacity to identify and analyse forthcoming legislative changes affecting the Councils. • Analyse and produce action plans for addressing Housing issues in light of Govt priorities. • Analyse and respond to changes to Planning system. • Use of professional or local authority network groups to gain and share knowledge. 	M/T	CAB
<u>Affordable Housing</u> Increase in temporary accommodation numbers, migration of young people and families out of area affecting sustainability of communities.	<ul style="list-style-type: none"> • Housing strategies in place and regularly reviewed • Good relationships between housing and planning services. • Resources identified to support housing schemes • Partnerships with RSLs • Efforts made to secure sites/properties for temp/affordable housing • Good management of temporary accommodation placements. 	HoHC	PH - HC
<u>Major Infrastructure Projects Impacts.</u> Detrimental impact on local communities and environment. Costs to authorities in defending local area from worst impacts	<ul style="list-style-type: none"> • Impact assessments made formally or informally on major projects. • Clear Council position on a particular proposal. • Lobbying mechanisms identified • Member communications strategy in place • Communication strategies with residents on any major proposals • Resources identified to fund actions or responses 	M/T	CAB
<u>Demographic Changes</u> Service delivery not flexible enough	<ul style="list-style-type: none"> • Corporate analysis of Census and related data • Incorporate Census data into service planning 	M/T	CAB

Risk Description	Control	Officer Resp	Member Resp
to cope with changes in demographics in the medium term, leading to service gaps and increased dissatisfaction levels.	<ul style="list-style-type: none"> • Communicate key messages to members • Take into account in service design/delivery 		
<u>Property/Asset Management</u> Inefficient use of assets increase costs and reduce service usage and satisfaction	<ul style="list-style-type: none"> • Strategic Asset Review exercises to identify key projects. • Professional advice used where appropriate • Resources in place to support key projects. • LATC established by SBDC to maximise financial return from property assets. 	HoE	PH - Env PH - R
<u>Economic Viability</u> Local employment and business activity declines	<ul style="list-style-type: none"> • Good liaison arrangements with local businesses • Monitor key indicators of the local economy • Take advantage of opportunities. • Adjust fees & charges if necessary (e.g. car parking) 	M/T	PH – P&ED

CHILTERN & SOUTH BUCKS – KEY OPERATIONAL RISKS (FEB 2018)

Service Area	Description of Risk	Mitigation Actions	Responsible Officer
Housing	SR10 Affordable Housing Homelessness increases <ol style="list-style-type: none"> 1. Current demand 2. Impact of the Homelessness Reduction Act 2017 3. Impact of benefit changes 	<ul style="list-style-type: none"> • 8 Police Houses in SBDC available till 31st May 2018. • 4 x 5 bed flats available from L+Q for use by SBDC and CDC • Use of housing stock provided by the housing associations • Use the Private Sector Leasing Scheme to reduce direct costs of homelessness to the council by approximately 50%/unit until other Council developed options become available e.g. Bath Road Depot and other similar schemes • Current use of direct nightly lets • Acquire affordable housing opportunities either by Council directly purchasing properties or delivering new build properties for rent, managed by a housing provider • AHMWG established in CDC to review opportunities with PHG and Council sites • Redevelopment of Bath Road Depot to provide 9 x2 bed and 3 x 1 bed units • Acquire 801 Bath Road to deliver 2 x 4 bed properties • Review options through the planning process • Work through the OPE to seek opportunities to deliver Affordable Housing on publicly owned sites • Redirect s106 funding to deliver temporary housing for use by the Council enabling savings on B+B costs, management fees and deliver an income to the Council. 	HoHC
Homelessness payments	SR10 Affordable Housing Unable to reclaim nightly accommodation costs	<ul style="list-style-type: none"> • Implement finding of Task and Finish Group, Housing, Finance and Benefits officer review workshop and MT/Portfolio Holder meeting actions 	HoHC

Service Area	Description of Risk	Mitigation Actions	Responsible Officer
		<ul style="list-style-type: none"> • Weekly monitoring by finance, housing and benefits Officers • Monthly monitoring by HoS and Managers from Housing, Finance and Benefits • Project Plan to address HRA • Report on the implementation of the Task and Finish Group Action Plan to HC PAG • Monthly monitoring report to MT/Cabinet on KPI • Move the financial risk to housing providers through providing accommodation in which the tenant has a direct relationship with the housing provider. 	
Planning & Economic Development – CDC & SBDC	SR4 Work force Issues Staff turnover and ability to recruit to posts on a permanent basis	CDC/SBDC continued close engagement of HOS/Managers/HR in relation to the staffing restructure.. Use of contractors for time-limited periods. Also just appointed to an 18 month temporary contract	HoP&ED
Planning & Economic Development – CDC & SBDC	SR4 Work force Issues Demanding shared planning service implementation resulting in less time to do the day job thus impacting on performance .	CDC & SBDC – High calibre managers appointed.. Temporary 18 month backfill post and CDC area team leader taking on some management responsibilities. Careful project planning.	HoP&ED
Business Support	Updata struggling to deliver robust voice & data communication services. Poor performance exacerbated by serving	Approach taken to migration to new contractor, MLL, is piecemeal rather than big bang. Services are being cut over as soon as feasible. Target is for all but telephony service to be with MLL by 10.02.18	HoBS

Service Area	Description of Risk	Mitigation Actions	Responsible Officer
	notice to quit the contract		
Customer Services	SR4 Workforce Issues Unexpected staff shortages/staff turnover resulting in longer waiting times	Turnover decreasing and training has increased capacity but still under review.	HoCS



Chiltern District Council

Internal Audit Progress Report

Page 41
2017/18

Audit and Standards Committee – 8 March 2018

INTRODUCTION

1. This summary report provides the Audit and Standards Committee with an update on the progress of our work at Chiltern District Council as at 16 February 2018.

PROGRESS AGAINST THE 2017/18 ANNUAL PLAN

2. Our progress against the Annual Plan for 2017-18 is set out in Appendix A.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

4. We have not identified any emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation.

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

5. The table below sets out details of audits finalised since our last report to the Audit and Standards Committee for 2017/18. Final reports with priority 1 and 2 recommendations are shown at Appendix B.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM*
Purchase Cards	Reasonable				-	2	3	-
HR recruitment	Substantial				-	-	1	-
Payroll	Reasonable				-	-	3	1
Debtors	Substantial				-	-	1	2
Creditors	Substantial				-	-	-	1
Benefits and Council Tax Support	Substantial				-	-	1	-
Council Tax	Substantial				-	-	-	-
NDR	Substantial				-	-	-	-

CHANGES TO THE ANNUAL PLAN 2017/18

6. The following changes have been made to the audit plan for 2017/18
- Temporary Accommodation – an additional 6 days to allow for additional work to be undertaken for this audit.
 - Risk Management Assistance – an additional 5 days to allow risk workshops to take place during the year.
 - Waste – Health and Safety audit – an additional 15 day audit
 - Information Governance/Data Quality – 8 day audit deleted (audit completed in 2016/17)
 - Risk Management audit – 8 day audit deleted (risk management assistance provided throughout year)
 - Council Tax and NDR audit – an additional 3 days (audits undertaken as separate audits)
 - Waste – Health and Safety Follow up audit – an additional 4 day audit
 - Business Continuity audit – 7 day audit deleted (will now be done in Quarter 1 of 2018/19)
 - Absence Management audit – 8 day audit deleted (will now be done in Quarter 1 of 2018/19)

Page 43

FRAUDS/IRREGULARITIES

7. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

LIAISON WITH EXTERNAL AUDIT

8. We liaise with EY and provide reports and working paper files, as required.

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

9. We have not made any Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous Progress Report.

RISK MANAGEMENT

11. The Audit Director with TIAA and the Councils Audit, Fraud & Error Reduction Manager meet on a regular basis to discuss and action Risk Management matters for both Councils.

The current Risk Procedures/Guidance for Risk Management is being reviewed and progress is being made to display appropriate information on Risk Management throughout both Councils. This will include posters on all notice boards at the main civic offices for South Bucks and Chiltern Councils, as well as data on the Councils intranet and regular items within the Councils all staff Newsletter.

Item 10

Appropriate training has been developed and has been delivered on “Risk Management in a Changing Environment” for all middle managers.

DISCLAIMER

12. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Progress against the Annual Plan for 2017/18

System	Planned Quarter	Days	Current Status	Comments
Governance – Gifts and Hospitality	1	8	Final report issued October 2017	
Disabled Facilities Grants	1	5	Final report issued July 2017	
Cemeteries	1	8	Draft report issued 8 February 2018	
HR - Harmonised Policies and Procedures	1	8	Final report issued September 2017	
HR - iTrent Payroll System (HR Module)	1	6	Final report issued September 2017	
Crematorium - Annual Internal Audit	1	5	Final report issued July 2017	
Expenses	1	8	Final report issued July 2017	
Ground Maintenance	1	8	Draft report issued 20 February 2018	
Risk Management	1	8	Cancelled	Audit cancelled as risk management assistance provided throughout year
Complaints and Compliments	2	6	Final report issued August 2017	
Temporary Accommodation	2	18	Final report issued August 2017	
HR - Absence Management	2	8	Cancelled	Audit cancelled. Will be done Q1 2018/19
Purchase Cards	2	8	Final report issued January 2018	
HR - Recruitment	3	8	Final report issued January 2018	
Main Accounting	3	7	Final report issued November 2017	
Payroll	3	12	Final report issued February 2018	
Accounts Receivable (Debtors)	3	9	Final report issued February 2018	
Accounts Payable (Creditors)	3	9	Final report issued February 2018	

System	Planned Quarter	Days	Current Status	Comments
Contracts and Procurement	3	10	Final report issued December 2017	
Information Governance/Data Quality	3	0(8)	Deleted	Deleted (previous audit completed in 2016/17)
Data Protection	3	8	In progress	
Business Continuity	3	0(7)	Cancelled	Audit cancelled. Will be done Q1 2018/19
Emergency Planning	3	6	Final report issued September 2017	
Benefits	3	13	Final report issued February 2018	
Council Tax Support	3	13	Final report issued February 2018	
Council Tax and NDR	3	20	Council Tax Final report issued Dec 17 NDR Final report issued Sept 17	
Cash and Bank	3	8	Draft report issued 16 February 2018	
Treasury Management	3	8	Draft report issued 20 February 2018	
ICT – Network Controls	2	7	Draft report issued December 2017	
ICT - Telecomms	3/4	7	In progress	
ICT – Mobile/Agile Working	4	7	In progress	
ICT – Information and Data Storage	2	3	In progress	
Waste Services (Chiltern, Wycombe and South Bucks)	3	11	In progress	
Waste Services (Health and Safety)	3	15	Final report issued January 2018	New audit
Waste Services (H & S) – Follow up	4	4	Planned start date February 2018	New audit
Car Parking	4	7	Planned start date February 2018	
Commercial Rents/Debt Recovery	4	8	Final report issued October 2017	
Crematorium - New Administration System	4	5	Final report issued July 2017	

System	Planned Quarter	Days	Current Status	Comments
Follow up		10		
Risk Management Assistance	ongoing	15		

KEY:

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

Audits Finalised since last Audit Committee

Title of review: **Purchase Cards**

Date issued: **January 2018**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	Sample testing of card usage highlighted one case where it was evident from the supporting documentation that the card was being used by a number of members of a team, rather than just the designated cardholder.	Action be taken to ensure that Purchasing Cards are used only by the designated cardholder.	2	A reminder has been sent to all P-Card holders that cards should not be shared.	Immediate	Finance Manager
5	Compliance	Sample testing highlighted a number of inconsistencies with VAT treatment, with VAT receipts not being submitted in all cases.	Full VAT receipts be retained and submitted with log forms in all cases to demonstrate appropriateness of expenditure and allow for VAT to be reclaimed wherever possible.	2	A reminder has been sent to all P-card holders to obtain and include VAT receipts wherever possible.	Immediate	Finance Manager



Chiltern District Council

Internal Audit Annual Assurance Report 2017/18

Internal Audit Annual Report

INTRODUCTION

This is the 2017/18 Annual Assurance Report by TIAA on the internal control environment at Chiltern District Council. The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control. This report is designed to assist the Council in making its annual governance statement.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of Chiltern District Council's risk management, control and governance processes. In my opinion, Chiltern District Council has adequate and effective management, control and governance processes in place to manage the achievement of their objectives.

INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT

The 2017/18 Annual Audit Plan approved by the Audit and Standards Committee was for 340 days (combined with South Bucks DC) of internal audit coverage in the year. During the year there were 5 additions and 4 deletions to the Audit Plan and these changes were approved by the Audit and Standards Committee.

The majority of the planned work has been carried out and final reports have been issued (Annex A).

There were a number of audits carried out which were in addition to the work set out in the Annual Audit Plan which were reported to the Committee.

ASSURANCE

TIAA have carried out, or in the process of carrying out some 35 reviews, (of which 23 are finalised) which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Council's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	16	16
Reasonable Assurance	6	10
Limited Assurance	1	-
No Assurance	-	-

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work which has reached final report stage in 2017/18.

Urgent	Important	Routine
1	18	31

AUDIT SUMMARY

Control weaknesses: There were one area reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'. Recommendations were made to further strengthen the control environment in this area and the management responses indicated that the recommendations had been accepted.

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
9

INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

PERFORMANCE AND QUALITY ASSURANCE

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	TBA%
Audits Completed in Time Allocation	100%	TBA%
Final report issued within 10 working days of receipt of responses	95%	TBA%
Compliance with Public Sector Internal Audit Standards	100%	100%

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2016 and in particular to meet the requirement of an independent five year review, the outcome confirmed full compliance with all the standards. Our work also complies with the IIA-UK Professional Standards.

RELEASE OF REPORT

The table below sets out the history of this Annual Report.

Date Report issued:	February 2018
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Annexes

Annex A

Actual against planned Internal Audit Work 2017/18

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Governance – Gifts and Hospitality	Assurance	8	8	Reasonable	
Disabled Facilities Grants	Grant	5	5	Substantial	
Cemeteries	Assurance	8	8		Draft report issued
HR - Harmonised Policies and Procedures	Assurance	8	8	Substantial	
HR - iTrent Payroll System (HR Module)	Assurance	6	6	Substantial	
Crematorium - Annual Internal Audit	Assurance	5	6	Reasonable	
Expenses	Assurance	8	8	Substantial	
Ground Maintenance	Assurance	8	8		Draft report issued
Risk Management	Assurance	8	0	-	Cancelled
Complaints and Compliments	Assurance	6	6	Substantial	
Temporary Accommodation	Assurance	9	18	Reasonable	Additional areas to audit at the request of South Bucks Council Members
HR - Absence Management	Assurance	8	0	-	Cancelled
Purchase Cards	Assurance	8	8	Reasonable	
HR - Recruitment	Assurance	8	8	Substantial	
Main Accounting	Assurance	7	7	Substantial	
Payroll	Assurance	12	12	Reasonable	
Accounts Receivable (Debtors)	Assurance	9	9	Substantial	

Accounts Payable (Creditors)	Assurance	9	9	Substantial	
Contracts and Procurement	Assurance	10	10	Substantial	
Information Governance/Data Quality	Assurance	8	0	-	Cancelled
Data Protection	Assurance	8	8		In progress
Business Continuity	Assurance	7	0	-	Cancelled
Emergency Planning	Assurance	6	6	Substantial	
Benefits	Assurance	13	13	Substantial	
Council Tax Support	Assurance	13	13	Substantial	
Council Tax	Assurance	10	11.5	Substantial	
NDR	Assurance	10	11.5	Substantial	
Cash and Bank	Assurance	8	8		Draft report issued
Treasury Management	Assurance	8	8		Draft report issued
ICT – Network Controls	Assurance	7	7		Draft report issued
ICT - Telecomms	Assurance	7	7		In progress
ICT – Mobile/Agile Working	Assurance	7	7		In progress
ICT – Information and Data Storage	Assurance	3	3		In progress
Waste Services (Chiltern, Wycombe and South Bucks)	Assurance	11	11		In progress
Waste Services (Health and Safety)	Assurance	0	15	Limited	New audit
Waste Services (H & S) – Follow up	Follow up	0	4		Late February 2018 start
Car Parking	Assurance	7	7		Late February 2018 start
Commercial Rents/Debt Recovery	Assurance	8	8	Substantial	
Crematorium - New Administration System	Assurance	5	5	Reasonable	
Follow up	Follow up	10	10		April/May 2018

Risk Management Assistance	Assistance	10	15		Assistance no report including training
Management time		24	24		
	Total Days	340	346		

SUBJECT:	Audit Requirements for Housing Benefit Subsidy Grant claim from 2018/19 onwards
REPORT OF:	Head of Finance Rodney Fincham
RESPONSIBLE OFFICER	Head of Finance Rodney Fincham
REPORT AUTHOR	Alistair Webb- Audit Fraud and Error Reduction Manager
WARD/S AFFECTED	All

1. Purpose of Report

- 1.1 This report is for the committee to note the process for appointing a reporting accountant.

RECOMMENDATION

1. That the Committee note the actions to appoint a reporting accountant to carry out the prescribed functions in relation to the audit of the Housing Benefit Subsidy Grant claim.

2. Background

- 2.1 In accordance with Department for Work and Pensions (DWP) guidance, local authorities (LAs) are required to appoint a relevant independent **reporting accountant** to carry out audits in respect of the housing benefit subsidy grant claim from 2018/19 onwards.
- 2.2 The authority to appoint an organisation rests with the LA. This will be a triparty arrangement between the LA, DWP and the reporting accountant. DWP define the requirements and scope of the audit, with the reporting accountant reporting the outcomes to the DWP and to the LA.
- 2.3 DWP had previously advised that LAs were required to complete this action by 28th February 2018 and notify DWP of the appointed company. DWP have now revised the deadline, with no new date yet confirmed.
- 2.4 It is likely the revised deadline will fall between Audit Committee dates. DWP reserve the right to withhold Housing Benefit subsidy payments if the deadline is not met.

3. Housing Benefit Audit 2018/19 onwards

- 3.1 In accordance with the Local Authority Accountability Act 2014 LA's are restricted to appointing bodies registered with ICAEW (Institute of Chartered Accountants in England and Wales). This restricts appointments to a potential 10 companies, the main accountancy firms currently operating including Ernst and Young LLP (E&Y).

- 3.2 E&Y have been appointed for a period of five years from 2018/19 as the main financial statement auditors for this council, along with the other districts in Buckinghamshire.
- 3.3 E&Y have a long standing relationship with this Council carrying out both the main financial statement audit and the housing benefit audits. It will be more efficient to retain one auditor for both financial statements and HB assurance work, thus avoiding duplication and unnecessary audit fees.
- 3.4 It is also doubtful whether there would be any interest from other approved auditors to respond to individual tenders for the HB assurance process.
- 3.5 The housing benefit subsidy grant forms a significant portion of the Council's overall funding and as such, external auditors view this as a material income stream and audit testing is targeted accordingly. It is therefore imperative that fit and proper arrangements are in place to appoint an independent auditor to support the audit opinion of the financial statement as a whole.

4. Options

- 4.1 The Authority is required to appoint an appropriate reporting accountant.

5. Corporate Implications

- 5.1 The Council has ongoing audit costs in relation to the auditing of the housing benefit subsidy grant. The appointment of an appropriate accountant will not significantly impact on the existing costs.
- 5.2 The Council is under a duty to appoint a reporting accountant in accordance with The Social Security Administration Act 1992 and in accordance with the Local Authority Accountability Act 2014.
- 5.3 Appointment of a reporting accountant will be in accordance with the Council's Contract Procedure rules.

6. Links to Council Policy Objectives

- 6.1 To support the Council to deliver cost effective customer focused services.

7. Next Step

- 7.1 To appoint a reporting accountant.

Background Papers:	None
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SUBJECT:	Proposed Amendments to the Financial Procedure Rules	
REPORT OF:	Head of Finance	Rodney Fincham
RESPONSIBLE OFFICER	Head of Finance	Rodney Fincham
REPORT AUTHOR	Head of Finance	Rodney Fincham 01494 732260 rfincham@chiltern.gov.uk
WARD/S AFFECTED	All	

1. Purpose of Report

- 1.1 To suggest a number of amendments to the Financial Procedure Rules.

RECOMMENDATION TO COUNCIL:

1. That Council approve the revised Financial Procedure Rules contained in Appendix A.

2. Reason for Recommendation

- 2.1 The proposed changes are intended to clarify the Financial Procedure Rules and ensure they remain fit for purpose.

3. Officer Responsibilities (Para 29)

- 3.1 The responsibilities of the Monitoring Officer need updating to reflect changes introduced by the Localism Act 2011, which made the Council responsible for promoting and maintaining high standards of conduct, a duty which has been delegated to the Audit Committee.

4. Authorised Signatory List (Para 44)

- 4.1 As most financial authorisation is now done electronically the Authorised Signatory List no longer has specimen signatures. A minor change to para 44 is therefore required as follows:

Directors and Heads of Service will provide the Head of Finance with a certified Authorised Signatory List detailing those officers, ~~together with specimen signatures~~, within their respective service areas authorised to certify various documents or transactions. Such lists will be updated and amended as required and any changes notified to the Head of Finance without delay. All lists will be reviewed annually, or as otherwise directed by the Director of Resources. Any alternative authorisation procedures will be in accordance with arrangements approved by the Director of Resources.

5. Virement Levels (Para 53)

5.1 The virement levels are currently different between CDC and SBDC.

CDC

<i>Up to £3,000</i>	<i>Head of Service</i>
<i>£3,001 to £10,000</i>	<i>Director of Resources</i>
<i>£10,001 to £50,000</i>	<i>Director of Resources (If same Service Area)</i>
<i>£10,001 to £50,000</i>	<i>Portfolio Holders (If different Service Area)</i>
<i>Over £50,000</i>	<i>Full Council</i>

SBDC

<i>Up to £10,000</i>	<i>Head of Service</i>
<i>£10,001 to £50,000</i>	<i>Director of Resources</i>
<i>£50,001 to £100,000</i>	<i>Cabinet</i>
<i>Over £100,000</i>	<i>Full Council</i>

5.2 As all services are now shared, having different authorisation levels has become increasingly administratively inefficient. For instance say we want to increase the cost of the Joint Housing Team by £10,000. This will required a virement of £5,800 in CDC (£10,000 x 58%) which requires approval by the Director of Resources. But at SBDC the virement is £4,200 (£10,000 x 42%) which only requires the approval of the Head of Service.

5.3 We would therefore like to standardise the virement approvals in line with the current SBDC levels.

6. Supplementary Estimate – Standardising Amount and Controllability (Para 55)

6.1 Paragraph 55 of the Financial Procedure Rules currently states:

Where any cost centre (revenue or capital) is likely to vary from it's approved net budget by either more than:

*CDC £5,000 or 1%, whichever is the greater,
SBDC £10,000 or 1%, whichever is the greater,*

and where no possibility for virement exists, the Director/Head of Service concerned, after consultation with the Director of Resources, will inform the Portfolio Holder of a request for a Supplementary Estimate. The request for a Supplementary Estimate will be the subject of a report to the Cabinet and onward recommendation to the full Council.

6.2 This rule is not used very frequently as overspends are rare, and when there do occur they are normally caused by events outside of the control of the budget manager ie income levels being lower than estimated or additional uncontrollable costs are incurred such as additional statutory homelessness costs.

6.3 It is proposed to:

- standardise the limit at £10,000 or 1%,
- change the wording to reflect that in practice this applies to discretionary spend, and
- update the terminology from *Supplementary Estimate* to *Supplementary Budget*.

Paragraph 55 would therefore become:

*Where any cost centre (revenue or capital) is likely to **overspend** by either more than **£10,000 or 1%**, whichever is the greater, and where no possibility for virement exists, **and this variance is not due to factors outside of the control of the budget manager**, the Director/Head of Service concerned, after consultation with the Director of Resources, will inform the Portfolio Holder of a request for a **Supplementary Budget**. The request for a **Supplementary Budget** will be the subject of a report to the Cabinet and onward recommendation to the full Council.*

7. Supplementary Estimate - Grant Funding (Paras 54-55)

7.1 The current Financial Procedure Rules are silent on whether a Supplementary Estimate / Budget is required to incur expenditure which is being funded by a new in year grant.

7.2 In practice if a new grant is received in year, then it is taken that there is an automatic approval to spend the grant monies.

7.3 It is therefore proposed to add a new Paragraph 55A to explicitly cover this situation.

If a new grant is received in year, or the amount of grant changes from the original estimate, then the relevant Head of Service has authority to spend this new grant amount without having to obtain a Supplementary Budget.

8. Authority to Incur Capital Expenditure (Para 84)

8.1 Paragraph 84 of the Financial Procedure Rules currently states:

Inclusion of a scheme in the Capital Programme does not automatically provide authority to incur capital expenditure other than staff development time. The Head of Finance will provide Heads of Service and Budget Managers with Capital Programme guidance and procedures that outline the processes that must be followed for implementation of capital schemes.

8.2 In practice inclusion of a scheme in the Capital Programme is the approval to progress a project, unless there is a specific caveat to the approval ie approval is given subject to the approval of the final business case.

8.3 It is therefore proposed to reword Paragraph 84 to the following:

*Inclusion of a scheme in the Capital Programme **provides authority to incur capital expenditure unless otherwise stated (for instance approval could be subject to approval of the final business plan).***

9. Stock, Stores and Equipment (Para 174 and D10)

9.1 It is proposed to add the work 'vehicles' to the section on assets disposals to confirm that this section also relates to the disposal of Vehicles, and remove the term Stores.

*ie Stock, **Stores, Vehicles** and Equipment*

10. Asset Disposals – Land & Property (Para 175)

10.1 The Council Constitution now includes a delegation to the Head of Environment to:
grant short term tenancies including licences and non-protected leases of no more than 7 years with an annual rent not exceeding £35,000 across the Council's property portfolio and the grant of easements or wayleaves.

10.2 Para 175 Financial Procedure Rules now needs to reflect this as follows:

*Any proposal to lease or sell land, buildings or other permanent assets will be the subject of a report to Cabinet by the appropriate Officer in consultation with the Director of Resources, **unless otherwise delegated in the Council's Scheme of Delegation.***

11. Second Signatures on Cheques (Paras 189 and 190)

11.1 Given the limited number of cheques now issued it is proposed to standardise the requirement for second signatories at £10,000. Para 189 and 190 therefore become.

*All computer prepared cheques will bear the facsimile signature of the Director of Resources.
All cheques of:*

~~CDC~~ — £10,000 and over

~~SBDC~~ — £20,000 and over

will also bear the manuscript of an authorised signatory.

All cheques drawn manually will be signed by the Director or Resources or other authorised signatory. All manual cheques of £120,000 and over will also bear the manuscript signature of a second, different authorised signatory

12. Imprest Account (Para 200)

- 12.1 SBDC no longer operates an Imprest account, and thus this section needs to be deleted to reflect this.

13. Cheque Endorsement (Para 213)

- 13.1 There is no longer a need to endorse the back of cheques and thus this requirement needs to be removed from para 213.

Each officer who banks money will enter on the paying-in slip a reference to the related debt (such as the receipt number or the name of the debtor), or otherwise indicate the origin of the cheque. ~~The reverse of each cheque must be endorsed with the receipt or reference number of the related debt.~~

14. Write Off Approval (Para 222)

- 14.1 Paragraph 222 of the Financial Procedure Rules set out the write off approval limits

Up to £150	The Parking Manager has the power to write off irrecoverable penalty charge notices up to £150.
Up to £1,000	The Head of Finance has the power to write off irrecoverable debt up to £1,000.
Up to £10,000	The Director of Resources has the power to write off irrecoverable debts up to the value of £10,000. The Head of Customer Services has the power to write off irrecoverable Council Tax debts, Non Domestic Rates debts and Housing Benefit / Council Tax Support Overpayments up to the value of £10,000.
Over £10,000	The Cabinet has the power to write off irrecoverable debts over £10,000.

- 14.2 As SBDC Cabinet Members can now decide non-key decisions (ie financial matters under £50k) after consultation with their PAGs, it is proposed to amend the write off approval limits to reflect this as follows. It is also proposed to clarify that the amounts are inclusive of VAT.

<i>Up to £150</i>	<i>The Parking Manager has the power to write off irrecoverable penalty charge notices up to £150.</i>
<i>Up to £1,000</i>	<i>The Head of Finance has the power to write off irrecoverable debt up to £1,000.</i>
<i>Up to £10,000</i>	<i>The Director of Resources has the power to write off irrecoverable debts up to the value of £10,000.</i> <i>The Head of Customer Services has the power to write off irrecoverable Council Tax debts, Non Domestic Rates debts and Housing Benefit / Council Tax Support Overpayments up to the value of £10,000.</i>
<i>Up to £50,000</i>	<i>CDC - The Cabinet has the power to write off irrecoverable debts over £10,000.</i> <i>SBDC - Portfolio Holders have the power to write off irrecoverable debts up to £50,000 after consultation with their PAGS.</i>
<i>Over £50,000</i>	<i>The Cabinet has the power to write off irrecoverable debts over £50,000.</i>

** These limits are inclusive of VAT.*

15. Card Payment Requirements (Para 226)

- 15.1 An extra requirement is to be added to clearly specify that cardholder details are never to be written down in order to comply with the Payment Card Industry Data Security Standards.

Cardholder details must only be input directly into payment software / machines / devises. They must never be written down or stored elsewhere.

- 15.2 The paragraphs on credit card charges (226 and 228) have also been removed as under recent EU regulations businesses are no longer able to levy charges for paying by credit card.

16. Inclusive of VAT (Para 239)

- 16.1 The words inclusive of VAT are to be added to para 239 to clarify that the limit for very low value orders is £1,000 *inclusive of VAT*.

17. Approval of Car Loans (Para 265)

- 17.1 Car loan application are now approved at Head of Service Level, rather than by the Director of Resources, and thus this section needs to be amended to reflect this.

18. Other Amendments

- 18.1 There are also a few other minor amendments proposed to ensure the wording reflects current practice / terminology. All the proposed amendments are shown in tracked changes in the Appendix.

19. Options

- 19.1 Members have the option of not approving the proposed changes to the Financial Procedure Rules, or indeed proposing other changes.

20. Corporate Implications

- 20.1 There are no direct financial or legal implications.

21. Links to Council Policy Objectives

- 21.1 To conduct its business efficiently a local authority needs to ensure that it has sound financial management policies in place and that they are adhered to. Part of this process is the establishment of Financial Procedure Rules that set out the financial policies of the Authority

22. Next Step

- 22.1 Any changes to the Financial Procedure Rules will require the agreement of Council.
- 22.2 If changes are approved then the Financial Procedure Rules will be amended and officers of both Councils will be informed of the changes.

Background Papers:	None
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**Chiltern District Council
and
South Bucks District Council**

FINANCIAL PROCEDURE

RULES

~~September~~ May ~~2018~~ 16

Table of Contents

BACKGROUND AND INTRODUCTION.....	4
STATUS OF FINANCIAL PROCEDURE RULES.....	4
WAIVING OF FINANCIAL PROCEDURE RULES.....	5
General.....	5
In the Event of an Emergency.....	5
A FINANCIAL MANAGEMENT.....	6
Why is this important?.....	6
A1 MEMBER AND OFFICER RESPONSIBILITIES.....	6
Full Council.....	6
Cabinet.....	6
Overview and Scrutiny Committee(s).....	6
Audit Committee.....	6
Officer Responsibilities.....	7
Head of Paid Service.....	7
Monitoring Officer.....	7
Director of Resources.....	8
Directors and Heads of Service.....	9
A2 DELEGATION AND AUTHORISATION.....	10
A3 SCHEME OF VIREMENT.....	10
A4 SUPPLEMENTARY ESTIMATES.....	11
A5 YEAR END BALANCES.....	12
A6 ACCOUNTING POLICIES.....	12
A7 ACCOUNTING RECORDS AND RETURNS.....	12
A8 STATEMENT OF ACCOUNTS.....	13
B FINANCIAL PLANNING.....	14
Why is this important?.....	14
B1 MEDIUM TERM FINANCIAL PLAN.....	14
B2 REVENUE BUDGET.....	14
B3 CAPITAL PROGRAMME AND REPAIRS & RENEWALS.....	15
B4 BUDGET MONITORING AND CONTROL.....	16
B5 MAINTENANCE OF RESERVES.....	17 <u>16</u>
C RISK MANAGEMENT AND CONTROL OF RESOURCES.....	18
Why is this important?.....	18
C1 RISK MANAGEMENT.....	18
C2 INSURANCE.....	18
C3 INTERNAL CONTROL.....	19
C4 INTERNAL AUDIT.....	20
C5 EXTERNAL AUDIT.....	21
C6 PREVENTING FRAUD AND CORRUPTION.....	22
Money Laundering.....	23
C7 SECURITY OF ASSETS.....	23
Information and Communication Technology (ICT) Security.....	24
C8 INTELLCTUAL PROPERTY.....	24

C9 INVENTORIES	24
Equipment.....	24
Land and Property.....	25
C10 ASSET DISPOSAL	26
Stock, , Vehicles and Equipment.....	26
Land and Property.....	26
C11 TREASURY MANAGEMENT.....	26
C12 STAFFING	27
D FINANCIAL SYSTEMS AND PROCEDURES	28
Why is this important?.....	28
D1 GENERAL PROCEDURES	28
D2 BANKING ARRANGEMENTS.....	28
Corporate Purchasing Cards	29
D3 IMPREST ACCOUNTS / FLOATS	29
D4 INCOME	30
Accounting for income.....	30
Cheque and cash handling procedures	30
Charging and Invoicing	31
Bad Debts and Write Offs.....	31
Card payments and regulatory requirements.....	32
Waiving of a Charge.....	32
Policy for charging interest on late payment of debts.....	33
D5 ORDERING WORKS, GOODS AND SERVICES	33
Requisitions and Orders.....	33
Acquisition of Information and Communication Technology (ICT) Hardware and Software	34
D6 PAYMENT OF ACCOUNTS.....	35
D7 PAYMENTS TO EMPLOYEES AND MEMBERS	36
Salaries.....	36
Car Loans	37
Members Allowances.....	37
Travelling, Subsistence and other expenses.....	37
D8 TAXATION	38
D9 TRADING ACCOUNTS AND BUSINESS UNITS.....	38
D10 STOCKS AND STORES.....	38
E EXTERNAL ARRANGEMENTS	40
E1 PARTNERSHIPS	40
E2 EXTERNAL FUNDING	41
E3 WORK FOR THIRD PARTIES.....	41

BACKGROUND AND INTRODUCTION

1. To conduct its business efficiently a local authority needs to ensure that it has sound financial management policies in place and that they are adhered to. Part of this process is the establishment of Financial Procedure Rules that set out the financial policies of the authority. These rules link with other rules and procedures forming part of the Council's Constitution.
2. These Financial Procedure Rules relate to both Chiltern District Council and South Bucks District Council.
3. This version will apply from ~~22 July 2015~~ [1 May 2018](#) and supersedes all previous financial regulations, procedure rules and instructions.
4. It should be remembered that these Financial Procedure Rules aim to achieve financial propriety across all the Council rather than to act as a barrier to action for Officers and Members. Assistance to ensure compliance with these rules and further guidance can be obtained from the Finance Team.
5. Should any breach of the Financial Procedure Rules come to light it must be reported immediately to the Director of Resources.

STATUS OF FINANCIAL PROCEDURE RULES

6. Financial Procedure Rules provide the framework for managing the Council's financial affairs and are approved by full Council. They apply to every Member and Officer of both Councils and anyone acting on their behalf and to any Joint Committee or other body for which either Council is the Lead Authority. Where reference is made in these procedure rules to the role and responsibilities of the Cabinet this will be taken to include, where appropriate, the relevant Joint Committee or other body.
7. The Financial Procedure Rules identify the financial accountabilities and responsibilities of full Council, Cabinet, Overview and Scrutiny Committee Members, the Audit Committee, the Head of Paid Service, the Monitoring Officer, the Chief Financial Officer and other senior officers.
8. The Director of Resources is responsible for maintaining a continuous review of the Financial Procedure Rules. Any additions or amendments to these rules will be submitted by the Director of Resources to the Audit Committee for consideration. The Audit Committee will recommend any additions or amendments to full Council for approval and adoption.
9. Any Member who fails to comply with Financial Procedure Rules may be the subject of a report, by the Chief Executive or Director of Resources to the appropriate Committee. Any Officer who fails to comply with Financial Procedure Rules may be subject to action under the Councils' disciplinary procedures.

10. Any reference in the Financial Procedure Rules to writing will include electronic methods of communication such as e-mail provided that a permanent record is kept of the communication.
11. Any reference in the Financial Procedure Rules to authorisation or approval will include either manual signature or electronic authorisation in a form approved by the Director of Resources.
12. In the event of issues of interpretation or non-compliance remaining unresolved by the officers concerned, the Cabinet will be the final arbiter.

WAIVING OF FINANCIAL PROCEDURE RULES

General

13. Any proposed waiving of Financial Procedure Rules must be the subject of a report from the Director or Head of Service concerned, in consultation with the Director of Resources, to the full Council or, if the proposed waiver is in connection with the discharge of a Cabinet function, to the Cabinet.

In the Event of an Emergency

14. Where expenditure is incurred in direct support of a major emergency, direct action in connection with the Enforcement of Planning Control or other appropriate incident be it internal or external to the Council, Financial Procedure Rules may be waived where it is impractical or inappropriate to invoke them.
15. The Chief Executive or in his/her absence, a Director or any two Heads of Service, has authority under such an emergency situation to authorise the waiving of Financial Procedure Rules.
16. All such emergency events will be reported to the first available meeting of full Council or, if the waiver was in connection with the discharge of a Cabinet function, to the first available meeting of the Cabinet following the event.

A FINANCIAL MANAGEMENT

Why is this important?

All Officers and Members have a duty to abide by the highest standards of probity in dealing with financial issues on behalf of the Authority. This is achieved by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

A1 MEMBER AND OFFICER RESPONSIBILITIES

Full Council

17. The full Council is responsible for adopting the Council's Constitution and Members' Code of Conduct and for approving the policy framework and budget within which the Cabinet operates. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control which is set out in the Constitution.
18. Full Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the Constitution.

Cabinet

19. Cabinet is responsible for proposing the policy framework and budget to full Council, and for discharging Cabinet functions in accordance with the policy framework and budget.
20. Cabinet decisions can be delegated to a committee of the Cabinet, an individual Cabinet Member, an Officer or a Joint Committee.
21. The Cabinet is responsible for establishing protocols to ensure that individual Cabinet Members consult with relevant officers before taking a decision within his/her delegated authority. In doing so, the individual Cabinet Member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

Overview and Scrutiny Committee(s)

22. The Overview and Scrutiny Committee(s) are responsible for scrutinising Cabinet decisions before or after they have been implemented and for holding the Cabinet to account. These Committees are also responsible for making recommendations on future policy options and reviewing the general policy and service delivery of the Council.

Audit Committee

23. The Audit Committee reports to the full Council. It has right of access to all the information it considers necessary and can consult directly with internal and external auditors.
24. The Audit Committee is responsible for reviewing the external auditor's reports, the external auditor's annual audit letter and internal audit's annual report and may make recommendations for appropriate further action.
25. The Audit Committee is responsible for monitoring the delivery of both external audit and internal audit plans and any additional audit work undertaken during the year. In addition, the committee may consider the outcomes of any fraud investigations and the action taken.
26. The Audit Committee may also initiate reviews of the adequacy of financial procedures and internal controls, including the adequacy of the internal audit function, and recommend to the Cabinet future policy options; as part of these reviews, Directors and/or Heads of Service may be required to account to the Committee for their actions.

Officer Responsibilities

27. Various statutory duties have been invested in Council appointments and are detailed in the Council's Constitution:
 - The Chief Executive holds the statutory duties of the Head of Paid Service.
 - The Head of Legal & Democratic Services holds the statutory duties of the Monitoring Officer.
 - The Director of Resources holds the statutory duties of the Chief Finance Officer.

Head of Paid Service

28. The Chief Executive, as Head of Paid Service, is responsible for the corporate and overall strategic management of the Council. He/she must report to and provide information to the Cabinet, full Council, Overview and Scrutiny Committee(s) and other Committees. He/she is also responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Chief Executive is also responsible, together with the Head of Legal and Democratic Services as Monitoring Officer, for the system of record keeping in relation to all the full Council's decisions.

Monitoring Officer

29. The Head of Legal and Democratic Services is the designated Monitoring Officer for the Council and is responsible for ~~promoting and maintaining high standards of financial conduct. He/she is also responsible for~~ reporting any actual or potential breaches of the law or maladministration to full Council and/or to the Cabinet, and for ensuring that procedures for recording and reporting key decisions are operating effectively.

30. The Monitoring Officer must ensure that:
- Cabinet decisions and the reasons for them are made public
 - Council Members are aware of decisions made by the Cabinet and of those made by officers who have delegated executive responsibility.
31. The Monitoring Officer is also responsible for:
- advising all Members and Officers about who has authority to take a particular decision
 - advising full Council or Cabinet about whether a decision is likely to be considered contrary to, or not wholly in accordance with, the policy framework
 - advising (together with the Director of Resources) full Council or Cabinet about whether a decision is likely to be considered contrary to, or not wholly in accordance with, the budget.
 - maintaining an up to date Constitution.

Director of Resources

32. The Director of Resources has statutory duties in relation to financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from Section 151 of the Local Government Act 1972, the Local Government Act 1988, the Local Government and Housing Act 1989 and the Accounts and Audit Regulations ~~2011~~[2015](#).
33. The Director of Resources will act as the financial advisor to full Council and Cabinet, subject to the specific delegation of responsibility to Directors and/or Heads of Service for the proper management of their services.
34. The responsibilities of the Director of Resources under Section 151 of the Local Government Act 1972 are:
- Advising on corporate risk profiling and management, including safeguarding assets, risk avoidance and insurance.
 - Advising on effective systems of internal control.
 - Ensuring that there is an effective system of internal financial control, including anti-fraud controls.
 - Advising on anti-fraud and anti-corruption strategies and measures.
 - Preparing statutory and other accounts and associated grant claims.

- Ensuring there is an effective internal audit function and assisting management in providing effective arrangements for financial scrutiny.
 - Securing effective systems of financial administration.
 - Securing effective arrangements for treasury management, pensions and trust funds.
 - Ensuring a prudential financial framework is in place.
 - Ensuring that financial management arrangements are in line with broad policy objectives and the authority's overall management.
35. Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer (Director of Resources) to report to the full Council, Cabinet and the External Auditor if the Authority or one of its Officers:
- Has made, or is about to make, a decision which involves incurring unlawful expenditure.
 - Has taken, or is about to undertake, an unlawful action which has resulted or would result in a loss or deficiency to the Authority.
 - Is about to make an unlawful entry in the authority's accounts.
36. Section 114 also requires the Section 151 Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally. The Head of Finance is the designated officer for this purpose.
37. The Act also requires the Council to provide the Section 151 officer with sufficient staff, accommodation and other resources – including legal advice where it is necessary to carry out duties under Section 114.
38. The Director of Resources is responsible for maintaining a continuous review of the Financial Procedure Rules and for submitting any additions or changes necessary to full Council for approval.
39. The Director of Resources is responsible for reporting, where appropriate, breaches in Financial Procedure Rules to the full Council and/or the Cabinet.

Directors and Heads of Service

40. Directors and Heads of Service are responsible for ensuring that all their staff are aware of the existence and content of the Council's Financial Procedure Rules and that they understand and comply with them.
41. It is the responsibility of Directors and Heads of Service to consult with the Director of Resources and seek approval on any matter liable to materially affect the Authority's finances before any commitment is incurred.

42. It is the responsibility of Directors and Heads of Service to ensure that all Council, Cabinet or other committee reports contain a section that provides Members with an accurate description of the financial implications of the subject of the report, including whether the expenditure can be met within existing budgets. Reports must be circulated in advance to the Director of Resources or nominated representative. The Director of Resources or nominated representative must sign off all reports that have material financial implications that he/she agrees the financial implications section of the report.

A2 DELEGATION AND AUTHORISATION

43. Directors and Heads of Service are responsible for ensuring that a proper scheme of delegation is established within their service areas which operates effectively, identifying staff authorised to act on the Directors' or Heads of Services' behalf in respect of payments, income collection and placing orders within the limits of their authority.
44. Directors and Heads of Service will provide the Head of Finance with a certified Authorised Signatory List detailing those officers, ~~together with specimen signatures,~~ within their respective service areas authorised to certify various documents or transactions. Such lists will be updated and amended as required and any changes notified to the Head of Finance without delay. All lists will be reviewed annually, or as otherwise directed by the Director of Resources. Any alternative authorisation procedures will be in accordance with arrangements approved by the Director of Resources.
45. Directors and Heads of Service should ensure separation of duties within their service areas so that no one officer is able to carry out all parts of a financial transaction i.e. an officer other than the one who authorised the order must certify the payment

A3 SCHEME OF VIREMENT

46. The scheme of virement is intended to enable the Cabinet, Directors and Heads of Service to manage budgets with a degree of flexibility within the overall policy framework determined by full Council and therefore to optimise the use of resources.
47. Virement is the permission to spend more on one budget when this is matched by a corresponding reduction (saving) on some other budget. A virement does not create an additional budget but changes the purpose for which the budget will be used via a switch or transfer of resources.
48. Virement is an important part of the budgetary control process and an important mechanism in managing budgets efficiently and within cash limits. Virement needs to be undertaken in a controlled manner. It provides a mechanism to amend annual budgets to reflect changing circumstances or to address overspends and helps to ensure that budgets are based on actual activity.

49. Directors/Heads of Service must demonstrate that savings are feasible for a virement to be actioned. Savings of a non-recurring nature i.e. one-off, cannot be used to justify the incurring of expenditure with a continuing commitment into future years.
50. Virements between Capital (including Repairs & Renewals) and Revenue are not permitted.
51. All proposals for virement must be submitted on the appropriate form to the Head of Finance either for information, written agreement and/or referral to the Cabinet depending on the amount requested.
52. The Head of Finance will keep a record of all virements and will reflect all virements within the Financial Information System.
53. The table below sets out the approval limits for all virements and applies to both Revenue and Capital budgets.

CDC

Up to £3,000	Head of Service
£3,001 to £10,000	Director of Resources
£10,001 to £50,000	Director of Resources (If same Service Area)
£10,001 to £50,000	Portfolio Holders (If different Service Area)
Over £50,000	Full Council

SBDC

Up to £10,000	Head of Service
£10,001 to £50,000	Director of Resources
£50,001 to £100,000	Cabinet
Over £100,000	Full Council

Nb: These limits are cumulative for a budget code, as opposed to per virement.

A4 SUPPLEMENTARY ESTIMATESBUDGET

54. Given the virement procedures available to Directors/Heads of Service and the increasing budget pressures on the Council's finances, requests for Supplementary ~~Estimates~~ ~~Budgets~~ are unlikely to be considered favourably unless there are exceptional circumstances. The Director of Resources would expect all virement opportunities to have been used before agreeing the need for a Supplementary ~~Estimate~~ ~~Budget~~.
55. Where any cost centre (revenue or capital) is likely to ~~vary from it's approved net budget~~ ~~overspend~~ by either more than:

~~CDC~~ £5,000 or 1%, whichever is the greater,
~~SBDC~~ £10,000 or 1%, whichever is the greater,

and where no possibility for virement exists, and this variance is not due to factors outside of the control of the budget manager, the Director/Head of Service concerned, after consultation with the Director of Resources, will inform

the Portfolio Holder of a request for a Supplementary [EstimateBudget](#). The request for a Supplementary [Estimate-Budget](#) will be the subject of a report to the Cabinet and onward recommendation to the full Council.

[55A If a new grant is received in year, or the amount of grant changes from the original estimate, then the relevant Head of Service has authority to spend this new grant amount without having to obtain a Supplementary Budget.](#)

A5 YEAR END BALANCES

56. Service specific carry forward of year end balances is generally not allowed. Any overall under or overspend at the end of the financial year will normally be transferred to / from the General Fund Reserve unless the Cabinet, on the advice of the Director of Resources, recommend any transfers to earmarked reserves.

A6 ACCOUNTING POLICIES

57. The Director of Resources is responsible for selecting suitable accounting policies and for ensuring that they are applied consistently. The accounting policies are set out in the Statement of Accounts
58. Directors and Heads of Service are responsible for ensuring adherence to the accounting policies and guidelines approved by the Director of Resources.

A7 ACCOUNTING RECORDS AND RETURNS

59. Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources.
60. The accounting records shall be sufficient to show and explain the Council's transactions and shall be such as to disclose with reasonable accuracy at any time the financial position and to enable the Director of Resources to ensure that any balance sheet, statement of accounts, statement of balances or record of receipt and payments, as the case may be, complies with the Local Authority Accounting regulations.
61. The accounting records determined by the Director of Resources shall contain:
- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure relates.
 - a record of the assets and liabilities of the Council; and
 - a record of income and expenditure in relation to claims made, or to be made, by them for contribution, grant or subsidy.
62. The accounting control systems determined by the Director of Resources shall include:

- measures to ensure that the financial transactions of the Council are recorded as accurately and promptly as possible,
 - measures to enable the prevention and detection of inaccuracies and fraud,
 - the ability to reconstitute any lost records,
 - identification of the duties of all officers dealing with financial transactions and division of responsibilities in relation to significant transactions,
 - procedures for uncollected amounts, including the writing off of unrecoverable debts
63. Directors and Heads of Service must consult and obtain the approval of the Director of Resources before making any changes to accounting records and procedures.

A8 STATEMENT OF ACCOUNTS

64. The Council has a statutory responsibility to prepare annual accounts to present a true and fair view of the financial position of the Council. The Audit Committee has delegated authority for approving the annual Statement of Accounts.
65. The Director of Resources is responsible for
- selecting suitable accounting policies and to apply them consistently
 - making judgements and estimates which are reasonable and prudent
 - complying with Codes of Practice
 - signing and dating the Statement of Accounts
 - drawing up the timetable for final accounts preparation and to advise staff and external auditors accordingly
 - presenting the Statement of Accounts to Members with appropriate interpretation and highlighting of key issues
66. Directors / Heads of Service are responsible for complying with accounting guidance issued by the Director of Resources and for supplying information when required.

B FINANCIAL PLANNING

Why is this important?

Full Council is responsible for approving, adopting and amending the Council's Budget and Policy Framework. In terms of Financial Planning, the key elements are:

- Medium Term Financial Plan
- Revenue Budget
- Capital Programme (including the Repairs & Renewals Programme operated at Chiltern District Council)

B1 MEDIUM TERM FINANCIAL PLAN

67. The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable resources to be allocated in accordance with priorities and objectives.
68. It is good practice to maintain and publish medium term business plans that cover a three to five year period. The purpose of these plans is to explain overall priorities and objectives, current performance, proposals for further improvement and to demonstrate value for money and financial sustainability.
69. The Director of Resources will present a Medium Term Financial Plan (MTFP) to the Cabinet, taking into account any other matters he/she considers relevant to the financial position of the Council. The MTFP will be prepared and updated on a regular basis (at least annually) and will set out the consequences of the proposed strategy on Council Tax levels. The Cabinet is responsible for proposing the MTFP to full Council on the advice of the Director of Resources.

B2 REVENUE BUDGET

70. The Director of Resources will determine the detailed format and method of preparation of the Revenue Budget and ensure compliance with local authority accounting requirements.
71. Heads of Service and Budget Managers will be provided with a budget timetable and budget guidance notes to enable the annual budget to be completed by the statutory deadline. The guidance will set out the responsibilities for the completion of the budget estimates.
72. As part of the annual revenue budget process all fees and charges for goods and services supplied by the Council will be reviewed. The Director of Resources will provide a summary of proposed fees and charges for Cabinet approval as part of the annual revenue budget report.
73. Estimates of income and expenditure on each account code within each cost centre heading will be prepared by Budget Managers in consultation with the Director of Resources. The estimates will take account of the Council's key corporate objectives and individual service plans.

74. The Head of Finance will collate the overall estimates for consideration by the Senior Management Team. The Revenue Budget will be submitted to the Cabinet by the Director of Resources together with his/her report.
75. The Cabinet will consider the Revenue Budget and will make such amendments as they consider desirable before recommending the budget for approval by full Council. At the same time, the Cabinet will recommend the Council's Council Tax Requirement to the full Council for determination.
76. At any point in the budget preparation process the ~~Performance and~~ Resources Overview Committee (at Chiltern) or Overview and Scrutiny Committee (at South Bucks) may request the Revenue Budget for review purposes.
77. Approval of revenue budgets will give authority to Directors and Heads of Service to commit their budgets, subject to Financial Procedure Rules and Contract Procedure Rules being complied with, to achieve the Council's key objectives.
78. Any carry forward of Revenue budgets must be approved by the Cabinet.

B3 CAPITAL PROGRAMME AND REPAIRS & RENEWALS

79. Capital expenditure involves acquiring or enhancing fixed assets with a long term value such as land, buildings and major items of plant, equipment and vehicles.
- 79A Capital expenditure is incurred in pursuance of the Council's agreed Capital Strategy. The Capital Strategy will set out the Council's priorities that the Capital Programme is seeking to advance, and demonstrate the financial sustainability of the programme.
80. The Director of Resources will determine the detailed format and method of preparation of the Capital Programme and Repairs & Renewals Programme.

Note – the Repairs & Renewals Programme is relevant for Chiltern District Council only.
81. Budget Managers will submit Capital Programme bids and Repairs & Renewal Fund Programme bids to the Head of Finance on an annual basis. The bids will take account of the Council's key corporate objectives and individual service plans. Guidance notes on the annual Capital Programme and Repairs & Renewals Fund Programme review process will be provided to Budget Managers by the Head of Finance.
82. The overall programmes will be collated by the Head of Finance and submitted to the Senior Management Team for consideration. The programmes will be submitted to the Cabinet by the Director of Resources together with his/her report.

83. The Cabinet will consider the Capital Programme and Repairs & Renewals Programme in the context of the Capital Strategy, and will make such amendments as they consider desirable before recommending the m programmes for approval by full Council.
84. Inclusion of a scheme in the Capital Programme ~~does not automatically provide~~ authority to incur capital expenditure unless otherwise stated (for instance approval could be subject to approval of the final business plan), other than staff development time. The Head of Finance will provide Heads of Service and Budget Managers with Capital Programme guidance and procedures that outline the processes that must be followed for implementation of capital schemes.
85. Any carry forward of Capital or Repairs & Renewals budgets must be approved by the Cabinet.

B4 BUDGET MONITORING AND CONTROL

86. Budget management ensures that resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
87. By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity.
88. Directors/Heads of Service are responsible for the control of income and expenditure within their area and for monitoring performance throughout the financial year. They are expected to control their budgets so that they achieve the Council's key objectives without overspending.
89. Each Director/Head of Service will approve a scheme of delegation of budgets to named officers such that there is a nominated budget holder for each cost centre budget. The scheme of delegation will be notified to the Head of Finance. Each budget manager will be accountable to their Director/Head of Service for controlling their budgets and for complying with these Financial Procedure Rules.
90. The Director of Resources is responsible for providing appropriate financial information to enable budgets to be effectively monitored. Such information to be in the form and at the frequency agreed (normally monthly).
91. Income and expenditure must be controlled and monitored and the overall position on key areas reported to the Senior Management Team and the Cabinet.
92. Before incurring expenditure, each Director/Head of Service must ensure that adequate provision exists within approved budgets.

B5 MAINTENANCE OF RESERVES

93. Under the Local Government Act 2003 the Director of Resources, as the Council's Section 151 Officer, must advise the Cabinets and/or Councils on prudent levels of reserves and balances.
94. The Director of Resources will prepare, keep under review and present to Cabinet a policy on the Council's reserves and balances that provides an explanation of the purpose, usage and control of each individual reserve, together with a recommended minimum to be maintained.

C RISK MANAGEMENT AND CONTROL OF RESOURCES

Why is this important?

All organisations, whether public or private sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

C1 RISK MANAGEMENT

95. The Cabinet is responsible for approving the Council's Risk Management Strategy, for reviewing the effectiveness of the Council's risk management practices and promoting a culture of risk management awareness throughout the Council.
96. The Director of Resources is responsible for preparing and promoting the Council's Risk Management Policy and Strategy and for ensuring that there is proper management and control of risk throughout the Council.
97. The Senior Management Team is responsible for ensuring that strategic risks to the Council are regularly identified and managed.
98. Directors/Heads of Service are responsible for ensuring that operational risks to their areas of business are identified and managed in accordance with guidance issued by the Director of Resources and for ensuring that an Operational Risk Register for service areas within their control is maintained and reviewed on a regular basis.
99. Directors/Heads of Service are responsible for ensuring that operational risks are assessed in their Service Plans.
100. The Directors and Heads of Service are Risk Management Group is responsible for reviewing risk and business continuity arrangements. This group will review key operational risks monthly, and strategic risks at least annually, gularly report to the Senior Management Team.
101. All staff are responsible for being aware of and reporting any new risks to their line manager or Head of Service as they become aware of them

C2 INSURANCE

102. The Cabinet is responsible for ensuring that proper insurance cover exists where appropriate, either through external insurance or internal funding.

103. The Director of Resources is responsible for advising the Cabinet on proper insurance cover or alternative arrangements.
104. The Director of Resources will arrange all insurance cover on behalf of the Council and will negotiate claims in conjunction with other officers where necessary.
105. Each Director/Head of Service will give immediate notification to the Head of Finance of the extent and nature of all new risks or assets that require to be insured and of any alterations affecting existing insurances.
106. Each Director/Head of Service will, within two working days, notify the Head of Finance in writing using the appropriate form of any loss, liability or damage or any event likely to lead to a claim. In cases of urgency the Director/Head of Service will report verbally pending submission of a written report.
107. All employees and volunteers of the Council will be included in suitable fidelity guarantee insurance.
108. The Director of Resources will annually, or at such other lesser period as he/she may consider necessary, review all insurances in consultation with other Directors/Heads of Service as appropriate.
109. The value of equipment insured by the Council's insurers (based on a percentage of the valuation of the building) to be established and reviewed to ensure it accurately reflects the value of equipment held.
110. Directors/Heads of Service will consult the Director of Resources regarding the terms of any indemnity which the Council is requested to give.

C3 INTERNAL CONTROL

111. Internal control refers to the system of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economic, efficient and effective use of resources and that the Council's assets and interests are safeguarded.
112. The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.
113. The Director of Resources is responsible for advising on effective systems of internal control. The arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently and in accordance with statutory and other authorities that govern their use.

114. The Director of Resources is also responsible for ensuring that an effective Internal Audit function is properly resourced and operates in accordance with recognised auditing guidelines.
115. Directors/Heads of Service are responsible for establishing sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets. This should include detailed and up to date systems procedure notes, where relevant. All procedure notes should be reviewed at least annually and the date of review shown on the procedure notes.
116. The Director of Resources is responsible for producing an Annual Governance Statement which will include a review of the effectiveness of the Council's internal control arrangements. This must be submitted to the Audit Committee for comment and review and then approved by the Leader and Chief Executive.

C4 INTERNAL AUDIT

117. The Accounts and Audit Regulations require every local authority to maintain an adequate and effective system of internal audit of their accounting records and control systems.
118. The Director of Resources is responsible for maintaining an adequate and effective system of Internal Audit of its accounting records and of its system of internal control in accordance with proper internal audit practices.
119. Internal Audit is an assurance function that provides an independent and objective opinion to the Council on the degree to which the internal control environment supports and promotes the achievement of the Council's objectives. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.
120. The Director of Resources and any officer to whom he/she has delegated the duty of Internal Audit shall be responsible for the appraisal of all the Council's activities.
121. The Director of Resources or his/her authorised representative shall have authority to:
 - enter at all reasonable times on any premises or land owned by or under the control of the Council.
 - have access to all records, documents and correspondence, computerised or manual relating to any financial and other control systems or transactions of the Council.
 - require and receive such information and explanation considered necessary concerning any matter under examination.

- require any employee of the Council to produce cash, stores or any other property of the Council under his/her control.
 - apply any test or check deemed necessary to the accounts, cash, securities or other property and records that relate in any way to the financial or other systems of the Council; and
 - access records belonging to third parties, such as contractors whenever appropriate.
122. The Internal Audit Manager will normally report to the Head of Finance. If due to the nature of the audit this is inappropriate, the Internal Audit Manager shall have authority to report directly to the Chief Executive and/or the Chairman of the Council or the Leader of the Cabinet.
123. The existence of Internal Audit shall in no way diminish the functions powers and responsibilities of Directors/Heads of Service for the management of the services under their control. In particular their responsibility for accountability for security, custody and control of all resources, including staff, plant, buildings, materials, cash and stores placed under their control.
124. Directors/Heads of Service are responsible for ensuring that Internal Audit are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.
125. Directors/Heads of Service are responsible for ensuring that Internal Audit is provided with any information and explanations that they seek in the course of their work.
126. Directors/Heads of Service are responsible for immediately notifying the Director of Resources of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources. Pending investigation and reporting, the Director/Head of Service should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
127. The Internal Audit Manager shall report to the appropriate level of management on all matters which he/she considers significant arising out of Internal Audit appraisals giving recommendation(s) for improvement wherever necessary or possible.
128. Directors/Heads of Service are responsible for considering and responding promptly to recommendations in audit reports and ensuring that agreed actions from recommendations are carried out in a timely and efficient manner.
129. Internal Audit will report regularly to the Senior Management Team and to the Audit Committee on Internal Audit work, including management's response to Internal Audit recommendations.

C5 EXTERNAL AUDIT

130. The Director of Resources will ensure that the Appointed Auditor is given access at all times to premises, personnel, documents and assets that he/she considers necessary for the purposes of their work. The Director of Resources will also ensure there is effective liaison between external and internal audit.

C6 PREVENTING FRAUD AND CORRUPTION

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

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

133. The Director of Resources is responsible for maintaining an Anti-Fraud and Anti-Corruption Policy Statement which details the culture of the Council in relation to fraud and corruption.

134. The Council also has a [Protected Disclosure Policy \(Whistle Blowing\) Policy](#), listing officers who can be contacted to report any suspicious matter, and a Benefit Fraud Prosecution Strategy.

135. Irregularities are broadly of four types, the first two being criminal offences:

- theft, which includes fraud which is typically taken to mean theft involving deception.
- bribery and corruption.
- failure to observe the Council's Standing Orders, Financial Procedure Rules, Contract Procedure Rules and breaches of other Council Policies and Codes of Conduct etc. issued.
- errors and omissions which lead to a loss to the Council.

136. Whenever a fraud or irregularity is discovered or is suspected to exist concerning cash, property, stores or other matters involving the Council's interests, it shall be the duty of the officer concerned to immediately inform his or her Director/Head of Service or line manager. The officer contacted shall, in turn and as soon as practically possible, advise and consult either the Director of Resources or the Chief Executive, and in every case the Internal Audit Manager.

137. All Directors/Heads of Service shall notify the Internal Audit Manager of all anonymous notifications of fraud or irregularity either suspected or actual.

138. Directors / Heads of Service will if appropriate instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour by an employee.

139. The Chief Executive or the Director of Resources shall decide whether the matter shall be referred to the police for investigation. The Chief Executive or the

Director of Resources shall report to the Leader of the Cabinet or appropriate Committee if required.

Money Laundering

140. The Council's Director of Resources is the appointed Money Laundering Reporting Officer (MLRO). There is a maximum limit of £2,000 on the acceptance of cash payments; in exceptional circumstances this limit can be exceeded with the prior approval of the MLRO.
141. The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. It is the duty of all officers who suspect that a money laundering activity may be taking place to report it immediately to the Director of Resources. Individuals are personally responsible for referring suspicions and can be fined for non-compliance.
142. Any disclosures about money laundering activity should be reported to the Money Laundering Reporting Officer or his/her nominated representative.

C7 SECURITY OF ASSETS

143. The Council holds assets in the form of property, equipment, vehicles and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations.
144. Directors/Heads of Service should ensure that records and assets under their control are properly maintained and securely held.
145. Directors/Heads of Service are responsible for ensuring the maximum limit for cash holdings in accordance with insurance and safe limits is not exceeded, except with the express permission of the Director of Resources.
146. Directors/Heads of Service should ensure that all assets under their control are, as far as is practicable, effectively marked as Council property.
147. The Council's assets will not be removed or used otherwise than in the course of the Council's business except in accordance with specific instructions issued by the Director/Head of Service concerned.
148. All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control and for ensuring that the use of these resources is legal, is properly authorised and provides value for money.
149. It will be the responsibility of each Director/Head of Service to make adequate arrangements for the security of monies whilst in their custody, such arrangements to be the subject of approval by the Director of Resources

150. Keys to safes and other cash receptacles must be securely held at all times.
151. Building access keys must be securely held at all times.
152. The Director of Resources is responsible for ensuring that proper security and privacy arrangements are applied in respect of all information held on the Council's computer installations and that information is used in accordance with Data Protection and other relevant information. He/she shall also ensure that effective contingency plans, disaster recovery and back-up procedures are in place to enable information systems to resume speedily in the event of interruption. Any such plans should be tested on a regular basis.
153. Directors/Heads of Service should ensure that all visitors to any Council buildings or sites, except public areas, are signed in and wear authorised identification. They should also ensure that any visitors are adequately supervised to ensure confidentiality of information and security of Council assets at all times.

Information and Communication Technology (ICT) Security

154. The Head of Business Support is responsible for policies in relation to the security of ICT equipment and for the issuing of Network and PC Standards.
155. The Head of Business Support is responsible for the application of policy, instructions and good practice in respect of corporate servers and distributed systems (networks).
156. Directors/Heads of Service are responsible for ensuring that policies and instructions are made known to all members of staff.

C8 INTELLECTUAL PROPERTY

157. Intellectual property is a generic term that includes inventions and writing. If these are created by an employee during the course of employment then, as a general rule, they belong to the employer, not the employee.
158. Certain activities undertaken with the Council may give rise to items that may be patentable e.g. software development. These items are also regarded as intellectual property.
159. In the event that the Council decides to become involved in the commercial exploitation of inventions the matter should proceed in accordance with the advice and guidance of the Director of Resources.
160. Directors and Heads of Service should ensure that controls are in place to ensure that staff do not carry out private work in Council time and that staff are aware of an employer's rights with regard to intellectual property.

C9 INVENTORIES

Equipment

161. The Council will maintain an inventory of all equipment (excluding ICT related equipment) with a replacement value above £1,500.
162. Each Director / Head of Service is responsible for maintaining an annual check of all items allocated to their areas and for taking action in relation to any surpluses or deficiencies, to include informing the Director of Resources.
163. All Information and Communication Technology and equipment will be recorded on an inventory held by the Head of Business Support and should include all servers, scanners, PCs, laptops, PDAs and any other equipment.
164. For 'mobile' equipment (i.e. equipment that is not always kept in the office) such as PDAs, mobile phones and laptops the register will include the name of the officer to whom the equipment has been allocated.

Land and Property

165. A property database will be maintained by the Director of Services detailing all properties, including land, owned by the Council. The database will record, the purpose for which the property is held, its location, extent and plan reference, purchase details, particulars of nature of interest and rents receivable and particulars of leases and licences granted.
166. The Head of Finance will keep an Asset Register for capital accounting purposes. The register will be reviewed and updated on an annual basis. A review of asset values will be carried out at least every five years by an independent valuer.
167. Directors and Heads of Service are responsible for immediately notifying any amendments, deletions or additions to the Asset Register to the Head of Finance.
168. The Head of Legal & Democratic Services will keep all title deeds securely.
169. The Director of Services will maintain a Corporate Asset Management Plan to ensure that efficient, effective and sustainable use is made of the Council's land and buildings and that a co-ordinated approach to asset management is achieved across the authority.
170. Any contract relating to the purchase or disposal of any land or property or an interest in land or property will be in writing in a form agreed by the Head of Legal Services & Democratic Services.
171. The Head of Finance must be consulted in advance of any contractual agreement being entered into by the Council in order to ensure that any VAT liability has been properly assessed and tax planning implications taken into account.
172. The Director of Services will be responsible for the granting of licences and easements and for determining rent levels.

173. The Head of Business Support is responsible for co-ordinating the maintenance of the Council's Geographical Information System and Local Land and Property Gazetteer.

C10 ASSET DISPOSAL

Stock, ~~Stores~~, Vehicles and Equipment

174. Stock, Vehicles and Equipment, ~~stock and stores~~ will be disposed of in accordance with the following procedure:

Under £10,000

- Sale of surplus stock, vehicles and equipment with an estimated value up to £10,000 to be approved by a Director/Head of Service at the best price available (Head of Finance to be advised).
- Write off of stock, vehicles and equipment with an estimated value up to £10,000 to be approved by a Director/Head of Service (Head of Finance to be advised).

Over £10,000

- Sale of surplus stock, vehicles and equipment with an estimated value above £10,000 – Director of Resources to approve the method of sale.
- Write off of stock, vehicles and equipment with an estimated value above £10,000 – Director of Resources to approve write off.

Land and Property

175. Any proposal to lease or sell land, buildings or other permanent assets will be the subject of a report to Cabinet by the appropriate Officer in consultation with the Director of Resources, unless otherwise delegated in the Council's Scheme of Delegation.

C11 TREASURY MANAGEMENT

176. Many millions of pounds pass through the Council's books each year. Procedures have been put in place to provide assurance that the Council's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Council's capital sum.
177. The Council has adopted and complies with CIPFA's "Code of Practice on Treasury Management in the Public Sector".
178. The Director of Resources is responsible for reporting to Cabinet on an annual basis a proposed Treasury Management Strategy for the coming financial year at or before the start of each financial year.

179. The Treasury Management Strategy and a Treasury Policy Statement is approved by the full Council.
180. The Director of Resources has responsibility for the implementation and monitoring of the Treasury Management Strategy.
181. The Director of Resources will report to [Cabinet Members](#) at least twice in each financial year on the activities of the treasury management operation and on the exercise of delegated treasury management powers. One such report will comprise an annual report [to Cabinet](#) on treasury management for presentation by 30 September of the succeeding financial year.
182. Working procedures are detailed in the Treasury Management Practices document.

C12 STAFFING

183. The Director of Resources will advise Members and Officers on areas such as National Insurance and Pension Scheme contribution [rates](#) as appropriate.
184. Directors and Heads of Service are responsible for the management of staffing budgets by:
 - adjusting the staffing numbers to that which can be funded within the approved budget provision
 - the proper use of appointment procedures
 - monitoring staff activity to ensure adequate control over such costs as sickness, overtime, training, temporary and agency staff
 - ensuring that the staffing budget is not exceeded unless the necessary additional ongoing funding is available and the agreement of the Senior Management Team is obtained as required.
 - ensuring compliance with taxation and contract requirements for contractors and employees. Remuneration of employees must be paid through the authorised payroll system.

D FINANCIAL SYSTEMS AND PROCEDURES

Why is this important?

Sound systems and procedures are essential to an effective framework of accountability and control. Information must be accurate, reconciled and controlled to ensure that transactions are promptly processed and errors detected promptly.

D1 GENERAL PROCEDURES

185. All accounting procedures and financial records shall be determined by the Director of Resources.
186. The following principles shall be observed in the allocation of accounting duties:
- 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.

D2 BANKING ARRANGEMENTS

187. All banking arrangements with the Council's bankers will be made by, or under arrangements approved by, the Director of Resources.
188. All pre-printed cheques will be ordered only on the authority of the Director of Resources who will make proper arrangements for their control, safe custody and issue.
189. All computer prepared cheques will bear the facsimile signature of the Director of Resources. All cheques of:
- ~~CDC—£10,000 and over~~
~~SBDC—£20,000 and over~~
- will also bear the manuscript of an authorised signatory.
190. All cheques drawn manually will be signed by the Director or Resources or other authorised signatory. All manual cheques of ~~£120,000~~ and over will also bear the manuscript signature of a second, different authorised signatory
191. All other payments of £20,000 and over e.g. by BACS, will bear the manuscript signature of the Director of Resources, or an officer authorised by the Director of Resources, on the payment documentation.

192. No officer will make arrangements for recurrent payments to be made by Direct Debit or Standing Order without the prior approval of the Head of Finance.
193. Income will be banked in accordance with procedures agreed by the Head of Finance and the Council's bankers. Income will be transferred by security carrier to cash and cheque processing centres nominated by the Council's bankers.

Corporate Purchasing Cards

194. Directors or Heads of Service to make written requests to the Head of Finance for all new corporate purchasing cards.
195. The Director of Resources or Head of Finance to formally authorise all new corporate purchasing cards.
196. The Director of Resources will authorise transaction limits and card limits. These limits apply to the individual for the purposes of card spend only and are independent of the authorised signatory limits.
197. Corporate purchasing cards will be issued and monitored by specified staff within the Finance Team.
198. Corporate purchasing cards are only to be used for Council business.
199. Staff must ensure corporate purchasing cards are securely held at all times. See Corporate Purchasing Card Procedures for details of purchasing, reconciliation, contact names and notification of lost or stolen cards etc.

~~D3 IMPREST ACCOUNTS / FLOATS~~

200. ~~Payments made from an Imprest Account will be limited to minor items of expenditure and to such other items as the Head of Finance may approve and must be supported by a receipt.~~
~~Note: Imprest Accounts in operation at South Bucks District Council only~~
201. All requests for new or increased cash floats to be authorised by the relevant Director or Head of Service and submitted to the Head of Finance stating the need for the float, the amount required and the officer responsible for the float.
202. All cash floats must be securely held and must be regularly checked to ensure all cash is accounted for. Any cash discrepancies must be immediately reported to the Head of Finance. Internal Audit will be responsible for carrying out a year end check on any significant cash floats.
203. The cash takings held by the Customer Services may be used in exceptional circumstances, subject to the approval of the Director of Resources or Head of Finance, to cash Council drawn cheques. These will include any Council drawn cheques authorised to 'pay cash'. For all such transactions a specified form must be completed and authorised by a Head of Service or Senior Revenues Manager (for Housing Benefit cheques only). Customer Services staff must check the customer's identity and obtain a signature (on the specified form) to

acknowledge receipt of the cash paid out. The cheque can then be substituted for the cash and banked.

204. No income received on behalf of the Council may be paid into a petty cash account or float but must be banked in accordance with procedures provided elsewhere in these rules.

D4 INCOME

Accounting for income

205. Income can be a vulnerable asset and effective income collection systems are essential to ensure that all revenues due to the Council are collected. It is important that all income due is properly identified, collected, receipted, banked and recorded in the financial accounting system.
206. The Director of Resources is responsible for authorising arrangements for the collection of all income due to the Council and for approving the procedures, systems and documentation used for its collection.
207. All income related special stationery i.e. invoices, invoice requests, receipt forms, tickets, books, license forms etc will be ordered and supplied in accordance with arrangements approved by the Head of Finance.
208. The Director of Resources, or nominated representative, is responsible for establishing and initiating appropriate recovery procedures, including legal and bailiff action where necessary, for debts that are not paid promptly.

Cheque and cash handling procedures

209. All money received by an officer on behalf of the Council must be processed on the day of receipt and banked within one working day unless otherwise agreed by the Director of Resources / Head of Finance.
210. No deduction may be made from such money unless specifically authorised by the Director of Resources / Head of Finance.
211. Every officer with responsibility for the collection and/or receipt of income by cash or cheque shall ensure that a timely reconciliation is conducted to ensure the completeness and accuracy of monies received and the appropriate action taken to correct any errors/omissions.
212. Post dated cheques within a reasonable time frame will be accepted. They must be recorded, held securely and banked on the due date. The relevant department should be informed in order that any recovery procedures may be suspended.
213. Each officer who banks money will enter on the paying-in slip a reference to the related debt (such as the receipt number or the name of the debtor), or otherwise indicate the origin of the cheque. ~~The reverse of each cheque must be endorsed with the receipt or reference number of the related debt.~~

214. Under no circumstances should personal cheques belonging to staff be cashed out of money held on behalf of the Council.
215. Every transfer of Council money from one member of staff to another must be evidenced in the records of the departments concerned by the signature of the receiving officer unless alternative arrangements are authorised in writing by the Director of Resources / Head of Finance.

Charging and Invoicing

216. Directors / Heads of Service will be responsible for ensuring that all charges made for goods and services falling within their control, apart from those charges fixed on a statutory or nationally agreed basis, are reviewed at least annually and that all proposals for new charges and changes in charges are in accordance with the Council's Charging Policy.
217. Directors / Heads of Service should ensure that wherever possible income is obtained in advance of supplying goods and services as this improves the Council's cashflow and also avoids the time and costs of administering debts.
218. Officers will inform the Finance Team on a timely basis of particulars of all charges to be made in connection with work done, goods supplied, or services rendered to ensure the prompt raising of accounts.
219. The Finance Team must be notified of all money due to the Council including contracts, leases and other agreements.
220. In normal circumstances a debtor's invoice will not be raised where the invoice value is less than £10. This is because the administrative cost of raising the invoice would be greater than the value to be invoiced. Any exceptions to this rule should be with the agreement of the Director of Resources / Head of Finance.

Bad Debts and Write Offs

221. An impairment provision for bad debts will be provided where it is deemed appropriate by the Director of Resources / Head of Finance.
222. The financial limits applying to the write off of all irrecoverable debts in circumstances where recovery of the sum is unlikely to be achieved or where proceeding are inappropriate or unjustified, will be as follows:

Up to £150	The Parking Manager has the power to write off irrecoverable penalty charge notices up to £150.
Up to £1,000	The Head of Finance has the power to write off irrecoverable debt up to £1,000.
Up to £10,000	The Director of Resources has the power to write off irrecoverable debts up to the value of £10,000.

	The Head of Customer Services has the power to write off irrecoverable Council Tax debts, Non Domestic Rates debts and Housing Benefit / Council Tax Support Overpayments up to the value of £10,000.
<u>Over £10,000</u>	<u>CDC - The Cabinet has the power to write off irrecoverable debts over £10,000.</u> <u>SBDC - Portfolio Holders have the power to write off irrecoverable debts up to £50,000 after consultation with their PAGS.</u>
Over £10,000 <u>£510,000</u>	The Cabinet has the power to write off irrecoverable debts over £10,000 <u>£510,000</u> .

* These limits are inclusive of VAT.

223. The Head of Finance will keep a register of all such irrecoverable debts.

Card payments and regulatory requirements

224. All payments received over the Internet shall be timely processed and reconciled in accordance with arrangements approved by the Director of Resources.
225. All documentation in respect of credit and debit card income should be processed by the next working day unless otherwise agreed to in writing by the Director of Resources / Head of Finance.
226. The processing of card payments must comply with Payment Card Industry Data Security Standards (PCIDSS) and other relevant legislation. The following criteria must be adhered to in order to meet these requirements:

- Cardholder details must only be input directly into payment software / machines / devises. They must never be written down or stored elsewhere.
- Retention periods for card holder data must be specified
- Arrangements for the secure disposal of card holder data must be in place
- ~~Card holder details should not be written down or recorded in any format~~
- ~~Customers must be notified of the charge to be levied for the use of credit cards in advance of making payment.~~

Waiving of a Charge

227. The Council will set its charges annually and these must be applied in all cases. Any variation or waiver of a charge must be approved by the relevant Director / Head of Service.

228. ~~Card charges may be waived where they have been incorrectly applied.~~
229. Penalty Charge Notices issued to staff or Members may be waived only on the authority of the Chief Executive.

Policy for charging interest on late payment of debts

230. The Late Payment of Commercial Debts Regulations 2002 allows the Council to claim interest and compensation on commercial debts (this excludes Business Rates) which are paid late. The legislation applies to debts with commercial organisations only; the Council cannot charge interest on a debt with an individual.
231. It will be at the Head of Finance's discretion to decide whether to apply the late payment legislation on a case by case basis, it is not compulsory to charge interest on all late payments. As a general rule, we would not expect to charge interest on debts under £500, as the administrative cost of raising the invoice for interest may be greater than the value of the interest claimed. However, there may be circumstances where it would be appropriate to charge interest, even if the debt is of low value. For example, if there was a very old debt of lower value it may be appropriate to charge interest.

D5 ORDERING WORKS, GOODS AND SERVICES

Requisitions and Orders

232. Directors and Heads of Service are responsible for the requisitioning and ordering of all works, goods and services within their areas of responsibility in accordance with procedures laid down by the Director of Resources. The only exception to this is in relation to Information and Communication Technology related expenditure (see [24312](#) and [24413](#) below for further information on this).
233. No expenditure shall be authorised or incurred unless the cost is covered by an approved budget, a virement or is rechargeable to a third party.
234. Only officers authorised by their Director and/or Head of Service may requisition or order works, goods or services and commit expenditure on behalf of the Council.
235. The form, requisition, custody and issue of all order documentation will be subject to the approval of the Director of Resources, including arrangements for submission of orders by electronic means.
236. Directors/Heads of Service will take account of the Council's Procurement Strategy and procedures whenever requisitioning / ordering works, goods or services.
237. Directors/Heads of Service will ensure that Contract Procedure Rules are complied with in respect of all requisitions / orders for works, goods or services.

238. An official order must be despatched to a supplier (see [8](#) below for a list of exceptions to the raising of official orders). When appropriate where works, goods or services have been ordered via the telephone or internet and where no immediate payment is made a confirmation order should be issued and clearly marked as a confirmation order.
239. The following is a list of types of expenditure where there is no formal requirement to raise an official order The Head of Finance should be consulted for the approval of any additional type of expenditure:
- Contract payments
 - Supplies of public utility services
 - Telephone bills
 - Periodical payments such as rent, rates or leases
 - Business Rates bills
 - Refunds
 - Housing Benefit Payments
 - Appointing or commissioning of an external legal firm or specialist consultants (a brief or letter should be sent detailing verbal agreements made)
 - Regular subscriptions
 - Courses, seminars or conference fees (where payment is sent with the booking form)
 - Land registry fees and stamp duty (where payment is required with the application)
 - Court fees (where payment is required with the papers)
 - Grant payments
 - Payments for Homelessness Accommodation
 - Purchases made by Corporate Purchasing Card
 - Very low value orders (eg under £1,000 [inclusive of VAT](#))
240. Before entering into any contract hire, finance or operating lease or lease – rental agreement, Directors / Heads of Service will consult with the Director of Resources / Head of Finance to ensure that the arrangement is financially advantageous to the Council. Any such agreements will be signed by the Director of Resources / Head of Finance.
241. A copy of all requisitions and orders must be retained in accordance with the Information Management retention guidelines.
242. No personal acquisitions must be made using official orders.

Acquisition of Information and Communication Technology (ICT) Hardware and Software

243. All ICT equipment must be either purchased or leased through ICT. This equipment includes all hardware, phones, PDAs, memory sticks, cameras and any other removable devices. Users should consult with ICT prior to any removable devices or other ICT equipment being purchased or used.

244. The ICT section must hold all original software and license documentation. The license will then be added to the asset register held in ICT. All software must be purchased or leased through ICT.

D6 PAYMENT OF ACCOUNTS

245. The Director of Resources is responsible for the payment of all invoices and accounts and for determining appropriate procedures for the payment of accounts.

246. All invoices or accounts must be examined, verified and certified by an authorised officer before being released in the financial system for payment. Certification means that the authorised officer is satisfied that :-

- the works, goods or services have been satisfactorily received or carried out as per instructions.
- the charges are in accordance with quotations or contracts and are arithmetically correct.
- all appropriate discounts, allowances and credits have been claimed.
- the account has not previously been certified and approved for payment.
- appropriate entries have been made in the inventories and stock records where necessary.
- any VAT element of the payment has been correctly identified.
- the expenditure has been properly ordered, authorised or incurred and is within the relevant budget provision and has been charged to the correct expenditure code.

247. Directors and Heads of Service are authorised to approve payments up to an agreed authorisation limit. Any exceptions to this rule must be approved by the Director of Resources and specified on the Authorised Signatory List:

248. When an invoice or account is found to be incorrect it must not be amended or altered in any way as any alteration will result in the account being invalid for the purposes of VAT requirements. If there is a discrepancy this should be referred to the creditor to either re-issue the invoice or supply a credit note.

249. Photocopied or faxed copies of original invoices are not acceptable. Payment on a copy invoice will only be made in exceptional circumstances and only after all necessary checks to avoid duplicate payment have been made. Any such exceptional payments must be clearly marked and the action taken approved by an authorised officer.

250. Under no circumstances should payment be made on a supplier's statement.

251. Where payment is required to be made on a pro-forma invoice no VAT should be recovered until a VAT receipt/invoice has been received and passed to the Finance Team.
252. Each Director/Head of Service will ensure that certified invoices and accounts are input promptly into the financial system in accordance with arrangements approved by the Director of Resources.
253. The Finance Team will examine, so far as considered necessary, certified accounts passed for payment and will be entitled to receive such information and explanations as may be required.
254. Payments will be made by the Finance Team promptly and directly to the supplier concerned unless in exceptional circumstances the Director of Resources / Head of Finance agrees alternative arrangements.
255. Certified invoices and accounts due for payment but which require payment in advance of the normal processing date may, in exceptional circumstances, be processed through the urgent payment system with the approval of the Director of Resources / Head of Finance.
256. The default payment method will be BACS transfer, any other payments will be made by cheque or other instrument drawn on the Council's bank account
257. Any direct debit payment arrangements must be approved by the Director of Resources/Head of Finance prior to acceptance and all direct debit mandates must be signed by an authorised cheque signatory.
258. By exception only a standing order arrangement may be established after approval by the Director of Resources / Head of Finance.

D7 PAYMENTS TO EMPLOYEES AND MEMBERS

259. The Director of Resources is responsible for payment of salaries and all other forms of remuneration to employees and for payment of allowances to Members.

Salaries

260. Each Director/Head of Service will inform the [Personnel-Human Resources](#) Team, who will in turn be responsible for notifying the Finance Team as soon as possible and in such form prescribed, of all matters affecting the payment of salaries and other remuneration to employees, in particular:
 - Appointments, resignations, dismissals, suspensions, secondments and transfers.
 - Absences from duty for sickness or other reason, apart from approved leave.
 - Changes in remuneration, other than normal increments and pay awards.

- Information necessary to maintain records of service e.g. for pension, income tax and national insurance.
261. The appointment of all employees must be in accordance with the policies and procedures of the Council and with regard to the approved establishments, grades and rates of pay.
 262. All time records or other pay documents will be in a form prescribed or approved by the Director of Resources and must be certified by an authorised officer. All documents must be submitted by the specified day of the month (or a date to be determined by the Director of Resources).
 263. Each Director / Head of Service, in conjunction with the [Personnel-Human Resources](#) Team, will be responsible for the observance of the terms and conditions of employment.
 264. Directors / Heads of Service will control the level of paid overtime within the approved budgetary provision.

Car Loans

265. The arrangements for the administering of staff car loans must be approved by the Director of Resources. Individual car loan applications will be authorised by [the Director of Resources a Head of Service or Director](#).

Members Allowances

266. Members' allowances will be paid in accordance with the Council's approved scheme. (See below for Members' expense claims).

Travelling, Subsistence and other expenses

267. All expense claims (including ~~car allowances~~, subsistence, disturbance, travelling and other expenses) will be paid by the Finance Team upon timely receipt of the prescribed form. All claims must be submitted by the specified date (or a date to be determined by the Director of Resources) in the month immediately following the date on which the expense was incurred.
268. Members' expense claims for travelling or other allowances will be paid by the Finance Team and must be submitted on a prescribed form with relevant receipts attached. Claims must be made within two months of the date on which the duty was undertaken.
269. An authorised officer must certify all expense claims.
270. The certification by the authorised officer will be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.

271. Each Director / Head of Service shall approve all post entry training courses (including the estimated expenditure of each course). All claims for post entry training must be certified by an authorised officer and submitted to the [Personnel-Human Resources](#) Team before payment is made.
272. All staff using their own vehicles on Council business will be required to provide details of appropriate insurance, driving licence and MOT if applicable upon request by the Director of Resources or nominated representative.

D8 TAXATION

273. The Director of Resources is responsible for advising Directors / Heads of Service, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.
274. The Director of Resources is responsible for maintaining the authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.
275. The Director of Resources shall be responsible for liaising with HM Revenues & Customs on all VAT related matters and for submitting and signing the necessary returns / claims in a timely manner.
276. Any new activities or contractual arrangements should be notified to the Director of Resources in order that potential tax implications may be considered.

D9 TRADING ACCOUNTS AND BUSINESS UNITS

277. The Director of Resources is responsible for advising on the establishment and operation of trading accounts and business units.

D10 STOCKS ~~AND STORES~~

278. Stocks ~~and stores~~, including minor items of equipment, represent short term assets of the Council.
279. Directors / Heads of Service are responsible for ensuring all stocks ~~and stores~~ are securely held and recorded.
280. Levels of stock held should not be in excess of reasonable requirements unless agreed by the Director of Resources.
281. Directors / Heads of Service should ensure stocks ~~and stores~~ are periodically checked and should complete a certificate for stock ~~and stores~~ in hand at the end of each financial year or when required by the Director of Resources.
282. Stocks ~~and stores~~ records shall be in a form approved by the Director of Resources.
283. Any surplus or deficiencies of stock must be reported to the Head of Finance.

284. Disposal of surplus stock should be in accordance with procedures set out in Financial Procedure Rule C10
285. The Director of Resources or nominated representative is entitled to check stocks ~~and stores~~ and be supplied with such information as may be required for the accounting, costing and financial records of the Council.

E EXTERNAL ARRANGEMENTS

E1 PARTNERSHIPS

286. Partnerships play a key role in delivering community strategies and in helping to promote and improve the well-being of an area. Local authorities are increasingly working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Part of the leadership role of local authorities is to bring together the contributions of various stakeholders.
287. Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations.
288. The main reasons to enter into a partnership are
- desire to find new ways to share risk
 - ability to access new resources
 - provide new and better ways of delivering services
289. A partner is defined as
- an organisation (private, public or third sector) undertaking, part funding or participating as a beneficiary on a project
 - a body whose nature or status give it a right or obligation to support the project
 - an individual whose contribution gives them a right or obligation to support the project
290. Partners participate in projects by
- acting as project deliverer or sponsor, solely or in conjunction with others
 - acting as project funder or part funder
 - being the beneficiary group of the activity undertaken in the project
 - planning and/or monitoring partnership deliverables and outcomes
291. Partnership working is playing an increasing role in the provision of Council services. The Cabinet is accountable to full Council for functions in respect of partnerships but some of these functions are delegated to officers.
292. The Head of Paid Service (statutory duties held by the Chief Executive) represents the authority on partnership and external bodies in accordance with the scheme of delegation.
293. The Monitoring Officer (statutory duties held by the Head of Legal & Democratic Services) is responsible for promoting and maintaining the high standards of conduct with regard to financial administration in partnerships that apply throughout the authority.

294. The Director of Resources must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He/she must consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He/she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
295. Directors / Heads of Service are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

E2 EXTERNAL FUNDING

296. External funding is potentially a very important source of income but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council.
297. Directors / Heads of Service are responsible for informing the Director of Resources and Head of Finance of all funding notified by external bodies, for ensuring that all claims for funds are made by the due date and that the project progresses in accordance with the agreed project terms of reference and that all expenditure is properly incurred and recorded.
298. Directors / Heads of Service are responsible for ensuring that any match funding requirements are considered prior to entering into agreements and that future revenue or capital budgets reflect these requirements.
299. The Director of Resources is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

E3 WORK FOR THIRD PARTIES

300. Current legislation enables the councils to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this are minimised and that such work is *intra vires* (i.e. legal).
301. The Director of Resources is responsible for issuing guidance with regard to the financial aspects of third party contracts.
302. Directors / Heads of Service are responsible for ensuring that any proposals are properly costed in accordance with guidance provided by the Director of Resources and that contracts are drawn up in accordance with advice from the Head of Legal Services & Democratic Services and that any relevant formal approval process is adhered to.
303. It is the responsibility of Directors / Heads of Service to ensure:
- that the approval of Cabinet where necessary is obtained before any negotiations are concluded to work for third parties
 - appropriate insurance arrangements are made

- the Council is not put at risk of bad debts
- that no contract is subsidised by the Council
- that wherever possible payment is received in advance of the delivery of the service
- the service area has appropriate expertise and resource to undertake the contract
- that such contracts do not impact adversely upon the services provided for the Council
- that all such contracts are properly documented
- appropriate information is provided to the Head of Finance to enable a note to be entered in the Council's Statement of Accounts.

CDC AUDIT COMMITTEE WORK PROGRAMME

Classification: OFFICIAL

Members are asked to consider whether there are any items they wish to add to, remove from, or move within, the proposed work programme.

Topic	Frequency	Mar 18	Jul 18	Sep 18	Jan 19	Mar 19
Risk Management						
Risk Management Update	Annual					
Assurance Statements						
Annual Governance Report	Annual					
Update on Governance / Internal Control Issues	As and when					
Internal Audit						
Audit Plan	Annual					
Interim Progress Reports	Each meeting					
Follow up of Internal Audit Recommendations Report	Annual					
Comparision of Assurance Levels	Annual					
Annual Internal Audit Report	Annual					
Fraud & Corruption						
Fraud & Corruption Annual Report	Annual					
Fraud & Corruption Update (maybe verbal report)	Annual					
External Audit						
Annual Audit Plan	Annual					
Annual Assurance Letter from Committee	Annual					
External Audit Results Report	Annual					
Certification of Claims & Returns Annual Report	Annual					
Annual Audit Letter (Sent out by email to all Members)	-					
Statement of Accounts						
Approval of Accounts	Annual					
Other						
Contract & Financial Procedure Rules	As necessary					
Training	As necessary					
Work Programme	Each meeting					

Classification: OFFICIAL

