

Guildhall Gainsborough
Lincolnshire DN21 2NA
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AGENDA

This meeting will be streamed live and the video archive will be published on our website (link to live webcast and archive is available below)

Governance and Audit Committee
Tuesday, 16th June, 2020 at 2.00 pm
Virtual Meeting - MS Teams

<https://west-lindsey.public-i.tv/core/portal/home>

Members:

- Councillor John McNeill (Chairman)
- Councillor Mrs Jackie Brockway (Vice-Chairman)
- Councillor Mrs Tracey Coulson
- Councillor Christopher Darcel
- Councillor David Dobbie
- Councillor Mrs Caralyne Grimble
- Councillor Mrs Angela White
- Alison Adams
- Andrew Morriss
- Peter Walton

1. **Register of Attendance**
2. **Public Participation Period**
Up to 15 minutes are allowed for public participation.
Participants are restricted to 3 minutes each.
3. **Minutes of Previous Meeting**
Held on 10 March 2020
4. **Members Declarations of Interest**
Members may make any declarations of interest at this point but may also make them at any point during the meeting.
5. **Matters Arising Schedule**
Matters Arising schedule setting out current position of previously agreed actions as at 8 June 2020.

Agendas, Reports and Minutes will be provided upon request in the following formats:

Large Clear Print: Braille: Audio: Native Language

6. **Public Reports for Consideration**

- i) Review of Member Development Programme
- ii) Review of Whistleblowing Activity
- iii) Internal Audit Annual Report 2019/20
- iv) Internal Audit Draft Annual Plan Report 2020/2021
- v) Completion of 2018/19 Annual Governance Statement Action Plan
- vi) Draft Annual Governance Statement 2019/20.
- vii) Annual Constitution Review 19/20 and Monitoring Officer's Annual Report

7. **Workplan**

Ian Knowles
Head of Paid Service
The Guildhall
Gainsborough

Monday, 8 June 2020

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall on 10 March 2020 commencing at 2.00 pm.

Present: Councillor John McNeill (Chairman)
Councillor Mrs Jackie Brockway (Vice-Chairman)

Councillor Mrs Tracey Coulson
Councillor Christopher Darcel
Councillor David Dobbie
Councillor Mrs Caralyne Grimble
Councillor Mrs Angela White
Alison Adams
Andrew Morriss
Peter Walton

In Attendance:
Alan Robinson Monitoring Officer
Emma Bee Audit Manager
Caroline Capon Corporate Finance Team Leader
Zlati Kalchev Assurance Lincolnshire
James O'Shaughnessy Corporate Policy Manager & Deputy Monitoring Officer
Matthew Waller Internal Audit
James Welbourn Democratic and Civic Officer

41 PUBLIC PARTICIPATION PERIOD

There was no public participation.

42 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 14 January 2020 were approved as a correct record.

43 MEMBERS DECLARATIONS OF INTEREST

There were no declarations of interest.

44 MATTERS ARISING SCHEDULE

The matters arising schedule was noted.

45 INTERNAL AUDIT DRAFT ANNUAL PLAN REPORT 2020/21

Members considered a draft annual internal audit plan based on assurance mapping and risk assessments across the Authority's critical services.

Assurance Lincolnshire provided an introduction, outlining the following points:

- The plan was discussed with internal audit management, and managers at West Lindsey District Council (WLDC). The plan outlines which aspects of the Council's business and processes of the Authority would be audited over the course of the following civic year;
- In the opinion of Assurance Lincolnshire, there was a good mix of internal audits over key projects;
- The Lea Fields Crematorium was a big new project undertaken by WLDC, and it would be useful to have this independently audited;
- Other subjects would arise from 'assurance mapping'; the draft plan was flexible, and could be changed mid-year if required.

Members then asked questions of officers, and also provided comment. Further information was provided:

- The 'red, amber and green (RAG)' risk ratings were discussed with council management, and had three levels of assurance. These levels were:
 - How managers feel about the service;
 - Corporate information;
 - Audit opinion.

There was also an audit scoring mechanism, based on how material it was to the Authority, and when the subject matter was last audited. All of this information taken together resulted in a 'RAG' rating;

- There were a lot of subject areas across the Authority and it would be impossible to audit them all over the course of a year. In conjunction with Council management, all subject areas were reviewed, as there could be other routes to assurance.

The first point of assurance was always internal management;

- The equality and diversity audit was last carried out in 2009, but would be discussed at the next Prosperous Communities meeting in March;
- Another level of assurance comes from the Head of Internal Audit. Also, the result of the recently completed peer review gives an independent high level test;
- Internal Audit conformed with professional standards, tested internally and externally every five years. The last mid cycle review for Internal Audit was around two and a half years ago, and was well commended by the Chartered Institute of Public Finance and Accountancy (CIPFA).

WLDC was also subject to the External Audit regime, which provided a further level of assurance;

- There would be sufficient time to complete all of the planned audits, including the crematorium audit. If Members required assurance above and beyond the work that Internal Audit carried out then it would be important to find other means of gaining this assurance, ideally from internal management;
- Internal Audit look at both the least and most expensive projects in the organisation;
- When the larger projects go awry it would be a much bigger impact for the Authority;
- Educational attainment was one of the key deliverables in the Corporate Plan; in turn, failure to deliver the Corporate Plan was a strategic risk. WLDC did not directly influence the education sector, but were involved in mentoring and intervention. This mentoring and intervention was targeted at a range of lifelong skills.

The 'red' or 'high' risk attached to educational attainment was a correlation of two factors; whether that risk would materialise, and its impact should it happen. As a result of it being a 'red', or 'high' risk, controls and activities were scheduled to mitigate the risk;

- Although some of the cyclical audits have not been carried out since 2010 by Internal Audit, they were still looked at by council management. For example, Business Continuity was refreshed in light of the evolving risk of Covid-19;
- One of the strategic risks was 'the inability to maintain critical services and deal with emergency events' – this would be seen by Governance and Audit committee later in the year. Emergency planning had been reviewed ahead of 'Brexit'; more recently it had also been tested through the flooding events in the region.

RESOLVED to note and agree the contents of the report and be assured that the plan provides robust coverage of the Council's critical areas and services.

46 ACCOUNTS CLOSEDOWN 2019/20 - ACCOUNTING MATTERS

Members considered a report reviewing accounting policies, actuary assumptions and materiality levels that would be used for the preparation of the 2019/20 accounts.

The main points were highlighted:

- There had been no major changes from 2018/19 to the accounting policies;
- There had been several changes to the CIPFA Code of Practice:
 - An explanation of code approach;
 - An update to reflect 2018 International Accounting Standards Board Conceptual Framework Module 2 Section A;
 - Closure of Carbon Reduction Commitment Scheme;
 - Apprenticeship Levy – payments received in the Council's digital apprenticeship service account were considered to be a government grant for accounting purposes;
 - Prepayment features with negative compensation;

- Lender option borrower option clauses;
- Group accounts scope clarification.

WLDC were fully compliant with all of these changes;

- There was a significant accounting change in 2020/2021 relating to leases, which must be accounted for on the Council balance sheet;
- The tri-ennial valuation would be concluded on 31 March 2020; the previous report was from 2016, so it was anticipated there would be a sizeable change in the asset and liability measurement this year for the Statement of Accounts;
- There were no known proposals that the Authority were taking forward which would impact on the actuary assumptions;
- An adjustment had been requested for the McCloud judgement; in December 2018, the Court of Appeal held the transitional protection offered to members of public sector pension schemes who were closer to retirement age gave rise to unlawful discrimination, as younger members were not eligible to receive it. This is known as the 'McCloud Judgment'.

The pensions liability would need to be increased; two reports had been requested, with one being based on estimates to the end of April 2020 to allow the Finance team to shut the accounts within the statutory deadline, with the other report produced at the end of May 2020;

- External Audit had set the materiality level (the level at which a discrepancy or omission had occurred for example) at £850,000; WLDC set their own materiality level at a different level. The triviality level was set at £26,000;
- The 2019/2020 Closedown Risk Register contained two medium risks and one high risk (Brexit);
- A restatement of the accounts from 2018/19 had been required due to the omission of a correct valuation for the Guildhall, which led to an overstatement of the total expenditure in the Comprehensive Income and Expenditure Statement. As a further consequence the surplus on the Provision of Services was understated.

A full review of all of the Authority's land and buildings had been carried out, and the valuers were happy with the restatement.

Members then asked questions of officers present and also provided comment. Further information was provided:

- Brexit and now Covid-19 were having an effect on the economy; the situation with Brexit would take several years, whereas it was hoped that Covid-19 would be short term;
- Elements of accounting variations were carried out on a 'direct replacement cost'.

The cost of building materials had an effect on valuations. Property values could drop, which would impact on investments and pensions held by the Authority;

- In relation to the error made by the valuers, officers were going through the process of contract management to try and retrieve costs incurred by the Council;
- The McCloud judgement had deemed that it was highly likely there would be an impact on public sector pensions; because of that, the liabilities faced by the Authority's pension fund would increase. The valuers were being asked to take this into account so that there would not be an understatement, or misstatement on the accounts;
- The componentisation of assets enabled valuers to break down the main elements of buildings, land, heating, internal and external areas. It allowed for a more accurate depreciation of the cost of buildings.

Componentisation valuations were set at £500,000, which was quite low for a local authority. There were only 9 assets which exceeded that value. Given the size of the authority's asset register, £500,000 was deemed a reasonable level to set at this point. If this level was set lower, then there would be a This was all detailed in the accounting policy;

- The majority of Council assets were finance leased and on the accounting balance sheet; therefore the figure involved in the International Financial Reporting Standards (IFRS) adjustment would be very low;
- There were professional ethics to consider when looking at financial decisions that may be just below the materiality level. There was a conscious decision from staff to include as much as possible that fell below this materiality level.

The materiality level was really important when considering what may happen in the future;

- The Lea Fields Crematorium was not included in this closedown, but would be included from 31 March;
- Investment decisions made by the Authority had been audited by officers from Internal Audit;
- In the production of the Statement of Accounts, officers created 368 working papers, these in turn were audited by External Audit partners.

RESOLVED to:

- (1) Approve the proposed Accounting Policies (as included at Appendix 1);
- (2) Note the pension assumptions (as included at Appendix 2);
- (3) Note the risk assessment (as included at Appendix 3);

- (4) Approve the proposed materiality levels:
- Disclosure of material items of income and expenditure - £750,000;
 - Manual accruals – limit of £2,000;
 - Disclosures - £750,000;
 - 5% of income for continuing operations;
 - Related party transactions - £10,000;
 - Stocks – anything less than £10,000 is charged to revenue in year;
 - Fixed assets (Property, Plant and Equipment) – major components - £500,000. Only assets with a value greater than £500,000 will be subject to the componentisation rules as per policy
 - The Council has a capital de-minimis level of £10,000 (i.e. at sums below this value are treated as revenue) and it is proposed that this sum remain unchanged.
- (5) Note the key closedown dates at Section 7.6;
- (6) Accept the main accounting changes for 2019/20 and onwards:
- Amendment of Revenue from contracts with service recipients – ii accruals of income and expenditure;
 - Amendment of expected credit loss model – x Financial Instruments;
 - Local Government Pension Scheme – viii Employee Benefits

47 ANNUAL REPORT FROM THE GOVERNANCE & AUDIT COMMITTEE 2019/20

Members considered a report on the work undertaken by the Governance and Audit Committee during 2019/2020.

RESOLVED to:

- (1) Endorse the contents of the report;
- (2) Support the presentation of the Annual Report from the Governance and Audit Committee to Council on 6 April 2020.

48 WORKPLAN

The Democratic and Civic Officer informed Members that the Internal Audit Charter had been withdrawn from the workplan; it had previously been due at the April committee.

The rest of the workplan was noted.

The meeting concluded at 2.59 pm.

Chairman

Governance & Audit Committee Matters Arising Schedule

Purpose:

To consider progress on the matters arising from previous Governance & Audit Committee meetings.

Recommendation: That members note progress on the matters arising and request corrective action if necessary.

Matters arising Schedule

Meeting	Governance and Audit Committee
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Status	Title	Action Required	Comments	Due Date	Allocated To
Black	Pensions Misstatements	The Chairman of Governance and Audit requested that misstatements be covered as part of the Accounts Closedown paper in March.	This issue was addressed at March's committee.	10/03/20	Caroline Capon
Black	Pensions Advice	Cllr Brockway asked at committee on 10 March whether there would be fluctuation in pensions because of the corona virus - Caroline Capon agreed to research and provide advice.	Caroline has provided these comments to the clerk - circulated on 11 March.	11/03/20	Caroline Capon
Green	Leisure Contract	The Chairman of CPR committee at its meeting on 7 November asked Governance and Audit committee to 'send a note' on how the leisure contract is overseen from a Member perspective.	Briefing note to be prepared for Members on the Leisure Contract by the Monitoring Officer and relayed to Members of CPR by being added to his annual report.	10/03/20	Alan Robinson

Agenda Item 6a



**Governance & Audit
Committee**

Tuesday, 16 June 2020

Subject: Review of Member Development

Report by:

Monitoring Officer

Contact Officer:

Ele Snow
Democratic and Civic Officer

Ele.Snow@west-lindsey.gov.uk

Purpose / Summary:

To present the proposals for the online training options and the proposed By-Election Induction Programme template.

RECOMMENDATION(S):

- 1) That Members approve the introduction of online training, via Learning Pool, as an additional development tool for Councillors; and**
- 2) That the By-Election Induction Programme template be agreed.**

IMPLICATIONS

Legal: N/A

Financial: FIN/199/20/SL

Learning Pool is already in use for Officers and therefore should not incur any additional cost to the council.

It is proposed that online courses will, on the whole, be in addition to the mandatory (committee-specific) face-to-face training and therefore cost-saving opportunities are minimal. It is not anticipated that the introduction of online training for Councillors will have any impact on the current Member Development budgets, however there may be some cost savings in terms of Officer time and reduced travel expenses for Members.

Depending on the success of online training, there may be the need for an increased budget in the future to focus on developing further opportunities online with a view to using it as the primary training provision.

The adoption of the By-Election Induction Programme template will incur no additional costs and any necessary 'as and when' expenditure (for example the Welcome Pack) will be met from within existing budgets.

Staffing: Any staffing requirements for training events or development opportunities will be met within existing staff numbers and there are no additional duties identified outside of existing job roles.

Equality and Diversity including Human Rights: It is anticipated that the introduction of online training options will offer Members a wider choice of learning opportunities to better suit their individual needs. It is recognised that there are different learning preferences and abilities and we intend to better cater for such difference by offering alternative methods of delivery.

Data Protection Implications: N/A

Climate Related Risks and Opportunities: Opportunity to reduce the necessity for travel to attend Member training events

Section 17 Crime and Disorder Considerations: N/A

Health Implications: N/A

Title and Location of any Background Papers used in the preparation of this report:

Risk Assessment:

N/A

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

X

IMPACT OF COVID 19

This report was prepared prior to the global pandemic and was due to be heard at the April meeting of the Governance and Audit Committee. Initially, after the introduction of stringent measures to reduce the spread of the virus, it was not considered feasible to roll out a new form of training at a time when Officers could not provide the standard level of support and assistance through the proposed workshops and 1-2-1 sessions. With elements of 'lockdown' now being eased, this concern may have been alleviated.

With regards to the By-Election Induction Programme, the pandemic has put a halt to elections until May 2021. Therefore, there is not the same level of urgency to have this template programme in place, however, it is unlikely to change and therefore could be agreed at any point prior to elections taking place.

1 Introduction

- 1.1 West Lindsey District Council has long been committed to the ongoing development of its Members. It is written in the Constitution that "Councillors will have training and development opportunities to support them in carrying out their duties and will be expected to attend those that are relevant to any role they carry out within the Council" (Part II, Article 2, paragraph 2.6 Member Development).
- 1.2 The Member Development Group was set up in 2018 with the aim of increasing Councillor involvement with the development programme. The initial focus was the 2019 Induction Programme but the group has since moved on to other areas of development.
- 1.3 There have been two main workstreams since May 2019. The first being to consider the introduction of online training options for Councillors, to assist with ease of undertaking varied development opportunities by providing alternative methods of delivery; the second being to finalise a comprehensive induction programme for those joining the council through a by-election.
- 1.4 This report seeks to complete these two areas of work. Should both aspects be approved by the Governance and Audit Committee, roll out will be effective from August 2020 and the Member Development Group will propose their new priorities for agreement in the next Member Development Annual Report.

2 Alternative Methods of Delivery – Online Training

- 2.1 In September 2019, the Governance and Audit Committee approved the priorities as identified by the Member Development Group, including testing online training options.

- 2.2 At their meeting in November, the group were joined by the Senior Human Resources and Organisational Development Officer who demonstrated Learning Pool, the online system currently used by council Officers for online courses. Members of the group agreed to trial Learning Pool for Councillors with a view to recommending full roll out, or otherwise, depending on the feedback of the group.
- 2.3 This trial period has now been concluded with collated feedback provided in the sections below. Of the eight Councillors signed up for the trial, four Councillors offered feedback.
- 2.4 Members were provided with a simple scoring option for six statements as well as the opportunity to share their additional thoughts and comments. The table below shows the statements and related responses.
- 2.5 1 = completely disagree
2 = somewhat disagree
3 = neither agree nor disagree
4 = somewhat agree
5 = completely agree

Statement	1	2	3	4	5
I found Learning Pool straightforward to access / log-in			1	2	1
I found Learning Pool simple to navigate around		1	1	2	
Once the course had opened, it was easy to follow			2	2	
I had no difficulties using Learning Pool			2	1	1
I would use Learning Pool again			1	1	2
I would agree for Learning Pool to be rolled out to all Councillors as an alternative method of Member Development			1	2	1

- 2.6 Feedback, on the whole, was positive and supportive of the service being offered to all Councillors. In addition to these scored statements, those who offered additional thoughts and comments noted that the access to the course was somewhat 'clunky' with several screens to click through before the course opened. Once undertaking the course, there were some issues with progress not being saved and users being unable to re-access the course having coming out of it at an earlier point. These issues were rectified when the affected Councillors tried again at a later date, however, it has raised questions as to whether this sort of problem would be frequent and therefore deter Councillors from using the system. This will be addressed in partnership with the Senior Human Resources and Organisational Development Officer and Learning Pool to seek clarification.

2.7 Online Course Options

It is not anticipated that online learning would, as yet, replace the mandatory training elements for Councillors, such as Licensing & Regulatory, Planning or those Governance and Audit sessions such as Treasury Management. The benefit of online training would be best realised in the 'additional' courses Councillors could undertake. For example, sessions we currently provide on Data Protection, Safeguarding, Modern Day Slavery could all be accessed through Learning Pool. This could potentially offer some cost savings in terms of Officer time and Councillor expense claims. For those who wished to expand their own development, courses for personal growth or key skills (such as speed-reading or personal effectiveness) would also be available.

2.8 Option One: Adoption of Online Training - Suggested Roll-Out Process

Assuming Members agree to the adoption of online learning options for all Councillors, the Learning Pool system will be ready for roll-out from August 2020 (allowing time for Officers to complete registration for all Councillors on the system). Councillors will be provided with their log-in details, the link to the website as well as a step-by-step 'how to' guide. The Democratic Services team will be available to assist Councillors, however the specifics of this assistance will be determined according to the easing of 'lockdown' restrictions. The team will communicate all options to Members in due course. Following a suitable time period in order for Councillors to attempt some online training, there will be a survey distributed in order to gauge take-up and satisfaction levels.

2.8.1 Communication

Recent editions of the Members' Bulletin have included information around Member Development, such as upcoming events. This will continue to be the main form of communication with Members and will include details of any newly released online courses. The Democratic Services team will continue to offer assistance as and when necessary, especially when Members are strongly encouraged to complete an online course such as Data Protection.

2.8.2 Future Planning

For the foreseeable future, online learning will provide Councillors with an alternative way of completing training sessions in recommended areas of development, at a time and pace that suits them. The Democratic Services team will continue to monitor usage levels and Member satisfaction, with a view to expanding the online options over time to include some of the committee-specific mandatory subjects, should there be a proven need and appetite for this. There would likely be a budget implication as the council would need to commission bespoke courses and potentially offer face-to-face sessions as well as

the online content. This is an area of development that will remain on the service plan for the Democratic Services team.

2.9 Option Two: Decline Adoption of Online Training – Retain Status Quo

Should Members wish to continue with Member Development as it currently runs, there would be no further work undertaken to proceed with the roll-out of online options. The implications of not adopting online training would primarily affect the provision of non-mandatory courses, meaning sessions such as Safeguarding would continue to be provided face-to-face. A decision to decline adoption of online training at this time would not prevent options being revisited at a future time.

2.10 Option Three: Agreement in Principle for Online Training

The responses from our four trial Councillors would suggest that Learning Pool is a suitable option for all Members, whilst also acknowledging that differing levels of capability would require more, or less, intensive support. West Lindsey District Council already funds the use of Learning Pool for its Officers and so it would appear logical to use the same system for Councillors. If there were any questions raised about its suitability, there could be a third option between adoption or non-adoption. This would be to agree in principle to the introduction of online training options, subject to further research being undertaken, but for the roll-out to all Councillors to be postponed.

2.10.1 Implications of Further Research

Agreement in principle could be based on simple trouble-shooting of issues raised within Learning Pool or could go so far as to seek an alternative provider. Depending on the preference of Members, there could be significant financial implications involved and there would likely be a considerable time delay before roll-out of the preferred option to all Councillors. In addition to that, existing arrangements for Member development would need to continue in the interim, which would negate any possible savings of Councillor time and expenses and Officer time. Should Members choose option three, the Member Development Group would co-ordinate the process for further research and other options.

2.11 Recommendation

It is recommended that Members support option one of the report:

“that Members approve the introduction of online training, via Learning Pool, as an additional development tool for Councillors”.

3 By-Election Induction Programme Template

- 3.1 The need for a suitable template for a By-Election Induction Programme was identified in previous years after new Councillors highlighted areas where they felt they had not received a full induction. West Lindsey

District Council Constitution states ““In undertaking their role, Members are asked to commit to the Training and Development opportunities that are afforded to elected Members, including a full Induction Programme at the commencement of each term of office” (Part III, Member/Officer Relations Protocol, Section 2, paragraph 2.3). For those Councillors joining the council following an all-out election, the initial induction period covers all necessary aspects of the council’s work and whilst Officers endeavoured to provide this for those Councillors joining following a by-election, it was acknowledged that there were limitations.

- 3.2 Following the success of the May 2019 induction programme, the Member Development Group requested that this be used as the template for a By-Election Induction Programme. The aim was to take into consideration the individual needs of the newly elected Councillor and offer an induction programme to suit them. To this end, the By-Election Induction Programme (attached as Appendix 1) is a template model providing guidelines for the induction but allowing sufficient flexibility to meet the requirements of each new Councillor elected following a by-election.
- 3.3 This template was first used following the Torksey by-election in October 2019. The new Councillor was offered a variety of options in order to complete the Induction Programme at times to suit her. Officers then worked with those dates and times to ensure the new Councillor was able to complete key sessions in the same way as had been provided through the May 2019 induction.
- 3.4 Feedback gathered following this By-Election Induction Programme was positive and supported the flexible approach. It was acknowledged that it was an intense period of adjustment and learning but the face-to-face sessions enabled sufficient opportunity to ask questions and also to gain those introductions to key Officers as to know who to contact for further details in the future.
- 3.5 In recognition of the intense nature of these sessions, the template for by-election inductions has introduced a follow-up protocol to ensure newly elected Councillors have the opportunity to re-visit areas of the induction should they wish to. This will also be added to the Induction Programme following the next all-out elections in 2023.

3.6 Recommendation

It is recommended that

“the By-Election Induction Programme template be agreed”.

4 Conclusion

- 4.1 Based on discussions within the Member Development Group, collated responses from the online learning trial sessions and personal feedback from the recent By-Election Induction Programme, it is believed that the

two proposed options (that is, to adopt Learning Pool and to agree the induction template) will appropriately meet the requirements of West Lindsey Councillors.

- 4.2 The approval of these two areas of development would complete the main focus of work for the Member Development Group for this municipal year and set the scene for further progress as we enter 2020/2021.
- 4.3 The Member Development Annual Report will be presented to the Governance and Audit Committee in September 2020 and will allow for further discussion for ongoing priorities.



By-Election Induction Programme (template)

Key Officers

Chief Executive
Monitoring Officer
Senior Communications Officer
Data Protection Officer
Housing and Environmental Enforcement Manager
Community Engagement Officer
Safeguarding Co-ordinator
Democratic and Civic Officers

Location

Members' Room, First Floor, Guildhall

Days & Times

To be arranged with you as the individual Councillor. If you are able to attend during usual office hours, we would suggest two daytime sessions of 3 hours each. If you prefer to attend these sessions in an evening, we would recommend three shorter evening sessions of 2 hours each. The emphasis is working around your availability.

Session Topics

These will be reviewed prior to each by-election induction to ensure all sessions provided remain relevant and no areas of change are excluded or overlooked.

Full session details are provided in the main Induction Programme, against which this template is to be compared on each occasion. Summary information is provided in the table below.

Some areas of induction will be covered within one session, according to the involvement of the Key Officer. For example, 'How the Council Makes Decisions' and 'Overview of Committees' will often go hand in hand and be covered within one session with the Monitoring Officer.

Event	Content
<p>Welcome to the Council</p> <p>Meet the Chief Executive</p> <p>Tour of WLDC part of offices</p>	<p>Welcome to the Council to include:</p> <ul style="list-style-type: none"> • Welcome from the Chief Executive • Acceptance of Office • Distribution of car parking pass & info • Members' Allowance scheme • Disclosable Pecuniary Interests (help with forms) • Meet Senior Managers and the Democratic Services Team • Distribution of IT equipment • Arrange further induction sessions
<p>How the Council Makes Decisions</p>	<p>to include:</p> <ul style="list-style-type: none"> • Corporate Plan • Council & Committees • Standing Orders • Constitution/Protocols • Finance
<p>Economic Growth Strategy (previously known as Commercial Awareness)</p>	<p>An overview of the commercial focus of the council, how commerciality sits within local government and future plans.</p>
<p>Overview of Committees</p>	<p>A general flavour of the work undertaken by each of the Policy, Regulatory and Scrutiny Committees</p>
<p>Risks, Protection and Policies</p>	<p>to include:</p> <ul style="list-style-type: none"> • Risk Management • Data Protection • Freedom of Information • Information Governance • IT policy
<p>Your Role in the Local Community</p>	<p>to include:</p> <ul style="list-style-type: none"> • Defining your role as a community leader • Grant Funding and CIF • Enforcement and ASB
<p>Standards and Communications</p>	<p>to include:</p> <ul style="list-style-type: none"> • Dealing with the media • Social media • Protocols • Code of Conduct
<p>Safeguarding</p>	<p>Basic awareness of safeguarding responsibilities for those in public office</p>

The following areas of induction may be mandatory (or not required) according to your Committee membership. The sessions are usually offered to all Councillors as part of the general induction, however, in the event of a by-election, the sessions will only be offered if you are sitting on the relevant Committee. You will be invited to attend subsequent training sessions as they occur.

The exception to this is the offer of an 'Introduction to Planning' session which will provide you with the basics of WLDC planning requirements and expectations of Councillors. If this is something you would be interested in, regardless of membership of the Planning Committee, we will include this session in your induction.

Event	Content
Planning Committee	To include: <ul style="list-style-type: none"> • Decision making • Predetermination • Planning policies
Work of the Governance and Audit Committee	To include: <ul style="list-style-type: none"> • Audit • Risk management • Fraud • Reviewing financial reporting
Licensing Sub Committees	to include: <ul style="list-style-type: none"> • Liquor Licensing • Taxi & General Licensing

Post-Induction Feedback

You will be contacted using your West Lindsey email address to request feedback following the completion of the induction programme. Please do be honest in your responses, as this will help us to improve the service we provide. If there are any areas in which you would like further sessions or more information, please let the team know and we can arrange this as necessary with the Key Officer.

Follow-up Protocol

We will also contact you further down the line to ensure you continue to feel supported and have access to any further information or development sessions as necessary. The timing of this follow-up will depend on:

- how quickly your induction took place post-election;
- the details of your induction feedback and whether any additional sessions were provided at that time;

- the content of our ongoing contact with you (ie, we will be somewhat led by you and whether you have identified any further areas of need).

It is anticipated that this follow up contact will take place no earlier than 3 months post-election and no later than 6 months post-election. This will not affect any other concerns or questions you wish to raise at any point during your term of office.



**Governance and Audit
Committee**

Tuesday, 16 June 2020

Subject: Review of Whistleblowing Activity 2019/20

Report by:

Alan Robinson

Contact Officer:

Alan Robinson
Monitoring Officer

Tel: 01427 676509

Purpose / Summary:

Annual review of the Whistleblowing Policy,
including any instances of staff using the
procedure.

RECOMMENDATION(S):

That Members assure themselves the Whistleblowing Policy in place is working effectively. Where appropriate members may suggest improvements to the Policy.

IMPLICATIONS

Legal:

None

Financial :

None

Staffing :

None

Equality and Diversity including Human Rights :

n/a

Data Protection Implications :

Climate Related Risks and Opportunities:

Section 17 Crime and Disorder Considerations:

Health Implications:

Title and Location of any Background Papers used in the preparation of this report :

Whistleblowing Policy <https://www.west-lindsey.gov.uk/my-council/have-your-say/whistleblowing>

Risk Assessment :

1. Introduction

- 1.1 The Whistleblowing Policy provides a method for employees to raise concerns about the running of the Council without the risk of victimisation. All employees have access to this policy. This committee has been receiving regular updates on this matter since 2008

2. Whistleblowing Policy

- 2.1 There have been no Whistleblowing Procedures carried out during 2018/2019, or 2019/2020. The policy has been publicised to all staff members and it is also highlighted to new starters in their induction.

This report is due to come to Governance and Audit committee annually; however, due to an oversight it was not submitted for consideration during 2018/2019.

3 Conclusion

- 3.1 Whilst there have been no reported cases this year or last it is still vitally important that we maintain this policy and continue to publicise the reporting mechanism.

Whistleblowing Policy

JSCC Approved – 3 October 2019



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Whistleblowing Policy

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Introduction

1. Employees are often the first to realise that there may be something seriously wrong within the council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the council. They may also fear harassment or victimisation. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
2. The Public Interest Disclosure Act 1998 protects employees who report wrongdoing within the workplace but it is the aim of this policy to ensure that as far as possible our employees are able to tell us about any wrongdoing at work which they believe has occurred or is likely to occur.
3. The council recognises that employees may not always feel comfortable about discussing their concerns internally, especially if they believe that the council itself is responsible for the wrong doing.
4. The aim of this policy is to ensure that employees are confident that they can raise any matter with the council that concerns them in the knowledge that it will be taken seriously, treated as confidential and that no action will be taken against them.
5. The council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we expect employees, and others that we work and deal with, who have serious concerns about any aspect of the council's work to come forward and voice those concerns. It is recognised that most cases will have to proceed on a confidential basis.
6. This policy makes it clear that employees can do so without fear of victimisation, subsequent discrimination or disadvantage. This whistleblowing policy is intended to encourage and enable employees to raise serious concerns within the council rather than overlooking a problem or 'blowing the whistle' outside.
7. The policy applies to all employees and those contractors working for the council, for example, certain agency staff, builders, apprentices, certain trainees, homeworkers etc. It also covers suppliers and those providing services under a contract with the council from their own premises.
8. The procedures are in addition to the council's complaints procedures and other statutory reporting procedures which may apply. Managers are responsible for making employees aware of the existence of these procedures.

The responsible officers

The council's monitoring officer has overall responsibility for the maintenance and operation of this policy. The people and organisational development team manager will maintain a record of concerns raised and the outcomes (but in a form which does not endanger confidentiality) and will report as necessary to the council.

The council's Section 151 officer will be responsible for investigating allegations of fraud or financial irregularity. Other offences will be investigated by managers or a member of the council's management team.

Aims and scope of this policy

This policy aims to:

- Encourage employees to feel confident in raising serious concerns and to question and act upon concerns about practice
- Provide avenues for employees to raise those concerns and receive feedback on any action taken
- Ensure that employees receive a response to their concerns and that managers are aware of how to pursue them
- Reassure employees that they will be protected from possible reprisals or victimisation if they have a reasonable belief that they have made a disclosure in good faith

There are existing procedures in place to enable employees to lodge a grievance relating to their own employment.

The whistleblowing policy is intended to cover major concerns that fall outside the scope of other procedures.

These include:

- Conduct which is an offence or a breach of law
- Failure to comply with any legal obligations
- Disclosures related to miscarriage of justice
- Health and safety risks, including risks to the public as well as other employees
- Damage to the environment
- The unauthorised use of public funds
- Possible fraud and corruption
- Other unethical conduct
- Deliberate concealment of any of the above

Thus, any serious concerns that employees have about any aspect of service provision or the conduct of officers, members of the council or others acting on behalf of the council can be reported under the whistleblowing policy.

This may be about something that:

- Makes employees feel uncomfortable in terms of known standards, their experience or the standards they believe the council subscribes to
- Is against the council's procedure rules and policies
- Falls below established standards of practice
- Amounts to improper conduct

Safeguards against harassment and victimisation

The council is committed to good practice and high standards and wants to be supportive of employees.

The council recognises that the decision to report a concern can be a difficult one to make. If what is being said is believed to be true, employees should have nothing to fear because they will be doing their duty to the council and those for whom we are providing a service.

The council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action, including disciplinary action if necessary, to protect employees when they raise a concern in good faith.

Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect the employee who raises an issue.

Confidentiality

All concerns will be treated in confidence and every effort will be made not to reveal an employee's identity if he/she so wishes. At the appropriate time, however, an employee may need to come forward as a witness.

Anonymous allegations

This policy encourages employees to put their name to an allegation whenever possible.

Concerns expressed anonymously are much less powerful and will only be considered in exceptional circumstances at the discretion of the council.

In exercising this discretion, the factors to be taken into account would include:

- The seriousness of the issues raised
- The credibility of the concern
- The likelihood of confirming the allegation from attributable sources
- Consideration of the damage that could be caused to an individual or group of people if the allegation is not proven

Untrue/vexatious allegations

If an employee makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against him/her.

If, however, an employee is found to have made an allegation maliciously or for personal gain then this will constitute a misconduct and will be dealt with in accordance with the disciplinary procedure.

How to raise a concern

As a first step, an employee should normally raise concerns with his/her immediate line manager or manager. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if an employee believes that management is involved, he/she should approach the people and organisational development team manager.

Concerns may be raised verbally or in writing. Employees who wish to make a written report are invited to provide:

- the background and history of the concern (including relevant dates)
- the reason why they are particularly concerned about the situation

Although employees are not expected to prove beyond doubt the truth of an allegation, they will need to demonstrate to the person contacted that there are reasonable grounds for their concern. The earlier a concern is expressed, the easier it is to take action.

Employees may wish to consider discussing their concern with a colleague first and they may find it easier to raise the matter if there are two (or more) employees who have had the same experience or concerns.

Employees may invite their trade union or a friend to be present during any meetings or interviews (off site if they prefer) in connection with the concerns they have raised.

How the council will respond

The council will respond to employees' concerns, not forgetting that testing out concerns is not the same as either accepting or rejecting them.

Where appropriate, the matters raised may:

- Be investigated (in accordance with the Financial Crime Response Plan contained within the Prevention of Financial Crime, Anti Fraud and Corruption and Anti Bribery Policy) by management, internal audit, or through the disciplinary process
- Be referred to the police
- Be referred to the external auditor
- Form the subject of an independent inquiry

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take.

The overriding principle which the council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, grievance, disciplinary or discrimination issues) will normally be referred for consideration under those procedures.

Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required (e.g. suspension), this will be taken before any investigation is conducted.

Within 10 working days of a concern being raised, the responsible officer will write to the employee who raised it:

- Acknowledging that the concern has been received
- Indicating how we propose to deal with the matter
- Giving an estimate of how long it will take to provide a final response
- Confirming whether any initial enquiries have been made
- Confirming what support mechanisms there are in place for the employee
- Informing the employee whether further investigations are necessary and, if not, why not

The amount of contact between the officers considering the issues and the employee who raised them will depend on the nature of the matters, the potential difficulties involved and the clarity of the information provided. If necessary, the council will seek further information from the employee.

The council will take steps to minimise any difficulties which employees may experience as a result of raising a concern. For instance, if an employee is required to give evidence in criminal or disciplinary proceedings, the council will arrange for him/her to receive advice about the procedure.

The council accepts that employees need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform the employee who reported the matter of the outcome of any investigation.

How the matter can be taken further

This policy is intended to provide employees with an avenue within the council to raise concerns. The council hopes employees will be satisfied with any action taken. If an employee is not satisfied and feels it is right to take the matter outside the council, the Audit Commission is the designated independent organisation nominated for this purpose by the council.

The following are also possible contact points:

- The external auditor
- The employee's trade union
- Citizens' Advice Bureau
- A relevant voluntary organisation, for example, Public Concern at Work (PCAW)
- Relevant professional bodies or regulatory organisations
- The police

Contact details are set out in the Appendix to this policy.

If an employee does take the matter outside the council, he/she should ensure that confidential information is not disclosed. The council's monitoring officer can provide further advice on this.

Monitoring

The effectiveness of the council's whistleblowing code will be monitored annually and it will be updated where/when necessary.

Employees' rights

The policy does not prevent employees from exercising their right to report to relevant outside bodies nor prevent anyone from having rights under the Public Interest Disclosure Act 1998.

Data protection

Purpose and legal basis for processing

When an individual makes a disclosure our purpose is to investigate and take appropriate action.

The legal basis we rely on to process personal data is article 6(1)(e) of the General Data Protection Regulation (GDPR), which allows us to process personal data when this is necessary to perform our public tasks as a local authority. In this instance we will be complying with the provisions of the Public Interest Disclosure Act 1998.

If the information individuals provide us in relation to the disclosure contains special category data, such as health, religious or ethnic information the legal basis we rely on to process it is article 9(2)(g) of the GDPR (which also relates to our public task and the safeguarding of individuals fundamental rights) and Schedule 1 part 2(6) of the Data Protection Act 2018 which relates to statutory and government purposes.

What we need

We need enough information from individuals to investigate the disclosure, including any evidence to support it. This normally includes identity, contact details and any other information given to us about individuals involved in the complaint. We will treat the information provided confidentially.

Individuals can contact us anonymously if they prefer but we are more likely to be able to investigate potential wrongdoing if we are confident that the person making the disclosure is in a position to make an informed complaint. It will also mean we are better able to feedback information about any action we have taken, if we can.

Why we need it

We need to know the details of the complaint so that we can decide on our compliance with the relevant legislation and take appropriate action where necessary.

What we do with it

We will treat the information individuals provide as confidential and won't disclose it without lawful authority. But to look into a matter properly, we will usually need to disclose some information to the person or organisation concerned. We can discuss this with individuals, but they should clearly indicate any information that they don't want us to share from the outset.

If possible, we will give individuals feedback about any action we take as a result of their disclosure. However, this feedback will be restricted.

We will use personal information to process disclosures and to check on the level of service we provide. We may compile and publish statistics showing such information as the number of disclosures we receive, but not in a form that identifies anyone.

How long we keep it

For information about how long we hold personal data, see our retention schedule.

What rights do individuals have?

We are assessing reports of potential breaches of the law, so individuals have the right to object to our processing of their personal data. There are legitimate reasons why we may refuse objections, which depend on why we are processing it.
For more information on your rights please see our full privacy notice

Do we use any data processors?

No

Appendix

Contact details for external organisations

External Auditor
Mazars
Park View House
58 The Ropewalk
Nottingham
NG1 5DW
Tel: 0115 964 4744

UNISON East Midlands
UNISON Regional Centre
Vivian Avenue
Nottingham
NG5 1AF
Tel: 0800 0857 857
E-mail: eastmidlands@unison.co.uk

Citizens' Advice Bureau
Guildhall
Marshall's Yard
Gainsborough
DN21 2NA
Tel: 01427 810914
Website: www.citizensadvice.org.uk

Protect – (was Public Concern at Work)
The Green House
244-254 Cambridge Heath Road
London E2 9DA
Tel: Whistleblowing Advice Line 020 3117 2520
www.pcaw.co.uk
Email: UK advice line: whistle@protect-advice.org.uk

Lincolnshire Police
Lincolnshire Police Headquarters
Deepdale Lane
Nettleham
Lincs
Tel: 01522 532222

Policy Statement

West Lindsey District Council has a commitment to equal opportunities. It seeks to ensure that no potential or current employee receives less favourable treatment than another on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

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If you would like a copy of this in large, clear print, audio, Braille or in another language, please telephone

01427 676676

Guildhall, Marshall's Yard
Gainsborough, Lincolnshire DN21 2NA
Tel: 01427 676676 Fax: 01427 675170
DX 27214 Gainsborough

www.west-lindsey.gov.uk





**Governance & Audit
Committee**

16 June 2020

Subject: Internal Audit Annual Report – 2019/2020

Report by:	Lucy Pledge (Head Audit & Risk Management – Lincolnshire County Council)
Contact Officer:	Alan Robinson, Monitoring Officer
Purpose / Summary:	This report gives the Head of Internal Audit's opinion on the adequacy of the Council's, governance, risk and control environment and the delivery of the Internal Audit Plan for 2019/2020.

RECOMMENDATION(S):

- 1. That the Committee consider the Head of Audit's Annual Report and Opinion for 2019/2020 and identifies any actions it requires.**
- 2. That the Committee take into account this Annual Report and the Head of Internal Audit's opinion when considering the Council's Annual Governance Statement 2019.**

IMPLICATIONS

Legal: None directly arising from the report

Financial:

Staffing: None.

Equality and Diversity including Human Rights:

*NB: A full impact assessment **HAS TO BE** attached if the report relates to any new or revised policy or revision to service delivery/introduction of new services.*

None arising from this report

Risk Assessment: N/A

Climate Related Risks and Opportunities: None arising from this report

Background Papers: No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

Call in and Urgency:

Is the decision one to which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

1. The Annual Internal Audit Report aims to present a summary of the audit work undertaken over the past year. In particular:
 - Include an opinion on the overall adequacy of and effectiveness of the governance framework and internal control system and the extent to which the Council can rely on it;
 - Inform how the plan was discharged and of overall outcomes of the work undertaken;
 - Draw attention to any issues particularly relevant to the Annual Governance Statement.
2. Our internal audit service continues to work well with the Governance and Audit Committee and Management to help the Council maintain effective governance, risk and control processes.
3. West Lindsey DC management team were pleased to receive this view from our Head of Internal Audit. Following a year where a vast majority of audits have provided High and Substantial levels of assurance it is surprising that all areas are viewed as adequate. However it is understood that the current climate of the COVID 19 outbreak would make it very difficult to form a more positive conclusion.

Internal Audit Annual Report 2019/20



What we do best...

Innovative assurance services
Specialists in internal audit
Comprehensive risk management
Experts in countering fraud

...and what sets us apart

Unrivalled best value to our customers
**Existing strong regional public sector
partnership**
**Auditors with the knowledge and expertise to
get the job done**
**Already working extensively with the not for
profit and third sector**

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Other Significant Work
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Recommendations
Key Performance Indicators

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Details of Limited Assurances
Details of Audits
Performance on Key Indicators
Assurance Definitions
Glossary of Terms

Lucy Pledge - Head of Internal Audit
Emma Bee – Audit Manager
Stacey Richardson– Principal Auditor

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emma.bee@lincolnshire.gov.uk
Stacey.richardson@lincolnshire.gov.uk

This report has been prepared solely for the use of Members and Management of West Lindsey District Council. Details may be made available to specified external organisations, including external auditors, but otherwise the report should not be used or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

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The matters raised in this report are only those that came to our attention during the course of our work– there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements or were not brought to our attention. The opinion is based solely the work undertaken as part of the agreed internal audit plan.

Purpose of Annual Report

The purpose of the Annual Internal Audit Report is to meet the Head of Internal Audit annual reporting requirements set out in the Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2020. In particular:-

- Include an opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and therefore the extent to which the Council can rely on it;
- Inform how the plan was discharged and the overall outcomes of the work undertaken that supports the opinion;
- A statement on conformance with the PSIAS and the results of the internal audit quality assurance);
- Draw attention to any issues particularly relevant to the Annual Governance Statement

Annual Opinion

For the twelve months ended 31 March 2020 the Council's arrangements for governance, risk management and control is unaffected by the coronavirus. That said, my opinion needs to be contemporary and take into account its impact on the Council's governance, risk and control environment.

Based on the work we have undertaken and information from other sources of assurance, my opinion on the adequacy and effectiveness of the Council's arrangements for governance, risk management and control is:

This opinion is **caveated** as it is **not possible for us to quantify** the additional risk arising from the Council's response and **Page 44** or the overall impact on the framework of governance, risk management and control.

<p>Governance</p> 	<p>Performing Adequately– Some improvements identified over the Council's Governance, Risk and Control framework or to manage medium risks across the Council</p>
<p>Risk</p> 	<p>Performing Adequately – Some improvements identified over the Council's Governance, Risk and Control framework or to manage medium risks across the Council</p>
<p>Internal Control</p> 	<p>Performing Adequately– Some improvements identified over the Council's Governance, Risk and Control framework or to manage medium risks across the Council</p>
<p>Financial Control</p> 	<p>Performing Adequately – Some concerns that may affect the Financial governance, risk and control framework and successful delivery of the Council priorities.</p>



"Achieving the Intended Outcomes While Acting in the Public Interest at all Times"

It is comprised of systems, processes, culture and values, by which the Council is directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.

Each year the Council is required to reflect on how its governance arrangements have worked – identifying any significant governance issues that it feels should be drawn to the attention of the public – in the interests of accountability and transparency.

During 2019/20 the Council reviewed progress against the significant issues identified in the 2018/19 Annual Governance Statement which were:

- Risk Management
- Member Induction and Training following 2019 Elections
- Governance Review – Culture and Values – implementing agreed actions
- Preparing for the LGA peer review

A six monthly update report was provided to Governance & Audit Committee. These issues have all been addressed.

The 2019/20 Annual Governance Statement has not been drafted as at the time of writing this report. Significant issues have yet to be determined however early indications of what may be reflected within the report include:

- Implementation of the senior management restructure

- Delivery of a climate and sustainability strategy
- Recovery response to Covid-19

The onset of Covid19 and subsequent lockdown has had a significant impact on all areas of the public sector. The impact on governance will be felt by all organisations for example changes to decision making arrangements and the conduct of meetings. Other aspects will reflect changes to the organisation's priorities and programmes.

We note that the Council's governance arrangements have adapted well to the emergency but as full impact of the coronavirus is largely unknown but we recommend that the Annual Governance Statement includes a significant governance issue - reviewing lessons learned from its response.

The Governance and Audit Committee helps to ensure that these arrangements are working effectively. They regularly review the governance framework and consider the draft and final versions of the Annual Governance Statement.

Governance



"Achieving the Intended Outcomes While Acting in the Public Interest at all Times"

It is comprised of systems, processes, culture and values, by which the Council is directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.

During the year the Council took part in a peer review which was undertaken by the LGA. A report was produced in January 2020. This identified a number of good working practices within the Council.

The report stated : *'Governance has improved and has been sustained generally as evidenced through annual internal and external governance statements, other related documents and meetings with relevant councillors, officers and external audit. There is a culture of honesty at the council in which issues can be raised, discussed and are able to be resolved before they escalate.'*

We undertook a Follow up review of our 2018 audit of Governance – Culture & Values. This showed that all actions had been implemented which enables us to provide assurance that good culture and values continues to be applied to Council work and that it is embedded in Council thinking and decision making.

The Council has refreshed its Corporate Plan to run from 2019 to 2023. The Corporate Plan underpins all that the Council does and has a 3-way focus; Our Council, Our People and Our Place.

The outbreak of Covid-19 has had a significant impact on the Council in terms of Finance, resource and governance. The future is not what we thought it would be a few months ago – the Council will need to reset its Corporate Plan and service delivery model.

The Council has had to respond swiftly to the ever changing environment to deliver new and existing operations. The governance framework in place has operated adequately in these challenging times.

Governance assurance



Assessed as Performing Adequately

Risk



Good risk management is part of the way we work. It is about taking the right risks when making decisions or where we need to encourage innovation in times of major change – balancing risk, quality, cost and affordability. This put us in a stronger position to deliver our goals and provide excellent services.

It is **not possible to quantify** the additional risks arising from the Council’s response and recovery to Covid-19 or the overall impact on the framework of governance, risk management and control.

What we can confirm is that there are established structures and processes for identifying, assessing and managing risk and these remain effective.

During the year the Council’s risk management arrangements were assessed as Green through the combined assurance review (a high level of assurance).

In April & May 2019 Assurance Lincolnshire supported the Council in facilitating strategic risk workshops focusing on risk appetite . This involved Management Team and Leaders Panel. The outcome of these sessions provided an overall assessment of the Council’s collective risk appetite as “Creative and Aware.”

Risk Management is regularly monitored by Management Team and the Governance and Audit Committee.

During the year the Strategic Risk register was reviewed by Management Team in September 2019 and Governance & Audit in October 2019. Within the same meetings the Risk Management Strategy 2019-2023 which takes into account the Council’s Corporate Plan (2019-2023), was also approved.

We can confirm that there have been no significant risks identified during the delivery of our audit work.

The above information helped inform the Head of Internal Audit opinion.

Risk Management assurance



Assessed as Performing Adequately

Internal Control



We take account of the outcome of our audit work during the 2019/20 year. As our audit plans include different activities each year it is not unexpected that assurance varies. However the assurance levels still give insight into the Council's control environment.

Our opinion is based on a number of sources of intelligence including the outcome of our internal audit work, through the combined assurance work and other sources.

Whilst the control environment up to 31st March 2020 has largely been unaffected by the coronavirus - emergency measures implemented have resulted in a significant level of strain being placed on normal procedures and control arrangements. The level of impact is also changing as the situation develops. The full impact is unknown and some post assurance will be required.

Positive assurance levels continue to be in place for the Council's systems . 83% of all assurance work provided a positive opinion.

There were two areas where we gave a **Limited assurance** opinion this year - Vulnerable Communities and Golden Thread. This is the same number of limited opinions as last year.

A summary of this audit can be found in appendix 1

During the year we have made 27 recommendations for improvement – there are no over due actions to report up to the 30.4.20.

There are 31 actions being worked on (including 4 outstanding from prior year audits) which are not yet due, see appendix 2 for full details of audits completed during the year.

The outcome of our internal audit work and the intelligence gathered through the combined assurance framework has helped inform the Head of Internal Audit's opinion on Internal Control.

Internal Control assurance



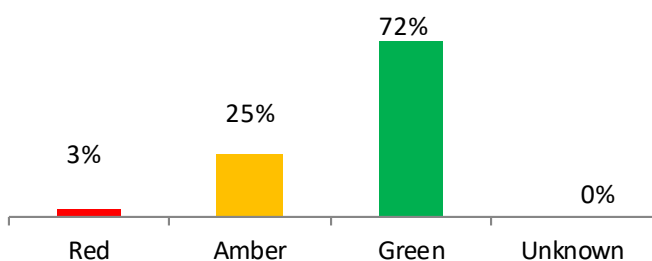
Assessed as Performing Adequately



A Combined Assurance Status report is produced by the Council on the level of confidence they can provide on service delivery arrangements, management of risks, operation of controls and performance for their area of responsibility. These reports are reviewed by the Governance & Audit Committee and provide key assurance evidence to support the Head of Internal Audit opinion.

Combined Assurance Status Report

**Overall Assurance Status
2019/20**



We help co-ordinate the Council's assurance intelligence. The overall assurance status is positive with the majority of areas continuing to receive a Medium (amber) or High (Green) level of assurance.

There has been a minor increase in low levels of assurance and these areas are:

Key Projects

Agri Food Sector

Emerging Risks

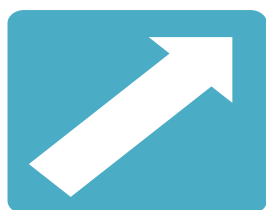
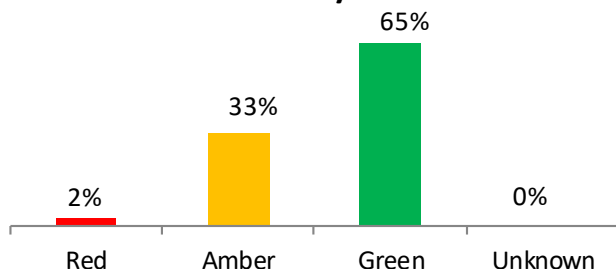
Strategic Capacity

Strategic Risks

Inability to raise local educational attainment and skills levels

This data was collected before emergency of the coronavirus.

**Overall Assurance Status
2018/19**



**High levels of assurance
have increased by 7% since
2018/19**



Our audit plans include providing assurance over our key financial systems, this is done on a cyclical basis; however the level of risk will also influence frequency.

Our work provides an important assurance element to support the External Auditor's opinion on the Council's Statement of Accounts.

During the year we reviewed:

- Key Controls – Financial Resilience **High Assurance**
- Key Controls – Debtors **In progress**
- Key Controls – Creditors **Indicative opinion – Substantial Assurance**

Key control testing and assurance mapping across the financial control areas continues to provide positive assurance for the Council .

In December 2019 the Corporate Policy and Resources Committee approved the acquisition of a new Enterprise Resource Planning system for Finance which would replace the current Finance system which has been in situ since 1999.

We are aware that this project has been put on hold as a result of Covid-19 however we will support the Council with this project in due course.

The impact of Covid-19 will have a major impact on the Council's finances. This impact is unlikely to be fully realised until recovery is complete. The combination of remote working, staff redeployment and the swift introduction of new processes heightens the risk around financial control.

Financial Control



Assessed as Performing Adequately



The Council is responsible for establishing and maintaining risk management processes, control systems and governance arrangements. Internal Audit plays a vital role in providing *independent risk based and objective assurance* and *insight* on how these arrangements are working. Internal Audit forms part of the Council's assurance framework.

Scope of Work

Our risk based internal audit plan was prepared taking into account the critical activities and key risks to support the basis of my annual opinion. It has remained flexible to enable us to respond to emerging risks and maintain effective focus.

The Audit Committee approved the 2019/20 original audit plan of **190 days** in March 2019. We have delivered **91%** of the plan.

Restriction on Scope

In carrying out our work we identified no unexpected restrictions to the scope of our work.

We have worked closely with the Council's senior management team to agree audits scopes and to ensure audit work is progressed.

The onset of Covid-19 meant that the full plan could not be completed before the end of April as planned. However, we continue to work with management to

finalise the outstanding pieces of work as promptly as possible.

I do not consider there to have been any restrictions or changes to the plan that have had an adverse effect on my ability to deliver my overall opinion. The combined assurance model adopted by the Council helped in this regard.

We have not experienced any impairment to our independence or objectivity during the conduct and delivery of the Internal Audit Plan.



Our Work



Internal Audit's role include advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.

Other Significant Work

During the year we have undertaken Grant Sign Off work including testing **Housing Benefit Subsidy**. Our testing identified one error which led to a small prior year overpayment . This error was not deemed material and so overall received High assurance for the way the Council administers Housing Benefit.

We completed our annual refresh and coordination of Combined Assurance which maps all assurance across the Council using the 'three lines of assurance' model. This provided the Council with insight over the assurances present on its critical activities, key risks, projects and partnerships.

We have continued to support the Council's assurance framework with consultancy work – this is where we give support and advice on governance, risk and control but do not provide an assurance opinion :-

- We have provided support during the initial stages of the **Waste Depot project development** . We attended the Depot Project Group, advising and supporting on the governance arrangements as well as reviewing the Terms of Reference.
- **Portfolio, Programme and Project Management (P3M3)** is a internationally recognised review system for testing an organisations maturity in managing programmes of work. We provided support during this review by attending three programme board meetings and independently providing challenge and advice during these sessions. Reports were produced by the Performance and Programmes Team which provided outcomes of the work completed.





We recognise the importance of meeting customer expectations as well as conforming to the UK Public Sector Internal Audit Standards (PSIAS). We continually focus on delivering high quality audit to our clients – seeking opportunities to improve where we can.

Quality Assurance

Our commitment to quality begins with ensuring that we recruit develop and assign appropriately skilled and experienced people to undertake your audits.

Our audit practice includes ongoing supervisory reviews for all our assignments. These reviews examine all areas of the work undertaken, from initial planning through to completion and reporting. Key targets have been specified - that the assignment has been completed on time, within budget and to the required quality standard.

There is a financial commitment for training and developing staff. Training provision is continually reviewed through the appraisal process and regular one to one meetings.

Assurance Lincolnshire conforms to the UK Public Sector Internal Audit Standards. An External Quality Assessment was undertaken in September 2016 and preparations are underway for the next assessment in 2021. No areas of non-compliance with the standards that would affect the overall scope or operation of the internal audit activity was identified.

Our quality assurance framework helps us maintain a continuous improvement plan, which includes the following:

- Update Internal Audit Charter and practice manual following revision of PSIAS in April 2017 and CIPFA Application Note published March 2019
- Working with senior management improve progress and delivery monitoring / audit scheduling
- Continuing professional development around new and emerging practice guidance.
- Benchmarking practice against CIPFA's 'Role of Head of Internal Audit' – published April 2019.

Although internal and external auditors carry out their work different objectives in mind, many of the processes are similar and it is good professional practice that they should work together closely. Wherever possible, External Audit will place reliance and assurance upon internal audit work where it is appropriate.

Assurance Lincolnshire were winners of CIPFA's Public Finance Awards 2019 for its work around Governance - culture and values.

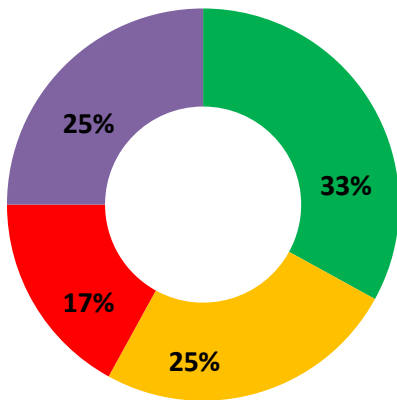




Our audit plan includes different activities each year – it is therefore not unexpected that these vary; however, the assurance levels do give an insight on the application of the Council's control environment and forms part of the evidence that helped inform the overall annual opinion.

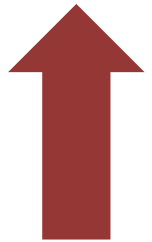
Assurances

2019/20

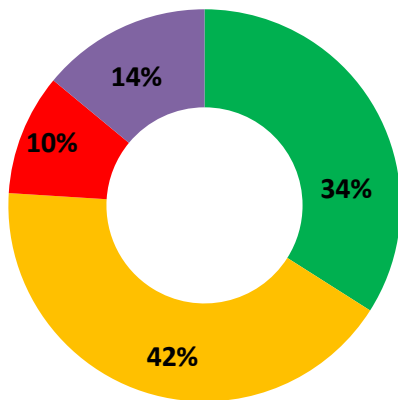


- High
- Substantial
- Limited
- Consultancy

No Low assurance opinions



2018/19



- High
- Substantial
- Limited
- Consultancy

Number of Limited assurance opinions remain the same (2)

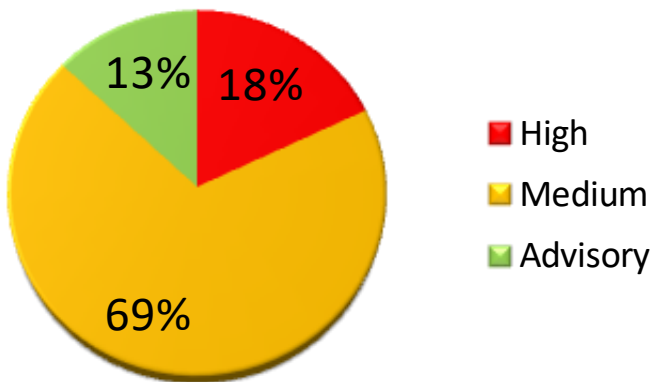




Comparison of internal audit recommendations made 2018/19 and 2019/20. We can see that the overall % of high and medium priority actions has remained the same. There has been an increase in high priority actions. This information forms part of the evidence that helped inform the overall annual opinion.

Recommendations

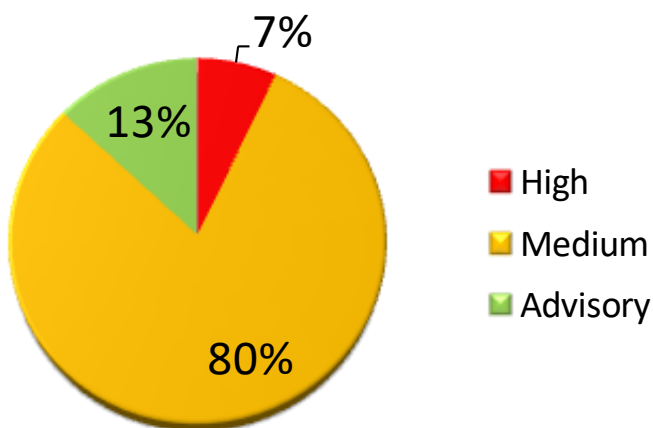
2019/20



11%

Increase in high priority findings

2018/19



Total % of medium actions has reduced





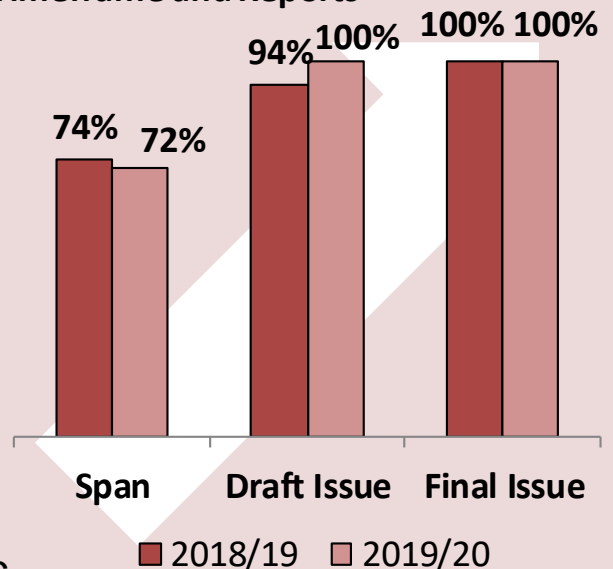
Internal Audit's performance is measured against a range of indicators. The table **Appendix 3** shows our performance on key indicators at the end of the year. We are pleased to report a good level of achievement delivery of the revised plan and the added value of our work.

Performance on Key Indicators

**Good
achievement of
Audit KPI's**

91%
**Of the plan
delivered**

Timeframe and Reports



During the year we have issued two limited assurance opinions, in summary:

Vulnerable Communities

Our review looked at the Council's strategic approach to supporting and identifying vulnerable communities.

Specific issues included:

- Operational risk management arrangements to be improved to help focus on mitigating risks specific to the achievement of the strategy
- Increased coordination between the managers of each service to ensure that the overall Vulnerable Communities strategy is being implemented.
- Performance reporting to be enhanced through introduction of measures which will feed into an annual report
- Opportunity for the approval process for interventions to be streamlined.

Following this review we agreed a detailed action plan with management and a follow up review will be completed in 2020/21

Golden Thread

Our review looked at whether the Golden Thread exists within the organisation and that managers, services and individuals understand their contribution to corporate objectives.

Specific issues included:

- Where departments have a shared purpose, there is a lack of awareness of these links and also how staff roles impact the corporate objectives.
- Improvements around communicating corporate objectives from the top down
- Objectives for service plans and appraisals to be more strongly aligned to the corporate plan objectives
- Improved association and acknowledgement of team achievements and their impact on the contribution to the fulfilment of the corporate plan.

Audit	Rating	Type	High	Medium	Advisory	Total
Vulnerable Communities	Limited	Risk Based Audit	1	6	0	7
Members Devices (joint with NKDC)	Substantial	Risk Based Audit	1	2	2	5
Housing Benefit Subsidy	High	Grant Work	0	0	0	0
Combined Assurance	Complete	Consultancy	0	0	0	0
Programme and Project Management	Substantial	Risk Based Audit	2	6	1	9
Key Controls - Financial Resilience	High	Risk Based Audit	0	2	0	2
Good Governance Follow Up	High	Risk Based Audit	0	0	0	0
IT Cyber Security	In progress	Risk Based Audit				
Planning Enforcement Follow Up	High	Risk Based Audit	0	0	0	0
Food Safety and Environment Protection Follow Up	Indicative Opinion – Substantial	Risk Based Audit				
Key Controls Testing - Creditors	Indicative Opinion - Substantial	Risk Based Audit				
Key Controls testing - Debtors	In progress	Risk Based Audit				
ICT PSN Compliance	Postponed until 20/21	Risk Based Audit	0	0	0	0
Corporate Plan Delivery & Golden Thread	Corporate Plan – Substantial Golden Thread - Limited	Risk Based Audit	0	4	0	4
P3M3 Project Management Support	Complete	Consultancy	0	0	0	0
New Depot Project Support	Complete	Consultancy	0	0	0	0
			4	20	3	27

Performance on Key Indicators

Performance Indicator	Annual Target	Actual
Percentage of plan completed (based on revised plan)	100%	91%
Percentage of recommendations agreed	100%	100%
Percentage of recommendations implemented	100% or escalated	100%
Timescales:		
Draft Report issued within 10 days of completion	100%	100%
Final Report issued within 5 days of management response	100%	100%
Draft Report issued within 3 months of fieldwork commencing	80%	72%

High	<p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p> <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p>
Substantial	<p>Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.</p>
Limited	<p>Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and/or performance.</p> <p>The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.</p>
Low	<p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high.</p>

Significance

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

Head of Internal Audit Annual Opinion

The rating, conclusion and/or other description of results provided by the Head of Internal Audit addressing, at a broad level, governance, risk management and/or control processes of the organisation. An overall opinion is the professional judgement of the Head of Internal Audit based on the results of a number of individual engagements and other activities for a specific time interval.

Governance

Comprises the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the outcomes for intended stakeholders are defined and achieved.

Risk

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Control

Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management - plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Impairment

Impairment to organisational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel and properties and resource limitations (funding).

Agenda Item 6d



**Governance & Audit
Committee**

16th June 2020

Subject: Internal Audit Draft Annual Plan Report 2020/2021

Report by:

Lucy Pledge (Head of Service – Corporate Audit & Risk Management – Lincolnshire County Council)

Contact Officer:

Alan Robinson, Monitoring Officer
alan.robinson@west-lindsey.gov.uk

Purpose / Summary:

To present to members the draft revised annual internal audit plan.

RECOMMENDATION(S): That Members:

Note and agree the contents of the report and be assured that the plan provides robust coverage of the Council's critical areas and services.

IMPLICATIONS

Legal:

None directly arising from the report

Financial :

No financial implications directly arise from the report.

Staffing :

None

Equality and Diversity including Human Rights :

NB: A full impact assessment **HAS TO BE** attached if the report relates to any new or revised policy or revision to service delivery/introduction of new services.

None arising from this report

Data Protection Implications :

Climate Related Risks and Opportunities: As this is a plan for the year, there are no climate related risks or opportunities that directly arise from the report, although individual audits may take this into consideration.

Section 17 Crime and Disorder Considerations:**Health Implications:****Title and Location of any Background Papers used in the preparation of this report :****Risk Assessment :**

1. Background

- 1.1 The Internal Audit 2020/21 plan was agreed by Governance & Audit Committee on 10th March 2020.
- 1.2 The onset of Covid-19 and subsequent lockdown has had a significant impact on all areas of the public sector. Operationally, the Council has had to react quickly to rapidly changing circumstances and as such the Council's risks and priorities will have changed.
- 1.3 In order to ensure our work continues to focus on the areas of greatest risk to the Council, we have prioritised our Internal Audit work and we have identified three audits within the plan which we recommend for deferral until 2021/22. This is a total of 28 days and will allow the days to be spent on other areas of focus to be agreed by Management Team and Governance & Audit Committee during the year.

2. Changes to the Plan

- 2.1 The three audits we propose to defer are:

Key Projects – Enterprise Resource Planning system (10 days)

Rationale - The Council was due to sign a contract for the implementation of an ERP finance system on 31.3.2020, however, due to the Covid-19 pandemic and the uncertainty around the financial impacts, Management Team made the decision to put the project on hold.

ICT – Enterprise Resource Planning System (10 days)

Rationale - The Council was due to sign a contract for the implementation of an ERP finance system on 31.3.2020, However, due to the Covid-19 pandemic and the uncertainty around the financial impacts, Management Team made the decision to put the project on hold.

Wellbeing (8 days)

Rationale - Joint review with NKDC and ELDC. ELDC have agreed to postpone this review and this is also due to be considered by NKDC. The Wellbeing service has been and remains pivotal during the Covid-19 pandemic and continues to work very closely with the community and other partners. Consideration to defer this review to 21/22 will allow the service to focus on the recovery phase and our audit can then review the effectiveness of the Council's elements of the contract during and post Covid-19.

Prioritised Internal Audit plan

Plan Priority (Highest priority to lowest)	Assurance Sought	Internal Audit Risk Assessment	Assurance Map RAG rating	Strategic Risk	Corporate Priority	Management Request	Days
Housing Benefit Subsidy							20
Contingency days for emerging risks							10
Non audit time							15
Combined Assurance	Completing the integrated assurance mapping process for the Council by helping to map assurance against critical activities and key risks. Helping coordinate the development of the annual status report.	N/A					15
Key Control Testing	To provide high level assurance that the Council's key controls are in place and operating effectively throughout the year – this will cover financial and corporate areas. The areas of coverage and the key controls tested will be agreed with management but can cover: General Ledger, VAT and Council Tax	Amber	Green	✓			20
Treasury Management	Provide assurance on the Councils Treasury Management processes and controls around borrowing, investment and cash flow.	Amber	Green				7
Key Projects	Assurance over management and delivery of the Council's key projects in 20/21, including: CRM & Waste Depot	Amber	Amber	✓	✓	✓	20
Strategic Risk	"Inability to raise local educational attainment and skills levels". To review the controls and planned controls the Council has to mitigate and manage this key strategic risk.	Amber	Red	✓	✓		5
ICT	1. Public Sector Network (PSN) review. This review to now include Email Security from 2019/20 (PSN 10days + 7 days from 19/20) 2. Helpdesk system	Amber	Green			✓	20 + 7 (prior year)
Audit follow up work	To provide management with assurance that actions from previous key audits have been implemented and this has led to improved outcomes.	N/A					10
Crematorium	That the operational arrangements for the Crematorium are robust effective and efficient.	Amber	Green			✓	10
Homelessness	The homelessness strategy is delivered to achieve targets on prevention and that statutory obligations are fulfilled.	Amber	Green	✓	✓		10
Wellbeing	Review of delivery and effectiveness of the Council's elements of the wellbeing contract.	Amber	Amber			✓	8
Key Projects	Enterprise Resource Management System	Amber	Amber	✓	✓	✓	10
ICT	Provide support to the Council on the project to implement the Enterprise Resource Planning system	Amber	Green	✓	✓	✓	10

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Rationale
Completed on behalf of Mazars
Contingency to remain
Non audit time including advice & liaison, planning, Committee, Annual report to remain
Completed annually. Important for the Head of Internal Audit opinion
To support the Head of Internal Audit opinion
To support the Head of Internal Audit opinion
These projects remain key to the Authority
Red on the Assurance map and Strategic risk
To support the Head of Internal Audit opinion.
To provide assurance on the implementation of actions from previous audits
Timely due to this year being the first operational year
Strategic risk
Note: Joint review with NKDC and ELDC. ELDC has agreed to postpone this review and this is also due to be considered by NKDC. The Wellbeing service has been and remains pivotal during the Covid-19 pandemic and continues to work very closely with the community and other partners. Consideration to defer this review to 21/22 will allow the service to focus on the recovery phase and our audit can then review the effectiveness of the Council's elements of the contract during and post Covid-19.
The Council was due to sign a contract for the implementation of an ERP finance system on 31.3.2020. However, due to the Covid-19 pandemic and the uncertainty around the financial impacts, Management Team made the decision to put the project on hold.
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Agenda Item 6e



**Governance & Audit
Committee**

Tuesday, 16th June 2020

**Subject: Completion of 2018/19 Annual Governance Statement (AGS)
Action Plan**

Report by:

Chief Executive

Contact Officer:

Corporate Governance and Policy Manager &
Deputy Monitoring Officer

Purpose / Summary:

To present to Members the AGS action plan for
2018/19 and recommend closure as all actions
have been completed

**RECOMMENDATION(S): To review the action plan and approve closure as
all actions have been completed satisfactorily.**

IMPLICATIONS

Legal: None

Financial: FIN/20/21/TJB

None from this report

Staffing: None

Equality and Diversity including Human Rights: None

Data Protection Implications: None

Climate Related Risks and Opportunities: None

Section 17 Crime and Disorder Considerations: None

Health Implications: None

Title and Location of any Background Papers used in the preparation of this report :

None.

Risk Assessment: None

1 Background

- 1.1 The Annual Governance Statement (AGS) is a formal statement under the Accounts and Audit (England) Regulations 2011, which details the Council's governance arrangements and issues for the previous year as an annual report of governance.
- 1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that we make the best use of all resources.
- 1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are, "doing the right things, in the right way, for the right people in an open, honest, inclusive and timely manner."
- 1.4 Under normal circumstances The Council is required to produce an AGS for approval by the end of July to accompany the Council's Statement of Accounts. However, due to the current situation the timeframe has been extended to the end of September (as used to be the case up to a couple of years ago).
- 1.5 The AGS includes a summary of the governance framework and identifies those areas where further action is required to achieve greater assurance.

2 Annual Governance Statement 2018/19 – Action Plan

- 2.1 Members of the Governance & Audit Committee received the AGS for 2018/19 in July 2019. They approved its contents and those of an accompanying action plan which detailed a number of matters that were to be addressed over the coming year.
- 2.2 These matters were:
 - Risk Management: Assess the Council's overall 'risk appetite' and subsequently undertake a review of Strategic Risks and develop a means of ensuring that project related risks are consistently recorded and managed.
 - Peer Review: Prepare for and hold a Peer Review to set improvement targets and seek third party accreditation against a nationally recognised framework.
 - Good Governance Review: Work on the findings of the Governance Review, undertaken by Internal Audit, to ensure the Council's culture and values are consistently understood and exhibited.
 - Member Induction & Training: Induct new and returning Councillors and implement the Member Development Training Plan.

- 2.3 Over the course of the year, work has been undertaken against the action plan, with Members receiving a six-month progress report in January 2020.
- 2.4 Further work has been completed to the point where all matters contained within the action plan have been completed. Details are available at Appendix 1.

Annual Governance Statement 2018/19 Action Plan

Issue	Description	Action	Current Position	Date Due	Officer	BRAG
Risk Management	Assess the Council’s overall ‘risk appetite’ and subsequently undertake a review of Strategic Risks and develop a means of ensuring that project related risks are consistently recorded and managed	<ol style="list-style-type: none"> 1. Identify key strategic matters 2. Undertake risk appetite training with key officers/Members 3. Populate strategic risk register 4. Refresh Council’s Risk Strategy 5. Obtain approval from G&A Cttee 	<ol style="list-style-type: none"> 1. Corporate Plan (2019-2023) approved setting out strategic priorities 2. Risk appetite workshop held with Mgt Team 3. Framework for capturing strategic risks approved 4. Members’ risk appetite established 5. Risk Strategy 2019-2023 approved at G&A Cttee Oct 2019 6. Risk Mgt Training delivered for Members and Staff Oct 2019 	31/03/2020	I. Knowles	Black
Peer Review	Prepare for and hold a Peer Review to set improvement targets and seek third party accreditation against a nationally recognised framework	<ol style="list-style-type: none"> 1. Prepare effectively for the review in Jan 2020 2. Hold review and facilitate requests of relevant personnel 3. Receive feedback and recommendations 4. Present findings to Members 5. Draw up plan to implement recommendations 	<ol style="list-style-type: none"> 1. Lead officer appointed 2. ToR agreed 3. Timetable agreed for Peer Review at WLDC – Jan 2020 4. Awareness sessions held with staff and Members Nov 2019 5. WLDC Position Statement produced 6. Peer Review conducted and final report received 	31/07/2020	I. Knowles	Black

Governance Review	Work on the findings of the Governance Review, undertaken by Internal Audit, to ensure the Council's culture and values are consistently understood and exhibited	<ol style="list-style-type: none"> 1. Review findings with Mgt Team 2. Allocate actions to key officers 3. Monitor and review progress 4. Report on completion to Mgt Team and G&A Cttee Incorporate main aspects onto AGS for 2019/20 5. Arrange for re-evaluation exercise to be held 	<ol style="list-style-type: none"> 1. Findings discussed with Mgt Team and action plan developed 2. Monitoring of progress underway 3. Follow-up audit conducted and high assurance rating provided 	31/07/2020	I. Knowles	Black
Member Induction & Training	Induct new and returning Councillors and implement the Member Development Training Plan	<ol style="list-style-type: none"> 1. Complete initial induction programme and obtain Member feedback 2. Convene Member Development Group (MDG) 3. Finalise year 1 plan and present to G&A Cttee Oct '19 	<ol style="list-style-type: none"> 1. Initial induction programme and feedback process completed 2. Meetings arranged for MDG 3. Training plan approved by G&A Cttee 	31/03/2020	I. Knowles	Black

Agenda Item 6f



**Governance & Audit
Committee**

Tuesday, 16th June 2020

Subject: Draft Annual Governance Statement 2019/20.

Report by:

Chief Executive

Contact Officer:

Corporate Governance & Policy Manager &
Deputy Monitoring Officer

Purpose / Summary:

To present the draft Annual Governance Statement for 2019/20, review its content and determine the issues to be contained in the associated action plan

RECOMMENDATION(S): That Members review the Statement and:

- 1. Identify any additional governance related matters for inclusion**
- 2. Review the proposed set of issues that have arisen during the year that are intended to form the Action Plan for 2019/20**

IMPLICATIONS

Legal: The Annual Governance Statement must comply with the Accounts and Audit (England) Regulations 2011

(N.B.) Where there are legal implications the report **MUST** be seen by the MO

Financial: FIN/19/21/TJB

None from this report

Staffing: None

(N.B.) Where there are staffing implications the report **MUST** have a HR Ref

Equality and Diversity including Human Rights: None

Data Protection Implications: None

Climate Related Risks and Opportunities: None

Section 17 Crime and Disorder Considerations: None

Health Implications: None

Title and Location of any Background Papers used in the preparation of this report :

None.

Risk Assessment: None

1 Introduction

- 1.1 The Annual Governance Statement is a formal statement under the Accounts and Audit (England) Regulations 2011, which details the Council's governance arrangements and issues for the previous year as an annual report of governance.
- 1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that we make the best use of all resources.
- 1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are, "doing the right things, in the right way, for the right people in an open, honest, inclusive and timely manner." (CIPFA 2007)
- 1.4 Ordinarily, the Council is required to produce an Annual Governance Statement for approval by 31st July each year to accompany the Council's Statement of Accounts. However, due to the Covid-19 situation, the timeframe has been extended this year to the end of September 2020.
- 1.5 The Annual Governance Statement includes a summary of the governance framework and identifies those areas where further action is required to achieve greater assurance.

2 Developing the Annual Governance Statement

- 2.1 Sources of information used to develop the Statement include:
 - The development of the framework itself
 - The Combined Assurance Report 2019/20
 - Internal Audit Annual Report
 - Internal Audit "limited assurance" reports
 - The management of strategic and service risks
 - External Audit Annual Audit Letter
 - Complaints and lessons learnt
 - Consultation results
 - Ombudsman investigations
 - Corporate functions assurance statements – Legal, Health & Safety, ICT, Procurement
 - Service Managers – any service or performance issues, including signed assurance that the internal control and governance assurance framework has been upheld, covering:
 - Review of key controls
 - Budget setting and allocation of resources
 - Performance management
 - Risk management
 - Financial and legal implications

3 The Framework

- 3.1 The Governance Framework follows the seven principles of good governance as set out in CIPFA's "Delivering Good Governance in Local Government Framework" (2016 edition) and is formed by the systems and processes, standards, policies and activities through which it accounts to, engages with and leads the community.
- 3.2 Under each of the principles we have identified improvements that have taken place during the year, activity to support the principle, any significant issues and actions that will be undertaken to address any issues or to develop the principles further.
- 3.3 Within the Statement, reference has been made to significant events or issues that have arisen during the year and the findings of any governance related reports. These include the Peer Review, the findings of the Good Governance follow-up audit and the Council's response and recovery from the Covid-19 pandemic to mitigate its effects on governance, resourcing and financial implications and in addition, economic recovery and community support.

4. Draft Annual Governance Statement 2019/20

- 4.1 The draft Statement for 2019/20 accompanies this report. At this stage, Members are asked to review its content and provide feedback.

5. Issues to be Addressed via Associated Action Plan

- 5.1 Any issues that have been identified during the year as requiring attention to ensure more robust governance are raised within the AGS and form an associated action plan. Having reviewed the year and also considered recommendations made within various governance related reports/audits, the following matters are put forward for consideration:

1. Implement Senior Management Restructure
2. The production of the Council's Climate and Sustainability Strategy
3. Address issues arising out of effectiveness of G&A Committee survey
4. Post-Pandemic recovery response & plans
5. Review of the effectiveness and understanding of corporate procurement procedures
6. Maintain oversight and assurance of progress of the Peer Review action plan

- 5.2 These have been considered by Management Team and Members are now requested to determine the appropriateness of these, or any other matters, for referencing within the AGS action plan.

6. Governance & Audit Committee

- 6.1 Feedback and comment from Members will be considered, resulting in a final audited version of the Statement and accompanying action plan presented back to the Committee on 29th September 2020.

WEST LINDSEY DISTRICT COUNCIL

Annual Governance Statement 2019/20



ANNUAL GOVERNANCE STATEMENT 2019/20

SCOPE OF RESPONSIBILITY

West Lindsey District Council is responsible for ensuring that its business is conducted in accordance with the law and proper accounting standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. West Lindsey District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, West Lindsey District Council has put in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

During 2019/20, West Lindsey District Council has worked to its code of corporate governance. This follows the principles set out in guidance provided by CIPFA/SOLACE in 2016 within their Delivering Good Governance in Local Government Framework. The purpose of the Framework is to assist local government to take responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. A copy of the authority's framework is on the Council's website contained within the [Codes and Protocols](#) section of The Constitution.

This Annual Governance Statement explains how West Lindsey District Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulations 4(3) and 4(4), which requires all relevant bodies to prepare and publish an annual governance statement.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services that represent value for money. The framework has been reviewed during the year and is deemed to be relevant and robust.

The system of internal control is an important part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of West Lindsey District Council's policies, aims and objectives, to evaluate the

likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at West Lindsey District Council for the year ended 31st March 2020 and up to the date of approval of the statement of accounts at a meeting of the Governance and Audit Committee on 29th September 2020.

THE GOVERNANCE FRAMEWORK AND REVIEW OF EFFECTIVENESS

The Governance Framework is presented in detail at Appendix One with commentary about improvements made during the year and improvements still required. Some of the key features of the Governance Framework are set out below.

The Council's governance arrangements have been tested by the Covid-19 Pandemic. This has caused severe disruption to the manner in which the Council usually progresses its decision making and wider operations. Governance procedures and protocols concerning the holding of Committee meetings, the functioning of internal Programme Boards, performance reporting, information governance, business continuity and emergency planning and consideration of risk, have all been tested with revised arrangements put in place and regular advisory messages relayed to staff.

The Council's Constitution has been used as a basis from which delegations and matters relating to the ability to meet legislative and statutory requirements have been considered. It is pleasing to report that for matters that did not require new legislation e.g the ability to hold virtual meetings, the Constitution provided a robust framework from which revised arrangements were drawn up following delegated decisions.

Throughout the statement, where the Pandemic has impinged on governance related matters, specific reference has been made to the impact and the Council's response is detailed.

Other significant activity during the year which has involved third party scrutiny of governance includes the follow-up audit related to culture and values (this reported a high level of assurance) and also a Peer Review which was held in the first quarter of 2020; the findings of which were extremely positive. Reference is made within the Statement to relevant findings emanating from both of these reports.

In 2018/19 the Council launched its new Corporate Plan covering the period 2019-2023. It sets out the Council's vision for the District and sets out key strategic objectives which will deliver desired outcomes for communities. The Corporate Plan is explicitly aligned to the Medium Term Financial Plan (MTFP) and Executive Business Plan which details key corporate activity over a three year time frame which will support the achievement of the Council's aims and objectives. This ensures that the aspirations in the Corporate Plan are realistic within the context of the funding constraints placed on the Council. Progress against the priorities detailed within the Corporate Plan is reported annually, as

is the on-going relevance of the Plan which takes into account feedback from surveys conducted with the citizens of West Lindsey.

The Constitution of West Lindsey District Council establishes the roles and responsibilities of the Full Council, Policy Committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements. The Constitution is reviewed annually to ensure it continues to be fit for purpose.

The Constitution also contains rules of procedures (standing orders and financial regulations) that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of the Paid Service, Monitoring Officer and Chief Financial Officer are described, together with their contributions to provide robust assurance on governance and to ensure that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by the post-holders' membership of the Council's Management Team.

West Lindsey District Council has developed, communicated and embedded codes of conduct, defining the standards of behaviour for both Members and staff. In addition, training needs are identified through development appraisals and reviews, enabling individuals to undertake their present roles effectively and have the opportunity to develop to meet their own and the Council's current and future needs.

West Lindsey District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review is informed by:

- 1. The Combined Assurance Report – made up from:**
 - a) Feedback from senior managers within the Authority who have responsibility for the development and maintenance of the governance environment and its effectiveness within their areas
 - b) An independent review by the Corporate Governance Team
 - c) The findings of the Annual Audit Work Plan
 - d) Third Party assessment e.g. peer review, external consultancy
- 2. The Annual Review of Comments, Compliments and Complaints**
- 3. The Annual Monitoring Officer Report and Review of The Constitution**
- 4. The Annual Review of the Effectiveness of Internal Audit**
- 5. Reviews of Whistleblowing**
- 6. The Annual Review of Fraud**
- 7. The Head of Internal Audit's Annual Report**
- 8. Comments made by the external auditors and other review agencies and inspectorates**

These reviews have been considered by the Governance and Audit Committee as well as a draft version of this governance statement. As a result the arrangements are deemed as being fit for purpose.

The areas already addressed and those to be specifically addressed via an

action plan to be developed in the coming year are outlined below.

SIGNIFICANT GOVERNANCE ISSUES

Over the last year the Council has consolidated its progress made over previous years in embedding its corporate governance arrangements and procedures and to consistently communicate the message across the organisation that governance is an essential component of corporate activity. However, as major projects have developed and commercial initiatives have been pursued, the Council has been cognisant of the need to ensure governance and decision making processes do not inhibit the successful achievement of desired outcomes. Hence, the Council's attitude to risk and governance have been the subject of much discussion to determine the right balance between probity and the taking of opportunities.

This work has been recognised by the Head of Internal Audit. Taking account of the activity and changes within the Council during 2019/20 and the audit and consultancy work the audit team have undertaken, she has concluded that the Council's internal control environment (comprising of governance; risk; internal control and financial control) is performing adequately. Some improvements have been identified and attention should be paid to reviewing lessons learned from the Council's response to the Covid-19 pandemic.

The capacity and capability of the Council to deliver its objectives is regularly reviewed. This ensures that staffing requirements are appropriate to support both operational and programme delivery. Where appropriate, expert subject matter advice has been externally sourced to provide expertise and objective thinking in support of a number of the Council's key projects.

We also continue to review and refresh where appropriate, the main processes which constitute the Council's performance and governance framework. This includes considerations relating to project management, partnership arrangements, risk management, procurement and contract management. We aim to provide clear guidance and support and regularly undertake workshops with staff to ensure that procedures are fully understood and are routinely applied. Work has also been undertaken to review the Council's Portfolio Board structure to provide appropriate support and scrutiny in relation to project development and to realise effective delivery.

The Council continues to work closely with a combination of colleagues from Lincolnshire Procurement and Lincolnshire Legal Shared Services to ensure that governance arrangements supporting the Council's growth and commercial agendas are robust. Where appropriate, additional relevant external professional advice is sought to review particular proposals and help steer decision making. Additionally, to expedite efficient decision making, arrangements are in place to hold concurrent policy and resourcing committee meetings, to secure policy/project and resourcing approvals within the same session.

Training for staff and Members has also taken place during 2019/20, as have workshop sessions and regular feedback to Members and the Management Team on governance related matters and a number of other subject areas.

A refresh of measures to be incorporated into the Council's Progress and Delivery reporting has been undertaken to ensure that we report against meaningful aspects of service delivery and also track and record progress against the ambitions detailed within the Council's Corporate Plan.

During 2019/20 West Lindsey District Council has also regularly reviewed progress against the significant issues identified in the previous year's AGS (2018/19). Six-monthly update reports have been presented to the Council's Management Team and the Governance and Audit Committee. Issues that have been sufficiently progressed and so are now removed from the AGS (2018/19) action plan are:

1. **Risk Management** – Assess the Council's overall 'risk appetite' and subsequently undertake a review of Strategic Risks and develop a means of ensuring that project related risks are consistently recorded and managed
2. **Peer Review** - Prepare for and hold a Peer Review to set improvement targets and seek third party accreditation against a nationally recognised framework
3. **Governance Review** - Work on the findings of the Governance Review, undertaken by Internal Audit, to ensure the Council's culture and values are consistently understood and exhibited
4. **Member Induction & Training** - Induct new and returning Councillors and implement the Member Development Training Plan

SIGNIFICANT CURRENT ISSUES TO BE A FOCUS IN 2020/21.


During 2020/21, the Council will pay attention to a number of issues as described below and will continue to stress the message across the organisation that governance is a core component of corporate activity. Hence all officers are required to play a part in ensuring that our processes and systems are robust and adhered to. On-going 'testing' of our processes will be undertaken and we will continue to work in a collaborative manner with colleagues from both Internal and External Audit.


Those issues that have been identified as requiring particular attention during 2020/21 are reproduced below. These were identified by Management Team; via reference to Internal Audit opinion and through the work undertaken to complete the Council's Combined Assurance Report for 2019/20. Progress will be made in 2020/21; monitored by the Management Team and the Governance and Audit Committee.

The significant issues identified are:

1. Implement senior management restructure
2. The production of the Council's Climate and Sustainability Strategy
3. Address issues arising out of effectiveness of Governance & Audit Committee survey
4. Post-pandemic recovery response & plans
5. Review of the effectiveness and understanding of corporate procurement procedures
6. Maintain oversight and assurance on progress of the Peer Review action plan

We propose over the coming year to take steps to address the above matters via an action plan to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review. There have been no significant events or developments relating to the governance system between the year-end and the date on which the Statement of Accounts were signed by the responsible financial officer.

Signed:  Date: _____
Councillor Giles McNeill, Leader of the Council on behalf of West Lindsey District Council

Signed:  Date: _____
Ian Knowles, Head of Paid Service on behalf of West Lindsey District Council

APPENDIX 1 - THE GOVERNANCE FRAMEWORK AND REVIEW OF EFFECTIVENESS

1. The Council's Vision

Objective: Developing, communicating, operationalising and reviewing the Council's vision

This section incorporates information relating to:

- identifying and communicating the Council's vision
- reviewing the Council's vision and its implications for the Council's governance arrangements
- translating the vision into objectives for the Council and its partnerships

To help identify priorities, the Council analyses information from external sources, internal statistics, engagement events, working with partners and horizon scanning reports. It produces an annual State of the District Report for review by Members, the public and other stakeholders alike.

Priorities are tested further through public consultation with both the Citizen's Panel (an established representative group of approximately 1600 local residents) and residents more generally. This is supplemented by engagement with a range of businesses and third sector organisations and Member workshops, which build on the identified community priorities.

In 2019 the Council launched a new Corporate Plan to cover the period 2019-2023. This timeframe complements the period of the current administration following elections in May 2019. The overall vision for the Council is:

“West Lindsey is a great place to be where people, businesses and communities can thrive and reach their potential.”

The Plan, which was approved by Council in March 2019, contains the following strategic priorities within the themes of Our People, Our Place, Our Council:

OUR PEOPLE		
Priorities		
Health & Wellbeing	Vulnerable Groups & Communities	Education & Skills

OUR PLACE		
Priorities		
Economy	Housing Growth	Public Safety & Environment

OUR COUNCIL		
Priorities		
Finances	Customer	Staff & Members

The Corporate Plan is explicitly linked to the MTFP through to 2024 and the Council’s annual Executive Business Plan.

The Council works hard to ensure that the concept of the ‘Golden Thread’ is evidenced; meaning that all staff can identify their service area’s and own individual contributions to the achievement of the Corporate Plan’s strategic outcomes. The identification of, and reporting on, relevant service level activity that contributes to the achievement of outcomes strengthens this. The findings of the Peer Review conducted at the Council during the year commented that:

“The Council brings together many of these sources to produce its annual State of the District report, which provides a focused yet comprehensive understanding and picture of the district. All this information enables the council to decide its corporate and service-level aspirations, priorities, strategies and plans in a robust, informed and intelligent way.

And ...There are clear linkages between the Council’s priorities, strategies and plans, which are also highlighted within and between the Council’s key wider partnership plans, eg the Greater Lincolnshire Local Enterprise Partnership Strategic Economic Plan and the Central Lincolnshire Local Plan. These linkages at both council and partnership level clarify who is doing what, in which area, and why. These linkages also evidence the council’s understanding and influence within the area, ensuring that West Lindsey district plays its fullest part within the wider Lincolnshire area, eg in terms of economic growth and housing.”

The Council publishes its [Corporate Plan](#) on its website in accordance with requirements for transparency and making information available for local people. Reviews of progress against its objectives are carried out annually and presented at Full Council to Members for review and endorsement. An annual summary publication detailing progress is also produced and shared with stakeholders and published on the Council’s website.

The Corporate Plan is delivered in the main through the Council's Portfolio Board. It has a clear terms of reference outlining responsibilities for delivery and the board's delivery plan is further translated into business and service plans, team plans and personal actions (through the appraisal process), which contain specific key objectives, desired outcomes, responsibilities and targets. This ensures that the necessary resources, both staff and financial, are allocated to deliver the service plans and informs the MTFP and annual Executive Business Plan.

The financial management of the Council is organised through robust processes and procedures which deliver strong financial control arrangements which are supported by comprehensive Financial Regulations. Overall financial management activities regularly receive high assurance ratings from Internal Auditors.

Budget and performance monitoring is undertaken monthly with quarterly reporting to the Corporate Policy and Resources Committee. These reports capture forecast variances at out turn and identify any areas where performance is under or over achieving. Where overspends are forecast, actions are taken to reduce the forecast, where possible. To mitigate pressures on commercial income the Council has a £200k contingency budget which offsets any impacts of reductions in demand or non-payment.

The Council holds budget consultation events to inform residents, communities and businesses on how it intends to allocate resources and support investment projects in future years and also to obtain feedback on emerging priorities and Council Tax increases.

The Annual Budget, Financial Strategy, Executive Business Plan and Medium Term Financial Plan are approved by Council at its meeting in March, as are the Council's Treasury Management and Capital Investment Strategies. Budget scrutiny is provided by the Corporate Policy and Resources Committee and in respect of Treasury Management, the Governance and Audit Committee. The Medium Term Financial Plan is subject to a mid-year review and is presented to the Corporate Policy and Resources Committee

To ensure that staff possess the necessary financial knowledge and skills and are supported in financial management matters, Finance Business Partners play a key role. By working closely with Team Managers they ensure that budgets are closely monitored and that any business cases for new projects are critically appraised. The Portfolio Board monitors programmes of project work which deliver corporate plan objectives.

Staff are supported in understanding their financial management responsibilities through a number of mediums; e-learning, training events/workshops and one to one support.

The Council continues to meet the financial challenges it faces and has received a high assurance rating from a recent audit of its financial resilience and sustainability.

However, there are a number of financial uncertainties ahead. The review of local government financing will see a Fairer Funding Review, Business Rates Retention to 75% (from 50%) Scheme, a Business Rates reset and the amount of overall funding available for Local Government. We have taken a prudent approach in estimating the impact this will have on the Council and have increased our General Fund Working Balance to ensure a balanced budget whilst our investment programmes deliver efficiencies.

In addition we are expecting to see a significant impact on our income streams as the recent Covid-19 Pandemic initiatives taken by the government have included the closure of all retail, hospitality and leisure facilities, in addition to additional costs to support our economy and communities. Whilst government have issued grant funding support, we will be monitoring the impact of our finances closely over the next few months and will be reporting to Members with a revised budget alongside a mid-year review of the Medium Term Financial Plan.

2. Measuring the Quality of Services

Objective: Measuring the quality of services for users, ensuring they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources and value for money

Performance Management and Value for Money

During 2019/20, the Council has monitored the effectiveness of the Progress and Delivery report in monitoring and reporting on performance. Quarterly reports are provided for both policy committees with the Overview & Scrutiny Committee retaining oversight. A sub-group of this Committee has met once again to discuss the need for a refresh of measures for 2020/21 and to review the periodicity of reporting to ensure that progress against the achievement of corporate priorities can be adequately tracked. This has led to a decision that from 2020/21 the Committee will receive six-monthly reports rather than quarterly. We are keen to stress the message that any measures adopted should be able to help the Council learn and improve. The Head of Paid Service is responsible for performance management and provides:

1. Quarterly Progress and Delivery reports to the policy committees and the scrutiny committee
2. Assurance that the reports provide quality and contextual data for Members

The Peer Review highlighted a known weakness in performance reporting in that it is not automated and therefore requires significant resource to produce and analyse reports. This could be better used in using performance information to actively consider what is and is not working, why, and deciding who needs to take what action, and when, to improve outcomes. The Review found that generally most teams are recognised as high-performers as a result of their successful approaches to performance management but there are inconsistencies between services. Some opportunities are therefore being lost to deploy resources and staff to best effect to deliver the Council's priorities.

Individual performance is discussed via one to ones and the appraisal system for employees, which continues to be monitored to ensure that it is applied consistently.

The Council has adhered to the transparency agenda by publishing spend over £250 on the Council's web site on a monthly basis and continues to meet the legal requirements to publish equality objectives.

Commissioning Partnerships

To achieve value for money and the best use of resources, the Council has adopted a positive approach to partnership working and has retained a number of shared working arrangements, mainly with North Kesteven District Council (NKDC). Other key partnerships include the Lincolnshire Waste Partnership; Lincolnshire Legal Shared Services; Procurement Lincolnshire; the creation of a formal statutory body to consider planning policy across Central Lincolnshire, the West Lindsey Employment & Skills Partnership and the Wellbeing Service provided in partnership with a number of neighbouring District Councils and Lincolnshire County Council. Additionally, key contractual partnerships incorporating performance management aspects are in place for a range of services such as leisure provision.

The Council's ambitious growth plans for the District are beginning to crystallise with the formation of a key strategic outcome focused partnership (in the form of a joint venture) established to achieve regeneration in the retail sector in Gainsborough. Additional work has secured a further development partner to focus on delivering comprehensive regeneration of Gainsborough town centre. Both arrangements conspire to ensure that the Council can deliver the Central Lincolnshire Local Plan housing growth target. Further, the Council continues to be engaged in a meaningful manner with partners from the business sector to promote West Lindsey in general and Gainsborough specifically. These partnerships are key to jointly addressing issues such as skills and ultimately promote the District as a place to invest in and grow.

Further examples of partnership working are provided by the work the Council has conducted with the Greater Lincolnshire Local Enterprise Partnership (GLLEP) and the Homes and Communities Agency (HCA). As the Council moves its growth plans into delivery, this has attracted significant support and funding from these bodies, providing revenue funds to continue the intensive planning and development work to support land assembly and provide significant capital for site acquisition, infrastructure and in effect, provide gap funding to bridge viability gaps.

To ensure that the Council considers the appropriateness of partnership working prior to entering into arrangements, an Approved Code of Practice (ACoP) is in place to offer guidance and workshops have been held with staff to discuss the topic. As stressed above, it is essential that officers involved in partnership working consider value for money by assessing the on-going importance of any partnership and its effectiveness in meeting intended outcomes.

Value for Money

Specific reference has been made to our approach to achieving value for money in both the Council's Corporate Plan and also the MTFP. Additionally, our approach received a positive outcome when audited by External Audit.

One of the main objectives of the Council is to deliver excellent, value for money services. To assist in achieving this goal, the Council has produced a Value for Money Strategy and action plan. This was approved by the Corporate Policy & Resources Committee in January 2019 and has been shared with External Audit. To support our work in this regard the Council subscribes to a database of metrics which provide the ability to benchmark service related costs and performance, triangulated where possible with outcomes. We continue to assess the usefulness of this resource to achieve best effect and produce value for money assessments across a range of services. These assessments provide services with the basis for achieving greater value for money via improvement plans.

Procurement & Contract Management

Effective procurement and contract management is key to ensuring that value for money is achieved. When last audited, our procurement processes received a substantial assurance rating. However, during 2019/20 issues have arisen in connection with a number of key procurements leading to delays in procuring key items and services. Therefore, work is required to understand more fully the causes and to identify actions required to address matters. The Council's Contract and Procedure Rules and ACoP are regularly reviewed to ensure they keep in line with changes in legislation. Working closely with Procurement Lincs, the Council has worked with service areas to ensure best value is achieved from procurement and contract renewal exercises. Over the last 18 months, savings of approximately £130k have been achieved on like-for-like contract renewals.

Service Reviews

Reviews of service provision, structural arrangements and performance are key components in assessing the value for money of service delivery. During 2019/20 reviews of a number of service areas have been conducted to establish the effectiveness of the way in which work is processed and to identify and implement any potential improvements. For example work has been undertaken in Operational Services to review work flows and remove any inefficiencies.

Customer Feedback

The Council recognises the important role that customer feedback plays in assessing the quality and range of the services delivered. Public consultation plays an integral role in informing budget proposals. Customer satisfaction is a key component of the Council's performance measurement metrics and an annual review of compliments, complaints and comments is reported to Management Team, wider management and Members via a report to the Governance & Audit and the Overview and Scrutiny Committees. The report details the type and volumes of complaints, provides comparative analysis with previous years and contextual information. To support improvements and consistency in approach, the Council has appointed a Customer Experience Officer to work closely with service areas.

In addition, a pro-active stance is taken across a number of services in the form of customer satisfaction surveys. The consistent application of this across the Council is a key aim in support of effective performance management.

3. Roles, Responsibilities and Delegations

Objective: Defining and documenting the roles and responsibilities of the Full Council, Policy Committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnerships arrangements

As a 'fourth option council' the Council is not legally required to have a scrutiny function. However, in the interests of good governance The Council does have an overview and scrutiny function in the form of the Overview & Scrutiny Committee (formally Challenge & Improvement Committee) and there is a clear split between policy and scrutiny. The function of overview and scrutiny contributes to the decision making process. However, the Peer Review reported mixed views and questions about the function generally, including its effectiveness and purpose and recommended a further review (to the one conducted 18 months previously) to identify the function's value and how it can be most effective; in particular how it can engage all Members constructively.

The Council's policy and decision-making process is defined in detail in The Constitution but can be summarised as follows:

- a) The Budget and Policy Framework is decided by Council and has significant links to the Corporate Plan
- b) The Corporate Policy and Resources Committee formulates policy, plans and strategies which do not form part of the Council's Policy Framework. They are responsible for the effective use of all council resources, whether land finances, property or personnel
- c) The Prosperous Communities Committee deals with economic development, leisure and cultural, environmental and community issues. They formulate policy, plans and strategies other than those identified for adoption by the Council or the Corporate Policy and Resources Committee
- d) Arrangements for concurrent meetings of the Prosperous Communities and Corporate Policy & Resources Committees to consider policy and funding decisions during the same session
- e) The scrutiny function is provided by the Overview & Scrutiny Committee which examines the activity of the policy committees to ensure they deliver Council policy and can call the policy committees to account for aspects of poor/deteriorating performance in areas under their jurisdiction
- f) The Overview & Scrutiny Committee works to an individual work programme of matters to be considered for the year ahead and there is a monitoring role for the Committee to ensure delivery of the programme. Additionally the Committee invites and raises questions and discussion with strategic partners responsible for service delivery across the District
- g) The Overview & Scrutiny Committee can also establish time limited groups to carry out in depth reviews
- h) Quasi-judicial matters such as Planning and Licensing are dealt with through separate Planning and Licensing Committees

The scheme of delegated and reserved powers is set out within The Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation.

The robustness of The Constitution has been tested due to the Covid-19 situation, in particular the need to operate on delegated powers in the absence initially of formal committee meetings and then moving to arrangements to hold virtual meetings. All in all The Constitution has stood up to this test extremely well without the need for any changes, as it allows for such situations and gives the appropriate delegations to the Head of Paid Service in consultation with key elected members. This is in accordance with paragraph 4 of the Head of Paid Service duties which are contained in part IV of the Constitution. To keep Members abreast of the interim arrangements, a flow chart was produced giving details of the process of decision making during the emergency situation.

The Annual Council meeting each year considers a report from the Monitoring Officer which reviews The Constitution to ensure it remains robust and effective. This allows for appropriate amendments to be made.

There are protocols for effective communication which include:

- a) Member/Officer Relations Protocol
- b) Leaders Panel regularly meet with designated officers and Chief Officers
- c) Group Leaders meetings with Key Officers
- d) Briefings for Committee Chairs
- e) Six-weekly Members information bulletin
- f) 'Call-in' protocol which enables a decision of the Policy Committees to be questioned by Overview and Scrutiny before it is finally approved

The Management Team and Leader of the Council have established a communication process and they have mechanisms in place to set and manage the delivery of objectives.

4. Standards of Behaviour

Objective: Developing, communicating and embedding codes of conduct, defining the standards of behavior for Members and staff

It is vital that there is a constructive working relationship between elected Members and Officers and that the respective roles are carried out to a high standard. The Council's leadership is responsible for setting the tone for the organisation and it is tasked with creating a climate of openness, support and respect. To support the Council's new Corporate Plan, work was undertaken in 2018/19 to review the values which both Officers and Members are expected to uphold. The values (set out below) provide the ethical base to drive our business and deliver our vision.

- a) To put the customer at the centre of everything we do
- b) To act as One Council
- c) To be business smart, act on evidence and take advantage of opportunities, thinking creatively and getting things done

- d) To communicate effectively with all stakeholders
- e) To have integrity in everything we do

Lead Member positions also have clear role descriptions set out within The Constitution and these make reference to the behaviours expected when undertaking their duties.

Internal Audit conducted a review of the culture and values of the Council during 2018/19. It was designed to ascertain the extent to which the Council has a culture that places the public and integrity at the heart of its business. Participants were drawn from both Officers and Members. The findings reported that a good culture and ethical framework is working for the Council and its key partners and provided a number of recommendations to help sustain a culture of integrity and to enhance and embed good governance across the Council. During the last year a follow-up audit was conducted. This found that further progress had been made in embedding certain practices which support the Council's culture and ethical framework and a high assurance rating was provided.

Standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the Council, its partners and the community are defined and communicated through codes of conduct and protocols. These are reviewed on a regular basis and when circumstances dictate. For instance during 2017/18, the subject of Member/Officer working protocols was re-visited, with workshops between both parties taking place. These sessions helped to revisit and update the Operational Conventions Protocol within the Council's Constitution. Additionally, officers received training on working in a political environment. This included:

- a. Members and Co-opted Members Code of Conduct
- b. Guidance when dealing with Planning Matters
- c. Protocol on Member/Officer Relations (Operational Conventions protocol)
- d. Officer Code of Conduct
- e. Whistleblowing Policy
- f. Complaints Procedure
- g. Anti-Fraud and Corruption Policy
- h. Local Code of Corporate Governance

The Council has in place a Member related Code of Conduct and a Local Code of Corporate Governance. An agreed process is in place to deal with standards matters should they arise. The Standards Sub-Committee plays a significant role in promoting and maintaining high standards of conduct between elected and co-opted Members and hearing complaints where standards of behaviour fall short of what is expected. In particular the role of the Committee is:

- a) promoting and maintaining high standards of conduct by councillors and co-opted Members
- b) assisting the councillors and co-opted Members to observe the Members' Code of Conduct
- c) advising the Council on the adoption or revision of the Members' Code of Conduct

- d) monitoring the operation of the Members' Code of Conduct
- e) advising, training or arranging to train councillors and co-opted Members on matters relating to the Members' Code of Conduct
- f) granting dispensations to councillors and co-opted Members from requirements relating to interests set out in the Members' Code of Conduct
- g) to hear complaints locally regarding alleged breaches of the Code
- h) exercising such other functions as the Council considers appropriate; and
- i) the exercise of (a) to (g) above in relation to the town/parish councils/meetings and their Members in the Council's area

The Monitoring Officer reported to the Committee in 2019/20 on the number and types of complaints received in the previous 12 months.

The Council works to a recently revised Code of Conduct which now incorporates aspects such as bullying, confidentiality and respect. The new Code has been adopted by a significant number of Parish and Town Councils across the district. The remainder have opted to continue with the code provided by the National Association of Local Councils (NALC).

Over the last year, the Council has participated in a consultation exercise led by The Local Government Association on a revised Model Member Code of Conduct. This is in draft format and when reviewed, it was established that the vast majority of proposals (barring those requiring legislative change) were already included within the Council's current code. On receipt of a final version of the new Model Member Code of Conduct, the Council will act to ensure its own procedures are fully aligned.

The Code of Conduct and the Standards regime form part of the Members' induction arrangements and all Members (new and returning) are required to sign the Code of Conduct and provide a new register of interest return.

There is a Code of Conduct for employees and there is also an induction process in place which includes conduct matters. There is an appraisal process in place for Officers which allows a personal development plan to be put in place.

The Council has an [Anti-fraud and anti-corruption policy](#) and also a [whistleblowing policy](#) in place. Reports on fraud and whistleblowing incidents are presented to Members and are made available for review via the Council's web site.

There are registers of gifts and hospitality, interests, and secondary employment. During the year (and especially around Christmas and holiday periods) Members and staff are reminded of the procedure for registering gifts and hospitality and more senior staff are regularly reminded of the need to do this. Procedures for dealing with conflicts of interest are in place. Arrangements are in place to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. The follow-up culture and values audit re-examined these arrangements and found that they were effective and adhered to.

Rules and procedures are set out in The Constitution including Members' Code of Conduct, Operation of the Standards Sub-Committee, Procedure Rules for Committees, Financial and Contract and Procurement Procedure Rules (updated during 2018/19) and Scheme of Delegation.

The Monitoring Officer and Chief Finance Officer also have clear supporting roles.

Awareness of probity issues amongst managers is raised through regular reminders that are sent out to all staff.

The Council has an investigation and disciplinary process for conduct issues and action is taken against employees where conduct falls below that which is expected. At a Chief Officer level this function is undertaken by elected Members and there are clear rules of procedure defined within The Constitution.

5. The Decision Making Framework

Objective: Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

The scheme of delegated and reserved powers is set out within The Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation. Attention is paid to ensure that arrangements reflect current structures and roles and support appropriate good decision making. As detailed above, a series of delegated powers have been enacted to allow the progress of Council business during the Covid-19 situation.

A Scrutiny Committee (Overview & Scrutiny) is in place and has clear terms of reference. Their operation is covered in The Constitution which allows them to exercise their powers to 'Call In' decisions made by the policy committees and if necessary ask them to reconsider their earlier decisions. During 2017/18, Members received training on the Effectiveness of Scrutiny and undertook an exercise in self-evaluation. During 2018/19, a review of the on-going requirement for this Committee was undertaken, with progress monitored via the 2017/18 AGS action plan. The review recommended that the name of the Committee be changed from Challenge & Improvement to Overview & Scrutiny, its meeting dates should be more flexible so as to ensure a more effective work plan and there ought to be a change in the criteria for membership of the Committee. In January 2019 the Governance & Audit Committee approved the recommendations and the Constitution has been updated to reflect the changes. However, as the Peer Review indicated, further work is required to make this Committee and its purpose fully justified and its operations more effective.

To support joined-up and efficient decision making, particularly in respect of time critical decisions, where appropriate, the Council has implemented concurrent meetings of the Prosperous Communities and the Corporate Policy & Resources Committees within one session. This entails the policy position being debated with recommendations made for resourcing decisions to be determined immediately afterwards. This has worked well to date, to support the expedient progress of key growth and commercial initiatives.

Work has also been completed to ensure that the focus of Committee reports is placed on key decision making. Hence the Council has reduced the number of

reports placed before Members by no longer using Committees for the provision of update and information only reports. Alternative arrangements operate to oversee such matters.

The Council has a robust reporting process in place. There is a committee timetable and Democratic Services identify agendas with the services. The committee report template requires report authors to seek professional comment on financial, human resources, data protection and legal matters. It also prompts officers, where appropriate, to detail at least three options for consideration with a recommended option highlighted and to also consider matters pertaining to risk and equalities.

To help the Council to raise the profile of the climate and environment agenda and as it commences work on its commitment to reduce the impact of its activities to net-zero carbon by 2050, a range of work is required so that relevant decisions fully detail the related climate related aspects and that they are understood.

The meetings of the Council have appropriate agendas, reports and minutes which demonstrate data quality. All Committees are web cast with the Planning Committee and Full Council meetings webcast live. Additional arrangements have been put in place to ensure continuity of the provision, while adhering to relevant guidance and legislation, during the period of the pandemic crisis.

The Council uses training, workshops, ACoPs and manuals to help staff operate systems.

The Council has a Risk Management Strategy (revised during 2019/20) which sets clear policy and guidance on managing risk and Members receive risk management training.

The Council's Portfolio Board oversees the key programmes which have been instigated to support delivery of the Corporate Plan. The most recent audit of the workings of the Portfolio Board provided a substantial assurance rating. Below this Board a number of themed programme boards exist which manage the delivery of individual projects. Each board has specific terms of reference and is chaired by the relevant programme sponsor. A key component to assist in decision making and delivery is the role of sponsor. The role is accountable for putting in place the appropriate governance arrangements (including the formation of a board if necessary) to avoid the creation of a transactional approach and to ensure that due proportionality is applied to risk. The sponsor is also responsible for reporting progress/issues back to the Portfolio Board.

The step change we are making on the growth and commercial agendas (specifically the Commercial Investment Portfolio) requires pace, ability to take a commercial view and responsive governance. Progress has been maintained during 2019/20 to ensure these notions are addressed. The joint sessions of the Prosperous Communities and Corporate Policy & Resources Committees represent examples in this regard. Culturally, much progress has been made with staff and Members to ensure that the key foci in discussions remain on programme direction and the commercial imperatives and opportunities.

Data quality contributes to the achievement of and underpins the Council's priorities. The Council is committed to high standards of data quality and must take care to ensure that the data and information used throughout the organisation and particularly in relation to performance management is fit for purpose. In the recent past, the Council recognised the need to ensure a consistent approach to data quality and has therefore produced and communicated via workshops and meetings a [Data Quality Policy](#). In addition, agreement has been reached with Internal Audit for them to explicitly assess and reference data quality (where relevant) as part of their audit work.

6. Risk Management

Objective: Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

The Council revised its [Risk Management Strategy](#) during 2019/20 which now covers the period 2019-2023. There is also an accompanying risk management ACoP, which supports the strategy to outline operational procedures and roles and responsibilities.

The most recent Internal Audit review of the Council's risk management arrangements provided a substantial assurance finding. Service risk management is a standing item of the Service Leadership Team (SLT) meeting agenda whereby any issues can be raised and service areas undertake on-going assessment of service related risks. They are supported in doing this by governance colleagues. A number of workshops with staff and Management Team have been held during the year to discuss risk and the Council has attended Lincolnshire Risk Management Group meetings.

All risks are maintained on a central system which enables risk owners to record risks at both service and strategic levels. If any service risk escalates in nature there is a process in place by which it can be brought to the attention of Management Team.

Following the production of the Council's new Corporate Plan, work has been completed to review the Council's strategic risks so as to ensure that the risks to the achievement of its strategic objectives are identified and understood. This aligns the Council's approach to the consideration of strategic risks to that advocated by the Association of Local Authority Risk Managers (ALARM). Strategic risks are owned and reviewed regularly by Management Team and are presented for scrutiny by the Governance and Audit Committee on a six-monthly basis. This Committee has a responsibility as part of their terms of reference for approving the Risk Strategy and maintain an overview of risks. The committee has also appointed a Risk Champion who has clear terms of reference.

7. Counter-Fraud and Anti-Corruption

Objective: Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained

The Council has an [Anti-Fraud, Corruption and Money Laundering Strategy](#)

which stresses a zero tolerance approach and is part of a suite of policies covering:

- Whistleblowing Policy
- Disciplinary Policy
- Covert Surveillance Policy
- Codes of Conduct for Members and Officers
- Risk Management Policy and Strategy
- Gifts and Hospitality
- Standing Orders

The policy applies to:

- All West Lindsey District Council Employees.
- Councillors and Independent Members
- Staff and members of Council funded voluntary organisations
- Partners
- Suppliers, contractors and consultants
- Residents

Members of staff, partners and contractors have all been reminded of the policy and how to raise any concerns, or report suspected fraud or corruption, through a series of leaflets and posters and a 'Fighting Fraud' leaflet is distributed annually to all staff. An anti-fraud presentation forms part of the corporate induction process. The Council also maintains a specific fraud related risk register.

The Governance and Audit Committee receive a yearly report on anti-fraud and corruption arrangements and the action that has been taken to investigate and prosecute cases. No instances were reported during 2019/20.

To monitor and manage the risk of fraud, the Council is a member of the Lincolnshire Fraud Partnership. The Council also takes part in the Housing Benefit Matching Service (HBMS) work and the National Fraud Initiative (NFI); a bi-annual exercise that matches electronic data within and between public sector bodies to prevent and detect fraud.

All matters relating to the Council's approach for communicating to staff the seriousness by which it takes this subject matter and the processes it has in place to prevent, detect and act where malpractice occurs, formed part of the follow-up culture and ethics audit. All arrangements were reviewed favourably.

8. Management of Change

Objective: Ensuring effective management of change and transformation

Governance arrangements are in place to ensure change is effectively managed in the form of Board scrutiny, effective project management and Progress and Delivery reporting against projects and programme development. Members are also part of this process and regular reports are produced to keep them updated.

To support change, the Council works to an agreed project management methodology. Assistance for staff and adherence to the methodology is

overseen by a Senior Programme Officer. Processes are working well as exemplified by an audit conducted during the year which reviewed Programme and Project Management arrangements. It concluded that effective processes are in place and provided a rating of substantial assurance.

Boards are assigned a Programme Sponsor responsible for delivery. In this regard their remit is to direct and provide support to project managers and also ensure a high quality of project development and adherence to the Council's project management methodology. Effective communication is regarded as crucial to delivering change. Strong links have been forged between the relevant Boards and the Communications Team to ensure developments are relayed across the Council and further afield.

To support colleagues involved in change initiatives, a high level change management strategy has been implemented and a number of key staff have undertaken specific training in the subject matter. It is important that colleagues are coached and supported through any change programme. To provide strategic capacity and capability concerned with change and transformation, particularly in support of the delivery of key programmes and projects, the Council continues with an approach of sourcing professional subject related expertise on a needs basis. This is intended to deliver better value for money and provide objectivity.

9. Role of the Chief Financial Officer

Objective: Ensuring the authority's financial management arrangements conform with the governance requirements of the [CIPFA Statement on the Role of the Chief Financial Officer in Local Government \(2010\)](#) and, where they do not, explain why and how they deliver the same impact

Following the retirement of two of the three Executive Directors during 2019/20, the former Executive Director of Resources was appointed Head of Paid Service and currently retains the role of Chief Financial Officer under Section 151 of the Local Government Act 1972. Pending the implementation of a senior management restructure, this remains the position. However, the re-structure will address this and also address a point raised by the Peer Review that recommended separating these roles to reduce any potential conflicts of interest and associated risks.

This officer has statutory responsibility for the proper planning, administration and monitoring of the Council's financial affairs. The Council's financial management arrangements also conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The financial management of the Council is conducted in accordance with the Financial Procedure Rules set out in The Constitution. The financial management system includes:

- A five year MTFP which is reviewed and updated annually to support

the delivery of the Council's strategic priorities.

- An annual budget cycle incorporating Council approval for revenue and capital budgets as well as treasury management strategies.
- Financial Procedure Rules that are reviewed at intervals of not more than three years. Relevant amendments are made when required.
- Process and procedure guidance manuals.
- Regular budget monitoring by budget holders through monthly financial monitoring meetings and reports.
- Four reports per year to Management Team and Members relating to the Council's financial position stating financial and performance information.
- Annual accounts supporting stewardship responsibilities which are subjected to external audit and which follow the Code of Practice on Local Authority Accounting in the UK in line with International Financial Reporting Standards.

10. Role of the Head of Internal Audit

Objective: Ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact

The [CIPFA statement on the Role of the Head of Internal Audit \(2010\)](#) states that the Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by:

1. Championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments
2. Giving an objective and evidence based opinion on all aspects of governance, risk management and internal control

To perform this role the Head of Internal Audit:

3. Must be a senior manager with regular and open engagement across the organisation, particularly with the Management Team and with the Audit Committee
4. Must lead and direct an internal audit service that is resourced to be fit for purpose; and
5. Must be professionally qualified and suitably experienced

A review of the CIPFA statement has taken place and no matters of concern were identified. The Head of Internal Audit reports to the Management Team and the Governance & Audit Committee on a regular basis in relation to audit and governance related matters.

The Council has in place an Internal Audit Charter which defines the terms of

reference for Internal Audit by setting out the nature, role, responsibilities and authority of the Internal Audit service within the Council.

The Constitution identifies that the Chief Finance Officer is responsible for providing an efficient and effective Internal Audit service, which will comply with relevant legislation and best auditing practice. The Council reports annually on the effectiveness of the service it receives from Internal Audit.

11. Role of the Monitoring Officer

Objective: Ensuring effective arrangements are in place for the discharge of the monitoring officer function

The [Constitution](#) covers the key statutory role and functions of the Monitoring Officer. It also includes the requirement for the Council to ensure that the Monitoring Officer has access to sufficient skills and resources to undertake the role. The Monitoring Officer has confirmed that this is the case and he continues to review this. Appropriate training is delivered where needs are identified and the Officer has attended a number of training courses during 2019/20.

There is a specific job role which reflects the Monitoring Officer duties. The Monitoring Officer is line-managed by the Head of Paid Service. No conflict of interest in this line management structure has been identified.

12. Role of the Head of Paid Service

Objective: Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function

The statutory provisions are included in The [Constitution](#). As a result of the retirement of two of the Executive Directors during 2019/20, the Council has reverted to a Chief Executive led model who also fulfils the role of the Head of Paid Service.

The Leader and the Chief Executive have agreed corporate objectives and key priorities for the year. Monitoring against progress is achieved via regular liaison between the relevant parties.

13. The Audit Committee

Objective: Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities

The Council maintains and operates a Governance & Audit Committee which is independent of the Policy Committees and the scrutiny function. Membership includes up to three Independent Members and the Committee is currently quorate in this regard. The Committee receives training and has a defined work plan. Substitutes are not permitted unless the substitute has undertaken specific audit committee training.

The core functions of the [Governance and Audit Committee](#) are set out in The

Constitution. Its terms of reference are in line with CIPFA guidance and the Committee operates to these.

Some Governance & Audit Committee members are also members of the Overview & Scrutiny Committee. This arrangement has been agreed by Full Council.

During 2019/20, the Committee has reviewed CIPFA's most recent guidance (Audit Committees: Practical Guidance for Local Authorities and Police – 2018). As a result a self-evaluation review of its effectiveness has been undertaken by members of the Committee; the results of which are being analysed and will be used to identify any aspects that require attention. Furthermore, the Chair of the Committee has prepared a report for Council on its work during 2019/20. This is the first report of this kind in recent years and will be presented to Full Council once this forum reconvenes.

14. Compliance with Laws and Regulations

Objective: Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Constitution and relevant job descriptions outline Officer, Member, Committee and Council responsibilities. The Council's statutory officers are the Head of Paid Service (Chief Executive), the Section 151 Officer (Chief Executive) and the Monitoring Officer (Acting Director of Governance). These officers are responsible for ensuring that the Council acts within the law and in accordance with established policies and procedures. Counsel opinion may be obtained in certain circumstances and unusual transactions are referred to the External Auditor for consideration.

The Section 151 Officer is specifically responsible for the proper discharge of the Council's financial arrangements and must advise elected Members where expenditure is likely to exceed resources. Where any proposal is unlawful, the Section 151 Officer, jointly with the Monitoring Officer, have a duty (should such a scenario arise) to produce a 'Section Five' report and inform the Head of Paid Service and External Audit.

The Management Team carry responsibility for ensuring that legislation and policy relating to service delivery and health and safety are implemented. A disciplinary process is in place for both staff and Members for any breaches.

The subject of compliance with legislation (including Health and Safety matters) is detailed within the Council's strategic risk register. This demonstrates the importance the Council places on the requirement to comply with and/or correctly implement relevant statutory legislation.

To ensure legal advice is available to the Council, it is part of the Lincolnshire Legal Shared Services Partnership. They hold a central library of all relevant legislation and are consulted when required. In certain cases, expert or specialised legal advice is also obtained from other sources. Departments take responsibility for receiving and operating to new legislative responsibilities as they arise, with service and business planning providing opportunities to consider the implications and plan for legislative change.

Legislation and Statutory Instruments are dealt with and assessed as they are received (from a range of sources including national email alert systems). Changes in legislation have been implemented successfully with no major issues arising.

The communication of local policies and procedures is embedded in a number of different ways such as SLT meetings and workshops, team briefings and local training. Officers ensure that they are aware of and comply with laws and regulations which are relevant to their roles. During 2019/20 refresher training on the Regulation of Investigatory Powers Act (RIPA) was again provided for relevant staff.

The Council pays close attention to requirements relating to Information Governance and close working arrangements are in place with neighbouring authorities. Training packages have been provided for staff during the year via the Council's on-line training platform. A work plan is in place to 'test' on-going compliance and assess the robustness of the Council's information governance arrangements. Best practice has been followed with the nomination of officers to the roles of Senior Information Risk Officer (SIRO) and Senior Information Governance Officer (SIGO) and Data Protection Officer (DPO). The Corporate Information Governance Group meets regularly to review information governance related matters and developments.

The Governance and Audit Committee receive reports by Internal Audit which include review of compliance with legislation. This provides the Committee with an overview of compliance with policy and procedures and it can request attendance of managers to provide further assurance.

15. Whistleblowing Arrangements

Objective: Arrangements for whistleblowing and for receiving and investigating complaints from the public

The Council has in place a [Whistleblowing Policy](#) which was refreshed during 2019/20. It is available for reference via the Council's web site and internal intranet and its existence and content is regularly communicated to staff. The Council also works in partnership with Lincolnshire County Council and fellow Lincolnshire authorities to develop and produce a county-wide 'Fighting Fraud' leaflet which is distributed to staff. Reports are presented to the Governance & Audit Committee on whistleblowing and more general customer feedback. A review of these arrangements formed part of the culture and values follow-up audit and they were deemed to be operating effectively.

The Council also has in place a customer complaints, compliments and comments procedure. The [procedure](#) is available for view on the intranet and web site. When complaints are received an internal independent officer (Customer Experience Officer) is appointed to investigate and in certain circumstances an external appointment may be made. One of the key aspects of the policy is our desire to learn from complaints to rectify matters if required. Where appropriate, complaints that have been referred to the Ombudsman are brought to the attention of the Management Team.

16. Member and Officer Development

Objective: Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training

A Member Development Plan is in place, having been put into operation as part of the induction and on-going training arrangements for new and returning Members following elections in 2019. The plan will oversee the training and development requirements of the current administration and is complied with the Governance & Audit Committee providing input and feedback. The contents of the plan are compiled from a number of sources:

- Requirements from The Constitution
- Areas for development recommended for each committee
- Feedback from Members
- Areas of interest
- Changes to the local government environment including legislation

Member training is also recorded to keep track of the training delivered, details of Member attendance and feedback on the quality and usefulness of the training. During the year, Members have received training on such matters as Treasury Management Strategy Scrutiny; Statement of Accounts Scrutiny; Code of Conduct, Data Protection, Licensing and Development Management related topics. Satisfaction levels among Members with the training provided remains extremely high and attendance rates at training events has increased during 2019/20.

Initial steps were taken during the last year to provide training to Members via an on-line platform. A pilot project has been run and evaluated by the Governance & Audit Committee. Arrangements are now in place to roll this facility out to all Members and expand the training packages available via the platform.

Staff surveys are undertaken on an annual basis and the content is used to develop appropriate training and to address any issues identified. Recent results of the staff survey were positive and reported improvements in all areas including, communication, motivation and general job satisfaction. It was also pleasing to report that absence due to sickness was at an all-time low. The Council is working to a recently refreshed and approved Workforce Development Plan and also has a Staff Engagement Group, drawn from staff across the Council. A Joint Staff Consultative Committee (JSCC) is in place consisting of staff members and Councillors and part of its remit is to review and approve staff related policies.

To improve the ability of managers with line management responsibility to fulfil their roles more effectively, the HR team hold a series of drop-in workshops where staff can raise issues and seek advice and guidance.

The Corporate Plan is communicated to staff and forms the golden thread for staff appraisals and work objectives for the forthcoming year and associated training/development needs. During 2019/20 much of the Council's training was again delivered via an on-line learning and development tool.

17. Community and Stakeholder Engagement

Objective: Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Council meets its statutory responsibilities with regard to engagement on budget setting by holding events with residents, parishes and businesses. The Council uses a variety of channels to communicate with the community and stakeholders; for example:

- West Lindsey Citizen Panel through surveys and focus groups
- West Lindsey District Council website
- Focus groups with residents and local businesses; including budget consultation events
- Parish Charter*
- E-surveys
- Local press
- Summits
- Social media

The Council uses social media as a communication tool and updates the website on a regular basis with relevant content. Use of social media as a communication tool has rapidly increased. Presently the Council has over 8,000 social media followers.

During 2019/20, the Council refreshed its Consultation & Engagement Strategy. The objectives of the strategy are twofold. Firstly to support strong, active and inclusive communities who can influence and shape the District and secondly, to create a more transparent and accountable council.

* A draft Parish Charter was written during 2019/20 and is currently out for consultation. The purpose of the Charter is to set out clearly the expectations Parish and Town Councils can have of the Council, and also what is expected of them; a two-way process. It also details plans for greater communication and engagement between all parties. It is intended to launch the Charter during 2020/21.

The Council consults on key service changes and issues that may affect residents of the District. Topics consulted on during 2019/20 included:

- Budget consultation 2019
- Later life housing survey
- Public Space Protection Order on Gainsborough Town Cemetery
- Waste Service satisfaction
- Communication with WLDC
- Trinity Arts Centre satisfaction

During the year surveys with service users were held (whether they are internal or external to the Council) to ascertain the levels of satisfaction with services. Results are used to develop services to ensure they are delivering the level of service expected by users.

The Council continues to actively support the Community Right to Bid initiative. During the year a number of applications from community groups have been

received and considered with decisions fed back. Furthermore, the Council places great importance on Neighbourhood Planning. Active support and encouragement is provided for communities to produce Neighbourhood Plans, so as to take an active role in determining the future development needs of their communities.

18. Partnership Governance

Objective: Enhancing the accountability for service delivery and effectiveness of other public service providers incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements

To enhance the accountability for service delivery and effectiveness of other public service providers, the Overview & Scrutiny Committee have continued with their programme of holding meetings with strategic partners to discuss their approach to addressing the strategic needs of the residents of the District. During 2019/20 the Committee heard from the Environment Agency and Lincolnshire Police also provided the Committee with bi-annual reports on crime, disorder and public safety in West Lindsey.

Strategic partnership working is recognised by the Council as being integral to the achievement of its ambitions. Key partnerships have been formed in the areas of employment and skills, economic development and regeneration to deliver growth and support business across the District. Partnership working is also evident in the form of the Joint Planning Unit (created to devise and oversee delivery of the Central Lincolnshire Local Plan) and the Council's participation in Local Enterprise Partnerships.

The Council's Management Team sponsored a review of all current partnership arrangements in place across the Council to ensure on-going relevance and effectiveness. In conducting this work, reference was made to the Audit Commission's '[Governing Partnerships](#)' Report. The work involved the identification of the Council's key partnerships; their effectiveness and on-going relevance and put in place measures for the provision of regular reporting by the respective officer lead on the achievements, issues and future intentions of the relevant partnership. This assists in gauging whether any partnership is providing value for money. A summary report was presented to the Corporate Policy and Resources Committee which endorsed the approach taken by the Council. To provide guidance for staff a Partnership ACoP is in place. The Council's Partnership Register has been cleansed and populated with up to date information.

The Council's current Contract Procedure Rules cover contract monitoring procedures and management of delivery. The accountability of service providers is managed through contract management and work has been undertaken to ensure The Council has robust contract management procedures in place.

Agenda Item 6g



**Governance and Audit
Committee**

16 June 2020

**Subject: Annual Constitution Review 19/20 and Monitoring Officer's
Annual Report**

Report by:

Monitoring Officer

Contact Officer:

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Purpose / Summary:

The purpose of the report is for the Governance and Audit Committee to **RECOMMEND** to Council the proposed amendments to the Constitution.

For the second year running, the report also includes an Annual Report from the Monitoring Officer. The report aims to provide an holistic view of all governance associated matters.

The Governance and Audit Committee are also asked to **APPROVE** the amendment(s) made to the Financial and Contract Procedure Rules, which will subsequently be noted by Council as part of the Annual Review.

RECOMMENDATION(S):

The Governance and Audit Committee are asked to APPROVE: -

- (1) Subject to (i) below, the amendment(s) made to the Contract and Procurement Procedure Rules and Financial Procedure Rules detailed at Section 3 of the report (the full set of Procedure rules are attached at Appendix 3 and 4 for completeness).**
 - (i) delegated authority be granted to the Head of Paid Service, in consultation with the Chairman of the Governance and Audit Committee, to make any necessary housekeeping amendments to both sets of procedure rules, arising from the on-going re-structure, and the final versions be noted by Council as part of the Annual Review in due**
- (2) that delegated authority be granted to the Head of Paid, in consultation with the Chairman of the Governance and Audit Committee, to confirm the final version of the Officer scheme of delegation, in light of the on-going re-structure, and the final version be included within the report, for approval at Annual Council**
- (3) That Members agree the governance outlined in this report, in respect of managing Commercial and Economic Growth, provides assurance that the council is taking appropriate mitigating measures against the risks identified in its commercial approach and note the updated position provided at Section 7 of the report**

The Governance and Audit Committee are asked to RECOMMEND to COUNCIL: -

- (4) that the outcome of the annual review be noted.**
- (5) that amendments detailed throughout Section 2 of the report, including those detailed in Appendix 2 relating to the Planning Delegation scheme be adopted and implemented with immediate effect;**
- (6) that the proposed amendments, raised through the review process, but which are not being progressed, detailed at Section 2.8 be agreed for non-inclusion.**
- (7) The appointments of Parish Councillors Elizabeth Hillman and Bruce Allison to the Standards Sub-Committee (Section 9)**

- (8) That the progress made with regards to:-**
- the areas of work agreed for further development in the 2019/20 review (Section 5);
 - the further planned work for 2020/21 (Section 6)
 - the statistical data provided within the report in respect of the number, nature and outcome of Code of Conduct Complaints (Section 8); and
 - the support offered to Parish Councils (Section 11) be noted
- (9) That the interim decision making process(es) that have been in place during the COVID -19 Pandemic be acknowledged.**

IMPLICATIONS

Legal:

The Council is required by law to prepare, and keep up to date, the Constitution.

Financial : FIN/10/21/TJB

There are only very limited financial implications as a result of making amendments to the Constitution; these costs can be met from existing budgets. These relate to the resources needed to make changes to electronic records and to the limited printing costs of producing amended pages for paper copies of the Constitution

Staffing :

The Constitution sets out the manner in which staffing matters should be dealt with.

Equality and Diversity including Human Rights :

None arising from this report.

Data Protection Implications :

None arising from this report.

Climate Related Risks and Opportunities:

None arising from this report.

Section 17 Crime and Disorder Considerations:

None arising from this report.

Health Implications:

None arising from this report.

Title and Location of any Background Papers used in the preparation of this report :

Annual Constitution Review 2018/19
Effectiveness of Committees' Surveys

Risk Assessment :

Failure to amend the constitution to reflect changes could lead to a risk of legal challenge and reputational risk for the Council.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

x

No

1 Introduction and Summary

- 1.1 The Council is required by law to prepare and keep up to date a Constitution which explains how the Council operates, how decisions are made and the procedures which are to be followed to ensure that these are efficient, transparent and accountable to local people.
- 1.2 Article 14 of the Constitution stipulates how such a review should be conducted namely:
- a) by observing meetings of different parts of the Member and officer structure;
 - b) by undertaking an audit trail of a sample of decisions;
 - c) by recording and analysing issues raised with Monitoring Officer by Members, officers, the public and other stakeholders;
 - d) by comparing practices in this authority with those in comparable authorities, or national examples of best practice; and
 - e) by undertaking a review of each committee's effectiveness.
- 1.3 As comprehensive reviews of the Constitution were undertaken in 2011, 2014 and 2017, and a large number of amendments were made to large sections of the document in 2018, a number of relatively minor amendments are being proposed as detailed at Section 2 of the report.
- The Constitution has really been tested during the COVID-19 Pandemic, particularly in the early days and as Monitoring Officer, I consider it has performed well, already including many of the delegations an organisation would need to manage business on a day to day basis in an emergency, another reason to support minimal changes being made at this time.
- 1.4 On this occasion some amendments proposed throughout the review are not being proposed for progression; these are detailed at **Section 2.9** of the report together with the rationale.
- 1.5 An audit of the Council's Procurement Procedures was undertaken in April 2018 which resulted in considerable amendments being made to the Contract and Financial Procedure Rules in the Constitution Review of 2018. A number of significant amendments were also made to reflect the Council's commercial agenda. There are relatively minor amendments being proposed as a result of this year's review, the most significant being a delegation to the Chief Finance Officer to approve the submission of grant bids of up to £50k where there is no requirement for additional Council resources. Other changes are mainly of house-keeping nature to reflect the outcome of the re-structure, with staff and stakeholders alike considering them to be fit for purpose, clear and easy to understand/use. Section 3 provides further details.
- 1.6 At the time of writing this report, there is an ongoing re-structure of the Senior Management. Section 4 of the report sets out how it is proposed

changes arising from this re-structure along with their impact on the Constitution will be managed.

- 1.7 As part of the Annual Review last year Members agreed a list of associated work to be undertaken during the 2019/20 civic year namely:
- The role of the Overview and Scrutiny (O and S) Committee and further Training
 - Review of the Policy Committees
 - Member Development
 - Members ICT
 - Petition Scheme
 - Review of Governance for Accountable Bodies
- 1.8 Section 5 of the report provides a brief update of the work which was undertaken and the arising outcomes. Reviewing the role of the O and S Committee and the Petition Scheme has resulted in some proposed amendments. These are contained in Section 2 of the report, alongside all other proposed amendments.
- 1.9 Section 6 details associated work planned to be undertaken during the 2020/21 civic year.
- 1.10 Section 7 of the report sets out the governance arrangements in place to manage Commercial and Economic Growth and Section 8 presents a data analysis of the number, nature and outcome of complaints received under the Code of Conduct.
- 1.11 Section 9 of the report asks Council to confirm the appointment of two new Parish Council representatives on the Standards Sub-Committee.
- 1.12 Section 11 details support the Monitoring Officer has provided to a number of Parish Councils to ensure they could continue functioning and Section 12 onwards details temporary governance arrangements which have been place during the COVID-19 Pandemic, an unprecedented time for Local Authorities.
- 1.13 Sections 7 – 12 make up the Monitoring Officer’s Annual Report and aim to provide an holistic overview of all governance associated matters.

2. Proposed Amendments to the Constitution

- 2.1 In reviewing the Constitution, the actions detailed at 1.2 above have been undertaken using a variety of methods including: -
- a) attending a variety of Committee Meetings in order to review proceedings;

- b) collating feedback from stakeholders and interested parties, including that received in formal complaints or alleged breaches of the Code, whether upheld or not;
- c) Seeking the views of Senior Officers and Team Managers who work within the Constitution;
- d) Surveying Members as to the effectiveness of the Committees to which they are appointed;
- e) Reviewing other “fourth-option” Councils’ Constitutions;
- f) Holding workshops to focus on particular matters; and
- g) responding to matters raised through motions and questions to Council.

2.2 This has resulted in several, mainly minor amendments having been made throughout the document, primarily to Parts IV and V.

2.3 The review also prompted comments relating to the way in which the Public Participation at Planning Committees is operated. Whilst this document sits outside of the Constitution, the proposed amendments have been included within the report and the amended leaflet is attached as Appendix A to the report for approval – Section 2.6 provides further detail and rationale.

2.4 Arising from the feedback received/issues identified the following additions/amendments are proposed to come into immediate effect.

2.5 The Table below, and following sections, set out the main proposed amendments for consideration along with the rationale for each.

Note Any page references / job titles within the scheme of delegation, refer to the person who previously held the delegation, pending the outcome of the re-structure – see Section 4 of the report details why this is the case.

TABLE OF PROPOSED AMENDMENTS FOR INCLUSION			
Ref	Section /Page Ref*	Amendment required	Reason for Amendment
	Part IV (Responsibility for Functions Corporate Delegations- Authorisations) – page 55	NEW 11.6 be ADDED – Signing off of contracts - Notes in column to state in compliance with the FPR's	Clarity and defined governance. no specific details on who could sign contracts was previously included in the FPR rules or the corporate delegation scheme.
	Part IV (Responsibility for Functions ED of Resources) – (Chief Finance Officer) page 32	REMOVE function 38 relating to SIRO and TRANSFER to Monitoring Officer responsibilities on page 35	The Monitoring Officer has taken on this role and this is a permanent change.
	Part IV (Responsibility for Functions Corporate Delegations- Authorisations) – page 58	AMEND line 16.4 by REPLACING “Data Protection Act 1998” with “General Data Protection Regulation (GDPR) and Data Protection Act 2018”	‘Reflects most up to date legislation
*	Part IV (Terms of Reference O and S Committee) – page 17	REMOVE the footnote relating to membership restrictions	Arising from reviewing the committee's working's during 19/20 – Section 5 provides full details
*	Part IV (Terms of Reference O and S Committee) – page 17	AMEND current function No.9 by ADDING the words “and acting as the ‘horizon scanning’ Committee for the Council, bringing matters which will have effect to the attention of the relevant Policy Committee at the earliest opportunity so they considered as part of Policy Development.	To support the O and S Committee to fully fulfil its role and to increase the emphasis on engagement with 3 rd parties.
*	Part IV (Terms of Reference O and S Committee) – page 17	REMOVE current function No. 8 relating to service plans and budget plans.	To support the O and S Committee to fully fulfil its role and to increase the emphasis on engagement with 3 rd parties.

TABLE OF PROPOSED AMENDMENTS FOR INCLUSION			
Ref	Section /Page Ref*	Amendment required	Reason for Amendment
*	Part IV (Terms of Reference O and S Committee) – page 17	ADD the words “limited to twice per year” to current function No. 6 which relates to pre-scrutiny.	To support the O and S Committee to fully fulfil its role and to increase the emphasis on engagement with 3 rd parties. Methodology to be amended to align
*	Part IV (Terms of Reference O and S Committee) – page 17	REMOVE the words “relate to the Forward Plan” and ADD the words “limited to one per year” to current function No.2 in relation to reviews selected by committee.	To support the O and S Committee to fully fulfil its role and to increase the emphasis on engagement with 3 rd parties. Also allows the Policy Committee’s to determine to a greater degree a work programme that supports Corporate Objectives. Methodology to be amended to align
	Appendices – Appendix 15 Petition Scheme	AMEND in line with Appendix 5.	Clarity. The thresholds have not been amended but are now in a much clearer format to understand.
	Part IV (Responsibility for Functions ED of Operations – Planning and Housing Enforcement) – page 41	NEW No. 6 and 7 To be responsible for all safeguarding matters To be responsible for all Corporate responsibilities under the Prevent Scheme	Clarity. These are functions undertaken by the authority but not currently referenced.

TABLE OF PROPOSED AMENDMENTS FOR INCLUSION			
Ref	Section /Page Ref*	Amendment required	Reason for Amendment
	Part IV (Council Procedure Rules) Page 12	ADD new 15.3.1 as follows “On occasion it may be necessary for discussions to be recorded in the absence of a democratic services officer. However no decisions or votes will be taken in the absence of such an officer”	At request of Chair of Governance and Audit. Providing clarity around what should and should not be undertaken in the absence of democratic support.
	Part IV (Officer Employment Procedure Rules) Page 140 – 142)	A footnote be added to set of rules as above.	This is primarily the Committee, which will find itself in this position, therefore by repeating the requirement within the procedure rules it uses, this will embed the requirement.
	Part V (Rules of Procedure – Council Procedure Rules) – page 14	The following paragraph be ADDED to para 23.1. “Attendance at such training will be monitored and the Administration will use the attendance stats in determine who it recommends for such roles.”	Improve the Chairing skill of members and strengthen the constitutional requirements around Chairmen/Chairing – this change has been requested by elected members
	Part IV (Responsibility for Functions – G and A Cttee Terms of Ref) Page 7	The following function be ADDED to the Committee’s Terms of Reference “to review the number of working groups in existence, their role and terms of reference at least once per election cycle, making recommendations to Full Council prior to their Annual Meeting.”	Improved Governance – Concerns have been raised through this review that working groups may not always be operating within their agreed remits or fulfilling the role originally intended. This would ensure working groups remain fit for purpose.
	Part IV (Responsibility for Functions – ED Operations) – page 39	The following note be ADDED to 2 (f). “Planning Appeals which involve a member overturn will be dealt with in accordance with the Member Overturn Policy agreed on 26 June 2013/14”	Clarity and defined governance

TABLE OF PROPOSED AMENDMENTS FOR INCLUSION			
Ref	Section /Page Ref*	Amendment required	Reason for Amendment
	Part V (Rules of Procedure – Council Procedure Rules) - Page 1	The following footnote be ADDED to function 1.3 (f) “ A Committee may have no more than two-vice Chairmen”	Requested through the review by Chair of G and A.
	Part IV (Corporate Delegations) Page 54	10.5 – determining purchase limits for officers - Team Manager Column to be ticked	Team Managers are contacted by finance to determine these levels – so change reflects current practice.
	Part II – Article 2 (Elected Members) Page 5	The following sentence be ADDED to paragraph 2.7 – Conduct. “The Council has also adopted the International Holocaust Remembrance Alliance (IHRA) definition of antisemitism, as a clear message that anti-Semitic behaviour will not be tolerated”.	Commitment made at Full Council to include reference to Anti-Semitism and in response to letter From the Minister for HC&LG
	Part III – Codes and Protocols – content page	The following footnote be ADDED “The Council has also adopted the International Holocaust Remembrance Alliance (IHRA) definition of antisemitism, as a clear message that anti-Semitic behaviour will not be tolerated”.	Commitment made at Full Council to include reference to Anti-Semitism and in response to letter From the Minister for HC&LG
	Part III – Codes and Protocols – Page 27 Onwards – Local Code of Corporate Governance	The Local Code of Corporate Governance be REMOVED from the Constitution	This document is often reviewed on a different timescale to the constitution and is therefore often out of date. A simple link will be included within Section 3 the Constitution advising the Council has a Local Code of Corporate Governance, this ensures the document remains up to date and its inclusion in full is consider essential for the constitution document.
	Part IV (Responsibility for Functions – Monitoring Officer) Page 33	ADD NEW FUNCTION 3 (A) “to keep polling districts and polling places under review and amend any such arrangements (following	Housekeeping, power granted by Council during 19/20.

TABLE OF PROPOSED AMENDMENTS FOR INCLUSION			
Ref	Section /Page Ref*	Amendment required	Reason for Amendment
		consultation with Local Ward Member(s) where there is an operational need, prior to the next compulsory District review”	
	Part 6 (Members Allowance Scheme) Page 11	ADD in Humber Strategy to list of approved duties and remove the LEP	Housekeeping to reflect up to date list of outside body appointments
	Part 6 (Members Allowance Scheme) Page 10	REMOVE paragraphs 16 and 17 as they are a repeat of paragraphs 13 and 14	House keeping
	Part IV (Responsibility for Functions – Rem Panel Terms of Reference	The first bullet point note be AMENDED to read as follows “ the Panel shall comprise no less than four members and no more than 6”	To reflect current practice. Legal opinion is that four will suffice and 5/6 can be difficult to recruit to. Currently running IRP at 4 Members This amendment allows flexibility.
	Part VII (Management Structure)	Whole document to be replaced, once re-structure finalised	To reflect current management structure
	Part IV (Responsibility for Functions ED Economic and Commercial Growth) – Page 45/46	Functions 9 – 14 inclusive be DELETED	On reflection these are considered more JD Objectives, as opposed to functions which need delegated power – error in drafting previously.
	Part IV (Responsibility for Functions ED Resources) – Page 32	AMEND current point 32 raising the maximum short term cash flow loans to subsidiary companies to a maximum of £50k per company, as opposed to £25k.	Housekeeping as this increase has been approved by committee already, during consideration of a CPR report

TABLE OF PROPOSED AMENDMENTS FOR INCLUSION			
Ref	Section /Page Ref*	Amendment required	Reason for Amendment
	Part IV (Responsibility for Functions ED Resources) – Page 32	NEW no. 37 (re-number after) To approve the submission of grant bids of up to £50k where there is no requirement for additional Council resources.	This amendment is proposed to the financial regs and therefore inclusion here also ensures transparency

2.6 Responding to Motions and Questions and Consultation

- 2.6.1 As referenced at 2.1 changes made during the Annual Review are driven by a number of factors including responding to questions and motions. This year has seen some changes proposed directly as a result of this. The following sections deal with these.
- 2.6.2 As inferred at 2.3, the review also prompted comments relating to the way which in the Public Participation at Planning Committee is operated. This matter was also the subject of a formal question posed at Council in [November 2019](#).
- 2.6.3 The review in 2019 introduced the requirement for any WLDC Councillor who had addressed the Committee in a Ward Member capacity to withdraw from the Council Chamber after their verbal submission. This additional requirement was originally included in response to complaints, which had been received, and was to protect against the perception of influence.
- 2.6.4 However, since its introduction it has not proved popular amongst the elected member core, often being a cause of contention. Officers have re-assessed the risk to decision making and reviewed other authorities' participation schemes and are happy its removal is justified.
- 2.6.5 The proposed amendments are detailed in the table below and the amended leaflet featuring track changes, to easily identify the amendments, is attached at Appendix 1 for approval. In effect, these amendments return the practice to its previous form, allowing Ward Members to remain within the room having addressed Committee. **The requirement for Ward Members to register to speak in advance still remains – and will become even more essential if virtual meetings remain in place for a period of time.**

Change required	Reason for Change
Removal of the wording standing advice to all WLDC Members would be to leave the Chamber for the remainder of the debate on the item they have spoken on.	The risk to decision making is low and this has been a cause of contention unnecessarily.

- 2.6.6 In recent times, the elected member core, have expressed dissatisfaction at the way the public participation scheme is applied to Councillors, therefore the scheme as a whole, including the timings applied will be revisited during 20/21. This matter is therefore referenced in Section 6 (Associated Work Planned to be undertaken during the 20/21 year)
- 2.6.7 There was also a motion to Council in [November 2019](#) in which a Councillor expressed concern regarding this matter and the delegation scheme in general. This motion was supported and as a result a further commitment was made to review the delegations.

2.6.8 Planning Delegations is a matter which generally is raised through any consultation held with Parish Councils, the most recent such consultation being that on the Parish Charter.

2.6.9 The Authority had planned a series of training events throughout 2020, aimed at Parish Council's and their understanding of the planning process, and it had been hoped that these would help develop a common understanding of the process and help reduce any confusion and ultimately complaints. Due to the COVID 19 Pandemic this has not been feasible and the work schedule will re-commence as soon as is feasibly possible.

2.7 Amendments to Scheme of Delegation to Support Parishes

2.7.1 Having met with the Senior Planning Officers in February to discuss this matter, the amendments shown in red in Appendix 2 are proposed for inclusion.

2.7.2 It should be noted that objections from a Parish Council itself could already refer applications to the committee, as shown underlined in Paragraph 1 (a) on Appendix 2.

2.7.3 However, in addition to the above mentioned provision, and concerns previously raised it is considered to open it up further to Parish Councils to expressly request a "call-in" where they are concerned there is a conflict with their neighbourhood plan. The wording at (new) 1(b) in red on Appendix 2 aims to facilitate this additional provision **and is recommended for adoption**

2.7.4 This in effect now gives Parish Councils the same access to call-ins as Ward Members.

2.7.5 It is acknowledged that Councillors have raised concerns that there is a perception, "community views" are not heard or given enough weight.

2.7.6 Delegations can be a matter of interpretation, and again having met with the senior planning Officer, and spoken with the Assistant Director of Planning and Regeneration, as Monitoring Officer I am confident that in recent times these delegations are being interpreted in a much more customer friendly manner.

2.7.7 The statistics below show the number of referrals made as a result of direct calls-in / referrals, when compared to last year, as an improving picture.

2.7.8. From April 2019 to March 2020, the Planning Committee considered 33 applications across 10 meetings. Of these 18 had Parish Council objections / representations against them.

2.7.9 On average, there were 1.8 applications per meeting with Parish Council representations (see table below)

(Please note that some applications were considered at more than one meeting i.e. Application No.140077 was considered at both the January and February meetings.)

April 2019-March 2020			
Committee Date	Applications with Parish Council objections	Total No. of apps	No, of apps with PC objections
4 th March 2020	Meeting cancelled	n/a	n/a
5 th February 2020	140077 (Glentworth); 140331 (Sturton by Stow).	5	2
8 th January 2020	140180 (Sudbrooke); 140077 (Glentworth); 140003 (Nettleham).	5	3
11 th December 2019	140180 (Sudbrooke), 139839 (Osgodby); 140128 (Osgodby); 140042 (Nettleham).	4	4
13 th November 2019	n/a	2	0
16 th October 2019	139520 (Scotton).	2	1
18 th September 2019	Meeting cancelled	n/a	n/a
21 st August 2019	139558 (N Kelsey support – officer recommendation to refuse)	1	1
24 th July 2019	Meeting cancelled	n/a	n/a
26 th June 2019	139024 (Burton).	3	1
29 th May 2019	138812 (Brattleby); 137950 (Bardney).	4	2
1 st May 2019	136577 (Gainsborough).	2	1
3 rd April 2019	138971 (Blyton); 136577 (Gainsborough); 138477 (Grasby),	5	3
TOTAL		33	18

2.7.10 From April 2018 to March 2019, the Planning Committee considered 37 applications across 12 meetings. Of these 18 had Parish Council objections / representations against them.

2.7.11 On average, there were 1.5 applications per meeting with Parish Council representations. (Please see table below)

(Please note that some applications were considered at more than one meeting i.e. Application No.137326 was considered at both the April and May meetings.)

April 2018- March 2019			
Committee Date	Applications with Parish Council objections	Total No. of apps	No, of apps with PC objections
6 th March 2019	138660 (Waddingham).	5	1
6 th February 2019	n/a	1	0
9 th January 2019	138494 (Nettleham).	4	1
12 th December 2018	137789 (Blyton); 138145 (Snitterby – object, recommendation to refuse).	4	2
14 th November 2018	136826 (Cherry Willingham & Fiskerton)	3	1
17 th October 2018	138180 (Fiskerton) (note: application withdrawn); 137950 (Bardney)	4	2
19 th September 2018	138157 (Cherry Willingham)	1	1
22 nd August 2018	Cancelled	n/a	n/a
25 th July 2018	137511 (Bigby)	2	1
27 th June 2018	137443 (Caenby); 136962 Lea Crematorium (Lea & Knaith)	2	2
30 th May 2018	137531 (Nettleham); 136604 (Caistor); 137532 (Saxilby)	4	3
2 nd May 2018	137326 (Burton); 135868 (North Kelsey); 137057 (Cherry Willingham)	4	3
4 th April 2018	137326 (Burton)	3	1
TOTAL		37	18

2.7.12 As an aside, across England 95%, of planning applications are dealt with under delegated powers. West Lindsey currently determines 96% of its applications in that way and therefore is considered to be in line with national performance, with no further amendments currently considered required.

2.7.13 It should also be noted that West Lindsey allows for a 28 day consultation period on Planning Applications, when the statutory requirement is only 21 days.

2.7.14 There is a commitment from the Planning Team that when an application is refused under delegated officer powers the decision notice will include full reasoning.

2.8 Amendments considered but not put forward for inclusion

2.8.1 As referred to in Section 1.4 above, on this occasion some amendments proposed throughout the review are not being proposed for progression.

2.8.2 The table below sets out amendments which have been proposed but which are not intended to be implemented, together with the rationale.

TABLE OF PROPOSED AMENDMENTS NOT TO BE INCLUDED		
Proposed Amendment	Source of Request	Rationale for Non Inclusion
To introduce a mechanism whereby if a planning application is referred to the Planning Committee as a result of a Parish Council “call-in” in the event that the Parish Council do not attend the Planning Committee at which the application is being heard, the application should be removed from the agenda and dealt with in accordance with the officer recommendation.	Elected Member	Whilst this matter has been considered and arguably something could be included in the scheme of delegation to this effect. Administratively this would be difficult to implement. Also this does arguably give Parish Council’s a greater degree of say. There could be other speakers registered against an application and they could be left feeling their right to speak has been removed because of the actions of a Parish Council. As an alternative it will be made clear through communications etc. that there is an expectance of attendance by the Parish Councils should they request a call-in.
Adoption of a Parental Leave policy for Elected Members	Motion to Council on 4 November	This matter has been considered at briefings of the Governance and Audit Committee. This matter is already covered by legislation and the Council therefore already has the power to grant Councillors leave from their mandatory requirement to attend meetings etc. for any reason they so agree including the right to remuneration. Therefore no separate policy for a specific leave reason is considered necessary
Working Groups – being allowed to make replacement appointments	Elected Member	It was requested that there be a regulation within the Constitution that if there is repeated non-attendance at a working Group then that Working Group should be permitted to seek a

		new appointment. Working Groups are not decision making, nor do they establish their own membership. This matter could be dealt with by each Working Group's terms of reference. The amendment suggested above to the G and A Cttee Terms of Reference, should address this in the first instance.
HPS permitted to move Meetings	Officers	The HPS already has a number of delegations around cancelling meetings for a variety of meetings. It is not considered appropriate to extend these delegations. The LGA 1972 is very clear that the Council should have a schedule of agreed meetings. When meetings have needed to be moved the mechanisms currently in place have been deemed satisfactory and offer transparency (cttee have to approve the change)
A request to reduce the role of the editorial board and bring Comms issues more under the Leader's remit as 'Lead Spokesman'.	Leader	The role, remit and existence of the Editorial Board we be a matter for a separate report at Annual Council (working groups report). Having reviewed the Leader's Job Description – Appendix 3 of the Constitution – there are already multi references to the Leader being the lead spokesman, politically, corporately and with stakeholders. No further amendments considered necessary.

3 In Year Changes to Contract and Procurement Procedure Rules and Financial Procedure Rules – for Approval by Governance and Audit Committee

- 3.1 The Governance and Audit Committee are delegated to make any changes to the Contract and Procurement Procedure (CPR) Rules and the Financial Procedure Rules (FPR) between Annual Councils. These must then be reported up to Full Council, for noting, as Part of the Annual Review.
- 3.2 As stated in Section 1.5 above, an Audit of the Council's Procurement Procedures was undertaken in April 2018 which resulted in considerable amendments being made to the CPRs and FPRs in the 2018 Constitution Review. A number of significant amendments were also made that year to reflect the Council's commercial agenda.
- 3.3 Relatively few, mostly minor amendments are being proposed as a result of this review and these primarily relate to: -

- amendments required to “job titles / structure levels” to reflect the impact of the pending re-structure*
 - clarity around the contract sign off levels, as the rules currently include no specific details on who can sign contracts.
 - measures to ensure robust planning in larger scale procurements
 - increases in financial limits for CPO Procurements
- 3.4 The Full set of amended Contract and Procurement Procedure Rules are attached at Appendix 3 along with brief rationale for each amendment being proposed.
- 3.5 Amendments have also been made to the FPRs to ensure these two important procedural documents work in harmony.
- 3.6 The main amendments are as follows: -
- Delegations previously awarded to the Executive Director of Resources in relation to financial controls have been reassigned to the Chief Finance Officer (S151)
 - Inclusion of a new delegation for the Chief Finance Officer who shall have delegated power to approve grant bids up to a value of **£50,000** where no additional Council resources are required. (also referenced in table at 2 above)
 - An amended paragraph relating to grant bids as follows: -

“Should a bid be successful it will need to be reported to Corporate Policy and Resources for budget approvals. For Grants in excess of this sum, Chief Officers must obtain Management Team (where no additional Council resources are required) and/or Corporate Policy & Resources Committee approval, where appropriate, for any bids for new monies detailing the service and financial implications **before** grant applications are made.”
- 3.7 For completeness, the Full set of amended Financial Procedure Rules are attached at Appendix 4, with the amendment(s) highlighted for ease.
- 3.8 These documents sit within Part V of the Constitution – Rules of Procedure.
- 3.9 Members of the **Governance and Audit Committee are asked to approve** the amendments, set out within each document, which will subsequently be reported to Annual Council for noting as part of the Annual Review.

***Note** As the on-going restructure is yet to be finalised, both sets of procedure rules have been prepared subject to the final outcome of this. Delegated authority is being sought to make any necessary housekeeping

amendments to both sets of procedure rules, arising from the on-going re-structure.

4. Amendments required as a result of changes to the Management Structure.

4.1 Members will be aware that in December 2019, the Chief Officer Employment Committee agreed to move away from the Executive Director Model back to a Chief Executive Model.

4.2 This has resulted in large number of “housekeeping” style amendments being made throughout the document to virtually every section, removing references to the Executive Directors and replacing them with the Chief Executive / Head of Paid Service as appropriate, similarly with the Executive Director of Resources and Chief Finance Officer. Due to the sheer number of these, and them not being “transformational” in nature these have not been listed within this report, but will be applied in the next published version of the Constitution.

4.3 One section of the Constitution which is fundamentally changed as a result of this change in management structure is the scheme of Officer Delegation. (Contained within Section 4 – Responsibility for Functions)

4.4 Delegations were previously split across the three Executive Director posts and the three Statutory Officer posts. In the intervening period, the majority of delegations have been set at the Chief Executive level underpinned with a comprehensive scheme of sub-delegation.

4.5 The Chief Executive is currently consulting on his proposed new structure comprising of one Director and five Assistant Directors. Consultation on this structure is not anticipated to be completed until the end of June. Due to the timing of this review, it is not possible to present the revised section to Governance and Audit Committee.

4.6 It is intended that all of the current delegations will be split appropriately amongst these six officers, the Chief Executive and the three Statutory Posts. Any new delegations will have been referenced in Section 2 of this report. The remaining part of this work is a simple “re-aligning of already agreed delegations under new job titles” ensuring the delegations given to that title reflect the functions they will be undertaking (their job descriptions)”. Therefore it is proposed that **delegated authority be granted to the Chief Executive, in consultation with the Chairman of the Governance Audit Committee, to confirm the final version of the scheme of delegation, for inclusion within the report, prior to it being presented to Annual Council for adoption.**

5 Progress made with regards to those areas of work agreed for further development in the 2019/20 review.

- 5.1 As detailed at Section 1.7 and 1.8 of the report as part of the Annual Review last year Members agreed a list of associated work to be undertaken during the 2019/20 civic year.
- 5.2 This Section provides a brief update on the progress which has been made: -
- 5.3 **The role of the O and S Committee and further Training.**
- 5.3.1 As a result of the initial review undertaken regarding the role of the scrutiny committee, a number of changes were agreed at Annual Council in May 2019 including restrictions on the committee membership.
- 5.3.2 The redesigned Operating Methodology was adopted at the meeting in June 2019 with the aim of clarifying the role of the committee and highlighting each route of scrutiny.
- 5.3.3 Members of the Committee were offered the opportunity to attend a scrutiny workshop, presented by the external auditors, with further focus on the role of scrutiny within the council. Attendance at the East Midlands Councils Scrutiny Conference was also facilitated for the Chairman, Vice Chairs and Lead Officer.
- 5.3.4 There has been a continued focus on the role of effective scrutiny at West Lindsey, particularly given the recommendations enacted from May 2019.
- 5.3.5 There have been several matters brought to the attention of the Monitoring Officer regarding the functioning of this Committee, and the effectiveness of committees survey responses received were concerning.
- 5.3.6 These previous amendments have not proved wholly successful (for example, the limitations on Membership have at times led to low numbers attending the Overview and Scrutiny meetings as there have been no substitution options available), and the change in name seems to have had little impact on the committee's effectiveness. **As detailed in Section 2 of the report it recommended that this membership restriction be lifted.**
- 5.3.7 Given the fairly unique circumstances of being a fourth option council, and therefore without the legal requirement to retain a scrutiny committee, it is essential that the committee addresses aspects of work that would not otherwise be dealt with in any of the other committees.
- 5.3.8 Whilst this has been case for some meetings in 2019/20, with the visits from Lincolnshire Police and the Environment Agency, it is anticipated that this role could be extended, and the scrutiny of external agencies and partners (ideally connecting via a topic linking to the corporate plan) should be the focus for 2020/21. The already agreed reduced reporting on performance and delivery will also provide additional capacity for this external focus.

5.3.9 Some minor tweaks to the terms of reference **have been recommended in Section 2** of the report, to support the Committee to fully fulfil its role and to increase the emphasis on engagement with 3rd parties, and further provision can be made within the Committee's Operating Methodology to support this ethos. However given the recent Peer Review also raised the role of the Committee as a matter which the Authority should give further consideration to and determine clarity around , no fundamental changes are being proposed at this time.

5.3.10 The role of the O and S Committee, in light of the outcome of the Peer Review, which is yet to be considered in detail, will remain a focus of attention for 2020/21 – further information is contained in Section 6 of this report

5.4 **Review of the Policy Committees**

5.4.1 There have been no matters brought to the attention of the Monitoring Officer regarding the functioning of the Policy Committees, either in person or via the effectiveness of committees survey responses received.

5.4.2 The introduction of the Concurrent Meeting Protocol has overcome a number of previous issues and continues to be used for complex, large scale transformational projects where there are both significant policy and financial implications for the Authority.

5.4.3 There has already been a commitment to use the concurrent committee approach to the viable housing solution which is being developed and meets all the criteria to support a concurrent approach.

5.4.4 The Concurrent Committee consultation arrangement also proved successful in supporting governance through recent exceptional times.

5.4.5 Therefore no changes are being proposed to either Policy Committee as a result of this review.

5.5 **Petitions**

5.5.1 The Petition Scheme had not been reviewed since its introduction in 2009/2010.

5.5.2 A review of similar authorities' petitions schemes has been undertaken to ensure the Council's Scheme is still fit for purpose.

5.5.3 There are no fundamental recommendations arising from the review however a number of **points of clarity are recommended for inclusion within the Scheme, these are detailed in Section 2 of the report.**

5.5.4 The possibility of introducing e-petitions was also investigated but is not being recommended for introduction at this time.

5.6 Member Development

- 5.6.1 The focus for the Member Development Group, after the success of the Induction Programme in May 2019, has been to finalise the By-Election Induction Programme and to test online training options with a view to roll-out to all Councillors after May 2020 – this is currently delayed pending meetings of the Governance and Audit Committee resuming.
- 5.6.2 It is anticipated that on-line training will be in addition to ongoing face-to-face sessions, dependant on the subject matter. The uptake and success of this roll-out will be monitored by the Democratic Services Team with future plans dependant on usage and feedback from Elected Members.
- 5.6.3 Throughout the year a rolling programme of development opportunities has been shared on a regular basis with Members and the Members' Bulletin has been used to emphasise these opportunities. The library on modern.gov has been updated with information on all sessions since May 2019 and this will continue to be the main access point for presentations after each training event.
- 5.6.4 The Member Development Group reports progress periodically through the Governance and Audit Committee and reports submitted during the 2019/20 year can be viewed [here](#).
- 5.6.5 Member Development will continue to be a focus in the 2020/21 civic year. Further information is contained in Section 6 below.

5.7 Members ICT

- 5.7.1 Following the elections in May, Democratic Services offered one-to-one training to all elected Members. Many Members took up this offer. Independent Members were issued with their iPads slightly later in May, and were given a group session with a Democratic Officer. Independent and Elected Members were subsequently offered further one to one help if it was required.
- 5.7.2 Written guidance was provided to Members on collection of their iPad as part of their overall 'induction pack'; this guidance is also available electronically on the Members' library. A 'buddy' system was initially offered to Councillors, and used mainly by newer Members; however as we moved into June/July of 2019 this was replaced by an offer of help by Democratic Services via telephone/email/face to face as and when Members needed it.
- 5.7.3 The move to iPads was a big change to the way elected members were asked to work and overall is considered to have been successful. There has been an audit around the Security of Members iPads and this received substantial assurance.

5.7.4 Feedback has been regularly sought and received from Members since the introduction of iPads; this feedback was largely positive, although Members did point out issues with the iPad that they thought could be ironed out.

5.7.5 Democratic Services with support from IT have responded to requests of support from councillors in the use of their iPad, for example:

- digital pens were issued shortly after the election so that Members could write notes electronically on committee papers.
- Calendar invites have been automated so that Councillors do not have to accept appointments; they automatically get inputted into Member calendars.
- A solution introduced as a means for receiving emails when elected Members are on the move (through their mobile phone), subject to certain conditions.
- Further guidance notes issued on specific matters, such as completing expenses and the use of word and excel in general.

5.7.6 Democratic Officers will continue to review the guidance to see if there are any gaps. Facilitating targeted training sessions is within the Democratic Services Team Plan and appraisals. Feedback will continue to be sought from elected Members and mitigating measures introduced where feasible to overcome any difficulties.

5.7.8 The roll-out of a Council owned device has proved invaluable in allowing business to continue during exceptional circumstances.

5.8 Review of Governance of Accountable Bodies

5.8.1 The Governance of Accountable bodies has been taken into account when reviewing financial regulations and contract procedure rules and no amendments are required directly as a result.

6 Associated Work Planned to be undertaken during the 20/21 year

6.1 Whilst undertaking the annual review of the Constitution a number of other associated actions for further work, development or “watch in brief” have been identified, namely: -

6.2 The role of the O and S Committee in light of the Peer Review Recommendations

6.2.1 As detailed in Section 5 of the report the role and functioning of the Committee continues to require refinement.

6.2.2 This matter is confirmed by the recent Peer Review which stated

“Review the overview and scrutiny function – there are mixed views and questions about the function generally, including its effectiveness and purpose. This was reviewed about 18 months ago but there are already differing opinions about the value it adds. A further review is therefore needed to identify the function’s value and how it can be most effective, in particular how it can engage all members constructively.”

- 6.2.3 Given the findings of the Peer Review have not yet been considered in detail, the main focus of 2020/21 will be forming a response to the recommendations made. The Council is committed to maintaining an efficient and productive scrutiny role for the committee and so there will be ongoing reviews of how best to achieve that function
- 6.2.4 In the interim the restrictions on membership have been removed and minor amendments to the terms of reference proposed to support the O and S Committee to fully fulfil its role and to increase the emphasis on engagement with 3rd parties.
- 6.2.5 The Operating methodology for 2020/21 will also be amended to support a more external looking approach, for example by reducing the number of internal pre-scrutiny items permitted and introducing a requirement to approve a theme connected work plan, separate to any other function within the council at earliest opportunity each civic year.
- 6.2.6 Any recommendations arising from the monitoring of the Committee’s effectiveness will be made as part of the Annual Review for 2020/21, and would become effective from Annual Council May 2021

6.3 Parish Charter

- 6.3.1 Work commenced during the latter part of the 2019/20 Civic Year to introduce a Parish Charter. The Charter is currently out for consultation and the findings were expected to be reported back through the Committee process in June. This work will likely be delayed due to the current pandemic.
- 6.3.2 The introduction of a Parish Charter may see the need arise to review our Constitution to ensure it reflects all of the principles ultimately agreed within the Charter.
- 6.3.3 Any work of this nature, arising from the introduction of a Charter, will be reported through the Governance and Audit Committee throughout 2020/21.

6.4 Recommendations of the Committee of Standards in Public Life and “watching brief” of the development of a new model code of Conduct

- 6.4.1 Back in January 2019 the Committee for Standards in Public Life made a series of recommendations in respect of the current Code of Conduct

Regime. With Brexit and now COVID- 19, the recommendations progression through Parliament has been slow. However, The Board of the LGA at its meeting on 11 September 2019 considered and agreed to commence reviewing of the Code ahead of Central Government's response to the recommendations of the report, and appointed Hoey and Ainscough to undertake this work.

- 6.4.2 If the code is completed before any government response, Local Authorities will be able to adopt the Code. Some of the recommendations in the report of CoSPL (for example the power to suspend councillors) requires legislation which means that provisions cannot be included in the Code.
- 6.4.3 The Council, through its Standards Sub-Committee will continue to lobbying on the recommendations made by the CoSPL and respond to consultations regarding the development of a new Code.
- 6.4.3 If it is considered appropriate to do so, and of benefit to the Authority proposals may be brought forward during 2020/ 2021 to adopt any new model code introduced by the LGA.
- 6.4.4 Consultation on the draft code was due to close on 25 April and was expected to be considered by the LGA Board in early June. We await an update as to how the timescales for this project have been effected by current events. Note: as at May 2020 consultation suspended and new timeline awaited.

6.5 Member Development

- 6.5.1 The roll-out of online training for all Councillors will be the focus for 2020/21, including provision of support sessions and advice, subject to approval by the Governance and Audit Committee.
- 6.5.2 Through the annual report which is usually presented at G&A Committee in July, the Member Development Group will present the priorities for the coming year and beyond.
- 6.5.3 It is expected that the biennial mandatory training, as specified in the Constitution, will be programmed for 2021/22 and notified to all Councillors, with a view to ensuring maximum attendance.
- 6.5.4 Member engagement continues to be a key element for progressing Member development and it is anticipated that any online options introduced will also be reviewed to ascertain any increase in numbers attending or accessing development opportunities.
- 6.5.5 The training material available currently through the Council's already in place on-line learning platform aimed at employees is very much aimed at softer, personal skills. There is little content currently to address training of a statutory nature with the exception of perhaps IT Governance and Safeguarding. Further platforms my need to be

investigated if the current Learning Pool catalogues are not considered to provide the necessary content and investment would likely be required.

6.6 Virtual meetings

6.1 At the present time, in light of the COVID-19 Pandemic there are temporary regulations in place permitting virtual Committee Meetings. Whilst it is hoped these new regulations will not need to be used for a significant period of time, the Authority is committed to making virtual meetings a reality as opposed to relying on Officer Delegations to make decisions.

6.2 Through the early part of 2020/21 the Democratic Services Team will develop, embed and train Members on new meeting procedures, and the technology needed to facilitate virtual meetings.

6.7 Commence work on 4th tier governance review

6.7.1 To date the main work in this area has been around scoping of the work to understand the desired outcomes and to be clear about expectations of the review. This work is anticipated to progress during the 20/21 Civic Year.

6.8 Review of the Public Participation Scheme applied to Planning Committee

6.8.1 As referenced in section 2.6, the interaction between the Planning Committee/ Department, Elected Members, Public and Parish Councils continues to be highlighted in consultation responses.

6.8.2 One document which supports these interactions in the Committee setting is the Public Participation at Planning Scheme. It is therefore considered prudent that this document be reviewed in its entirety to ensure it remains, fair and equitable to all.

6.8.3 Any arising amendments will be reported through the 20/21 Constitution Review.

7 Annual Report from the Monitoring Officer which sets out the governance arrangements in place to manage Commercial and Economic Growth

7.1 This part of the report deals with changes to Governance of the Council which have taken place during the year.

7.2 The Sections below provide updated positions in respect of each together with information on how the Council governs its business interests.

7.3 West Lindsey Owned Companies

7.3.1 The current companies in West Lindsey ownership are detailed below. These are managed using nominated representatives acting as Directors and carrying out the shareholder function. The shareholder function for all companies currently sits with the Section 151 Officer and Chief Executive, Ian Knowles. However this responsibility has been formally sub delegated to the Monitoring Officer as part of the changes in responsibilities as a result of the appointment of a Chief Executive. This change forms part of the constitutional review detailed earlier in this report. In practice the shareholder role is carried out by way of formal reporting to the Corporate Policy and Recourses Committee.

Company	Reg. No.	Date incorporated	WLDC Staff/Roles		Shareholding
WLDC Trading Ltd	10547086	Jan 2017	AS – Director		Sole Shareholder
WLDC Staffing Services Ltd	10276205	Jul 2016	AR – Shareholder Representative		
SureStaff (Lincs) Ltd	06476932	Jan 2018	TB - Secretary		
Market Street Renewal Ltd	10298200	Jul 2016	SGS	Director	50/50 with DPL
			AM	Director	
			AR	Shareholder Representative	

Key: -

AM – Andrew Morriss – Independent Lay Member of the Governance and Audit Committee

TB – Tracey Bircumshaw – Finance and Business Support Manager

AR – Alan Robinson - Monitoring Officer and Acting Director of Governance

AS – Ady Selby - Interim Assistant Director

SGS – Sally Grindrod-Smith – Assistant Director of Planning and Regeneration, Projects and Growth

DPL – Dransfield Property Limited

7.4.2 During 2019/20 The SureStaff companies and Market Street Renewal Ltd have presented Business plans to Corporate Policy and Resources Committee. These are now planned in as a matter of course for future years to allow for the forward plan to be accurate and to ensure prompt reporting.

7.4.3 There have been a number of changes agreed to the West Lindsey representatives for the companies. These have been formally approved during the year. Ady Selby has been appointed Director of the Sure Staff

Companies following the departure of Karen Whitfield and Sally Grindrod-Smith has taken over from Eve Fawcett-Moralee as Director of Market Street Renewal Ltd.

7.4.4 In conclusion there have been no issues raised around the governance of the West Lindsey owned companies and they have not been subject to any legal challenge during the year.

7.5 Development Agreements

7.5.1 A development agreement is a term which is used to cover a variety of agreements amongst developers, landowners, purchasers, tenants and funders. Each agreement will, of course, require to be tailored to the parties and the circumstances of the particular development, but they tend to have a number of elements in common.

7.5.2 Many include some or all of the following obligations on the developer:

- to carry out the particular development in line with agreed plans and specifications;
- to procure the provision of collateral warranties by the contractor and consultants to the purchaser/tenants and funder;
- provisions which are designed to ensure the quality of the development;
- letting obligations, which set out the minimum criteria for any prospective leases which the developer seeks to secure, perhaps with an agreed form of lease attached; and
- A timetable for the development, including a longstop date for completing it.

7.5.3 All such agreements are agreed at Corporate Policy and Resources Committee

7.6 Commercial Property Portfolio.

7.6.1 At the Corporate Policy and Resources Committee on 13th April 2017 members agreed a criteria for investment in commercial properties.

7.6.2 The criteria included Lot size, Location, Asset quality, Tenant ease term, Tenant Covenant, Occupation and Tenure. In addition the committee agreed to delegate the application of the criteria to the Chief Executive following consultation with the Chairman of Corporate Policy and Resources Committee.

7.6.3 The criteria was revised at the meeting of the Corporate Policy and Resources on 10th May 2018 to increase the purchase price range to

£10 million. This was to enable the portfolio to be balanced and to take advantage of a gap in the market for lots between £5 million and £10 million.

7.6.4 The table below sets out the scoring criteria which is used to evaluate properties for the portfolio.

Financial considerations				
<p>Lot Size (Capital Value) - The core initial lot size target is £1.0m - £4m. Taking into account the Council's total investment return of £20m it is recommended that a minimum of 8 assets are held without any single asset being overly dominant. A spread of £1.0m to £4m implies an average asset value of £2.5m and a portfolio of c.8 assets.</p>	£2.0m - £5m	£1.0m - £2.0m or £5m - £7.5m	£500k - £1.0m or £7.5m - £10m	<£500k or >£10m
	5	3	1	0
<p>Rate of Return (Net Yield)* - Investments will look to achieve an overall target yield of circa +/- 1% of the average net yield of the entire portfolio for which the target is which is currently 7.0%.</p> <p>*the return to the council after consideration of agents fees (1%), legal fees (0.5%), Stamp Duty Land Tax (at prevailing rate), external management costs (if applicable), survey costs (estimated) and any void costs.</p>	6% to 8%	5% to 6% / >8% to <10%	<5% or 10%	N/A (property vacant)
	5	3	1	0
<p>Lot Size (Annual Rental Income) - The target income range is between £150k and £300k pa. This is driven by the Authority's target net return of 7% and the identified target lot size of £1.0m - £4.0m.</p>	£125k p.a. - £300k p.a.	£100k p.a. - £125k p.a. or £300k p.a. - £600k p.a.	£50k p.a. - £100k p.a. or £600k p.a. - £800k p.a.	<£50k p.a. or >£800m p.a.
	5	3	1	0
Property/Asset Considerations				
<p>Sector - The council should invest in a diversified and balanced portfolio with a focus on the traditional lower risk sectors of Offices, Industrial and Retail; the spread of sectors will limit the Council's exposure to volatility in a particular area.</p>	Traditional Property type (Office, Industrial, Retail)	Leisure	Healthcare or Other Business Uses	Residential

	5	3	1	0
<p>Location Quality - the 'Primeness' of an asset's location will depend very much on the nature of each individual asset and the market within which it competes. Prime locations by sector can broadly be outlined as follows:</p> <p>Offices - located within an established business district of a major UK city or on an established out of town business park with access to amenities and good transport links.</p> <p>Industrial - located within close proximity to UK motorway network or transport hub (airport/port/rail links) or an established and successful industrial/manufacturing park.</p> <p>Retail - located within the retail core of a major UK city or an established and successful out of town retail location.</p>	Primary	Secondary	Tertiary	N/A
	5	3	1	0
<p>Located Proximity to WLDC - Location will be dictated by opportunity to acquire investments that meet the strategy. A balanced portfolio would not usually be restricted to WLDC's administrative boundary and would consider opportunities to purchase further afield focusing initially on investments more locally, i.e. in the LEP/area, before expanding the search country/UK wide.</p>	Within WLDC	Within 1 hr drive time	Within 2 hr drive time	>2hr drive time
	5	3	1	0
<p>Tenure - When considering the tenure of an asset, freehold would be preferable to leasehold. Freehold provides the greater levels of security against a leasehold asset that would effectively decrease in value over time. However assets on long leasehold basis may still be suitable for consideration where the lease term remaining is 125 years or more.</p>	Freehold	Long Leasehold (125 yrs+)	Long lease between 75yrs & 125yrs	Long lease less than 75yrs
	5	3	1	0
<p>Building Condition - The age and specification of the property will also affect the ability of the Council to let or sell the property in the future. It must also be taken into consideration in respect of the cost of protecting the investment and the undertaking of repairs and refurbishment if the cost cannot be fully recovered from the tenant. Preference should therefore be for modern and efficient stock. Consideration should also be given to any landlord costs associated with works that may be required to bring the property up to a satisfactory EPC level (new leases should have a minimum EPC rating of 'E' by 1st April 2018) if it is not already.</p>	Good	Fair	Poor	Not Acceptable
	5	3	1	0
Security of Income/Leasing				

Covenant Strength - With tenanted properties there should be consideration of the quality of the tenant and more importantly, their ability to pay the rent on time and in full. Consider Dun & Bradstreet, Experia credit rating when applying Financial Covenant score. If Property is multi-let it may be acceptable to have some weaker tenants within the tenant mix as the risk is diversified to a certain extent.	Strong financial covenant	Good financial covenant	Limited financial covenant	Poor financial covenant/vacant
	5	3	1	0
Unexpired Lease length - In the case of a tenanted property, the unexpired length of the term of the lease is of key importance in ensuring that the landlord's revenue stream is uninterrupted. This must consider any upcoming breaks and assumes the tenant breaks at the earliest opportunity. For multi-let properties consider the Weighted Average Unexpired Lease Term (WAULT) i.e. the average lease term remaining to first break, or expiry, across the property weighted by contracted rent.	10yrs+	5yrs to 10yrs	Between 2yrs & <5yrs	Less than 2yrs/Vacant/Holding Over
	5	3	1	0
Rent Review - To increase income there must also be consideration of upcoming Rent Reviews in terms of the time frame and the method (i.e. upward only, RPI/CPI etc.) There should also be some consideration to the Rental Growth Prospects.	Stepped rent/RPI or fixed uplifts	Open Market Rent (5 yearly)	Unusual review format (i.e. 14 yearly)	No RRs
	5	3	1	0
Rental Growth Prospects - This considers the passing rent in relation to the market conditions and prospects for increase in income having regard to estimated rental value compared to passing rent. At a minimum the Market Rent should be equal to the Passing Rent.	Substantial Rental Growth Prospect	Some Rental Growth Prospect	Rack Rented/No Likely Change	Over rented (i.e. Passing Rent > Market Rent)
	5	3	1	0
Repairing terms - There should be preference for investments with full repairing and insuring (FRI) terms meaning that all costs relating to occupation and repairs are borne by the occupier(s) during the lease term with only insurance premiums recharged and service charge (if applicable).	Full Repairing/fully S/C recoverable	Internal repairing - s/c recoverable by capped	Internal repairing - partially recoverable	Internal Repairing - non-recoverable/Landlord only
	5	3	1	0
Occupancy rate - Ideally the property will be fully let and income producing. A vacant or mostly vacant property potentially provides the opportunity to increase income (depending on market demand, building condition etc.) Also, there should be consideration as to the ease of getting the property fully occupied and the expense which the Landlord will have to pay in the interim i.e. empty rates, repairs and redecoration etc.	Fully let (100% let)	Part Let, Part Vacant (>70% & <100% let)	Mostly Vacant (50% - 70% let)	Predominantly vacant
	5	3	1	0

- 7.6.5 One additional investment property was purchased during the year this was Land and Buildings on the North side of Wheatley Hall Road, Doncaster, DN2 4LT at the purchase price of £5,350,000.00
- 7.6.6 This purchase was reported to members at the Corporate Policy and Resources Committee on 7th November 2019 in accordance with the agreed delegations.
- 7.6.7 Members have been regularly updated on these properties in the budget monitoring reports which are provided on a quarterly basis to the Corporate Policy and Resources Committee.

8 Data Analysis Of The Number, Nature And Outcome Of Complaints Received Under The Code Of Conduct.

8.1 The Standards Sub-Committee at its meeting on 6 November 2019 received a report which presented a data analysis of the number, nature and outcome of complaints received under the Code of Conduct regime for the civic years the Civic Years 2016/2017 – 2019/2020 (to-date – which was August 2019)

8.2 The full report can be viewed at: -

<https://democracy.west-lindsey.gov.uk/documents/s16312/number%20nature%20and%20outcome%20of%20complaints%2019-20%20to%20date.pdf>

and includes information on the current approach adopted.

8.3 The sections below set out an updated position in respect of complaints data for the 2019/2020 civic year up to **March 2020**.

8.4 During 2019/2020 there have now been a total of 15 complaints.

8.4.1 11 relate to Parish Councillors and 4 relate to District Councillors.

8.4.2 The nature of these complaints is summarised below:

- | | | |
|---------------------------|---|-----------------------------------|
| • Respect | 4 | (District Council (3) Parish (1)) |
| • Openness | 1 | (Parish Council) |
| • Honesty | 2 | (Parish Council) |
| • Leadership | 3 | (Parish Council) |
| • Acting outside of remit | 1 | (District Council) |
| • Interests | 1 | (Parish Council) |
| • Bullying/ Harrass | 3 | (Parish Council) |

8.4.3 The Outcome of these complaints is summarised as follows: -

- Potential Breach 6* (deemed potential as investigation at this stage)
- Rejected 3
- Non Breach 9

8.4.4 Through the course of 2019/20 of the 6 potential breaches referred to above, 4 have been referred for investigation. 2 relating to a District Councillor and 2 relating to Parish Councillors.

8.4.5 The two complaints against the District Councillor were proven and this matter was reported through to Full Council in November 2019, as part of a full public report, and sanctions were imposed.

8.4.6 One complaint against a Parish Councillor, following investigation, resulted in a finding of no breach. No further action was taken and this was not part of a public report. The outcome of the other investigation into a Parish Councillor is currently awaited.

9 Recent Appointments made by the Monitoring Officer

9.1 Parish Council representatives on the Standards Committee.

9.1.1 There are two posts on the Standards Sub-Committee. These were both vacant following the May 2019 Elections. Following a recruitment process carried out by a panel of the Chair of the Standards Sub-Committee, The Monitoring Officer and the Deputy Monitoring Officer, two new Parish Councillors were recommended for appointment. These are Councillor Elizabeth Hillman from Saxilby Parish Council and Councillor Bruce Allison from Scotter Parish Council.

9.1.2 **Council are asked to ratify these appointments and formally appoint Parish Councillors Elizabeth Hillman and Bruce Allison be appointed as non-voting Parish Council Representative on the Standards Sub-Committee, until Annual Council May 2024 (or until such time as they no longer hold the office of Parish Councillor).**

10 Monitoring Arrangements for the Leisure Contract

10.1 The leisure contract is a comprehensive document which details the expectations from both parties. It covers activities at the Gainsborough Leisure Centre, expectations for Market Rasen Leisure Centre once it is completed and a range of outreach activity across the district. The provider is Everyone Active.

10.2 The performance of the contract is continually being monitored through monthly client meetings with the provider, Everyone Active, and through

ad-hoc visits on a weekly basis. All meetings are documented and service issues are considered.

- 10.3 During the year a number of issues have been raised by service users and Councillors regarding cleaning and hygiene. These have been addressed through meetings with the site manager and by ad hoc site visits by the contract manager. The contract manager has also engaged with the service users concerned and feedback has been provided. As a result plans have developed with the contractor to address the concerns. Actions include a modified cleaning regime and staff training.
- 10.4 There are measures in the Performance and Delivery report which members review on a regular basis these are
- Leisure Centre Usage
 - Customer Satisfaction
 - Number of outreach users
 - Number of users referred through participation in Healthy Lifestyle Schemes
 - Annual measure relating to whether or not external Quest accreditation has been maintained. Details of the scheme are available at <https://questnbs.org/about-us/about-quest>
- 10.5 We also monitor outcomes in the annual state of the District report which includes information relating to physical activity and participation in sport. Details of Sporting Facilities are also included in the state of the district report.

11 Support to Parish Councils.

- 11.1 As Monitoring Officer, I regularly support Parishes on an informal basis throughout the year. As well as through my powers in relation to the Code of Code Conduct. However, the Constitution also provides me the relevant powers to: -
4. To make, under Section 91 of the Local Government Act 1972, temporary appointments of members to town and parish councils following consultation with the Chairman of the Governance and Audit Committee. (Part IV / Page 33)
- 11.2 Following the Elections in May 2019, there were a number of Parish Councils who were not in a position to legally operate due to them not having the required number of elected members to be quorate. Being in this position means that even when the Parish Council find an interested party to join the Council, the Parish Council cannot formally co-opt that person as they do not have a quorum to make such a decision; they are in effect left in limbo.

- 11.3 During the 2019/ 2020 the Monitoring Officer, with assistance from Ward Members, has assisted four such Councils, using this delegated power, to varying degrees namely: -

Scotton
Northorpe
Brattleby
Langworth

- 11.4 The Monitoring Officer, Deputy Monitoring and relevant Wards members have for short periods acted as Members of these Parishes purely for the purposes of ensuring any interested parties can be legally co-opted ensuring the Parish Council is therefore in a position to continue function independently.
- 11.5 Sometimes this has seen multiple appointment made to a single Parish Council and administrative actions being undertaken to keep the Parish Council functioning.
- 11.6 All of these Parishes are now in a position to function independently once again.
- 11.7 This level of support will be formalised in the emerging Parish Charter.

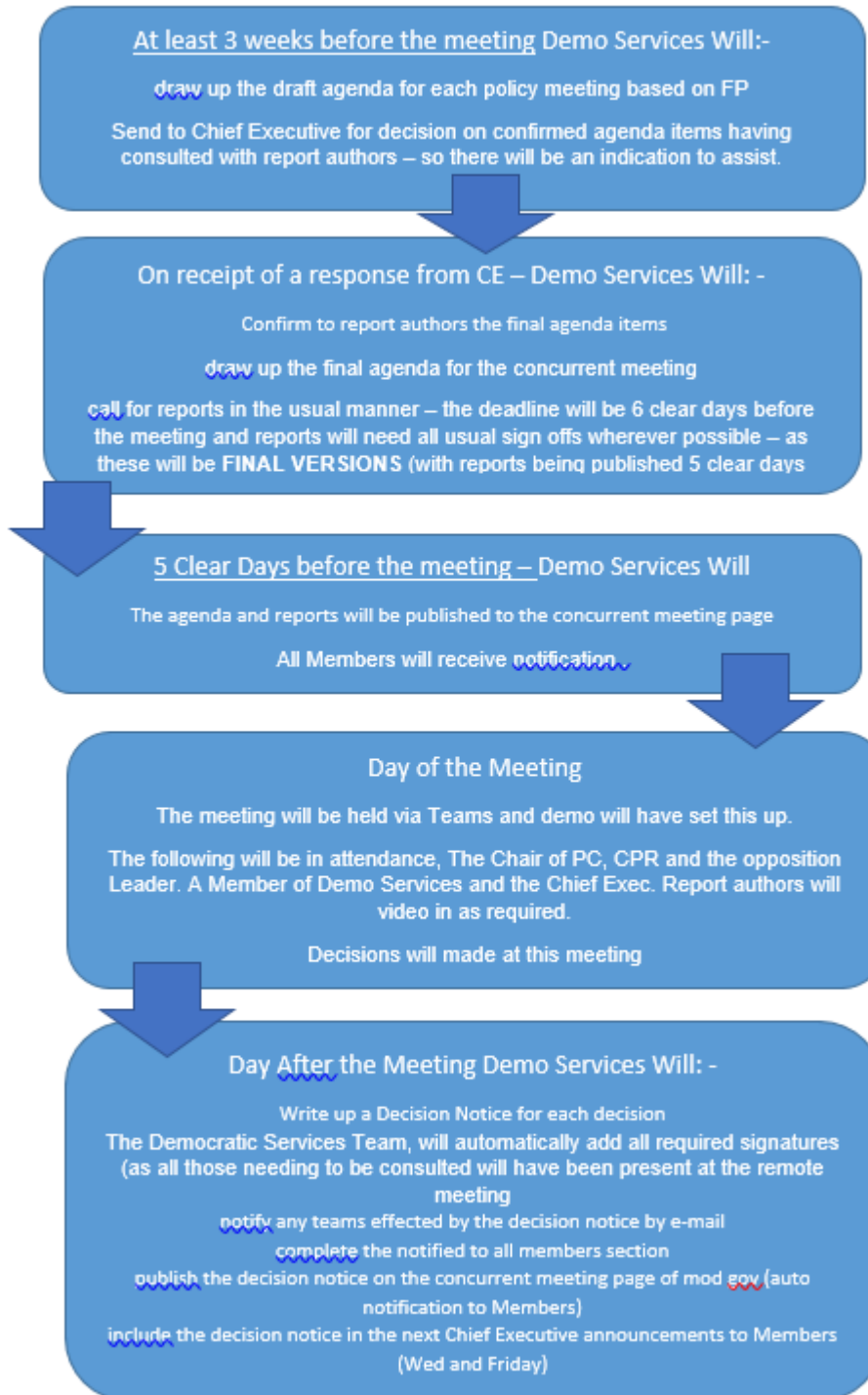
12 Interim Decision Making Process during COVID 19 outbreak.

- 12.1 In March 2020 the COVID 19 outbreak lead to a number of changes to the decision making process at West Lindsey DC. All meetings were cancelled and the use of the delegation scheme was invoked as an alternative to Committee decisions.
- 12.2 The constitution allows for this situation and gives the appropriate delegations to the Head of Paid Service in consultation with key elected members. This is in accordance with paragraph 4 of the Head of Paid Service duties which are contained in part IV of the Constitution.

4. To determine any matter within the referred or delegated powers and duties of a committee/sub-committee/board/ working group which is so urgent that a decision must be made before the next meeting of that committee/sub-committee/board/working group is due to be held.
(Limits on delegations: Before making any decision pursuant to this delegated power, the Head of Paid Service shall consult with and take cognisance of the views of the Chairman of the relevant committee/ sub-committee/ board/ working group (or, in his/ her absence, the Vice-Chairman of that committee/ sub-committee/ board/ working group). Any decision taken by the Head of Paid Service under this delegated power shall be reported to Members within five working days of the decision being taken.

The Governance has been tested by the emergency and the Constitution has enabled all necessary action to be taken without making any changes.

12.3 The flow chart below gives details of the process of decision making during the emergency situation

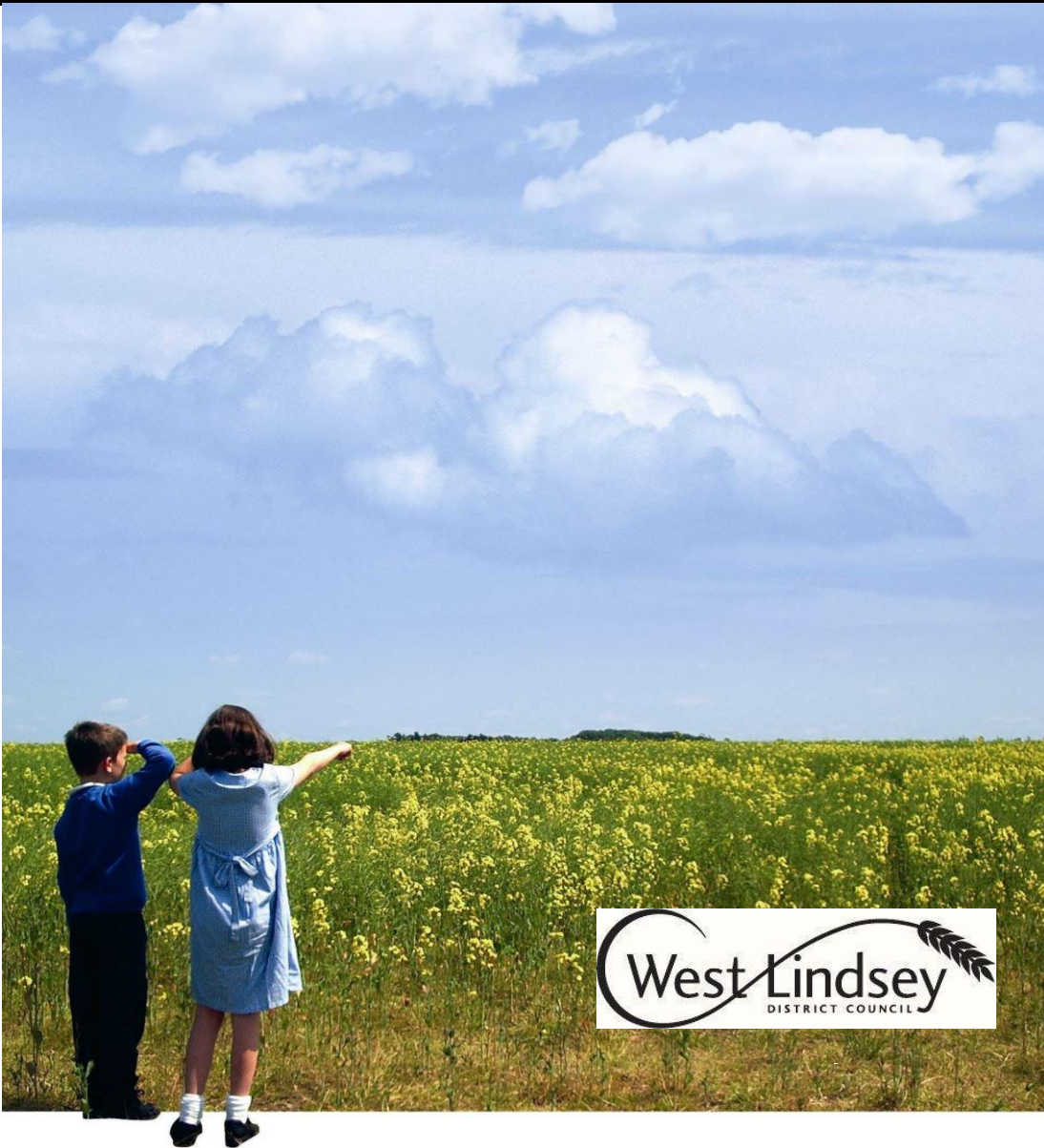


12.4 As of 4 April 2020, Regulations permitting remote or virtual meetings became effective and the Authority reviewed its previous decision to suspend all meetings.

- 12.5 A revised Committee timetable has been agreed and a managing virtual meetings procedure has been developed.
- 12.6 The Authority has used a combination of MS Teams and “connect anywhere” software, developed by our webcast provider, Public-I, to meet all the requirements of the regulations.
(<http://www.legislation.gov.uk/uksi/2020/392/contents/made>)
- 12.7 The Authority has been able to maintain public participation and has not needed to reduce committee membership to quorum levels.
- 12.8 The regulations which support virtual committee meetings, cease to become effective on 7 May 2021. Throughout the 20/21 Civic year the use of and need for virtual committees will remain under review. At the time of writing this report, virtual committees are expected to be in place until at least September 2020.

West Lindsey District Council

Participation at Planning Committee Meetings



Revised May ~~2019~~ 2020

West Lindsey District Council is committed to extending public involvement in the planning process.

There are already extensive consultation and neighbour notification procedures for all planning applications. This leaflet explains how you can speak directly to Councillors at Planning Committee meetings.

The advice in this leaflet applies equally to applicants, their agents, supporters, objectors and local council representatives.

Questions and Answers

Q Can I get a copy of the agenda before the meeting?

A The agenda, containing details of each application, will be available on the Council's website, at the meeting and will be available for inspection at the council's offices five clear days before the meeting.

Q Does "public participation" alter the existing arrangements for the publicity of planning applications?

A No. Planning applications will continue to be publicised as at present.

The council's Planning Committee generally consider applications which are of wider significance or of major importance to the district as a whole, while decisions on simple or straightforward applications are usually delegated to officers. You may need to check with Planning & Development Services on 01427 676676 (following Options for the Planning Team), or email: planning_customer_care@west-lindsey.gov.uk if you are not sure if the application in which you are interested is to be considered at a Planning Committee meeting.

Applicants, agents and town or parish councils will be informed ~~about~~ approximately five days before the meeting if an application in which they are interested is on the agenda for that meeting. All other interested parties (i.e. anyone else that has commented/local residents) need to view dates and agendas for forthcoming committee meetings on the council's website. Unfortunately it is not possible to notify interested parties (other than the parish council) directly. Where a planning application is dealt with by officers under delegated powers, clearly public participation at a Planning Committee will not apply.

Q If I object to a proposal, do I have to speak at the committee meeting?

A No. Details of all objections, if received in time, are reported to the committee anyway. It is entirely at your own discretion whether you ask to speak at committee. Objections are available to view using the application tracker pages of the council's website (www.west-lindsey.gov.uk).

Q If I am the applicant or agent, do I have to speak at the committee meeting?

A No. If the recommendation to the committee is to approve the proposal, you may decide not to take up committee time. If the recommendation is for refusal, you may wish to present your case. Please note, however, that a recommendation is not always accepted by the committee.

Q If I wish to speak, how do I arrange it?

A If you wish to speak, you will need to telephone or e-mail the Democratic Services team on:
01427 676594, 676595 or 676606
committeeadmin@west-lindsey.gov.uk to register your request.

All speakers, including members of the public, visiting Ward Members and County Councillors are required to comply with the requirement to register in advance of the meeting (by 5pm two working days before the meeting). i.e. on the Monday for a Wednesday meeting or the Friday if the Monday is a Bank Holiday.

You can register as soon as you become aware of the application even if you do not know at that stage whether the application will be dealt with by officers or submitted to committee. Late requests to speak will not be accepted, unless there are exceptional circumstances.

Q Where and when are the committee meetings held?

A Meetings of the Planning Committee are generally held every four weeks on Wednesdays at 6.30pm in the Council Chamber, Guildhall, Marshall's Yard, Gainsborough.

Q When will the application be considered?

A Applications on which the public wish to speak may be considered before other applications. If you make arrangements to speak, you should endeavour to be present at the start of the meeting. Applications will not be deferred or delayed in the event of late or non-attendance. Specific times for the discussion of particular applications cannot be given.

Q What is the order of speaking on each application?

A One of the planning officers will introduce the item. Speakers will be invited to speak in the following order:

- Town/Parish Council/Meeting representative
- Supporters (including the applicant(s) and/or agent(s))
- Objectors
- Ward and/or County Councillors (for the Ward being dealt with as part of the application)

Please ensure that you make it clear in what capacity you wish to speak: objector; supporter; Parish/District/County Councillor.

The committee will then consider the application and reach a decision. If at the meeting a deferral or site visit is agreed arising from comments made during public participation, you may speak again at the meeting when the application is next considered.

~~Standing advice to all WLDC Members would be to leave the Chamber for the remainder of the debate on the item they have spoken on.~~

Q How long will I be able to speak for?

A There is a time limit of five minutes for each category of speakers. ~~Into whichever category you fall, You are encouraged to get together and arrange a single spokesperson, no matter which category you fall under.~~ A maximum of three speakers will be allowed in each category, sharing the time equally, if agreement cannot be reached. If more than three still wish to speak, time will be allocated on the basis of the first three who registered with the Committee Administration team.

Commented [J01]: Remove plural

Q Can I ask questions of other speakers?

A No. Comments should be in the form of statements rather than questions. It is important to focus comments on material planning matters that have not otherwise been raised by other speakers.

Q Can I use photographs or plans or circulate supporting documents?

A Documentation in support of oral representations is permitted provided a copy is submitted to Planning Services by no later than 12 noon on the day preceding the committee meeting.

Q What are the relevant issues in considering proposals?

A The relevant issues will vary with the nature of the proposal and the site, but may include the following:

- Local and Neighbourhood Plan policies

- Government planning guidance
- Planning law and previous decisions
- Highways safety and traffic issues
- Noise, disturbance and smells
- Design, appearance and layout
- Conservation of historic buildings, trees ~~eteetc.~~
- Residential amenities and Environmental impact
- The current Minerals and Waste Plan for the area

Q What issues are usually not relevant in considering proposals?

A They will also vary from case to case, but the following are examples:

- Matters covered by other laws (*e.g. alcohol licensing*)
- Private property rights (*e.g. boundary or access disputes*)
- The applicant's morals or motives
- Suspected future development
- Loss of view
- Effect on value of property

Allegations of factual errors in the report are not to be the subject of oral representations. If you believe this to be the case, you must take this up in writing with the Planning and Development Services Manager prior to the meeting. You should particularly note that you should not make derogatory or defamatory remarks about other people. Any such comments may leave you open to legal action.

Q Can I speak more than once on the same application?

A The Planning Committee may seek points of clarification from participants. If a motion for deferral/a site visit arises from listening to the comments made during the public participation period and is duly agreed, public participation arrangements will apply to that item when it is next considered.

Q Whom do I ask if I have any other queries?

A If you have any questions not answered by this leaflet, you are welcome to contact:

Democratic Services

**West Lindsey District Council Guildhall, Marshall's
Yard Gainsborough, Lincolnshire DN21 2NA**

Telephone: 01427 676594/595/606

Email: committeeadmin@west-lindsey.gov.uk

Notes:

- Councillors are elected to represent you on the District Council. You might like to contact your Councillor about the application concerned, but he/she will not be able to commit him/herself to a decision before hearing all the evidence and debate at the meeting. Councillors must take into account the laws and planning guidance as well as public opinion.
- The Chairman of the Planning Committee has absolute discretion regarding the interpretation of this scheme and its temporary suspension, variance or withdrawal at a particular meeting if it would be conducive to the debate or in the event that it becomes, or threatens to become, disruptive to the conduct of the meeting or the proper and lawful exercise of the council's statutory powers and duties.
- Minutes of Committee Meetings are published on the website and may also be viewed at council offices. Copies can be provided on request. There is a charge to cover printing and postage costs.

Other Leaflets in this Series:

Public Participation at Committee

Meetings and

Public Question Time at Council Meetings

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За повече информация пръстен 01427 676676
Lisainformatsiooni ring 01427 676676
अधिक जानकारी के लिए रिंग 01427 676676
További információ gyűrű 01427 676676
Lai iegūtu vairāk informācijas gredzenu 01427 676676
Norėdami gauti daugiau informacijos žiedo 01427 676676
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Pentru mai multe informații inel 01427 676676
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If you would like a copy of
this in large, clear print,
audio, Braille or in another
language, please telephone
01427 676676

Guildhall, Marshall's Yard
Gainsborough, Lincolnshire DN21 2NA
Tel: 01427 676676 Fax: 01427 675170
DX 27214 Gainsborough

www.west-lindsey.gov.uk



May ~~2019~~-2020

Development Management

1. To determine the following:

- Applications for planning permission
- Applications for Listed Building and Conservation Area Consent
- Applications made under the Hazardous Substances regulations
- Applications for consent to display advertisements

The above powers cannot be used if the following circumstances apply:

- (a) In the case of an application it is intended to determine in conflict with a representation received from a parish or town council, a neighbour or other person or organisation, that application will be referred to the Planning Committee for determination where, in the professional opinion of the Strategic Lead, appropriate Team Manager or senior officer within Development and Neighbourhoods or Strategic Growth:
- (i) The representation relates to a “planning matter”; and
 - (ii) The representation and the planning matters raised are directly relevant to the application under consideration; and
 - (iii) The planning matters under consideration in the determination of the application are finely balanced.
- (b) The application has been subject to a request by a Parish Council, made during the formal 28 day consultation period to have it determined by the Planning Committee for the following reason;
- (i) In the opinion of the Parish Council making the request, it would comprise a departure from the policies of the Neighbourhood Plan (which has reached at least the Regulation 16 consultation stage) and they have set out which specific policies they consider are in conflict and why;

It will be for the **Executive Director of Operations** or senior officer to decide in consultation with the Chairman of the Planning Committee, on the basis of the planning reasons given by the Parish Council or planning policies referred to, whether the application should be referred to the Planning Committee for determination.

Note: re-number from here

- (b) The application has been subject to a request by a Councillor, made during the formal 28 day consultation period and is

supported by relevant planning policies and other material planning considerations that are directly relevant to the application being considered, to have it determined by the Planning Committee for one of the following reasons;

- (i) The application is of major importance or significance to the District as a whole and therefore requires the input of Councillors in its determination
- (ii) There is, in the opinion of the Councillor making the request, a valid planning reason why the application should be determined by the Planning Committee and this is supported by relevant planning policy.

It will be for the **Executive Director of Operations** or senior officer to decide in consultation with the Chairman of the Planning Committee, on the basis of the planning reasons given by the Councillor or planning policies referred to, whether the application should be referred to the Planning Committee for determination.

- (c) An application has been on deposit in the statutory register for a period of less than 28 days or the period allowed for consultation replies to be received has not expired, whichever is the later.
- (d) The applicant or agent is a Councillor.
- (e) The applicant or agent is from the immediate family of a Councillor.
- (f) The applicant or agent is an officer of the Council.
- (g) The applicant or agent is from the immediate family of an officer of the Council.
- (h) The Executive Director of Operations or senior officer within considers it

appropriate that the application is determined by the Planning Committee.

- (i) Any application where the recommendation is for approval which is in conflict with a policy of the **adopted** Central Lincolnshire Local Plan or any Neighbourhood Plan ~~that has passed Regulation 14 stage, being those plans at either an official draft stage or 'made' (adopted) Neighbourhood Plan.~~

- 2. To determine all other matters which are part of the development management process, including (but not exclusively):



CONTRACT & PROCUREMENT PROCEDURE RULES

In partnership with Procurement Lincolnshire

Revised March 2020

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Contract & Procurement Procedure Rules

1. INTRODUCTION AND SCOPE

Contract & Procurement Procedure Rules (CPPR's) inform officers involved in procurement of the mandatory requirements when undertaking procurement and developing contract documentation.

The CPPR's advise on procedures for the purchase of goods, works and services and should be read together with Financial Procedure Rules within The Constitution and the Public Contract Regulations 2015 <http://www.legislation.gov.uk>, and apply to all officers employed by the Council and any persons appointed to work with or on behalf of the Council.

In the event of any conflict between EU law, UK law and these Contract & Procurement Procedure Rules, the requirements of European law shall prevail over UK law and the requirements of UK law shall prevail over these Procedure Rules.

In support of continuous improvement, Contracts need to be devised that drive down costs, drive up quality and still provide an incentive for both partners.

Following these CPPR's will ensure that the Council promotes good purchasing practice, deters corruption and prevents allegations of incorrect or fraudulent purchase.

When carrying out any procurement, consideration shall be given to the four principles:

- Transparency
- Non-discrimination
- Proportionality
- Mutual consideration

1.1 BASIC STANDARDS

The purpose of the CPPR's is to:-

- Help officers procure their contracts in a consistent and proper way;
- Ensure legal clarity and reliability in contract administration;
- Help ensure that expenditure involved in contracts is controlled within approved budgets;
- Support officers to achieve and demonstrate best value for the Council;
- Ensure compliance with Public Contract Regulations, Financial Procedure Rules, applicable Grant Funding regulation and with all UK and European Union legal requirements;
- Ensure fairness in allocating public contracts;
- Comply with all legal requirements;
- Comply with the Councils' policies; and
- Comply with the Councils' corporate and service aims and objectives

In addition, ensure that: -

- Any grant money received must be spent in line with these Contract & Procurement Procedure Rules unless the grant conditions state otherwise;
- The purchase has been authorised by the relevant level of management;
- It is a lawful purchase; and
- Processes are in place to maintain the security and integrity of data;

Officers involved in any procurement will make sure that:

- The rules set out in this document are followed;
- Any additional legal or financial advice is sought prior to commencement or during the procurement process;
- Any personal financial interest in a contract is declared prior to commencement of the procurement process;
- All bids are kept confidential;
- A written contract is issued and signed by both parties or purchase order is issued before the supply of goods, services or carrying out of works begin;
- Where appropriate identify a Contract Manager with responsibility for ensuring the contract delivers as intended; and
- A review of each contract is carried out at an appropriate stage in a term contract or at the end of a fixed term contract.

1.2 CONTRACTS

All contracts must comply with the Contract & Procurement Procedure Rules. A contract is any arrangement made by, or on behalf of, the Council, for the carrying out of works or for the supply of goods or services. These include arrangements for:

- The supply of goods;
- Execution of works;
- The delivery of services;
- The hire, rental, repair, maintenance or lease of goods or equipment.

For the purposes of these CPPR's contracts do not include:

- a) Contracts of employment which make an individual a direct employee of the Council;
- b) Agreements regarding the acquisition, disposal, or transfer of land (for which Financial Regulations apply); or
- c) Awarding of Grant monies.

1.3 CONCESSION CONTRACTS

A concession contract is an agreement between the Council and an Economic Operator (mostly private companies) where the Economic Operator is given the right to exploit works or services provided for their own gain. Economic Operators can either receive consideration for their services solely through third party sources, or partly through consideration from the Council, along with income received from third parties.

There are two types of concessions contracts: works concessions and service concessions. In a works concession, the Economic Operator operates, maintains and carries out the development of infrastructure. In a service concession, the Economic

Operator provides services of general economic interest.

Advice must be sought from Procurement Lincolnshire prior to tendering a concessions contract.

1.4 RESPONSIBILITIES

1.4.1 The Management Team (MT)

The MT have joint responsibility for:

- Ensuring that procedures for procurement are sound and properly administered;
- All staff comply with these Contract & Procurement Procedure Rules.

The Section 151 Officer (Chief Finance Officer) is responsible for ensuring all income and expenditure is lawful. In addition, the Section 151 Officer will also monitor the use of the exception process (section 2).

1.4.2 Managers

Will be responsible for:

- Ensuring staff are aware of their responsibilities under these procedures and receive adequate training and guidance;
- Ensuring officers assigned to manage contracts, update those contracts with the relevant management information, i.e., orders, invoices, minutes, etc. in the current contract management depository;
- Ensure sufficient time and resource is allocated to the pre-procurement and tendering process.

1.4.3 Contract sign off

Sign off on Contract documentation on behalf of the Council will be as follows dependent on financial limits allocated:

Total Contract Value	Sign off
Under £5k	Team Manager
Contracts £5k - £30k	Team Manager / Management Team
Contracts above £30k	Member of Management Team

1.4.4 Procurement Resources

1.4.4.1 Contracts & Procurement Officer

Will be responsible for:

- The Council's Electronic Contract Register which holds all contracts where the estimated contract value is £5,000 and over, including extensions.
- Ensuring safe keeping of an electronic copy of the signed contract is held where a contract is formed in addition to a Purchase Order

Commented [AG1]: Renamed due to organizational structure

Commented [AG2]: Addition to cover monitoring of exception process

Commented [AG3]: Addition required to cover sign off authority

- All approved exceptions are held on the Contract Register
- All Consultancy and Interim appointments are held on the Contract Register
- Ensuring completion of all procurement and contract documentation, including sign off on award/non-award letters for procurements under EU threshold.

Commented [AG4]: Addition to cover authority of Contracts Officer

The Contracts & Procurement Officer is authorised to carry out procurement, under EU threshold, for supplies, services and works on behalf of the Council, and shall ensure that the principles and standards of these CPPR's are complied with. Additional support for procurements over £75k will be provided by the Procurement Lincolnshire District Liaison Officer. Advice must be sought from Procurement Lincolnshire with regard to any deviation from the CPPR's and an Exception Report shall be submitted to the Section 151 Officer for approval.

Commented [AG5]: Increase in financial limit for CPO procurements

The officer must check whether a suitable Contract or Framework Agreement exists within the Council, which can be utilised, before engaging in a Procurement exercise. A framework should be used unless there is a good reason not to, i.e., limited suppliers, timescales, etc., and any reason must be recorded.

The officer must also ensure that any agents acting on the behalf of the Council comply with the CPPR's and all other relevant regulations, and with all UK and EU binding legal requirements.

1.4.4.2 Procurement Lincolnshire District Liaison Officer

The Shared Service agreement with Procurement Lincolnshire provides an additional procurement resource to assist the Council with high value or complex procurement enquiries, as required, in particular with focus on procurements over the value of £75,000.

2. EXCEPTIONS TO COMPLIANCE WITH THE CONTRACT & PROCUREMENT PROCEDURE RULES

Exceptions are provided in circumstances where the Chief Finance Officer (Section 151 officer) believes an alternative route to normal tendering procedures is required.

Commented [AG6]: Changed at request of Finance Manager

Exceptions may be necessary because of an unforeseen event has occurred whereby there may be immediate risk to persons or property, or potential serious disruption to Council services.

Exceptions are not a substitute for occasions where procurement planning has not been exercised and there is insufficient time to undertake a competitive process.

The exception report shall be completed by the Contracts & Procurement Officer and submitted to the appropriate authority for approval as follows:-

- The appropriate Committee or Full Council if:
 - The value of the contract is over EU threshold and approval has been given by Legal Services and/or Procurement Lincolnshire: and

Commented [AG7]: To cover if requirement is urgent or Full Council is earlier than relevant Committee

Commented [AG8]: Either or option needed dependent on requirement

- The tendering exercise would not achieve best value.
- The Management Team (one member to sign on behalf) if:
 - The potential value of the contract is between £75k – EU threshold; and
 - A quotation or tender differs marginally from the specification but nevertheless represents the best value for West Lindsey; or
 - There is only one potential supplier or contractor.
- The Section 151 Officer if:
 - The value of the contract is below £75k; and
 - The requirement is of an urgent nature; or
 - Social value is of high importance; or
 - There is only one potential supplier or contractor; or
 - There are unforeseen events.

Commented [AG9]: To clarify that one member can sign on behalf of MT

All exceptions shall be recorded on the Councils' Contract Register.

3. JOINT COMMISSIONING

When the Council jointly commissions services with other public sector bodies, the following procedures shall apply:-

- The parties concerned will decide which of them is to act as the lead authority for the purposes of the particular service that is to be commissioned;
- The procedures for the procurement of services of the lead authority shall be followed;
- All participating authorities will be issued with a signed copy of the agreement.

Contracts entered into through collaboration with other public sector bodies, where a competitive process has been followed that complies with their equivalent to the CPPR's will not require an exception from this Council's CPPR's.

4. APPOINTMENT OF CONSULTANTS, INTERIM STAFF AND TEMPORARY STAFF

Consultants

Definition – a person who provides expert knowledge and advice in a particular field

Where, it is considered necessary to appoint a consultant to provide the services to the Council the following procedure shall be undertaken.

The Service shall submit a report to the Management Team setting out:

- The nature of the services for which the appointment of a Consultant is required;
- The estimated Total Contract Value of the services;
- The preferred Procurement route (RFQ, tender, framework, via agency);
- That no employee of the Council has been identified with the capacity or availability to undertake the services;
- The identified budget availability as agreed with Finance.

If it is the opinion that the nature of the services required is so specialist that fewer than three Applicants would be able to provide the services the officer must record in writing the reason why the services are so specialist and, subject to the approval of the Management Team, may send the invitation to one/two Applicant(s) only.

If permission is granted, an RFQ/Invitation to Tender for the provision of consultancy services must include as a minimum:

- a specification for the services;
- a questionnaire seeking details of the applicant's experience in providing similar services;
- the Council's standard contractual terms on which it is intended to appoint the consultant to provide the services; and
- the Award Criteria.

The estimated Total Contract Value will dictate which Procurement route is applicable.

The Service will, in liaison with Human Resources, obtain responses in line with the identified procurement route, for evaluation. Human Resources will ascertain as to whether IR35 (intermediaries legislation) will apply.

Where it is deemed that IR35 will apply, the status check report and cost implications of such appointment must be highlighted. No consultant is to be appointed without confirming if the IR35 rule applies to an engagement.

IR 35 is legislation which affects Tax and National Insurance contributions relating to appointments whereby consultants are contracted to work through an intermediary.

The intermediary can be:

- a limited company;
- a service or personal service company; or
- a partnership

The potential candidates will be evaluated and HR will then carry out the relevant checks and assurances. The Service will then submit a final report to the Management Team detailing the proposed appointment and costs for approval. If approved, the successful candidate will then be engaged. HR will then ensure the contract documentation is completed.

Once the consultancy assignment is completed, the Service must submit a report to the Management Team detailing the total cost of the engagement, the benefits and whether the aims and objectives were achieved.

Interim Staff

Definition – a person employed for a set period of time, experienced professional with niche skills, able to cover long term leave or manage a project

Where, it is considered necessary to appoint an interim to provide long term cover for an existing post within a Service the following procedure will be undertaken.

The officer must submit a report to Human Resources and Financial Services setting

out:

- The nature of the services for which the appointment of an Interim is required;
- The estimated Total Contract Value of the services;
- The preferred Procurement route (RFQ, tender, framework, via agency);
- That no employee of the Council has been identified with the capacity or availability to take over the post;
- The identified budget availability as agreed with Finance.

Where the interim resources is for additional capacity or for specific project delivery, The officer must submit a report to the Management Team setting out the items as detailed above.

If permission is granted, an RFQ/Invitation to Tender for the provision of interim services must include as a minimum:

- a specification for the services;
- a questionnaire seeking details of the applicant's experience in providing similar services;
- the Council's standard contractual terms on which it is intended to appoint the interim to provide the services; and
- the Award Criteria.

The estimated Total Contract Value will dictate which Procurement route is applicable. The potential candidates will be evaluated and HR will then carry out the relevant checks and assurances. The successful candidate will then be engaged. HR will then ensure the contract documentation is completed.

Where the employment of a Consultant or Interim is estimated to attain a value of £5,000 or over, an entry shall be made on the Council's Contract Register.

HR will ensure that all documentation relating to the appointment and engagement of a Consultant or Interim will be stored in a secure environment.

Temporary staff

Definition – a person hired through an agency to cover unexpected short term defined work.

The Service Manager will complete a vacancy request form. It will be assessed by finance for budget requirements and if approved, will then be forwarded to Human Resources (HR) to source suitable agencies. The number of CV's required will be dependent on the budget (see procurement thresholds for quotes).

HR will complete relevant employment checks. If the candidate is self – employed through an agency the Service will be required to sign the agency contract. If the candidate is not self-employed through an agency, HR will complete the Council agency contract document and arrange for a signature from the successful candidate.

5. E-PROCUREMENT

Electronic tendering is the compliant method of carrying out an Invitation to Tender (ITT) or Request for Quotation (RFQ) process where the value of the contract will be £5,000 and above.

When calculating the expected value of a contract, the final cost will be identified through the total capital and/or revenue expenditure over the projected life of the contract; this will also include any extension periods. If dealing with open-ended contracts the total value should be costed over a four year period.

The electronic tendering portal has a Contract Register and Contract Management module within. It will be the responsibility of the Contracts & Procurement Officer to ensure the register is up to date, all awarded contracts are published and contract management is in place. It will be the responsibility of the Service to ensure all relevant documentation relating to the contract management is uploaded, and the contract is managed through to end of contract term.

6. STEPS PRIOR TO PROCUREMENT

Before engaging in a procurement resulting in a Contractual arrangement, the following must be considered:-

- Is the proposed contract in line with the Council's Corporate Plan, aims and objectives?
- Has it been identified as part of business planning?
- Have all options for delivering the contract been explored?
- Is there a budget in place or will one need to be developed?
- Will the proposed contract provide value for money in line with good quality?
- Will this procurement secure any wider social, economic and environmental benefits for the West Lindsey District - (Social Value)?

Commented [AG10]: Addition to support robust process

Commented [AG11]: Addition to cover introduction of Social Value

For potential procurements not already identified and approved by the Management Team through the Business and/or Service Plans and are considered to be outside 'Business as Usual', these must be authorized through a Business Case detailing:

- The need
- The value
- The objectives
- The risks
- The governance and data protection
- The market
- The most appropriate procurement method
- The resources required for procurement process
- The resources required for ongoing management and monitoring of the contract

6.1 BEST VALUE

Procurements should consider how the contract will impact on the economic, social value and environmental wellbeing of the district and Lincolnshire as a whole, as required by the Public Services (Social Value) Act 2012.

Where necessary, the Council should consider as part of an assessment:

- How the proposed procurement might improve the economic, social and environmental well-being of the relevant area
- How, during the development of the procurement documentation, the potential improvements can be incorporated, to secure delivery
- Whether any consultation is necessary

6.2 LOCAL SUPPLIERS

For the purpose of these regulations a local supplier is defined as those “who’s trading premises are located in Lincolnshire and/or a 20 mile radius of the County”.

6.3 USING A FRAMEWORK AGREEMENT

A framework is an agreement put in place by a Contracting Authority that may be used by other purchasing organisations, subject to that organisation having been included in the original OJEU notice and identified within the contract documentation, (there maybe more than one Contracting Authority).

The purchasing organisation (the buyer) can call off from a framework by either Direct award or Further Competition according to the detail of the Call-Off procedure included in the contract documentation. As a framework has already satisfied the procurement procedures included in an OJEU tendering process they can often be a faster route to procurement. However for a Direct Award the requirements of the buying organisation must be precise in detail with that within the framework, this means no change to specification, terms and conditions, standards, price and costs, payment terms etc. Documentation for either a Call-Off or Further Competition is often supplied by the Framework Contracting Authority and part of the framework portfolio documents.

Prior to any procurement the officer responsible for carrying out the procurement activity must consider as to whether there are any frameworks available and suitable for meeting the buying organisations purchasing need.

Engagement of a supplier and formation of a contract must be executed in accordance with the framework procedures (it is the Call-Off order that forms the contract within the Framework). Officers must ensure that they fully understand the terms and conditions, are familiar with and understand all of the Framework and Call-Off procedures documentation along with buyer eligibility before using the framework.

To make a direct award the buying organisation must be able to differentiate amongst suppliers and demonstrate a value for money approach.

6.4 GRANT MONIES

Procuring contracts using external grant monies can involve additional regulatory requirements and additional scrutiny. It is therefore mandatory that both the Service and officer responsible for conducting the procurement are fully conversant with all of

the requirements of the relevant funding bodies and identify any risks in a pre-procurement risk register.

The procuring officer shall ensure they engage with Procurement Lincolnshire to maintain assurance that the correct process is followed and any additional guidance is provided.

NOTE: Specifically for ERDF funding, officers must appraise the intended procurement activity against the ERDF published 'common mistakes' guidance prior to initiating any procurement activity to ensure all of the common mistakes are avoided.

6.5 STATE AID

State aid is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union (EU).

The definition of state aid is very broad because 'an advantage' can take many forms. It is anything which an undertaking (an organisation engaged in economic activity) could not get on the open market.

State aid rules can (among other things) apply to the following:

- Grants
- Loans
- Tax breaks, including enhanced capital allowances
- The use or sale of a state asset for free or at less than market price

The rules can apply to funding given to charities, public authorities and other non-profit making bodies where they are involved in commercial activities.

Prior to undertaking any tender the Service must give consideration as to whether there are any state aid implications, advice to be sought from Procurement Lincolnshire.

Where any state aid implications are found, Legal Services should be consulted before continuing with the procurement.

6.6 INFORMATION GOVERNANCE AND DATA PROTECTION

The Contracts & Procurement Officer, when engaging in any procurement process, must consider as to whether any of the requirements of the General Data Protection Regulations will apply. If it is anticipated that personal data is to be processed, the officer must ensure that safeguards are built into the tender documentation and assessed, where appropriate, as part of the evaluation.

6.7 TUPE

When undertaking a procurement exercise, consideration must be given as to whether any Transfer of Undertaking (Protection of Employment) TUPE issues may arise.

Human Resources and Legal should be consulted before the procurement process commences.

7. THRESHOLDS

The following table shows the financial threshold levels for Procurement:

Goods and Services

up to £5,000	one written estimate/quotation (email included)
£5,001 - £25,000	two quotations
£25,001 - £75,000	three independent quotations (no group relationship) (RFQ)
£75,001 – EU threshold (£189,330)	four independent quotations (no group relationship) (RFQ)
over £189,330.00	full EU tender process (ITT)

Works contracts as above until

£189,330.00 - £4,733,252	Five independent quotations (no group relationship) or by advertisement
Over £4,733,252	full EU tender process (ITT)

Compliance with the CPPR’s must not be avoided by disaggregating spend into lesser values.

8. BELOW OJEU THRESHOLDS FOR PROCUREMENT OF SERVICES

8.1 SELECTING THE CORRECT PROCESS

When engaging in any procurement the Service must ensure that good quality and best value is obtained for West Lindsey.

Contracts up to £5,000

- Minimum of one written quotation is required for services and goods, which includes similar types of process (e.g. looking up from a catalogue). An email will be acceptable. A local supplier shall be used where appropriate.
- The form of contract will be a completed West Lindsey District Council Purchase Order raised through the Financial Management System Purchasing Module.

Contracts from £5,001 to £25,000

- Procurement of contracts for £5,000 and over shall be carried out through the Electronic Tendering Portal.

- Pre-Procurement approval is required from **Team Manager** or Management Team.
- A minimum of two written quotations is required. One of the quotations shall be from a local supplier, where possible, and a local supplier shall be used if they provide the most economically advantageous offer.
- The minimum requirement for the form of contract will be a properly completed official West Lindsey District Council order raised through the Financial Management System Purchasing Module. An accompanying letter or e mail, cross-referenced to the order, should give further details if necessary. For the higher value contracts it may be pertinent to have a formal contract document signed by both parties.
- All Awarded Contracts of £5,000 and over shall be published on the Contract Register. Contracts under £5,000 will be entered at the discretion of the Service.
- The Service will be responsible for updating the contract on the management module through the term of the contract.

Commented [AG12]: Addition as Team Manager financial limits are £30k

Contracts from £25,001 to £75,000

- Procurement of contracts for £5,000 and over shall be carried out through the Electronic Tendering Portal.
- Pre-Procurement approval is required from **Team Manager**, or Management Team.
- Procurement at this level has two options.
 - Option 1 – Seek a minimum of three written quotations.
 - Option 2 – Advertise the opportunity on Source Lincolnshire and Contracts Finder. This process will be conducted through the Open Procedure. Permission must be sought from the Director of Resources
- Quotations must be based on a Request for Quotation (RFQ) document including a written specification with Terms and Conditions.
- The Service will be responsible for updating the contract in the management depository through the term of the contract.
- The requirement for the form of contract will be a properly completed official West Lindsey District Council order raised through the Financial Management System Purchasing Module and a formal contract document signed by both parties.
- Awarded contracts over £25,000 shall have an award notice published on Contracts Finder within 30 days of sign off of contract documentation by both parties.

Commented [AG13]: To be included as their limit is £30k and this section starts at £25k

Contracts from £75,001 up to the EU Threshold

- Procurement of contracts for £5,000 and over must be carried out through the Electronic Tendering Portal.
- Pre-Procurement approval is required from Management Team.
- Procurement at this level has two options.
 - Option 1 – Seek a minimum of four written quotations.
 - Option 2 – Advertise the opportunity on Source Lincolnshire and Contracts Finder. This process will be conducted through the Open Procedure. Permission must be sought from the Director of Resources
- Tenders over £75,000 should be coordinated by Procurement Lincolnshire, with all tender documentation issued electronically by and returned to the relevant officer as advised by Procurement Lincolnshire.
- The requirement for the form of contract will be a properly completed official West Lindsey District Council order raised through the Financial Management System Purchasing Module and a formal contract document signed by both parties.
- Awarded contracts over £25,000 shall have an award notice published on Contracts Finder within 30 days of signing of the contract documentation by both parties.

8.2 REQUEST FOR QUOTATIONS (RFQ'S)

RFQ's are the Council's preferred method of undertaking procurement within the value thresholds identified in section 7.

As a minimum, quotation documentation must include the following details as a minimum:-

- A date and time for the receipt of the quotations;
- Specification
- Pricing schedule (including any discounts or deduction options);
- The period over which the contract is to be performed;
- The timing of the supply;
- Arrangements for payments;
- Terms and Conditions from the Councils' Standard Terms and Conditions for Services or Works:
- Any requirement specific terms and conditions
- Evaluation criteria and award procedure.

In addition, the RFQ can also include:-

- Management and Monitoring requirements and service levels;
- Quality or outcomes required;

The quotation must also state that the Council is not bound to accept any tender or quotation.

All Quotations with an estimated value of £5,000 and over, should ideally be received electronically through a secure vault. If this option is not practical quotations can be received in a plain sealed package by the date and time previously specified. They must be marked "Quotation for" with the name of the contract but with no mark to identify the sender.

If quotations are received through an electronic vault they are to be opened by the Contracts & Procurement Officer or other designated procurement officer.

If quotations are received in hard copy, they are to be endorsed with the date and time of receipt and kept by the Contracts & Procurement Officer in a secure place until the time of opening.

Quotations (hard copy) are to be opened at one time by the Contracts & Procurement Officer and witnessed by another officer with a record being kept of all quotations.

Quotations received after the time specified or in envelopes/packages which identify the sender may not be considered.

Any anomalies or apparent errors in the quotation will be clarified by the Contracts & Procurement Officer and a record of the outcome kept on file.

The Council should accept in writing the quotation that represents the best value for West Lindsey.

8.3 APPROVED LISTS

Approved lists may be used in conjunction with RFQ's to select Economic Operators. Approved lists may be used when recurrent transactions need to be priced individually and cannot easily be aggregated and priced in a single tendering exercise.

Approved lists may not be used if the estimated total aggregated spend for contracts to be placed under the approved list, over a 48 month period, may exceed the relevant EU threshold. When this might occur, a Dynamic Purchasing system or Framework agreement would be a more suitable and compliant approach.

Suppliers to be entered onto an Approved List must have both their financial and technical ability assessed to ensure they are fully able to comply with the requirements.

The list shall be reviewed annually and re-advertised at least every three years. The review will consider the financial, technical ability and performance of those suppliers on the list.

Suppliers no longer qualified will be deleted from the list with a written record kept justifying the deletion.

Suppliers may be entered onto the list at any time between advertisement and re-advertisement as long as they comply with the requirements.

On re-advertisement, all suppliers currently on the list must be invited to reapply.

All Approved Lists must be transparent, non-discriminatory and proportionate. The lists must also be available for public inspection.

8.4 INVITATION TO TENDER (ITT) BELOW THRESHOLD

If it is considered that the RFQ process will not deliver the required outcome, a full tendering exercise may be undertaken.

If the total contract value is estimated to be below EU threshold, the Invitation to Tender (ITT) should follow an Open procedure. This a single stage tender process where all bidders submitting a response will be evaluated, there will be no assessment of bidders, through a Standard Selection Questionnaire (SSQ) for the purpose of reducing the numbers of bidders invited to bid for the contract

For works contracts which are above the Services EU threshold and below the Works OJEU threshold, a Restricted Tendering process is permitted by the Public Contract Regulations 2015, which means an SSQ can be included in the tendering process.

8.5 TOTAL CONTRACT VALUE

The total contract value will need to be estimated in order to identify the correct procurement process. All total values will exclude Value Added Tax.

The value will be calculated as follows:

Fixed Term contracts – total estimated value of the supplies, services or works to be supplied over the period including extensions.

Indeterminate Length contracts – estimated annual value for 4 year period. Continuance of these contracts will only be permitted after a cost review and best value assurance has been ascertained on a periodic timescale.

Consultancy contracts – daily rate multiplied by duration of assignment

Concession Contracts – estimated total value of concessionaire's total turnover generated over the duration of the contract

Framework agreements – estimate of the total throughput expected to be placed through the framework in order to provide some additional capacity for unexpected requirements.

Periodic purchases for the same requirement, from the same or different suppliers,

must be aggregated over a minimum 12 month period.

Where the Council is only making a part payment, the value from all contributors must be totalled to obtain estimated total value.

9. ABOVE OJEU THRESHOLD PROCUREMENT

Where the estimated total contract value is over the EU threshold, advice must be sought from Procurement Lincolnshire.

There are several tender procedures available:- Open procedure, Restricted procedure, Competitive Dialogue, Competitive Procedure with Negotiation, Innovation Partnership.

In an Open procedure all bidders will be evaluated. In other procedures bidders will be de-selected at SSQ stage, prior to completion of the full tender document. Bidders should also be informed of the reasons for de-selection in a pre-tender shortlisting process, at the point of de-selection.

For the higher value procurements, Procurement Lincolnshire recommend a strategy is written to determine the planned approach of cost-effectively purchasing the Council's required supplies, taking into consideration several elements and factors such as the background, scope, outcomes, procurement route options, selected route, timeline for procurement, checklist, funding, budget, the projected risks and opportunities, among others.

Commented [AG14]: Addition to cover the requirement for a strategy for the high level procurements

9.1 STANDARD SELECTION QUESTIONNAIRE

The SSQ is structured in 3 separate parts:

Part 1 of the SSQ covers the basic information about the supplier, such as contact details, trade memberships, details of parent companies, etc.

Part 2 covers a self-declaration regarding whether or not any of the exclusion grounds apply.

Part 3 covers a self-declaration regarding whether or not the company meets the selection criteria in respect of their financial standing and technical capacity.

A Part 1 and Part 2 declaration is mandatory from potential suppliers to declare that they have not breached any of the exclusion grounds.

If a potential supplier, or any organisation has breached any of the exclusion grounds, the organisation has the opportunity to explain how and what action they have taken to rectify the situation (this is called self-cleaning).

You must not add to or change the questions in Part 1 or Part 2 of the Standard Selection Questionnaire. Deviations are permissible for the supplier selection questions in Part 3, but must be reported.

9.2 STANDARDS AND AWARD

The Award Criteria is used to determine which of the Bidders will be awarded the contract and they are assessed as part of the ITT.

Public contracts must be based on the Most Economically Advantageous Tender 'MEAT'. Award Criteria must be designed to secure a sustainable outcome which represents Value for Money and quality for the Council.

Award criteria can be:

- Lowest price or total cost
- Based on specified qualitative, environmental or social criteria
- Best price/quality ratio

It may also include:

- Quality, including technical merit, aesthetic and functional characteristic, accessibility
- Innovative characteristics
- Organisation, qualification and experience of staff assigned to performing the contract
- After sales service and technical assistance, delivery conditions and process

It must not include:

- Non-commercial considerations i.e.,
 - Terms and conditions of employment by suppliers of their workers
 - Terms on which suppliers contract with their sub-contractors
 - Suppliers business activities or interests with other areas of government
 - Conduct of suppliers or workers in industrial disputes
 - Any political, industrial or sectarian affiliations or interests of suppliers
 - Financial support or lack of, by the suppliers for any institution to or from which the authority gives or withholds support
 - Workforce matters and industrial disputes
 - Use or non-use by suppliers of technical or professional services provided by the authority under the Building act 1984.
 - Matters which discriminate against suppliers from the European Economic Area or signatories to the Government Procurement Agreement
 - Selection/Suitability Criteria

9.3 COMMUNICATION WITH SUPPLIERS

All communication with suppliers will take place through an electronic tendering portal.

The Contracts & Procurement Officer or Procurement Resource will publish all documents relating to the procurement. No substantial modification to the documentation is permitted once it has been published.

No verbal communication regarding the documents must be undertaken with bidders during the tender process. Communication must be conducted through the electronic tendering portal.

If a competitive dialogue process is used, oral communication is permitted within the dialogue phases of the procurement. Advice should be sought from Procurement Lincolnshire before this process is undertaken.

9.4 UNDERTAKING A TENDER

When considering a tender process, it is in the Council's interest to ensure that the Bidders are given sufficient time in which to prepare and submit a tender and that as much relevant information is disclosed to allow Bidders to submit a competitive offer.

The Invitation to Tender (ITT) must include:

- A specification – this must describe clearly the Council's requirements
- Any proposed contract mobilisation or implementation
- A process to enable the Council to ensure the Supplier meets its obligations
- Exit strategy and potential decommissioning
- A statement that the Council is not bound to accept any tender received
- Timeline for the procurement process, including clarification deadlines and process for return of tenders through the electronic tendering portal
- The award criteria and weightings where relevant
- The evaluation procedure
- The Form of Tender and collusive tendering certificate

9.5 CLARIFICATIONS PRIOR TO SUBMISSION

During the tender process, Bidders are allowed to submit questions regarding the tender documentation. All questions are to be submitted through the electronic tendering portal. The Council will then respond through the portal ensuring both the clarification and response is shared with all Bidders, except when the response would disclose confidential Bidder information.

9.6 PRESENTATIONS

Presentations are no longer permitted to be assessed as part of the procurement process unless presenting is a material component of the specification.

The evaluation of presentations must be defined within the Award Criteria of the ITT and the following undertaken:

- Contemporaneous notes are collected detailing all questions, responses and points raised
- Questions to be concentrated on the evaluation requirements

9.7 EVALUATIONS AND SCORING

Tenders shall be evaluated, recorded and awarded in accordance with the Award Criteria detailed in the RFQ or ITT, and the award criteria and any sub-criteria should be kept to a minimum to enable the evaluation process to be more manageable.

The evaluation and scoring meeting will be chaired by the Contracts & Procurement Officer or Procurement resource from Procurement Lincolnshire, the chair is not allowed to be part of the evaluation panel.

The evaluators must evaluate the Bidder submission alone, no other documentation or knowledge of the Bidder can be included, and the written record must demonstrate why the highest scoring Bidder provided the best submission.

Evaluators are required to reach a consensus score with agreed comments. The scores and comments for all the Bidders shall be objective and in line with the Award criteria. Any commentary may be disclosed to Bidders if there is a legal challenge and the evaluation process is an activity where the risk of challenge is high.

9.8 CLARIFICATIONS DURING EVALUATION

Any unclear or ambiguous aspects of the bids shall be clarified with the Bidder through the electronic tendering portal. Clarifications during the evaluation process shall not be used to extract additional components of the bid, but to ascertain the extent of the Bidder's offer.

Any response subject to a clarification request by the Council shall not be scored until the clarification has been received.

9.9 AWARD

Where the estimated total value of the contracts exceeds the EU threshold, all Bidders shall be informed of the intention to award to the successful bidder. A Standstill period of 10 calendar days will be in force after the notification to allow unsuccessful bidders to challenge the decision.

Once the 10 day period has expired, the contract may be formally awarded to the successful supplier. Contract documentation will then be drawn up for signatures.

If the decision is challenged the Council will immediately inform Procurement Lincolnshire for advice.

In the case of unforeseen circumstances outside the control of the Council, the 10 day standstill period can be waived, after confirmation with Legal Services and Procurement Lincolnshire.

The Contracts & Procurement Officer or Procurement resource will inform all bidders of the reason for the award and provide feedback. This must include:

- The award criteria;
- Scores for the relevant sections of the tender for the bidder who is to receive the debrief;

- The deadline for the standstill period and the date after which the Council is able to award the contract;
- Evaluation commentary for the Bidder
- Name of the winning Bidder

10. REPORTING REQUIREMENTS

It is a requirement of the Public Contract Regulations, on completion of an over EU threshold tender process, for a written procurement report to be drawn up, to include at least:

- Name and address of the contracting authority, subject matter, and value of contract
- Names of selected bidders and reasons for selection
- Names of deselected bidders and reason for deselection
- Name of successful bidder and reasons why its tender was selected
- Justification for use of competitive procedures with negotiation and competitive dialogues in accordance with regulation 26 (PCR's)
- Justification for use of negotiated procedures without prior publication, in accordance with regulation 32 (PCR's)
- The reason for non-award of contract
- The reason for not using the electronic tendering portal
- Any conflicts of interest identified and measures taken.

A copy of the report must be submitted to the Cabinet Office or European commission on request.

Sufficient documentation must be kept to justify all decisions taken in all stages of the procurement process.

The documentation must be kept for a minimum of 12 months for records of unsuccessful tenders and 6 years in relation to the successful tender.

11. CONTRACT FORMATION

Every contract, including the appointments of consultants or interims, with a total contract value of £5,000 and above, including extensions, must be recorded on the Council's electronic Contract Register.

No amendments must be made to the contract, or terms and conditions, without first consulting Legal Services or Procurement Lincolnshire. Any amendments agreed during the clarification process will be stated in the clarifications list as an Appendix to the contract document.

Every contract must clearly state appropriate governance obligations where it involved the processing of personal data.

Procurement Lincolnshire advice must be obtained for contracts involving:

- Leasing arrangements
- Use of supplier terms and conditions
- A total contract value in excess of £75,000
- Complex documentation

12. CONTRACTS SIGNED UNDER HAND

The officer responsible for obtaining the signature for the contracts shall ensure that the person signing it has the authority to do so.

A signature will be required for all contracts up to a total term of 6 years and not in excess of the EU threshold.

13. CONTRACTS SIGNED UNDER SEAL

A contract should be sealed where:

- The Council may wish to enforce the contract for more than 6 years after its end;
- The total contract value is over the EU threshold
- Legal Advice has been provided to this effect
- Where the Council has paid no consideration for goods or services, or the carrying out of works

14. PREVENTION OF CORRUPTION

Officers engaged in procurement processes must not invite or accept any gift or reward in respect of the award or performance of any contract.

In any other situation the Gifts and Hospitality Policy should be adhered to.

On submission of tenders, the ITT must include an anti-collusion statement signed by the Bidder, this is a declaration of good standing confirming that the Bidder has not met any grounds for mandatory exclusion.

15. CONTRACT MANAGEMENT

All contracts, whatever the value, shall require some form of management methodology to be able to evidence that they are: Efficient, Economic and Effective.

A hard copy of all contracts, requiring further documentation than a Purchase Order must be kept in a central location and it is the responsibility of the Contracts & Procurement Officer to ensure it is done.

All contracts must have a named Contract Manager for the life of the contract.

16. CONTRACT MONITORING

All contracts will be monitored and reviewed on a regular basis, subject to the requirement. Areas for monitoring will include:

- Adherence of the specification
- Compliance with the terms and conditions
- Attainment of performance standards and service levels
- Change protocol
- Payment arrangements
- User satisfaction
- Data protection

17. CONTRACT VARIATION & EXTENSION

The Contracts & Procurement Officer must ensure that all variations and extensions to contracts are made in accordance with the provisions included within the contract.

Any variations to the original contract must not result in a substantial modification or change to exceed 50% of the initial total contract value.

All variations and extensions must be within the scope of the original procurement and must be signed by both parties.

A copy of any variation or extension must be kept with the original contract documentation.

18. FINANCIAL CONTROL

Where expenditure is expected to exceed the contract price, this should be reported as follows –

Contract Figure £	Chief Finance Officer (S151) £	Management Team £	Committee £
Up to £25,000	Up to 5,000	Over 5,000 to 10,000	Over 10,000
£25,001 to £75,000	Up to 7,500	Over 7,500 to 15,000	Over 15,000
£75,000 above	Up to 10,000	Over 10,000 to 25,000	Over 25,000

The reporting requirement does not apply where contract growth is in accordance with the provisions of the contract.

Financial Procedures Rules regarding virement still apply to all additional expenditure.



WEST LINDSEY DISTRICT COUNCIL

FINANCIAL PROCEDURE RULES

INTRODUCTION

1 FINANCIAL PROCEDURE RULES

1.1 Strong financial controls are vital within any public sector organisation. The use of public funds must be transparent and both Members and officers must be held accountable for how public funds are used. These Financial Procedure Rules have been formulated having particular regard to the following –

- The financial framework operating within the Council.
- Promoting the accountability of officers for the financial resources required to deliver their services.
- Compliance with all current legislative financial standards and Codes of Practice.
- A culture of openness and scrutiny.
- The promotion of a culture of managerial flexibility within the statutory and organisational constraints of a public sector body.

1.2 The Financial Procedure Rules establish the system of control for financial decisions. They are an integral part of the Council's Constitution. The rules reflect the responsibilities arising from being entrusted with public money.

1.3 The Financial Procedure Rules consist of 2 parts:

- The first part defines the roles of Councillor and officers and sets the framework within which the Rules operate;
- The second part contains the overarching regulations, and provides the detailed 'Rules' on how those regulations are implemented.

1.4 A series of detailed guidance notes and practice support the Financial Procedure Rules. Whilst the detailed guidance is regularly updated, where there is any difference between the Financial Procedure Rules and the detailed guidance, the Finance Procedure Rules have precedence in all cases.

2 STATUS OF FINANCIAL PROCEDURE RULES

2.1 The Council must conduct its business efficiently and ensure it has sound financial management policies in place, including arrangements to monitor compliance. The Council's statutory Chief Finance Officer is also charged with ensuring that proper financial management processes are in place.

Financial Procedure Rules, together with the Budget and Policy Framework Procedure Rules, provide the basis for managing the Council's financial affairs and are part of the Council's Constitution. They apply to every

Councillor and officer of the Council and to anyone acting on its behalf. They must be followed by all of the Council's staff and all consultants or technical officers from outside the Council employed or otherwise engaged by the Council. Failure to comply may lead to disciplinary action being taken by the Council.

- 2.2 The Council's Scheme of Delegation will be taken account of in all matters relevant to these procedure rules.

PART ONE – CONTEXT, ROLES AND RESPONSIBILITIES

1 FINANCIAL MANAGEMENT

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

1.2 The processes of financial management involve:

- Complying with statutory requirements;
- Ensuring that the Council receives value for money;
- Development and approval of protocols, standards and financial plans (including the revenue and capital budgets);
- Implementing policies, protocols and standards;
- Monitoring compliance;
- Maintaining records;
- Reporting and providing advice;
- Specific financial techniques and functions e.g. virement, year end balances, Statements of Account.

1.3 All Councillors and officers must abide by the highest standards of probity in dealing with financial issues. This is achieved by ensuring everyone is clear about the standards to which they must work and the controls in place to check that the standards are met. The Financial Procedure Rules must be kept up to date and consistently applied by all Councillors and officers.

2 FINANCIAL ADVICE

2.1 Sound financial advice is fundamental to ensuring the maintenance of basic standards of financial management. Only persons qualified to do so should provide such advice.

2.2 Persons giving financial advice must have been authorised to do so by the Chief Finance Officer.

2.3 The Chief Finance Officer has the right to attend all meetings of the Council, committees and sub-committees, working groups, boards or other forums where decisions or recommendations potentially having financial implications may be taken. This is often discharged through officers within the Finance function.

2.4 All reports contain risk management (including financial risks) and financial implications sections, the contents of which must be agreed with the Chief Finance Officer (or other officer authorised by him/her), prior to submission to the Management Team, Committees, or other forums where financial decisions will be made.

3 ACCOUNTING POLICIES

3.1 'The Code of Practice on Local Council Accounting in the United Kingdom: (the Code) requires the Council to declare, in the form of accounting policies, how they treat specific items within the annual accounts. These policies take account of current accounting concepts and standards. The Accounting Policies can be found in the Annual Statement of Accounts.

3.2 Key elements of accounting policies are that:

- Systems of internal control must be in place that ensure that financial transactions are lawful;
- Accounting policies must be applied consistently;
- Proper accounting records must be maintained;
- Financial statements must present fairly the financial position of the Council and its expenditure and income.

4 INTERNAL CONTROL

4.1 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.

4.2 The Chief Finance Officer is responsible for advising on effective systems of internal control, an essential part of which is the Internal Audit function. These arrangements ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

4.3 Chief Officers must establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

4.4 Key controls must be reviewed annually and the outcome reported in an Annual Governance Statement commenting on the effectiveness of the systems of internal control and corporate governance.

5 AUDIT REQUIREMENTS

5.1 The Accounts and Audit Regulations 2003 (Regulation 6) require that "a relevant body (i.e. a local Council) shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices".

5.2 The Council is subject to an independent external audit of its accounts. The basic duties of the external auditor are governed by section 15 of the Local

Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.

5.3 The Council may, from time to time, be subject to audit, inspection or investigation by other external bodies such as HM Revenues and Customs, who have statutory rights of access.

5.4 The Chief Finance Officer has overall responsibility for Internal Audit throughout the Council, whilst the Governance and Audit Committee oversees the performance and effectiveness of Internal Audit.

6 ROLES AND RESPONSIBILITIES

6.1 Role of the Council

The Council's functions include the following:

- Adopting and changing the Constitution;
- Approving or adopting the policy framework (including the Corporate Plan);
- Approving the budget;
- Approving the Treasury Management Strategy (including the Borrowing, Investment and MRP Strategy, and Prudential Indicators);
- Setting the Council Tax.

6.2 Corporate Policy & Resources Committee

The Corporate Policy & Resources Committee main functions are:

- To formulate (but not adopt or approve): (a) the Policy Framework, (b) the Budget; and (c) the Council's objectives and priorities.
- The control and management of resources including land, property, finance and staff to further the Council's objectives.

The Corporate Policy & Resources Committee makes key day to day decisions and recommendations on policy and budgetary matters.

6.3 The role of the Governance and Audit Committee is to:

- To approve amendments to the Financial Procedure Rules and Contract Procedure Rules as set out in the Constitution.
- To monitor the operation of the Council's Constitution and keeping its terms under review.
- To consider and make recommendations on proposals to make changes to the Constitution prior to its consideration by the Council.
- To agree and update regularly the Council's Local Code of Governance

- Consider the Council's Statement of Accounts;
- Approve the Council's internal audit strategy;
- Review internal audit reports and recommend appropriate actions in response to issues raised;
- Consider the reports of external audit and inspections agencies;
- Monitor and review the Council's risk management arrangements;
- Monitor and review the Council's assurance statements;
- Be responsible for ensuring the effective scrutiny of the Treasury Management strategy and policies.

6.4 **Section 151 Officer (the Chief Finance Officer) is the officer designated by the Council and is therefore referred to throughout these procedure rules as the Chief Finance Officer).**

The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the Council. The statutory duties arise from:

- Local Government Act 1972 (Section 151);
- Local Government Finance Act 1988;
- Local Government and Housing Act 1989;
- Local Government Act 2003;
- Accounts and Audit Regulations 2003.

These statutory responsibilities cannot be overridden or be subject to direction by the Council.

The Chief Finance Officer is responsible for:

- Ensuring the proper administration of the Council's financial affairs;
- Determining and agreeing the accounting procedures and records for the Council
- Setting the financial management standards and monitoring compliance with them;
- Reporting on the adequacy of reserves and the robustness of the budget estimates when the annual budget is being considered;
- Ensuring the existence of a medium-term financial plan,
- Ensuring proper professional practice is adhered to and acting as head of profession in relation to the standards, performance and development of finance officers throughout the Council;
- Advising on the key strategic controls necessary to secure sound financial management;
- Preparing revenue and capital budgets in conjunction with Chief Officers;
- Ensuring that appropriate financial management information is available;
- Maintaining strong financial management underpinned by effective financial controls;
- Contributing to corporate management and leadership;

- Supporting and advising democratically elected representatives;
- Supporting and advising officers in their operational roles;
- Leading and managing an effective and responsive financial service.
- Providing an efficient and effective Treasury Management function.

Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer in consultation with the Monitoring Officer, to inform all Members and the External Auditor if the Council or one of its officers:

- Has made, or is about to make, a decision which involves incurring unlawful expenditure;
- Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council;
- Is about to make an unlawful entry in the Council's accounts;
- If it appears to the Chief Finance Officer that the expenditure of the Council incurred (including the expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

If a Section 114 notice issued, the full Council must meet within 21 days to consider the notice.

Section 114 of the 1988 Act also requires:

- The Chief Finance Officer to nominate a properly qualified officer to deputise should he/she be unable to perform the duties under Section 114 personally;
- The Council to provide the Chief Finance Officer with sufficient staff, accommodation and other resources - including legal advice where this is necessary - to carry out the duties under Section 114.

The Chief Finance Officer is responsible for maintaining a continuous review of the Financial Procedure Rules and submitting to the Council any additions or changes. He/she is responsible for issuing advice and guidance to underpin the Rules that Councillors, officers and others acting on behalf of the Council are required to follow, and must approve the content of all such guidance and any amendments, prior to their adoption. The Chief Finance Officer must be consulted in respect of all reports to elected Members.

6.5 The Monitoring Officer

The Monitoring Officer is responsible for promoting and maintaining high standards of conduct, including conduct in relation to financial issues, by both Councillors and officers. In conjunction with the Chief Finance Officer he/she is responsible for advising the Committees or the full Council about whether a decision, or intended decision, is likely to be considered contrary to, or not wholly in accordance with, the Council's budget. Such decisions might include:

- Initiating a new policy without specific budget approval;
- Committing expenditure in future years above the approved budget level;
- Incurring expenditure in future years without proper approval of virement;

- Causing total expenditure to increase beyond a specified level.

The Monitoring Officer must be consulted in respect of all reports to elected members.

6.6 Internal Audit Manager

The Internal Audit Manager manages the internal audit function in the Council. CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom describes internal audit as:

“An assurance function that provides an independent and objective opinion to the organisation on risk management, control and governance by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.”

The Internal Audit Manager also has a role in advising managers in relation to risk and control issues such as appropriate controls in new projects/development.

Internal Audit are to be informed of all proposed changes to computer or other systems prior to implementing the changes.

Internal Audit are to have access to all records relating to their activities and to any Council premises or land.

Internal Audit may seek explanations or require an employee to produce assets under their control.

6.7 Chief Officers are responsible for ensuring that all officers are aware of the existence of, and have access to, the content of these Rules and other internal regulatory documents and that they comply with them. In particular they shall:

- Ensure that a Scheme of Delegation has been established for all Service Areas. The Scheme of Delegation should identify officers authorised to act on the Chief Officers behalf in respect of payments, income collection and the requisitioning of goods and services.
- Promote the financial management standards set by the Chief Finance Officer and monitor adherence to them, liaising as necessary with him/her;
- Promote sound financial practices in relation to the standards, performance and development of officers;
- Ensure compliance with the Financial Procedure Rules and associated manuals;
- Ensure that all Service Financial Procedure Manuals, and amendments thereto, are approved by the Chief Finance Officer before adoption;
- Ensure officers are aware of their responsibilities for devising and implementing systems of internal control;
- Maintain a written record where decisions have been delegated or devolved to other responsible officers;
- Consider reports and make an initial response to the Chief Finance Officer, within 15 working days of receipt;

- Implement recommendations agreed by Committee or Council:
- Report to the Chief Finance Officer and the Management Team any rejected recommendations:
- Ensure that Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer;
- Provide the Chief Finance Officer with such information and explanations as the Chief Finance Officer feels is necessary to meet with his or her obligations under the Constitution.
- Provide all the information that is requested from them in accordance with the agreed budget timetable.
- Take reports to Committee to gain initial approval for service improvements. The co-ordination, for final approval by Council, of these requests will be by the Chief Finance Officer.
- Comply with all aspects of the Financial Procedure Rules and the financial framework when working with the Chief Finance Officer to set budgets.
- To consult with the Chief Finance Officer and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred.
- Inform the Chief Finance Officer of suspected fraud, corruption or irregularities;
- Ensure appropriate training of Officers with financial or budget responsibilities.
- The Chief Finance Officer will report to the Governance and Audit Committee on progress against the Internal Audit Programme

6.8 **All Councillors and officers** have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, properly authorised, provides value for money and is correctly recorded in line with Council policies.

7 FAILURE TO COMPLY

7.1 Failure to comply with the Financial Procedure Rules:

- Is a breach of the Code of Conduct for Councillors and may result in referral to the Standards Sub-Committee.
- Is a breach of the Code of Conduct for Officers that is covered by the Council's Disciplinary Rules.

7.2 Councillors must report any apparent breach of the Financial Procedure Rules to the Executive Director of Operations. Officers must report apparent breaches to an appropriate Chief Officer or the Internal Audit Manager. The Chief Officer or Internal Audit Manager should report breaches of these Rules to the Chief Finance Officer and the Monitoring Officer.

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1 REGULATION 1 - FINANCIAL PLANNING

1.1 FINANCIAL PLANNING POLICY FRAMEWORK

1.1.1 The full Council is responsible for agreeing the Council's policy framework and budget, which will be proposed by the Corporate Policy & Resources Committee.

1.1.2 The Council's Policy Framework includes various service and core plans and strategies. All such plans and strategies must be consistent with the Council's Financial Strategy and Medium Term Financial Plan, or indicate their reliance on resources not yet approved or secured by the Council.

1.1.3 The key elements of the financial planning process are:

- Corporate Plan;
- The Financial Strategy and Medium Term Financial Plan;
- The Capital Investment Strategy and Asset Management Plan;
- The Treasury Management Strategy;
- The Revenue Budget and the Capital Programme;
- Service Delivery and Business Plans

1.2 PREPARATION OF THE CORPORATE PLAN

1.2.1 The Executive Director of Operations is responsible for proposing the Corporate Plan to Corporate Policy & Resources Committee for consideration before submission to the full Council for approval. It will contain a statement of the priorities of the Council, and will be supported by a number of strategies and policies including Localism Strategy, Commercial Strategy and Corporate Strategy.

1.2.2 The Council require that each planned item of expenditure, whether revenue or capital, is intended to further one or more of the Council's stated priorities or, if that is not the case, is required to discharge a specific statutory obligation on the Council.

1.3 THE FINANCIAL STRATEGY AND MEDIUM TERM FINANCIAL PLAN

1.3.1 The Chief Finance Officer is responsible for recommending the Financial Strategy to the Council and for preparing a Medium Term Financial Plan (MTFP), covering at least three years and updated at least annually for consideration by the Corporate Policy & Resources Committee and approval by the Council. The Strategy and the MTFP will be consistent with, and designed to further the achievement of, the Council's priorities.

1.3.2 The Financial Strategy sets out the Council's objectives for, and principles adopted in, the management of its financial position. It includes Council Tax levels, the overall position for the Council's reserves and balances, and funding, investment and risk considerations.

1.3.3 The MTFP:

- sets out how the Council's performance plans can be resourced in both capital and revenue terms;
- identifies how resources are to be re-allocated over time and what the Council's priorities are for resource allocation;
- Other aspects of financial management may also be included in the MTFP e.g. levels of balances, reserves and provisions.

1.3.4 The MTFP that turns the Strategy into practice must be prepared for at least a three year period plus the current financial year. This is updated throughout the year as events and the budget timetable dictate.

1.3.5 Key Controls

The key controls are:

- It covers a number of forward years and is approved annually;
- It is monitored and updates are reported to Corporate Policy & Resources Committee during the year;
- It is clearly linked and aligned to the Corporate Plan;
- It is based on a sustainable financial position and approved policies.

1.4 **THE CAPITAL INVESTMENT STRATEGY AND ASSET MANAGEMENT PLAN (AMP)**

1.4.1 The Chief Finance Officer is responsible for ensuring that a Capital Investment Strategy and Asset Management Plan are integrated into the Medium Term Financial Plan. They will be updated annually for consideration by the Corporate Policy & Resources Committee and approval by the Council.

1.4.2 The strategy:

- Defines how the capital programme is to be formulated and designed;
- Identifies the issues and options that influence capital spending;
- Sets out how the resources and capital programme will be managed.

1.4.3 Key Controls

The key controls are:

- They are clearly linked and aligned to the Corporate Plan;
- They provide a framework for the review and management of existing and future assets (the AMP);
- They provide a medium-term investment programme linked to the medium-term financial strategy;

- They are reviewed at least annually and reported to Corporate Policy & Resources Committee.

1.5 THE TREASURY MANAGEMENT STRATEGY

1.5.1 The Chief Finance Officer is responsible for ensuring that the requirements of the Local Government Act 2003 and the CIPFA Treasury Management Code December 2017 are met, and the Council has regard to the Prudential Code December 2017. This requires that Prudential Indicators are set for the following three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. It also requires that the Council's policies for managing its investments give due priority to the security of those investments over liquidity and yield. This will be updated annually for consideration by the Corporate Policy & Resources Committee and approval by the Council.

1.5.2 Key Controls

The key controls are:

- Scrutiny of the Treasury Management Strategy by the Governance and Audit Committee.
- Approval by full Council of the Treasury Management Strategy (including Borrowing and Investment Strategies, Prudential Indicators for the following three years, and the existence of an Authorised Limit and Operational Boundary to ensure affordable borrowing);
- Regular monitoring of Prudential Indicators;
- The operation of Treasury Management Practices (TMP's) and Treasury Management Practice Schedules.

1.6 THE REVENUE BUDGET AND THE CAPITAL PROGRAMME

1.6.1 These are considered in depth under Regulations 2 and 3.

1.7 SERVICE DELIVERY and BUSINESS PLANS

1.7.1 Chief Officers are responsible for the preparation of these plans that reflect the Council's priorities as shown in the Corporate Plan. They must be produced in conjunction with the Capital and Revenue Budgets and each of these plans must support the others.

1.7.2 Key Controls

The key controls are:

- All relevant plans are produced and that they are consistent;
- Plans are produced in accordance with statutory requirements;
- All plans reflect the Council's Financial Strategies and vice-versa;
- Timetables are met;
- All performance information is accurate, complete and up to date;
- Improvement targets are meaningful, realistic and challenging;
- Corporate, Service Delivery and Business Plans and the budget are all produced from an integrated timetable and an agreed base position.

2 REGULATION 2 – CAPITAL

2.1 THE CAPITAL PROGRAMME

2.1.1 The Chief Finance Officer is responsible for preparing, as a minimum, a three year capital programme that is integrated within the MTFP and reporting expenditure and funding implications of the programme to Corporate Policy & Resources Committee for consideration. The Corporate Policy & Resources Committee will make recommendations to the Council, who will approve the medium term capital programme.

2.2 DETERMINING THE CAPITAL PROGRAMME

2.2.1 The Management Team is responsible for the initial consideration of capital spending proposals and the comparative ranking by priority of these proposals.

2.2.2 The Council complies with the requirements of the local government Prudential Code for capital. Careful consideration must be given to needs, alternatives and the ongoing revenue implications of potential capital projects

2.2.3 The de minimis level for Capital Expenditure and receipts is £10,000. Capital items costing up to £10,000 will be charged as revenue expenditure in the Council's accounts.

2.2.4 The ranking process is based on the scoring from the completed Capital Bid Forms (outline business cases) and guidance as approved by the Chief Finance Officer from time to time.

2.2.5 Chief Officers are responsible for submitting the Capital Bid Forms and complying with the guidance issued by the Chief Finance Officer.

2.2.6 The Capital Programme shall include the gross cost of, and sources of funding for, schemes where the Council assembles the finance on behalf of a third party and so incurs no potential liability in respect of funding or project delivery. Such schemes may not result in any asset retained by the Council. Chief Officers must ensure that these arrangements are reported to the Corporate Policy & Resources Committee stating the nature of the arrangements, the participants in the process and the sources of finance. The report must clearly state the projected expenditure and income for each financial year.

2.2.7 The Chief Finance Officer will recommend to Corporate Policy & Resources Committee the Capital Budget and funding in accordance with the Council's prudential indicators and CIPFA's Prudential Code December 2017.

2.3 AMENDMENTS TO THE CAPITAL PROGRAMME

2.3.1 Any mid-year amendment to the Capital Programme as last approved by the Council must be approved by the Corporate Policy & Resources Committee in any cases where:

- A new scheme is proposed to be added to the programme, including those funded entirely by external grants and contributions;
- A scheme is to be deleted from the capital programme;
- The total cost of an existing scheme is to be amended;
- A carry forward of capital resources is proposed.

2.3.2 The relevant Chief Officer and the Chief Finance Officer, in consultation with the Chairman of the Corporate Policy & Resources Committee, must approve any mid-year amendment to the approved Capital Programme, before a report is submitted to Corporate Policy & Resources Committee. This also applies to carry forward requests i.e. where the amendment involves a change in the timing of the spending over the life of the project, but there is no change in the total cost or funding.

2.3.3 The Executive Director of Operations may take decisions in an emergency, subject to the delegation and budget framework provisions of the Constitution, in consultation with the Chief Finance Officer.

2.3.4 With the exception of emergency decisions, expenditure must not be incurred or committed on any capital scheme until the Corporate Policy & Resources Committee or Council has given approval. Reports to Corporate Policy and Resources Committee will be prepared and presented before any work starts and on completion of a project. Additional reports would be required at the tender stage, when preparing the capital programme, or otherwise during the project, if there was a significant actual or projected change in the cost of the project.

2.3.5 Expenditure should not be incurred until funding is in place. For external funding, this means that a formal approval of funding has been received rather than a conditional offer or a bid that has been given provisional approval.

2.4 CAPITAL MONITORING

2.4.1 Budget monitoring will be carried out in accordance with guidance issued by the Chief Finance Officer. This guidance will lay down the Council's requirements in respect of:

- Frequency of reporting;
- The format and content of reports (including the degree of detail, risk analysis undertaken and any corrective actions taken or proposed);

- The recipients of budget monitoring reports (such as the Management Team or Corporate Policy & Resources Committee);
- The linkages with approved outputs.

2.4.2 For each scheme that is approved the relevant Chief Officer will appoint a Project Manager, who will be responsible for the scheme, including budget accountability. This includes monitoring progress (financial and otherwise) of the scheme and managing the scheme in accordance with the Council's Programme and Project Management ACoP.

2.4.3 The relevant Chief Officer must notify in writing the Chief Finance Officer if there is any anticipated "slippage" of a scheme that will affect the allocation of resources over future financial years. Any loss of external funding arising from slippage must be reported to Corporate Policy & Resources Committee and approval sought for the alternative funding required or other corrective action.

2.4.4 Where in-year spending is likely to exceed the profiled budget and this has an impact on the financial year, this must be reported by the Chief Officer to the Chief Finance Officer who will then review the overall capital financing arrangements for that year.

2.4.5 Where the total cost exceeds, or it is expected that the total cost of a scheme will exceed the budget approved in the Capital Programme, this must be reported to the Chief Finance Officer by the Chief Officer as soon as possible. In the first instance, overspends will fall on the relevant service area revenue budget, unless alternative funding is identified. In respect of any anticipated overspending in excess of £10,000 or 20% whichever is the lesser, the approval of Corporate Policy & Resources Committee must be sought.

2.4.6 Chief Officers must notify the Chief Finance Officer upon the offer of or receipt of grant awards or any other offer of support of any type for capital expenditure. Capital receipts will be regarded as corporate resources and may only be ring-fenced to schemes on the express approval of the Corporate Policy & Resources Committee.

2.4.7 Key Controls

The key controls are:

- Approval by the full Council for the Capital Programme;
- An Outline Capital Bid Form is completed for all schemes to be included in the capital programme;
- A prioritisation process in accordance with the Capital Investment Strategy and corporate priorities;
- A Project Manager is responsible for each capital project (delivery and budget);
- Appropriate project management techniques are used and project managers are trained to carry out their responsibilities;

- Contract Procedure Rules are adhered to at all times;
- The requirements imposed by funding bodies are followed;
- Monitoring and reporting requirements on schemes are implemented.

3 REGULATION 3 - REVENUE

3.1 THE REVENUE BUDGET

3.1.1 The Council will agree the Medium Term Financial Plan (MTFP), to be updated annually. The MTFP will include the Revenue Budget for the coming year plus forecasts for at least the next two subsequent years. Revenue resources must be aligned to the corporate objectives of the Council. Budgets are an important part of the corporate planning process since they allocate resources to provide agreed levels of service.

3.1.2 The budget will be published in the Council's annual Budget Book. The approved Revenue Budget may be amended during the year in compliance with these Financial Procedure Rules.

3.2 REVENUE RESOURCES

3.2.1 Funding for revenue will come from local taxation, government grants, fees and charges and calls on revenue reserves and balances. **Capital resources (other than reserves specifically set up by earmarking revenue funds for spending on capital) cannot be used to fund revenue expenditure.**

3.2.2 Key Controls

The key controls are:

- Resources are acquired in accordance with the law and using an approved authorisation process (i.e. the budget setting process);
- Resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for;
- Professional guidance in relation to the adequacy of reserves and minimum level of balances is followed;
- The budget, which sets out how the Council is resourced, is approved annually by the Council;
- The MTFP ensures year on year sustainability of resources are considered in setting spending plans.

3.3 DETERMINING THE REVENUE BUDGET

3.3.1 The Chief Finance Officer is responsible for ensuring that the MTFP and Budget are prepared and submitted for approval by the Council, upon the recommendation of the Corporate Policy & Resources Committee, on or before the statutory date for such approval. The adoption of the budget by the Council shall be accompanied by a resolution as to the level of Council Tax required for the coming financial year in order to sustain the budget. The

MTFP should set out forward projections of council tax increases for at least the next two subsequent years.

- 3.3.2 The Chief Finance Officer recommends the overall quantum of revenue resources available to the Council, based on potential increases in the Council Tax, affordable calls on reserves, and best estimates of grant income. The Chief Finance Officer shall advise as to what would constitute a prudent and necessary minimum level of uncommitted balances/reserves for the Council to retain, and also as to whether the budget being proposed is consistent with such a requirement. In forming such a judgement, the Chief Finance Officer shall have regard to available guidance.
- 3.3.3 The Council agrees an overall MTFP and budget that matches its available resources with corporate priorities and statutory requirements.
- 3.3.4 The revenue budget agreed by Council will as a minimum allocate spending to:
- Each service area showing the gross spending and income and net budget;
 - Each levy;
 - The net cost of borrowing.
- 3.3.5 Chief Officers must ensure that all fees and charges are reviewed as part of the annual budget process in line with the Fees, Charges & Concessions Policy (see section 3.8).
- 3.3.6 The level of reserves is reviewed annually in line with the financial strategy and Medium Term Financial Plan and must be decided before the budget and the Council Tax can be fixed. Reserves are amounts set aside by the Council as a result of surpluses, deferred expenditure or policy decisions to 'save' towards future expenditure. Reserves can be either specific (earmarked) or general. The General Fund Reserve will be maintained at a minimum level agreed by Corporate Policy & Resources Committee having regard to the advice of the Chief Finance Officer. The budget report to the Council will include a statement showing the estimated opening reserve balances for the year ahead, the addition to/withdrawal from balances, and the estimated year-end balance. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure.
- 3.3.7 The Chief Finance Officer will ensure –
- The co-ordination of requests for budgetary change to facilitate service improvements from Chief Officers and Corporate Policy and Resources Committee resolutions.
 - The identification of available resources for service improvement.
 - That Members and officers are properly advised when preparing budgets and setting Council Tax
- 3.3.8 The Council's approved budget is published in a "Budget Book", which breaks down budgets into a budget for each service area within the clusters (People, Places, and Policy & Resources). Each service budget has a named responsible officer.

3.3.9 Key Controls

The key controls are:

- Adoption of project management techniques;
- Clear and timely guidance from the Chief Finance Officer;
- Consistent format used across all service areas that reflects the relevant level of accountability of service delivery and enables consistency of comparison over time and with other local Councils;
- Effective timetable;
- Reflect the content of the Financial Strategy and Medium Term Financial Plan for the appropriate year;
- Be balanced, affordable and sustainable;
- Ensure that all reports to Management Team and Members (all Committees) are seen by the Chief Finance Office and all financial implications are agreed by the Chief Finance Officer;
- Amendments will be made to financial implications on reports as requested by the Chief Finance Officer;
- Prudent risk assessment of the possible implications in terms of both affordability and service delivery.

3.4 BUDGET MONITORING

3.4.1 Budget monitoring will be carried out in accordance with guidance issued by the Chief Finance Officer. This guidance will lay down the Council's requirements in respect of:

- Frequency of reporting;
- The format and content of reports (including the degree of detail, risk analysis undertaken and any corrective actions taken or proposed);
- The recipients of budget monitoring reports (such as the Management Team or Corporate Policy & Resources Committee);
- The linkages with service performance monitoring.

3.4.2 Budget monitoring is an ongoing process, always under review and integral to the overall financial management of the Council. The Chief Finance Officer will present regular budget monitoring reports to Corporate Policy & Resources Committee, at least on a quarterly basis.

3.4.3 Chief Officers will need to:

- Be fully aware of their respective budget detail and own the content.
- They will need to maintain a good knowledge of both the Purchasing and General Ledger modules of the Financial Management System.

- Be aware of all effects and influences, such as seasonal variations on their budgets.
 - Inform Financial Services of material budgetary issues that cannot be controlled within normal virement parameters.
- 3.4.4 The Chief Finance Officer will liaise with Chief Officers to help to identify savings and future needs. The Chief Finance Officer will also offer financial advice and guidance as well as innovative solutions to issues of a financial nature.
- 3.4.5 All senior officers need to be aware of those budgets that carry the most material risk and monitor these areas accordingly.
- 3.4.6 The Chief Finance Officer will ensure that appropriate financial information is available to Chief Officers so as to enable them to monitor their budgets and financial aspects of their Service Delivery Plans effectively.
- 3.4.7 Chief Officers are responsible for the financial resources contained in their budgets. Accountability brings with it the responsibility to inform the Chief Finance Officer of any budgetary issues. The Chief Finance Officer will provide a support mechanism to Chief Officers which will engender a culture of ownership and strong stewardship together with supporting the Councils entrepreneurial philosophy.
- 3.4.8 Chief Officers will ensure that all reports to Members or the Management Team are seen by the Chief Finance Officer, evidenced and contain clear and accurate financial implications. Any amendments to the financial implications requested by the Chief Finance Officer will be actioned. Reports for Committee and Management Team should be presented to Financial Services in sufficient time for agreement on the coverage of financial implications.
- 3.4.9 When monitoring their budgets, Chief Officers should understand that delivering the outturn within budget is an important service objective. Where it appears that a variation on a service budget will exceed £10,000, the Chief Officer will immediately advise the Chief Finance Officer and Management Team of the situation, together with their proposed action to recover the position. The Chief Finance Officer will then compile and submit regular budget monitoring reports together with recommendations to Corporate Policy & Resources Committee.
- 3.4.10 The approved budget is the financial extent of the Council's commitment to a service each year. Any breach of that limit is therefore an ultra vires act. Depending upon the severity and circumstances of any overspend, it may lead to disciplinary action as officers have exceeded their delegated authority.
- 3.4.11 Key Controls

The key controls are:

- There is a named budget holder who is responsible for each service budget;
- Each Chief Officer nominates a responsible budget holder for each cost centre within his/her service area's revenue estimates and ensures that mechanisms are in place to provide early warnings of anticipated under or overspending;
- All budget holders, including cost centre managers, are accountable for their budgets and the level of service to be delivered and understand their financial responsibilities;
- Services are delivered within the net budget allocated as part of the budget setting process and in line with the Service Delivery Plan;
- Income and expenditure are properly recorded and accounted for on a timely basis within the Council's general ledger;
- The budget and Service Delivery Plan are monitored together and necessary action is taken to align service outputs and budget;
- Budget Managers are appropriately trained to carry out their budgetary control and financial management responsibilities.

3.5 AMENDMENTS TO THE REVENUE BUDGET - VIREMENTS

- 3.5.1 The overall revenue budget that reflects the Corporate Plan is drawn up by the Corporate Policy & Resources Committee and approved by the full Council. Chief Officers are authorised to incur expenditure in accordance with the estimates and service levels that make up the budget and Corporate/Service Delivery Plans.
- 3.5.2 Expenditure and income for any service budget may be incurred up to the amounts included in the approved budget. It is fundamental to proper financial control that expenditure is allocated to the correct place and it is a contravention of these rules to charge expenditure to the wrong heading to avoid authorisation of an appropriate virement.
- 3.5.3 The management of services within Service Delivery Plans and budgets allows resources to be transferred between services within limits. For example, where a potential overspend in one service budget has been identified through budget monitoring, this overspend could be funded by transferring budget from a service budget where an underspend has been identified. Future monitoring will be against these adjusted budgets.
- 3.5.4 Within the parameters set out below, Chief Officers have the ability to vire monies both within and between Service Budgets. This provides flexibility for the Council and its officers to manage overall service delivery within budgets.
- 3.5.4.1 For the avoidance of doubt, these virement rules are also applicable to the operation of the Councils earmarked reserves. However, virement is only allowed between one reserve and another and **NOT** between an earmarked reserve and cost centre.

3.5.5 Within a Cost Centre:

- No limit within a defined cost centre. Chief Officers must agree in advance with the Accountant responsible for that service area.
- Virements cannot be made from non-controllable budgets such as Central Support Recharges and Capital charges.
- Virements from salary budgets can only be actioned during the current financial year. Any permanent change to salary budgets will be seen as a change to the Council's establishment requiring compliance with the Human Resources procedure rules.

3.5.6 Between costs centres (under the same Chief Officer control)

- With the approval of the Chief Finance Officer, some senior managers (as set out in the register of sub-delegation) are authorised to approve virements, which, in total, transfer no more than £25,000. These virements should be minuted or otherwise documented.
- Virement exceeding £25,000 and up to £100,000 can be approved by the relevant Chief Officer, Chief Finance Officer and Management Team in consultation with the Chairman of Corporate Policy & Resources Committee. These virements should be minuted or otherwise documented.
- Virements over £100,000 can only be approved by Corporate Policy & Resources Committee. They will be reported by the Chief Officer, in such format as the Chief Finance Officer may prescribe.

3.5.7 Restrictions on virements:

- Virements can take place between cost centres in differing Chief Officer's responsibility, with the same limit as laid out in 3.6.6, when the relevant Chief Officers and the Corporate Policy and Resources Committee Chairman are in agreement.
- Unplanned savings in the form of unbudgeted income or unused budgets (in excess of £5,000) are not authorised to be used without prior agreement of the Management Team. The Chief Finance Officer and Management Team may consider a report to the Corporate Policy and Resources Committee.
- All virements must be in accordance with corporate and service objectives.
- The service will be as defined in the budget book.
- Evidence of all virements are to be retained by Financial Services
- Virement to or from the budgets for Recharges and Asset Rentals is not permitted unless approved by the Chief Finance Officer.

- 3.5.8 All other budgets can be vired but subject to any other Council policies. No virement may commit future additional expenditure above MTFP provision without Corporate Policy & Resources Committee approval.
- 3.5.9 If the same budget head is used for virement on more than one occasion, the application of the above rules will relate to the accumulated figure.
- 3.5.10 Any virement between an employee budget and a non-employee budget, or between an income budget and a non-income budget, must be approved by the Chief Finance Officer, in accordance with the above determined limits, who may request a report to Corporate Policy & Resources Committee for approval.
- 3.5.11 The securing of additional revenue resources (grants, etc.) must be reported to the Chief Finance Officer. The Chief Finance Officer may authorise the use of those resources to finance additional revenue expenditure where the grant conditions require such. Where there are no such requirements the Chief Finance Officer may require the use of these resources to be approved by Corporate Policy & Resources Committee and will do so in all cases where the sum is **£50,000** or more.
- 3.5.12 The Chief Finance Officer will determine whether a change to budgets is a virement (i.e. the budget is reallocated to a purpose other than originally intended) or a re-presentation or restructure where there is no change to the purpose of the spending. The virement rules set out above shall not apply to restructure or re-presentational changes.

3.5.13 Key Controls

Key controls are:

- Virement of resources between one head of account and another, whether within or between service areas is subject to approval;
- Virement does not create additional overall budget liability. Chief Officers are expected to manage their budgets responsibly, prudently and within approved service levels. They should not support recurring revenue expenditure from one-off sources of savings or additional income, or create future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Chief Officers must plan to fund such commitments from within their own budgets;
- Virement to provide a fundamentally different service level to that approved in Service Delivery Plans can only be approved by Corporate Policy & Resources Committee.

3.6 UNAVOIDABLE EXTRAORDINARY EXPENDITURE

- 3.6.1 Due to unforeseen circumstances, expenditure may be required over and above existing approved budgets. This should only occur in extreme

circumstances, for example natural disaster, as budget managers should be fully aware of any likely pressures on budgets within their remit.

3.6.2 Where possible the relevant Chief Officer should consult with the Chief Finance Officer and other members of the Management Team to seek agreement before incurring any expenditure. The Chief Finance Officer should agree this expenditure in consultation with the Chairman of the Corporate Policy and Resources Committee.

3.6.3 Subsequently a report will be presented to the Corporate Policy and Resources Committee.

3.6.4 Natural disasters will often be funded by Central Government via the Bellwin Scheme. The possibility of this additional funding should be investigated by the relevant Chief Officer.

3.6.5 Key Controls

Key controls are:

- Budget Managers fully trained in budget management so that the budget reflects all anticipated expenditure.
- All unavoidable expenditure is required to be reported to Corporate Policy and Resources Committee.

3.7 **CONTRACT AND WINDFALL SAVINGS**

3.7.1 Unless specific agreement with the Chief Finance Officer is obtained, contract savings and windfall savings (i.e. unanticipated income or unanticipated savings on expenditure including any figure relating to previous years) will revert to General Balances.

3.8 **FEES AND CHARGES**

3.8.1 The Fees, Charges and Concessions Policy forms the basis of all fees and charges set within the Council. The Policy establishes clear principles for charging, integrates charging into service management, linking with corporate objectives and sets clear objectives and targets. The Policy shall be reviewed by the Chief Finance Officer and reported to Corporate Policy & Resources Committee as a minimum every three years.

3.8.2 Charges should be reviewed at least annually and reported as part of the revenue budget and service delivery plan setting process. Any in year changes resulting from a review of fee levels should be reported to the relevant committee for discussion and if agreed, a recommendation to Corporate Policy & Resources Committee and Full Council for approval.

3.8.3 Fees and charges fall into two categories:

- Statutory;

- Cost related.

3.8.4 **Statutory Charges**

Statutory charges are those determined by organisations external to the Council and over which the Council has no discretion.

3.8.5 **Cost Related Charges**

- Where charges are not prescribed, the Chief Officer is able to set the charge by reference to the cost of service provision;
- Constraints exist whereby the charge should be set to cover the cost of the service, e.g. Public Entertainment Licenses, Local Search Fees;
- Chief Officers must have appropriate systems in place to support the fee-setting process, including the allocation of overheads;
- Where decisions on increases in fees and charges are taken outside the budget process for administrative reasons (e.g. where there is a statutory regulation or a duty of consultation, for example, car parking where notices have to be served) due regard must be given to the financial strategy.

3.8.6 Key Controls

The key controls are:

- Clear and consistent fees and charges strategy;
- As a minimum. annual review of strategy and levels of charges;
- All fees should be considered as part of the Service Planning process.

3.9 **INTERNAL CHARGING**

3.9.1 Internal charges are made between services within the Council. Whilst they do not directly generate external income, they do affect the total cost of individual services.

3.9.2 Internal charges should be set in accordance with the principles set out in the CIPFA Service Reporting Code of Practice (SeRCOP). There must be a clear rationale for any residual sum not recovered from services and charged to the Corporate and Democratic Core.

3.9.3 Where internal charges are made they should be fixed to recover the full cost of services and may be set at a unit/volume based amount linked to demand, or as a reallocation of costs.

3.9.4 For most services, the service manager responsible for making the charge will develop a service agreement (either formally or informally) that outlines the service provided and establishes the basis of the allocation of costs. The

service standard should be agreed with the Council's Management Team.

3.9.5 The Chief Finance Officer will work with service departments to ensure that recharges are accurate and periodically reviewed to ensure that the basis of charge reflects work done and up to date service costs.

3.9.6 Some services operate as a fully traded service. In these cases, charges could be made on the basis of a Service Level Agreement (SLA). The SLA will specify the service to be provided and the charge to be levied and will generally be a volume based charge. SLAs must be published well in advance of the start of each financial year to enable customers to negotiate with providers if they wish.

3.9.7 Chief Officers must have appropriate systems in place to support the charge-setting process, including the allocation of overheads.

3.9.8 Regard shall be had to the frequency and basis of charge to minimise the administrative costs involved in recharging.

3.9.9 Key Controls

The key controls are:

- Clear and consistent internal charging strategy;
- Annual review of strategy and basis and level of charges with specific reference to Value for Money;
- Clear guidance on forming SLAs and service agreements;
- All charges should be considered as part of the Service Planning process.

3.10 RESERVES

3.10.1 Reserves are amounts set aside by the Council as a result of surpluses, deferred expenditure or policy decisions to 'save' towards future expenditure. Reserves can be either specific (earmarked) or general. For each reserve established, the amount, purpose and origin of funding must be clearly identified.

3.10.2 The levels and requirements for reserves are reviewed annually in setting the budget and in the context of the MTFP.

3.10.3 The establishment of new earmarked reserves is subject to approval on a case by case basis except where such a reserve (e.g. pension's reserve) is specifically required by statute or by CIPFA's Accounting Code of Practice.

3.10.4 New reserves will generally be approved by Corporate Policy & Resources Committee as part of the budget setting process or budget monitoring process and exceptionally by the Corporate Policy & Resources Committee as part of the accounts closure process on the recommendation of the Chief Finance Officer.

- 3.10.5 Contributions to reserves will be managed as a budgeted call on resources which could otherwise have been spent on services or taken to the General Reserve or used to reduce Council Tax. The timing and size of contributions will be considered in the context of the Council's MTFP and reviewed when each year's accounts are closed.
- 3.10.6 Earmarked reserves will generally fall into four categories:
- Trading account balances;
 - Time limited programmes and projects;
 - To meet specific risks of a non-insurable nature or self-insured risks;
 - To carry forward under spending (or overspending) as a ring fenced amount.
- 3.10.7 **Trading account balances** will be allowed where real or quasi trading accounts are used to manage costs. Balances will be maintained to allow flexible response to changes to demand and/or to meet defined future capital expenditure needs. Generally such balances should not exceed 20% of the annual turnover. Balances in excess of this limit should be returned to the General Reserve. See also the additional provisions in section 6.12.
- 3.10.8 **Time limited programmes** may be pre-funded by the establishment of reserves. Reserves will be useful where the pace of spending is difficult to predict and where the spend will run over a number of budget years. However, the creation of reserves causes an earlier call on the taxpayer than when the benefits of the programme are derived by the taxpayer. So pre-funding requires careful consideration of the benefits of the use of a reserve as against annual revenue budgets. It would be unusual for a time-limited programme running for more than 3 years to be pre-funded. Longer programmes might be managed by a reserve to which a consistent level of contribution was made annually but where spend fluctuated from year to year. In all cases the purpose of the reserve must be clearly established at the outset and the scope and cost of the programme defined to ensure the adequacy of the reserve.
- 3.10.9 **Reserves to meet specific risks or contingencies** should have regard to a reasonable estimate of the potential costs involved and should continue to be held only while the risk remains. They should be reviewed at least annually. The Insurance Reserve falls within this category being support for the Council's self-insurance programme and a contingency in respect of any past insurance claims yet to be settled.
- 3.10.10 **At each year-end the Council may determine that an under spending (or over spending) is carried forward for use by the service in which it arose in the subsequent year.** This may be because of a delay in implementing a revenue programme or because a commitment to a future payment exists but which does not meet the test of an accrual as a creditor, or establishment of a Balance Sheet provision. In each case the relevant

Chief Officer, together with the Chief Finance Officer will establish the reasonable estimate of the under-spending and the amount carried forward.

- 3.10.11 The Council may determine that a Service may retain part of a general under spending if the Council's financial situation does not require the sum to be returned to the General Reserve. The sum retained must be identified to a programme and for a one off purpose that does not give rise to any ongoing commitment. The Chief Finance Officer will consider each case and advise whether the purpose meets the test of being spending of a one-off nature.
- 3.10.12 In all circumstances a carry forward request must not be spent without the prior approvals as those required for virements.
- 3.10.13 Approval to use earmarked reserves will be subject to formal release by the Chief Finance Officer who will confirm that planned spending remains affordable when considering any mixed funding, including call on reserves, current budgets and/or external funding packages. The Chief Finance Officer shall have delegated power to approve spending of any earmarked reserve up to a value of **£50,000**. Spend in excess of this sum must have the approval of Corporate Policy & Resources Committee.
- 3.10.14 Monitoring of spending against reserves must be subject to periodic budget monitoring arrangements. Projected variances should form part of the periodic corporate budget monitoring arrangements.
- 3.10.15 The Council may close an earmarked reserve (except where there is a statutory requirement to maintain it) at any time and appropriate any remaining balance to the General Reserve.
- 3.10.16 Key Controls

The key controls are:

- The establishment and use of reserves must be authorised by the Chief Finance Officer;
- Reserves will only be established to meet a defined purpose;
- The level and requirement of each reserve is reviewed annually.
- Any spend in excess of £50,000 to be approved by Corporate Policy & Resources Committee.

4 REGULATION 4 - ACCOUNTING RECORDS

4.1 ACCOUNTING RECORDS

4.1.1 To enable reliance to be placed on financial management information all the Council's transactions, commitments, contracts and other essential accounting information must be recorded completely, accurately, on a timely basis and in corporately approved systems.

4.1.2 Any financial systems and records used within service areas that do not interface with the corporate financial ledger must be in a form agreed by the Chief Finance Officer and must be regularly reconciled to the corporate financial ledger by the relevant service manager.

4.1.3 Chief Officers shall ensure supporting documentation is available as required by the Chief Finance Officer.

4.1.4 Key Controls

The key controls are:

- The primary record of accounting entries and approved budget is the financial ledger;
- Reconciliation procedures are carried out to the financial ledger to ensure transactions are correctly recorded;
- Original documents are retained in accordance with legislative and other requirements including compliance with the Council's Retention of Data Policy.

4.2 ANNUAL STATEMENT OF ACCOUNTS

4.2.1 The Council has a statutory responsibility to prepare accounts that present accurately and fairly its operations during the year. This must be done in accordance with The Code of Practice on Local Council Accounting in the United Kingdom: (the Code) (CIPFA/LASAAC).

4.2.2 The Accounts will be produced within the statutory timescales.

4.2.3 Annually the Chief Finance Officer draws up a detailed timetable, guidance and instructions for final accounts preparation, approval and audit.

4.2.4 The timetable and guidance covers all areas relating to the closure of accounts, the deadlines by which each task should be completed and the format in which key information should be submitted. Chief Officers shall ensure compliance with the timetable and guidance.

4.2.5 Key Controls

The key controls are:

- The Council's Statement of Accounts is prepared in accordance with proper practices as set out in the relevant codes of practice on local authority accounting in the United Kingdom;
- Clear and consistent advice and instructions are issued for dealing with all year-end processes, such as accruals, prepayments, treatment of year-end balances and analytical review;
- Accounts are kept up to date during the year, reconciliations are carried out on a regular basis, the revenue and capital budgets are compiled and monitored effectively and year-end processes are completed in accordance with the timetable issued;
- Year-end variances and balances are reported on within the parameters agreed with the external auditor;
- There is a clear policy for the setting up and maintenance of reserves;
- Comprehensive working papers are compiled and maintained.

4.3 RETENTION OF ACCOUNTING AND FINANCIAL DOCUMENTS

- 4.3.1 The retention periods shown in Appendix 2 represent the minimum number of complete financial years, i.e. excluding the current financial year.
- 4.3.2 This guidance refers to retention of both hard copy and electronic format. Retention in electronic format (e.g. document imaging or other electronic format) is to be encouraged wherever possible and subject to the agreement of appropriate authorities, such as External Audit and HMRC.
- 4.3.3 No documents or records should be disposed of until notification has been received from the External Auditor of the completion of the audit of accounts for the year to which the records relate. This fact should be confirmed with the Chief Finance Officer.
- 4.3.4 If in doubt, Internal Audit should be contacted for advice on specific cases.

5 REGULATION 5 - RISK MANAGEMENT AND RESOURCE CONTROL

5.1 RISK MANAGEMENT AND INSURANCE

Introduction

- 5.1.1 It is essential that robust systems are developed and maintained for identifying, evaluating and controlling all of the operational risks to the Council on an integrated basis in accordance with the Council's Risk Management Strategy.

Risk Management

- 5.1.2 The Governance and Audit Committee is responsible for approving the Council's Risk Management Strategy and for reviewing the effectiveness of risk management. The committee is also responsible for approving the Council's Strategic Risk Assessment and for ensuring that proper insurance exists where appropriate. The committee discharging the Overview and Scrutiny function has the responsibility for reviewing and scrutinising the decisions made by and performance of Committees and officers to ensure that risk management has been applied and adds value and quality to decision making.

- 5.1.3 The Executive Director of Operations will produce an annual corporate risk assessment. The Executive Director of Operations is responsible for preparing the Council's Risk Management Strategy statement and for promoting it throughout the Council. The Chief Finance Officer is responsible for advising the Corporate Policy & Resources Committee on proper insurance cover where appropriate. Copies of the Council's formal Risk Management Strategy and Corporate Risk Register are available on the intranet.
- 5.1.4 Chief Officers shall ensure the regular identification, review and management of risk within service areas having regard to advice and instructions from specialist officers. Risk champions shall be nominated within each service area to ensure these issues are progressed.
- 5.1.5 The Council's approach to risk management is that it should be embedded throughout the organisation at both a strategic and an operational level, through integration into existing systems and processes.
- 5.1.6 Chief Officers are responsible for ensuring that the risks to achieving the aims in their responsible areas are assessed and managed and that risk registers are updated with current issues and reviewed through service area team meetings in accordance with the organisation's risk appetite. Risks and their control measures will be included within Service Delivery Plans and updated in quarterly performance reviews.
- 5.1.7 It is also the role of Chief Officers to ensure that common themes for business and organisational failure (e.g. capacity, resources and prioritisation) are taken into account at a service and corporate level and reflected in risk registers, as they have an effect on achieving service and organisational aims.
- 5.1.8 Chief Officers will also ensure that all relevant staff comply with the strategy and have the necessary level of training and competence. The Risk Management Code of Practice will be complied with and risks escalated to the Chief Officer where a decision at this level is needed.
- 5.1.9 The Chief Finance Officer will make provision for losses that might result from residual risks, through external insurance or internal funding and negotiate all claims in consultation with other officers.

Insurance

- 5.1.10 The Chief Finance Officer shall effect all those insurances falling within the framework of insurable risks and shall deal with all claims, in consultation with other Chief Officers where necessary. This will also include negotiation of annual premiums, continually reviewing procedure and cover and ensuring that the Council has adequate cover against all potential risks.
- 5.1.11 The Council will determine which risks must be covered by external insurances or internal insurance provision. Other risks may be covered by insurance or carried by the service area involved at the discretion of the relevant Chief Officer, having regard to advice from the Chief Finance Officer.
- 5.1.12 The Chief Finance Officer will keep an up to date list of all property including current insurance values. This list will be reviewed annually.

- 5.1.13 Each Chief Officer shall immediately notify the Chief Finance Officer of all new risks, properties, vehicles and other assets or potential liabilities for which insurance may be required; and of any changes affecting existing risks or insurance cover required.
- 5.1.14 Chief Officers shall notify the Chief Finance Officer in writing without delay of any loss, liability or damage or any event likely to lead to a claim and shall provide such information and explanations required by the Chief Finance Officer or the Council's insurers.
- 5.1.15 Chief Officers shall ensure that all keys (for example safe, offices, vehicles, cabinets) are kept securely and a register maintained. In the event of a loss, they must immediately inform the Chief Finance Officer.
- 5.1.16 Chief Officers may authorise payment of up to **£60** towards employees' personal property damaged while on the Council's premises or on the Council's business. Sums greater than £60 will require approval from the Chief Finance Officer and the Management Team.
- 5.1.17 Chief Officers shall consult the Chief Finance Officer and the Monitoring Officer concerning the terms of any indemnity which they are requested to give on behalf of the Council.
- 5.1.18 Before entering into any arrangement involving a legal relationship, the Chief Officer involved must ensure that the Council has adequate legal powers and where appropriate that there is adequate professional indemnity insurance to cover and minimise any risk to the Council and to those individuals involved (advice should be obtained from the Chief Finance Officer and /or the Monitoring Officer where necessary before proceeding).
- 5.1.19 The Chief Finance Officer shall review insurance requirements at each annual renewal date and as part of the re-tendering process at the end of the overall insurance contract period.

Self-Insurance

- 5.1.20 For some risks not covered by external insurance policies and as determined by the Council, the Chief Finance Officer will operate an internal insurance account and is authorised to charge the various Council service budgets with the cost of contributions to this account.
- 5.1.21 Risk Management is the responsibility of every Chief Officer having regard to advice from specialist officers. In general, costs and losses not insured externally and not covered by the Council Fund will fall as a charge upon the budget of the service area to which the item relates. Also, claims for insured risks could result in increased levels of future premiums, and this emphasises the need for effective preventive measures against all risks.

Business Risk Management

- 5.1.22 Each Chief Officer must assess all risks annually. The risk of not meeting corporate strategy targets should be evaluated and appropriate performance measures should be set for monitoring.
- 5.1.23 All risks should be recorded in the Corporate Risk Register, together with an

action plan to show how the risks are being monitored.

5.1.24 The management of risks at a cluster (People, Places, Policy & resources) level should be reported upon at least quarterly to the Management Team.

5.1.25 Key Controls

The key controls are:

- 5.1.25.1 Procedures are in place to identify, assess, prevent or contain known risks, and these procedures are operating effectively throughout the Council;
- 5.1.25.2 The Council has adopted the Risk Management Strategy and processes to record all identified risks;
- 5.1.25.3 A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis;
- 5.1.25.4 Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives;
- 5.1.25.5 Provision is made in the accounts for losses that might result from the risks that remain;
- 5.1.25.6 The Council has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources;
- 5.1.25.7 Acceptable levels of risk are determined and insured against where appropriate.

5.2 PREVENTING FRAUD AND CORRUPTION

- 5.2.1 The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside of the Council.
- 5.2.2 The Monitoring Officer is responsible for the development and maintenance of an anti-fraud and anti-corruption policy.
- 5.2.3 The Monitoring Officer will also ensure that whistle-blowing procedures are in place and operate effectively, including regular reviews of staff training and takes account of the Public Interest Disclosure Act 1998.
- 5.2.4 The Council operates a Prevention of Financial Crime, Anti-fraud and Corruption and Anti Bribery policy. A 'Whistle Blowing' policy supports the objectives of these policies. These, in conjunction with Councillor and Officer Codes of Conduct and registers of interest, including Register of Interest in which any hospitality or gifts accepted must be recorded, determine the overall policy of the Council with regard to prevention of fraud and corruption.
- 5.2.5 Any suspected irregularities should be reported to internal audit and, if necessary, the Chief Finance Officer, the Monitoring Officer, or the Executive Director of Operations.

5.2.6 Key Controls

The key controls are:

- The Council has an effective anti-fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption;
- Codes of conduct exist for Councillors and Officers and are regularly reviewed by the Standards Sub-Committee;
- A Register of Interests is maintained to enable Councillors and Officers to record any financial or non-financial interests that may bring about conflict with the Council's interests;
- A register of Gifts & Hospitality is maintained to enable Councillors and Officers to record gifts and hospitality either received, or offered and declined, from the Council's contractors and suppliers;
- Whistle blowing procedures are in place and operate effectively;
- An effective disciplinary procedure is in place in case of improper behaviour;
- The Prevention of Financial Crime, Anti-fraud and Corruption and Anti Bribery policy and the Whistleblowing Policy can be found on the intranet and internet.

5.3 **GIFTS AND HOSPITALITY**

5.3.1 Part 3 of The Constitution sets out the Council's Codes of Conduct for Councillors and for Employees on Gifts and Hospitality. These must be adhered to at all times.

5.3.2 A Register of Gifts & Hospitality is maintained by Democratic Services to enable officers to record gifts and hospitality either received, or offered and declined, from the Council's existing or potential contractors and suppliers.

5.3.3 Key Controls

The key controls are:

- Relevant Codes of Conduct must be adhered to at all times;
- Registers of gifts and hospitality must be maintained and kept up to date.

5.4 **ASSETS**

5.4.1 **Assets - Acquisitions and Disposals of Land and Buildings**

5.4.1.1 Chief Officers (including the Chief Finance Officer) may authorise an acquisition or disposal of land and buildings up to a value of **£75,000** (including leases or easements where the annual rent multiplied by the length of the lease does not exceed that figure assuming that the rent is not increased on review) which is an approved item in the approved Capital Programme.

5.4.1.2 Acquisitions or disposals between **£75,001** and **£250,000** are only to be undertaken following consultation with the Leader of the Council or the Deputy Leader if the Leader is not available.

5.4.1.3 Any proposed acquisition or disposal (regardless of value) must be subject to an independent valuation, preferably by the District Valuer or some other Royal Institute of Chartered Surveyors independent valuer.

- 5.4.1.4 In all cases, acquisitions and disposals are subject to reference to Corporate Policy and Resources Committee by the appropriate Chief Officer with responsibility for areas of open space or land in the nature of open space if there is significant public interest in the preservation of the same.
- 5.4.1.5 Where a sale is pursuant to Section 123 Local Government Act 1972, Section 32 Housing Act 1985 or Section 25 Local Government Act 1988, consent to the Secretary of State may be sought as necessary.
- 5.4.1.6 In all cases, the acquisition, lease or disposal must be reported to the next available meeting of the Corporate Policy & Resources Committee.
- 5.4.1.7 Where transactions have not been approved within the Approved Capital Programme the prior approval of the Corporate Policy and Resources Committee is required.

Assets – Security

- 5.4.2 The Council holds assets and information in many different forms – property, vehicles, equipment and both computerised and other records.
- 5.4.3 Such assets and information as are required for service operations must be safeguarded, and the requirements of the Data Protection Act and Freedom of Information Act must be met.
- 5.4.4 Chief Officers will:
- Ensure the security of all vehicles, buildings, stocks, stores, furniture, equipment, cash and information under their control;
 - Ensure that no asset or office system (for example internet access or the telephone system) is misused or subject to unauthorised personal use;
 - Ensure that maximum limits for cash holdings agreed with the Chief Finance Officer are not exceeded;
 - Ensure that keys to safes etc. are kept securely and any loss is reported promptly to the Chief Finance Officer;
 - Protect the Council's rights to intellectual property and ensure that private work is not carried out during the Council's time;
 - Ensure that documented and tested contingency plans for the security of assets and continuity of service in the event of a disaster or system failure are in place;
 - Should the Council be asked to give a guarantee or indemnity for any transaction, the relevant Chief Officer should first consult with the Chief Finance Officer and the Legal Adviser.
- 5.4.5 The Chief Finance Officer maintains an up-to-date Asset Register. The Chief Finance Officer should be notified in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. In addition, the Authority will maintain records of all properties owned by the Council.
- 5.4.6 The **Council's Executive Director of Economic & Commercial Growth** shall have the custody of all title deeds, formal contracts and agreements under seal and be responsible for ensuring their safety.

5.4.7 The Chief Finance Officer shall be responsible for ensuring that a full revaluation of all Council properties is undertaken at least every five years.

5.4.8 Key Controls

The key controls are:

- Assets and resources are used only for the purposes of the Council and are properly accounted for;
- Assets and resources are available for use when required;
- Assets and resources no longer required are disposed of in accordance with the law and the regulations of the Council so as to maximise benefits;
- An Asset Register is maintained for the Council - assets are recorded when they are acquired by the Council and this record is updated as changes occur with respect to the location and condition of the asset;
- All officers are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act and software copyright legislation;
- All officers are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's information security and internet security policies;
- Proper security arrangements are in place for all buildings and other assets belonging to the Council.

Assets – Inventories

5.4.9 Mobile assets include portable computers, phones, radios, surveying equipment, vehicles and any other work related equipment held by staff outside the offices at any time.

5.4.10 Each Chief Officer will nominate an officer with responsibility to maintain an inventory for all assets with a life expectancy of more than one year (including all mobile assets) whose single replacement value exceeds £500 including furniture, fittings and equipment. This must record description, value, date of purchase, expected life, and location.

5.4.11 All valuable and portable items (including computers, cameras, video recorders, mobile phones, portable projection equipment etc.) must be security marked as belonging to the Council and wherever possible kept securely.

5.4.12 No item shall be removed from the Council premises, except in the course of Council business, without the written authorisation of the Chief Officer concerned.

5.4.13 Inventories must be checked at least annually to verify the details.

5.4.14 Any variations to inventory records must be reported to the relevant Chief Officer and all variations over **£1,500** must be reported to the Chief Finance Officer.

5.4.15 The Chief Officer to ensure officers sign a register to acknowledge custody and sign back in when returning the equipment. The Chief Finance Officer can offer advice when setting up a logging system.

- 5.4.16 An inventory of all computer hardware and software held by the Council will be maintained, a copy of which must be provided to the Chief Finance Officer.

Assets - Lost Property and Uncollected Goods

- 5.4.17 Lost property, uncollected goods or unclaimed sums of money will be kept securely until they can be returned to a claimant or otherwise disposed of. Chief Officers will ensure that this is carried out and that records are kept of such items and arrangements for their disposal.

Assets - Stocks and Stores

- 5.4.18 All Chief Officers must ensure that they maintain adequate records and controls over stock movements. There is a cost of holding stocks and levels should always be kept at the minimum necessary to maintain the efficiency of the service.

- 5.4.19 Stocks and stores comprise the following categories:

- Goods or other assets purchased for resale;
- Consumable stores;
- Raw materials and components purchased for incorporation into products for sale;
- Products and services in intermediate stages of completion;
- Long-term contract balances;
- Finished goods.

- 5.4.20 Chief Officers will ensure that independent stock checks must be undertaken periodically and at least annually at year-end. All discrepancies should be investigated and pursued to a satisfactory conclusion. Evidence of the stock check is to be kept for audit verification purposes.

- 5.4.21 Any variations must be reported to the relevant Chief Officer and Financial Services for the appropriate accounting entries to be done. All variations over **£1,500** must be reported to the Chief Finance Officer.

- 5.4.22 A certificate of stock must be issued promptly to the Chief Finance Officer as at 31 March in each year. Stocks must be signed by the appropriate Chief Officer or budget holder and valued at the lower of cost and net realisable value.

- 5.4.23 The Chief Finance Officer is entitled to check stocks, if necessary requiring closure, after consultation and agreement with the Chief Officer concerned.

- 5.4.24 All receipts and issues of stock must be properly recorded and accounted for in the Council's financial records.

Assets – Intellectual Property

- 5.4.25 Intellectual property is a generic term that includes inventions and writing. If these are created by the Council during the course of employment then they

are the property of the Council. Examples include software and product development. These items are collectively known as intellectual property.

5.4.26 All contracts of employment, including those relating to temporary or consultants are to provide for intellectual property to be the property of the Council.

5.4.27 Key Controls

The key controls are:

- In the event that the Council decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with the Council's approved intellectual property procedures.
- Contracts of employment, including for the employment of temporary/consultancy staff, should include the provision that any intellectual property are the property of the Council.

Assets - Compulsory Disposals

5.4.28 Any sale or lease of land pursuant to the Right to Buy or the Right of Enfranchisement under the Housing Act 1985, the Leasehold Reform Act 1967 or the Leasehold Reform Housing and Urban Development Act 1993 subject to compliance with the statutory procedures.

Assets – Disposal by Sale

5.4.29 Surplus or obsolete goods, materials, and stocks with a value of £250 or more shall be disposed of by public tender, except when, in the opinion of the Chief Officer of the Service concerned, the financial interest of the Council is better served by disposal by other means. This may include a public auction or offering the asset in part exchange. The Chief Officer concerned shall prepare and certify a list of all items disposed of, showing the amount received. This will be reflected in the inventory, the asset register, and/or the stock account. The disposal of the asset should be fully documented.

5.4.30 Items with a value of less than £250 can either be disposed as indicated in 5.4.29 or may listed on the Councils Ebay page.

5.4.31 For disposals of land and property see the special provisions contained in 5.4.1.

5.4.32 Running costs for property declared surplus to requirement will transfer to the Property & Assets budget.

5.4.33 The proceeds of all sales of surplus or obsolete assets must be reported to the relevant Chief Officer and all sales must be reported to the Chief Finance Officer who will arrange for the Councils Asset Register to be amended if appropriate.

5.4.34 Key Controls

The key controls are:

- Assets are disposed of in accordance with the Asset Management Plan;
- Disposal of assets is fully documented;
- The Councils Asset Register records the latest position;
- Annual stock valuation identifies obsolete stock.

Assets – Disposal By Write Off

- 5.4.35 For the purpose of this section, assets also include write off of cash and income due to the Council.
- 5.4.36 Write-offs may only take place as a last resort after all other economic/social solutions have been exhausted.
- 5.4.37 The relevant Chief Officer in consultation with the Chief Finance Officer may write off Income, Stocks and Inventory deficiencies of up to **£2,500**.
- 5.4.38 The relevant Chief Officer in consultation with the Chief Finance Officer and the Chairman of the Corporate Policy & Resources Committee, may write off items over **£2,500** and under **£25,000**.
- 5.4.39 Write offs of amounts over **£25,000** may only be written off by the Corporate Policy & Resources Committee after receiving a report from the Chief Finance Officer.
- 5.4.40 A report must be submitted at least annually by the relevant Chief Officer to the Chief Finance Officer, who will report annually on the overall level of write-offs as part of the Statement of Accounts process.

5.4.41 Key Controls

The key controls are:

- Specific write-off limits;
- Disposal of assets is fully documented;
- Annual stock valuation identifies obsolete stock.

5.5 TREASURY MANAGEMENT AND LEASING

- 5.5.1 The Council has adopted CIPFA's Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes 2017.
- 5.5.2 The Chief Finance Officer will create and maintain, as the cornerstone for effective Treasury Management:
- A Treasury Management Policy Statement (TMPS) stating the policies, objectives and approach to risk management of its treasury management activities;
 - Suitable Treasury Management Practices (TMP) setting out the manner in which the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

- 5.5.3 The Chief Finance Officer will produce reports on its treasury management policies, practices and activities including, as a minimum, a report to Council on an annual strategy and plan in advance of the forthcoming year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- 5.5.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Corporate Policy & Resources Committee, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the Council's policy statement and TMPs, and the CIPFA Standard of Professional Practice on Treasury Management.
- 5.5.5 The Council nominates the Governance and Audit Committee to be responsible for ensuring the effective scrutiny of the Treasury Management strategy and policies.
- 5.5.6 All executive decisions on borrowing, investment or financing (including leasing) are delegated to the Chief Finance Officer who will act in accordance with the Council's agreed "Treasury Management Strategy".
- 5.5.7 The Chief Finance Officer must report any decisions on any borrowing undertaken to Corporate Policy & Resources Committee as part of the Treasury Management activities reporting process.
- 5.5.8 The Chief Finance Officer must report any debt rescheduling activity to Corporate Policy & Resources Committee as part of the Treasury Management activities reporting process.
- 5.5.9 The Chief Finance Officer is responsible for acting as the Council's registrar of stocks, bonds, mortgages, and to maintain records of all borrowing by the Council.
- 5.5.10 Chief Officers are responsible for ensuring the prior approval of the Chief Finance Officer before leasing any assets.
- 5.5.11 Chief Officers are responsible for ensuring that no loans are made to third parties or interests acquired in companies, joint ventures, or other enterprises without consulting the Chief Finance Officer and obtaining approval from Corporate Policy & Resources Committee.
- 5.5.12 The Council may, in accordance with its Treasury Management Strategy, invest in the following types of investment:
- Purchase of commercial property
 - Loans and guarantees etc. to third parties and subsidiaries
 - Ultra-short dated bond funds
 - Corporate Bonds - direct, passive and active external management
 - Property Funds
 - Equity Funds
 - Multi Asset Funds

5.5.13 All such investments shall be undertaken only in accordance with the Councils approved Treasury Management Strategy and adherence to the provisions contained in the strategy especially with regard to undertaking appropriate due diligence.

5.5.14 Key Controls

The key controls are:

- Adopted CIPFA's Treasury Management in the Public Services Code;
- Created and maintained Treasury Management Policy Statement (TMPS) and Treasury Management Practices (TMP);
- Agreed Treasury Management Strategy for forthcoming year;
- Mid-year Treasury Management Update report;
- Reported performance within six months of the end of the year;
- An annually agreed Minimum Revenue Provision (MRP) Policy;
- The role of the Governance and Audit Committee.

5.6 STAFFING

5.6.1 The Chief Finance Officer, in consultation with the Executive Director of Operations, is responsible for determining how officer support for executive and non-executive roles within the Council will be organised.

5.6.2 The **Executive Director of Operations** is responsible for providing overall management to Officers. He/she is also responsible for ensuring that there is proper use of evaluation or other agreed systems for determining the remuneration of a job.

5.6.3 Chief Officers should ensure that Officers are aware of their management responsibilities under the Financial Procedure Rules, Contract Procedure Rules, Declaration of Interests, Hospitality, Whistleblowing Policy, ICT Policies etc.

5.6.4 All officers are responsible for complying with the Council's Human Resources Policies to protect the Council against losses and minimise risk exposure.

5.6.5 The Chief Finance Officer is responsible for maintaining an approved list of officer posts (known as the Establishment List), which have been approved by or on behalf of the Council as being required to provide the Council with the services and advice, which it requires from time to time. Additions, amendments and deletions in relation to this list shall be kept up to date at all times.

5.6.6 Regular meetings shall take place between the Chief Finance Officer, Finance and Payroll to ensure that all records in relation to this Establishment List reconcile.

5.6.7 No appointments of permanent officers shall be made unless there is a post on the Establishment List for which current budgetary provision has been made.

5.6.8 The Establishment List shall not preclude the appointment of temporary or agency staff, or direct works employees in respect of which special budgetary provision is available.

5.6.9 Chief Officers are responsible for controlling total staff numbers by:

- Advising the Corporate Policy & Resources Committee on the budget necessary in any given year to cover estimated staffing levels;
- Adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs.

5.6.10 Key Controls

The key controls are:

- An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocation are matched;
- Procedures are in place for forecasting staffing requirements and cost;
- There is a process of performance review and identification of development needs;
- Training budgets are adequate to support agreed development needs.

5.7 UNOFFICIAL NON-COUNCIL FUNDS

5.7.1 An unofficial fund is one where the income and expenditure does not form part of the Council's accounts, but which is controlled wholly or in part by an Officer employed by the Council or a semi-autonomous body. Examples may include charity accounts or Trust Funds.

5.7.2 Unofficial funds may only be established by the Chief Finance Officer who will issue and update accounting instructions for them where necessary.

5.7.3 All unofficial funds must be properly accounted for and be subject to an independent annual audit (Council or other provider).

5.7.4 Key Controls

The key controls are:

- They must be subject to an audit;
- They must be identified and recorded centrally;
- Normal accounting rules will apply.

5.8 INTERNAL AUDIT

5.8.1 The requirement for an internal audit function for local authorities is implied by the Local Government Act 1972, which requires that authorities "make arrangements for the proper administration of their financial affairs". The Accounts and Audit regulations 1996 (SI1996/590), Regulation 5,

more specifically require that a “relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems”. The Chief Finance Officer is responsible for providing an efficient and effective internal audit service to comply with the legislation and auditing best practice.

- 5.8.2 Accordingly, Internal Audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.
- 5.8.3 The provision of a full Internal Audit service requires total accessibility to records and staff employed either by, or on behalf of, the Council.
- 5.8.4 Notwithstanding the Chief Finance Officer’s responsibility for the review of the Council’s systems, the actual responsibility for their correct form and operation lies solely and totally with service management. Internal Audit will review and comment on the operation of systems, but this does not constitute a control function and must not be relied upon as such. Conversely, the lack of an Internal Audit review or the failure by Internal Audit to identify a weakness or irregularity does not in any way act as an excuse or defence for its occurrence or non-detection by service managers.
- 5.8.5 Chief Officers will consider internal audit reports and make a n initial response within 15 working days of receipt. Any agreed recommendations will then be implemented. Any rejected recommendations will be reported to the Chief Finance Officer and Management Team.
- 5.8.5 Chief Officers will inform the Chief Finance Officer of suspected fraud, corruption or other irregularities.
- 5.8.6 Chief Officers will inform Internal Audit of all proposed changes to computer or other systems prior to implementing any changes.
- 5.8.7 The Chief Finance Officer will report to the Governance and Audit Committee on progress against the Internal Audit Programme.

5.8.8 Key Controls

The key controls are:

- It is independent in its planning and operation;
- The Audit Manager has direct access to the Executive Director of Operations, all levels of management and directly to elected Members;
- Governance and Audit Committee will monitor progress against the Internal Audit Programme.
- Internal Auditors comply with the Auditing Practice Board’s guideline: Guidance for Internal Auditors, as interpreted by CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom.

5.9 MONEY LAUNDERING

- 5.9.1 The Council’s policy and practices with regard to the Money Laundering regulations (contained in the Proceeds of Crime Act 2002 as amended by

Serious Organised Crime Agency and Policy 2005 and relevant Statutory Instruments, Terrorism Act 2000 as amended by Anti-Terrorism, Crime and Security Act 2001 and the Terrorism Act 2006 and relevant Statutory Instruments with regard to money laundering are contained in the Council's Treasury Management Practices (TMP) adopted as part of its Treasury Management Policy.

- 5.9.2 Schedule 9 of the TMPs set out the detailed approach to addressing the Council's requirements in respect of Money Laundering regulations specific to Treasury Management activity.

6 REGULATION 6 – ACCOUNTING SYSTEMS AND PROCEDURES

6.1 ACCOUNTING SYSTEMS AND PROCEDURES

- 6.1.1 The Chief Finance Officer is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. No changes shall be made to the existing financial systems or new systems shall be established without the prior approval of the Chief Finance Officer.
- 6.1.2 A complete audit trail, allowing financial transactions to be traced from the accounting records to the original document and vice versa, must be maintained.
- 6.1.3 Chief Officers are responsible for the proper operation of financial processes in their own strategic service areas and for ensuring that their officers receive relevant financial training, approved by the Chief Finance Officer.
- 6.1.4 Lists of Authorised Officers, with specimen signatures and delegated limits will be provided to the Chief Finance Officer, together with any subsequent variations on a periodic basis. This includes all areas of the Council, including the outlying areas such as depots and sports facilities.
- 6.1.5 Chief Officers must ensure that, where appropriate, computer and other systems are registered in accordance with Data Protection legislation and that officers are aware of their responsibilities under Freedom of Information legislation and information security generally.
- 6.1.6 The development, purchase and implementation of all ICT systems must conform to the Council's ICT Strategy.
- 6.1.7 All passwords must remain confidential.
- 6.1.8 All relevant software licenses employed by the Council should be held and identifiable. No software may be loaded onto the Council's computer equipment without the prior permission by the Chief Finance Officer.
- 6.1.9 Contingency arrangements, including back-up procedures, must be maintained for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- 6.1.10 Any service specific procedures should be followed by the service in question; any changes made to agreed procedures by officers to meet specific service needs should be agreed with the Chief Finance Officer. These procedures will

incorporate appropriate controls to ensure that, where relevant:

- All input is genuine, complete, accurate, timely and not previously processed;
- All processing is carried out in an accurate, complete and timely manner;
- Output from the system is complete, accurate and timely;
- There is an appropriate segregation of duties providing for adequate internal controls and to minimise the risk of fraud or other malpractice.

6.1.11 Key Controls

The key controls are:

- Basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated;
- Performance is communicated to the appropriate managers on an accurate, complete and timely basis;
- Early warning is provided of deviations from target, plans and budgets that require management attention;
- Operating systems and procedures are secure;
- Data is backed up on a regular basis.

6.2 BANKING ARRANGEMENTS

- 6.2.1 The Council operates a number of bank accounts for the collection and payment of money. All receipts and payments of the Council are made through these accounts. Only the Executive Director of Operations and the Executive Director of Resources can open bank accounts in the name of and on behalf of the Council. No officer of the Council shall open any bank (or equivalent) account without the explicit agreement of one of those officers.
- 6.2.2 The Chief Finance Officer will ensure that sound, adequate arrangements are in place for the safe and efficient operation of all the Council's bank accounts and will effect or cause to be effected proper and timely reconciliations.
- 6.2.3 All bank accounts shall bear an official title and in no circumstances shall an account be opened in the name of an individual, with the exception of the Returning Officers Account for election expenses.
- 6.2.4 Once an account is open, only the Chief Finance Officer can make arrangements concerning the Council's bank accounts. No overdraft arrangements will be permitted with the exception of corporate arrangements under the Treasury Management policy.
- 6.2.5 Financial Services will monitor the safekeeping and control of cheques.
- 6.2.6 Cheques on the Council's main banking accounts shall bear the signature (manuscript or facsimile signature) of the Executive Director of Operations.
- 6.2.7 All cheques in excess of £10,000 must be manually countersigned by one of the other officers authorised on the bank mandate.
- 6.2.8 No cheques will be opened unless a satisfactory written explanation is given and must be authorised by an officer identified on the bank mandate and only on receipt of evidence of identification (e.g. passport etc.). (No written

explanation is required for petty cash reimbursement).

- 6.2.9 All stocks of cheques must be held securely and stock records maintained to identify both issued and spoiled cheques.
- 6.2.10 The Chief Finance Officer will ensure that bank accounts are reconciled with financial records at least once in each month and any discrepancies identified and appropriate action undertaken.
- 6.2.11 The bank mandate should be reviewed at least annually and internal audit notified of any changes.
- 6.2.12 Consideration will be given to retendering the Council's banking service as a minimum every five years.
- 6.2.13 The following duties, as far as possible, will be the responsibility of at least 2 separate officers;
- The checking of creditor accounts;
 - The control of cheque forms;
 - The preparation of cheques;
 - The signature of cheques;
 - The entry of cash accounts;
 - The reconciliation of bank balances.

6.2.14 Key Controls

The key controls are:

- All cheques must be signed, either manually or by facsimile, by the Executive Director of Operations;
- Cheques with a value of **£10,000** or more need to be countersigned.
- Bank Accounts can only be opened by the Executive Director of Operations or the Chief Finance Officer.

6.3 SALARIES, WAGES, PENSIONS AND OTHER EMOLUMENTS

- 6.3.1 The Chief Finance Officer is responsible for all payments of remuneration and expenses to all employees or former employees, including payments for overtime and for payments of allowances to Councillors, to comply with Council's policy and national agreements.
- 6.3.2 All appointments will be made in accordance with the Council's approved policies.
- Payroll**
- 6.3.3 Effective controls are needed to ensure that payments are accurate, made only when they are due and comply with relevant conditions of service. The payroll data (currently provided by North Kesteven District Council) must be reconciled regularly with the general ledger.
- 6.3.4 All procedures dealing with starters, leavers, variations and enhancements must be rigorously adhered to and Chief Officers must advise Human Resources promptly of all staffing changes, absences (other than approved leave),

changes in remuneration and other relevant information or changes.

- 6.3.5 All officers must only be paid through the Council's or an authorised contractor's payroll system.
- 6.3.6 Chief Officers will ensure that they follow the approved monitoring procedure for filling all vacancies.
- 6.3.7 The Officers' Code of Conduct is set out in Part 3 of the Council's Constitution.
- 6.3.8 Key Controls

The key controls are:

- Proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to: starters, leavers, variations and enhancements;
- Payments are made on the basis of appropriately authorised timesheets or claims;
- Frequent reconciliation of payroll expenditure against approved budgets and bank accounts;
- All appropriate payroll documents are retained and stored for the defined period, in accordance with guidance issued by the Chief Finance Officer;
- All expenditure, including VAT, is accurately recorded against the correct service cost centre and any exceptions are corrected;
- Inland Revenue regulations are complied with.

Human Resources Arrangements

- 6.3.9 **The Executive Director of Resources** must ensure that adequate arrangements have been made to notify the Payroll Officer of all the information required in terms of starters and leavers, amendments to working hours, pension arrangements and any other factor that can compromise the integrity of the Payroll service.

6.3.10 Key Controls

The key controls are:

- Payments are only made when there is a valid entitlement which can be proved if necessary;
- Conditions and contracts of employment must be correctly applied;
- Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness;
- Appointments, resignations, dismissals, suspensions, secondments and transfers should be recorded and reported in line with Human Resource policies.
- Records supporting absences from duty for sickness or any other reason, apart from approved leave must be supplied monthly to the Payroll Section.
- Changes in remuneration, other than normal increments and pay awards and agreements of general application, must be notified to the Payroll Section promptly.
- The Chief Finance Officer must maintain records for pension, income tax and national insurance.

6.4 CREDITORS AND DEBTORS

- 6.4.1 The Chief Finance Officer is responsible for ensuring the operation and maintenance of effective systems for the payment of creditors and the collection of monies from debtors across the range of Council services.

6.5 CONTRACTS

- 6.5.1 The full rules for contracts are contained in **CONTRACT PROCEDURE RULES** as contained in the Councils Constitution. These must be followed by all staff in all procurements. Even the smallest purchases must be made in accordance with these rules and principles.

To summarise they are –

For Goods & Services

Up to £5,000	One written estimate/quotation
£5,001 - £25,000	Two quotations
£25,001 - £75,000	Three independent quotations, (no group relationship) (RFQ).
£75,001 to EU threshold (£189,330)	Four independent quotations (no group relationship) (RFQ),

Above EU threshold £189,330	Full EU tender process (ITT)
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Note:

RFQ (Requests for Quotation) is the Council's preferred method of undertaking procurement within the thresholds as identified above – See Contract Procedure Rules Section 8.2 for further details.

1. Contracts falling within the different categories of Goods, Services and the carrying out of Works have value thresholds placed on them by the EU. When the estimated value of an individual contract (cumulative value not annual expenditure) is likely to exceed EU thresholds, by law the Council must comply with the full EU procurement regime. Officers should seek advice from Procurement Lincolnshire.

Includes similar types of process e.g. looking up from a catalogue.

Works contracts as above until

£189,330.00 - £4,733,252.00	Five independent quotations (no group relationship) (RFQ) or by advertisement
Over £4,733,252.00	full EU tender process (ITT)

6.5.2 Payments will only be made on the written authorisation of the officer responsible for the contract. This officer will also give written authorisation for any extras or variations.

6.5.3 Payments made on instruction for construction and construction related contracts should be recorded in detail by the relevant Chief Officer or Project Manager.

6.6 ORDERING

6.6.1 All orders/purchases of goods and services must comply with the Council's Contract Procedure Rules and Procurement Strategy.

6.6.2 No creditor shall be paid or debtor be invoiced other than through systems operated by the Chief Finance Officer or otherwise specifically approved by him/her. All orders (excluding those at 6.6.2) must be input to, authorised and produced from the Council's purchasing system or by using a Procurement Card.

6.6.3 Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies from public utility services, for periodical payments such as rent or rates, for petty cash purchases or such other exceptions as the Chief Finance Officer may approve. In cases of emergency, orders may be given orally and confirmed in writing. Official orders for work, goods and services shall be in a form approved by the Chief Finance Officer.

6.6.4 Orders (either paper based or electronic) can only be signed by officers authorised by the Chief Officer concerned who is responsible for official orders issued from his service area. An up-to-date list of authorised officers, including specimen signatures identifying in each case the limits of their

authorisation will be maintained by the Procurement Team and be readily available. Any changes will be notified to the Procurement Team by the Chief Officer.

- 6.6.5 No order for work, goods or services can be given which will commit the Council to expenditure unless a budget exists to incur that expenditure.
- 6.6.6 Official orders must not be raised for any personal or private purchases, nor should personal or private use be made of Council contracts.
- Any purchase of IT software or hardware (except consumables) must be made through the ICT Service.
- 6.6.7 A Chief Officer may order goods to be supplied or work to be done by requisition on another service area on any occasion where more favourable terms are obtainable by this method than would be the case by direct ordering.
- 6.6.8 It may be advantageous for supplies to more than one service area to be ordered from one source, for example to take advantage of bulk purchasing. The Procurement Team will be able to assist with these instances and shall be responsible for co-ordinating the arrangements.
- 6.6.9 The signatory of the order must be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Value for money should always be obtained.
- 6.6.10 Goods and services must be checked on receipt to ensure they are in accordance with the official order. This check should, where practicable, be carried out by a different officer to the officer who signed the original order.
- 6.6.11 On receipt of goods, entries must be made in inventories or stocks records as appropriate.
- 6.6.12 Separation of duties at different stages of ordering and paying for goods should be in place.
- 6.6.13 All orders must be recorded, along with delivery and receipt of invoice.
- 6.6.14 No orders should be placed that will commit the Council to a loan, leasing or rental arrangement without the prior approval of the Chief Finance Officer and a Chief Officer.
- 6.6.15 Open orders should only be used where unavoidable and with the permission of the Chief Finance Officer. In the situation where an open order has been issued e.g. for a call-off contract, the order must have a clear end date, which may be no later than 31st March following the date of issue.
- 6.6.16 Verbal orders lessen the control of the Council over expenditure and must be avoided wherever possible. Even if a supplier states that they do not require or want an electronic/written order, one should be produced and dispatched as standard. Unless there is a genuine reason e.g. for a standard utility supply, an order must always be issued.

6.7 PAYING FOR GOODS

- 6.7.1 Financial Services will provide an efficient payments service both by the regular weekly payment procedures and by urgent payment at any time. Unless in dispute, payments should be made within 30 working days and passed for timely payment.
- 6.7.2 Chief Officers are responsible for ensuring that payments, on a proper VAT invoice, are certified. This certification indicates that –
- Works, goods or services have been received satisfactorily;
 - That expenditure has been properly incurred and is within budget provision;
 - Contract Procedure Rules (including EU regulations) and Financial Procedure Rules have been followed;
 - Prices and arithmetic are correct and accord with quotations, tender, contracts or catalogue prices
 - The invoice is coded correctly;
 - Discounts have been deducted where appropriate;
 - Orders, inventories and stores records have been marked or updated as necessary;
 - The invoice has not already been paid.
- 6.7.3 Payment must not be made on a photocopied or faxed invoice (unless the original invoice has been mislaid), a statement or other document other than the formal invoice.
- 6.7.4 Payments to suppliers should be by the most economical means (BACS transfer or CHAPS payment) for the Council. Direct Debit or Standing Orders may be used with the agreement of the Chief Finance Officer. Authorisation of the BACS/CHAPS files is required before submitting to the bank. This authorisation also includes for payments in excess of **£10,000**.
- 6.7.5 Certification of interim and final contract payments, checking, recording and authorising these payments, the system for monitoring and controlling capital schemes and the procedures for validation of sub-contractors' tax status must be documented and agreed with the Chief Finance Officer.
- 6.7.6 No loan, leasing or rental arrangements may be entered into without prior agreement from the Chief Finance Officer and the Legal advisors. The agreement must also be authorised by a Chief Officer.
- 6.7.7 No payment shall be made to any organisation in advance of goods or services being rendered to the Council except in instances of subscriptions, memberships, training courses etc.
- 6.7.8 Financial Services will:
- Monitor direct debits to ensure the correct amounts are paid;
 - Monitor procurement cards to ensure their correct usage;
 - Maintain up to date creditor records and payments history and be responsible for the running of the system;
 - Ensure that the Council's responsibilities regarding prompt payment within 30 working days are monitored and met;
 - Maintain an up to date list of authorised signatories including officers

- authorised to approve payments electronically or by procurement card;
- Ensure limits are reviewed and amended, if necessary, on a regular basis.

6.7.9 Chief Officers must inform the Procurement Team of any changes, additions or deletions to the list of authorised signatories and provide specimen signatures.

6.7.10 Key Controls

The key controls are:

- All goods and services are requisitioned only by appropriate persons and are correctly recorded;
- Requisitions shall only be issued where budgetary provision exists to pay for the goods and services to be supplied;
- All goods and services shall be requisitioned in accordance with the Council's Contract Procedure Rules and Procurement Strategy unless they are purchased from sources within the Council;
- Goods and services received are checked to ensure they are in accordance with the requisition. Goods should not be receipted by the person who authorised the order;
- Payments are not made unless goods have been received by the Council, to the correct price, quantity and quality standards;
- All payments are made to the correct person/supplier, for the correct amount and are properly recorded, regardless of the payment method;
- All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with guidance issued by the Chief Finance Officer;
- All expenditure is accurately recorded against the right budget, any exceptions are corrected and VAT is recorded against the relevant VAT code;
- In addition, the use of e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

6.8 CLAIMS FOR EXPENSES

6.8.2 Councillors and officers may incur expenses in the course of their Council duties. Approved expenses will be reimbursed to the individual. Normally the need to incur expenses will be approved in advance and shall be incurred in the most cost-effective way.

6.8.3 All expense claims are to be submitted to Human Resources by the fifth working day of the month for inclusion in that month's payroll.

6.8.4 All payments for allowances etc. will be made through payroll.

6.8.5 Expense claims will only be paid on approved forms. Councillors also have specific claim forms for making claims. For officers these must be authorised by the claimant's line manager. For Councillors these must be authorised by the Monitoring Officer or other nominated officer.

- 6.8.6 All Councillors and officers submitting claims for expenses shall confirm that the claim is in respect of legitimate and authorised expenditure that has been incurred on Council business.
- 6.8.7 Certification by a line manager shall be taken to mean that the certifying officer is satisfied that those journeys were authorised, the e x p e n s e s properly and necessarily incurred and that the allowances are properly payable by the Council.
- 6.8.8 All car allowances will be paid through the Council's Payroll System. The use of procurement cards should be encouraged whenever rail travel is contemplated.
- 6.8.9 Officers are responsible for arranging appropriate motor insurance to cover any travelling on Council business. Human Resources may inspect an officer's driving licence or any other document relating to a vehicle which is used on Council business.
- 6.8.10 Each claim must be promptly submitted for payment and must be presented on a form clearly detailing the expenditure incurred, supported by VAT receipts where applicable, dated, coded, and signed by the claimant and counter signed by the appropriate authorising officer. Promptly is defined as monthly for large transactional or high value claims, or quarterly for small transactional or low value claims. In either case, all claims relating to a previous financial year must be presented to payroll for payment by the 10th April each year.

6.8.11 Key Controls

The key controls are:

- Claims will only be paid in accordance with approved schemes;
- Claims must be made on official forms and correctly authorised.

6.9 PETTY CASH/IMPREST ACCOUNTS

- 6.9.1 Petty cash/imprest accounts facilitate minor, routine transactions, where raising an official order and processing an invoice through the Creditor system would be neither realistic nor cost effective.
- 6.9.2 Petty cash will be held at various sites but should only be used as a last resort if either the use of a Procurement Card, the Purchasing system or reclaim as expenses through payroll is not practical.
- 6.9.3 All petty cash/imprest accounts are arranged through the Chief Finance Officer, will be at a level agreed between the Chief Finance Officer and appropriate service Chief Officer and will be reviewed annually.
- 6.9.4 Financial Services in conjunction with the Chief Officer will approve any further petty cash advance during the year.

- Up to **£50** can be paid out through the cash desk at the Guildhall or by another holder of petty cash.
- Receipted VAT vouchers are required to back up claims.
- Claims are to be signed by Authorised Officers only.
- Internal audit will carry out spot tests on balances.
- All cash holding will require a signed certificate, by the account holder, at the end of each financial year. These will be requested and received by Financial Services as soon as possible after the end of the financial year.

6.9.5 Payments relating to the following headings must not be made from petty cash/imprest accounts:

- Salaries or Wages;
- Sub-contractors;
- Officers' Travelling and Subsistence;
- Fees to Individuals.

6.9.6 Chief Officers can hold cash floats, following consultation with the Chief Finance Officer, strictly for the purpose of giving change and they will arrange for regular reconciliations.

6.9.7 Written records of variations must be kept. The Chief Officers must account for the amount held as requested by the Chief Finance Officer and in particular on leaving the employ of West Lindsey District Council or otherwise ceasing to hold the cash float.

6.9.8 Items of a value of £50 or more must be purchased through the Council's purchasing system unless the Chief Officer has agreed a different limit in consultation with the Chief Finance Officer.

6.9.9 Only the original advance and reimbursements will be credited to the account – no other income can be credited to a petty cash/imprest account. All income must be banked in accordance with the appropriate Financial Procedure Rule.

6.9.10 Each Chief Officer will compile and maintain a schedule of all Officers who have been authorised to operate a petty cash/imprest account.

6.9.11 Officers operating a petty cash/imprest account must:

- Obtain and retain petty cash vouchers, showing full details of the payment vouchers to support each payment from the petty cash/imprest account;
- Make adequate arrangements in their office for the safe custody of the account;
- Produce, upon demand of the Chief Finance Officer, cash and all vouchers to the total value of the petty cash/imprest account;
- Record transactions properly;

- Reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the petty cash/impres holder;
- Provide the Chief Finance Officer with a certificate of the value of the account held at 31 March in accordance with the timetable to be issued by the Chief Finance Officer;
- Ensure that the account is never used to cash personal cheques or to make personal loans and that payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made;
- On leaving the Council's employment or otherwise ceasing to be entitled to hold a petty cash/impres advance, an officer shall account to the Chief Officer for the amount advanced to him/her.

6.9.12 Vouchers must be:

- Authorised by the budget holder, or nominated representative, in advance of the purchase wherever possible;
- Signed by the person making the purchase or payment to acknowledge that they have received the amount shown on the voucher;
- Accompanied by an invoice/receipt other than in exceptional circumstances. Where appropriate this should be a valid VAT invoice/receipt.

6.9.13 A claim form must accompany every claim for reimbursement. In preparing the claim, it is important to ensure that:

- Properly certified vouchers and VAT invoices/receipts must be provided in support of every item included in the claim;
- Full details of the net cost, the VAT and the total paid are completed for every entry on the claim;
- Expenditure is accurately coded and all recoverable VAT has been taken;
- The total value, including bank account where applicable, is reconciled to the nominal amount of the petty cash/impres account;
- All certifications are properly completed on the claim form by authorised signatories.

6.9.14 All non-computerised records relating to petty cash/impres accounts shall be maintained in ink.

6.9.15 If circumstances arise where the amount of a petty cash/impres account becomes excessive, the responsible officer shall make appropriate arrangements to pay the excess amount back to the Chief Finance Officer.

6.9.16 Every temporary or permanent transfer of a petty cash/impres account from one officer to another shall be evidenced by the signature of the receiving officer. This will be either through a formal receipt or a document maintained for that purpose.

6.9.17 Key Controls

The key controls are:

- Petty Cash/Impres Accounts can only be established with the approval of the Chief Finance Officer;
- An individual must be responsible for the operation, maintenance and

accounting of each imprest account.

6.10 INCOME AND CASH HANDLING

- 6.10.1 The Chief Finance Officer is responsible for ensuring that adequate systems are available and are maintained, for the recording of all income by the Council.
- 6.10.2 It is the responsibility of every officer of the Council to ensure that all sums of money due to the Council are promptly invoiced or otherwise demanded and that all sums of money received are promptly paid into the Council's accounts.
- 6.10.3 Sums received should be held securely prior to being paid in.
- 6.10.4 Sums paid in should be correctly referenced and receipted during the day of receipt.
- 6.10.5 Sums received should be paid in fully intact with differences in excess of **£20** between actual cash and recorded cash being reported to the Chief Finance Officer.
- 6.10.6 There must be a clear separation of duties between the provision of information regarding sums due to or from the Council and the duty of collecting income or making payments;
- 6.10.7 Officers responsible for examining and checking the accounts or cash transactions shall not themselves be engaged in those transactions unless specifically authorised by the Chief Finance Officer.
- 6.10.8 Wherever possible, officers will secure payment in advance is made before a service is provided.
- 6.10.9 All income due to the Council must be processed accurately and securely through one of the primary income systems (e.g. NNDR, Council Tax, Debtors).
- 6.10.10 Official receipts, signed by an authorised officer, must be given on receipt of income.
- 6.10.11 All receipt forms, books, tickets etc. shall be in an official form. Income stationery should be stored securely. The security of stationery is subject to Internal Audit inspection.
- 6.10.12 The Chief Finance Officer must be provided with details relating to work done, goods supplied or services rendered or other amounts, to enable the sums due to the Council to be recorded correctly and to ensure accounts are sent out promptly.
- 6.10.13 Outstanding debts are to be pursued promptly, actively and appropriately. Service areas must assist the Chief Finance Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf, including providing evidence in legal proceedings. It is understood that uncollected debts will be a cost to the budgets.

- 6.10.14 All income must be paid fully and promptly into the appropriate bank account in the form in which it is received. Income documents must be detailed enough to provide a complete audit trail to the Council's General Ledger.
- 6.10.15 All cash taken must be reconciled to till receipts and all deposited cash/cheques should be counted and verified.
- 6.10.16 At least two officers must be present when post is opened in service areas where income is regularly received so that money received by post is properly identified and recorded.
- 6.10.17 Adequate security arrangements must be in operation to safeguard all income against loss or theft and to ensure the security of cash handling. These arrangements to include the provision that all cash kept on the premises will be within the insurance limit of **£5,000**.
- 6.10.18 The value and quantity of outstanding debts will be regularly reviewed by reference to an aged debt report. Write-offs will only take place as a last resort after all other economic/social solutions have been exhausted. These are detailed under "Assets – Disposal by Write-off" under Financial Procedure Rule 5.4. I.e. the Chief Finance Officer can authorise write offs up to **£1,500** with further approvals being required in excess of this sum.

6.10.19 Key Controls

The key controls are:

- An approved Fees, Charges and Concessions Policy which is regularly reviewed;
- Correct procedures and the appropriate stationery ensure that income is collected from the correct person at the right time;
- Separation of duties within the income process;
- Effective action is taken to pursue non-payment within defined timescales;
- Formal approval process for debt write-off;
- All appropriate income documents are retained and stored for the defined period in accordance with guidance issued by the Chief Finance Officer;
- Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

6.11 TAXATION

- 6.11.1 The Chief Finance Officer is responsible for advising Chief Officers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council. Any VAT or taxation queries should be directed to the Chief Finance Officer
- 6.11.2 The Chief Finance Officer is responsible for ensuring that adequate procedures are in place and adequate advice available to services so as to ensure that the Council is at all times compliant with the specific requirements of the various tax regimes which affect its operations and delivery of services.
- 6.11.3 The Chief Finance Officer is responsible for maintaining the Council's tax records, making all tax payments, ~~receiving~~ credits and submitting tax

returns by their due date as appropriate. In appropriate circumstances (e.g. where part of this function may have been devolved to a partner organisation) the Chief Finance Officer will ensure compliance with the requirements of the particular tax regimes.

- 6.11.4 Financial Services will prepare the VAT return each month and the Chief Finance Officer will ensure appropriate checks are undertaken before the return is submitted to HMRC.
- 6.11.5 Financial Services will complete annually a partial exemption calculation. If it is thought that the 5% threshold could be breached monitoring will take place on monthly basis.
- 6.11.6 Major projects could have a significant VAT impact and advice should be sought from the Chief Finance Officer before tenders are let.
- 6.11.7 The Chief Finance Officer will authorise all relevant HMRC returns regarding PAYE or authorise the relevant payroll provider to make returns on behalf of the Council.
- 6.11.8 The Chief Finance Officer will provide details to HMRC regarding the construction industry tax deduction scheme.
- 6.11.9 The Chief Finance Officer will accommodate all compliance visits and make available all information required and requested by inspectors.
- 6.11.10 Each Chief Officer will at all times conduct the financial arrangements of their services, with regard to taxation issues, in accordance with advice or instructions issued by the Chief Finance Officer and shall provide any related information or documents upon request.
- 6.11.11 All returns must comply with the relevant formats and timetables for submission.
- 6.11.12 All taxable transactions shall be identified, properly carried out and accounted for within stipulated timescales.
- 6.11.13 Officers shall be nominated by the Chief Finance Officer to take responsibility for taxation issues and liaison with agencies such as the HMRC.
- 6.11.14 Key Controls

The key controls are:

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

6.12 TRADING ACCOUNTS

- 6.12.1 It is the responsibility of the Chief Finance Officer to advise on the establishment and operation of trading accounts throughout the Council.
- 6.12.2 Under the CIPFA Service Accounting Code of Practice, Councils are required to keep trading accounts for services provided on a basis other than straightforward recharge of cost. Accounts that merely recharge cost are referred to as holding accounts and are not subject to this part of the Financial Procedure Rules.
- 6.12.3 Trading accounts will only be established after seeking advice from the Chief Finance Officer.
- 6.12.4 Trading accounts are only applicable where the charge out of the account is not on the basis of cost.
- 6.12.5 A separate revenue account must be maintained for each trading account. This will show all relevant income and expenditure, including overhead costs. A financial report supporting the final accounts will be produced.
- 6.12.6 The same accounting principles will be applied to trading accounts as to other services.
- 6.12.7 Trading account balances will be allowed where real or quasi trading accounts are used to manage costs. Balances will be maintained to allow flexible response to changes to demand and/or to meet defined future capital expenditure needs. Generally such balances should not exceed 20% of the annual turnover. Balances in excess of this limit should be returned to the General Reserve.

6.12.8 Key Controls

The key controls are:

- They must be maintained in accordance with proper accounting practices;
- They must appear separately in the Annual Statement of Accounts.

6.13 CREDIT/PURCHASING CARDS

- 6.13.1 The Chief Finance Officer is responsible for the issue of Credit/Purchasing cards to senior officers of the Council, including setting merchant categories and card limits.
- 6.13.2 All Credit/Purchasing cards must be held securely. Card details and PIN numbers must not be disclosed other than for the purposes of using the card for payments. Cardholders will be held personally liable for any expenditure they cannot account for.
- 6.13.3 On a monthly basis, a record of card purchases shall be maintained by individual cardholders and reconciled to the card statement provided by the card issuer. This record should be passed to Finance for processing.
- 6.13.4 Credit/Purchasing cards shall only be used for authorised purchases. Under

no circumstances shall they be used for personal expenditure, or periodic/direct debit payments.

6.13.5 No cash withdrawals are allowed and the card will block any attempts to do so.

6.13.6 In all circumstances every purchase with VAT will require a VAT receipt in order for the statement to be accounted for correctly.

6.13.7 Key Controls

The key controls are:

- The Credit/Purchasing cards have a monthly and individual transaction limit;
- The categories of spend are limited to the officers professional duties;
- They are reconciled each month by the cardholder and Finance.

6.14 CHANGE FLOATS

6.14.1 The Chief Finance Officer shall provide such change floats as he/she considers appropriate to officers of the Council to undertake their official duties.

6.14.2 Payments of any kind must not, under any circumstances, be made out of change floats. Any breach of this regulation may result in disciplinary proceedings taking place against the officer concerned.

6.14.3 If circumstances arise where the amount of a change float becomes excessive, the responsible officer shall make appropriate arrangements to pay the excess amount back to the Chief Finance Officer.

6.14.4 Every temporary or permanent transfer of a change float from one officer to another shall be evidenced by the signature of the receiving officer. This will be either through a formal receipt or a document maintained for that purpose.

6.14.5 Key Controls

The key controls are:

- Change floats can only be established with the approval of the Chief Finance Officer;
- An individual must be responsible for the operation, maintenance and accounting of each change float;
- No payments should go either in or out of the change float.

7 REGULATION 7 - EXTERNAL ARRANGEMENTS

7.1 INTRODUCTION

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

7.2 PARTNERSHIPS

General

7.2.1 Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. The Council is working in partnership with others – public agencies, private companies, community groups and voluntary organisations, and its distinctive leadership role is to bring together the contributions of the various stakeholders to deliver a shared vision of services based on user wishes.

7.2.2 The Council will mobilise investment, bid for funds, champion the needs of the area and harness the energies of local people and community organisations. The Council will be measured by what it achieves in partnership with others.

7.2.3 The main reasons for entering into a partnership are:

- The desire to find new ways to share risk;
- The ability to access new resources;
- To provide new and better ways of delivering services; and
- To forge new relationships.

7.2.4 A partner can be defined as:

- An organization (private or public) undertaking, part funding or participating as a beneficiary in a project; or
- A body whose nature or status gives it a right or obligation to support the project.

7.2.5 Partners participate in projects by:

- Acting as a project deliverer or sponsor, solely or in concert with others;
- Acting as a project funder or part funder; and
- Being the beneficiary group of the activity undertaken in a project.

7.2.6 Partners have common responsibilities:

- To be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;
- To act in good faith at all times and in the best interests of the partnership's aims and objectives;
- Be open about any conflict of interests that might arise;
- To encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors;
- To hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature; and
- To act wherever possible as ambassadors for the project.
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Roles and Responsibilities

7.2.7 The Prosperous Communities Committee is responsible for overseeing an effective partnership approach throughout the Council. The Prosperous Communities Committee is responsible for approving protocols, delegations,

including frameworks to inform decisions around partnership engagement. The Prosperous Communities Committee is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

- 7.2.8 The Prosperous Communities Committee can delegate functions, including those relating to partnerships, to officers. These are set out in the Scheme of Delegation that forms part of the Council's Constitution. Where functions are delegated, the Prosperous Communities Committee remains accountable for them to the full Council.
- 7.2.9 The Chief Finance Officer is authorised to form a partnership arrangement with a maximum value of work/services of £25k.
- 7.2.10 The Council has also approved an Approved Code of Practice (ACOP) for Partnerships. To that extent, guidance has been developed that sets out a number of considerations to be explored when:
- Entering into a partnership
 - Reviewing the effectiveness of a partnership during its lifespan
 - Exiting a partnership

Additionally, it is important that there is a corporate view of all partnerships. To enable this a partnership register has been created on Minerva to provide colleagues with a facility to record the partnerships they are involved with and to also provide visibility of the breadth of partnership working underway across the Council. Officers are required to comply with the Partnership ACOP and enter details of all approved partnerships into the Partnership Register.

- 7.2.11 Members and officers will represent the Council on partnership and external bodies in accordance with the Scheme of Delegation.
- 7.2.12 The Chief Finance Officer:
- Is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council;
 - Will advise on effective controls to ensure that resources are effectively and efficiently employed;
 - Will advise on project funding, including scheme appraisal, risk appraisal, resourcing and taxation, audit, security, control and accounting arrangements;
 - Must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory;
 - Must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

- 7.2.13 Chief Officers:
- Are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies;
 - Must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies.
 - Maintain a register of contracts entered into with external bodies;

- Comply with the provisions of the Partnership ACOP including registering the partnership details in the Partnership Register.
- Ensure a risk management appraisal has been prepared;
- Conduct and document an appropriate level of due diligence on the prospective partners;
- Ensure all agreements and arrangements are properly documented.

7.2.14 Partners will be expected to:

- Be aware of their responsibilities under the Council's Financial Procedure Rules and Contract Procedure Rules;
- Identify and assess risks;
- Appraise projects to assess viability;
- Communicate with relevant Council officers

7.2.15 Key controls

The key controls are:

- If appropriate, to be aware of their responsibilities under the Council's Financial Procedure Rules and the Contract Procedure Rules;
- Compliance with the Partnership ACOP.
- To ensure that risk management processes are in place to identify and assess all known risks;
- To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;
- To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences; and
- To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution officers.

7.3 COMPANIES, JOINT VENTURES AND OTHER ASSOCIATIONS

7.3.1 The Council exercises an important community leadership role, helping to bring together the contributions of various stakeholders in discharging its statutory responsibilities for promoting and improving the economic, social and environmental well-being of the area.

7.3.2 In exercising this important role a Chief Officer may feel that it is appropriate to discharge a service or provide a function through the formation of a new legal entity (company, joint venture or other association). A joint venture is a business entity created by two or more parties, generally characterised by shared ownership, shared returns and risks, and shared governance. The term joint venture covers 'vehicles' such as limited companies.

7.3.3 The relevant Chief Officer wishing to form a new legal entity should consult with the Chief Finance Officer in all cases prior to setting up a new entity and no commitment, financial or otherwise, should be made until this consultation has been satisfactorily undertaken.

7.3.4 For the purpose of this regulation, the following types of external arrangements are covered:

- purchase of existing companies

- investment in any company (whether by share, loan or grant)
- creation of a new company or other entity

7.3.5 No agreement shall be entered into which commits the Council to additional expenditure or other financial risk without the prior approval of the Corporate Policy & Resources Committee and in conjunction with the Chief Finance Officer.

7.3.6 The Council needs to have a clear understanding of its financial risk exposure of any external arrangement including, but not limited to, meeting any trading or other losses.

7.3.7 Where the Council is involved as a minority interest in any external company or other association that use their own finance systems, the arrangement must include an agreement on appropriate, robust financial governance control arrangements to the satisfaction of the Chief Finance Officer. In these circumstances the controls in these Financial Regulations should be used as a starting point for that agreement.

7.3.8 Where the Council has a controlling interest in any companies, joint ventures, or other associations it is important to understand that the Council has a statutory responsibility to prepare group accounts (subject to certain limitations) to recognise the collaborative association. In this regard there are two main areas impacting on the entity:

- A requirement to provide certain financial information (intercompany transactions and balances etc.) in a timely manner and at a time determined by the Council.
- The possibility of being subjected to additional scrutiny by the Councils external auditor, even where the entity has its own external auditor.

7.3.9 It would also be preferred that the accounting period and accounting policies are aligned with those of the Council.

7.3.10 In view of the importance of the above and the impact on the Council should the information not be forthcoming, these specific requirements shall be written into any agreement between the Council and the entity.

Roles and Responsibilities

7.3.11 The Corporate Policy & Resources Committee is responsible for approving the creation of any new legal entity and appointments of executive directors or other statutory officers onto the Board of the entity together with the arrangements for equity shares.

7.3.12 The Chief Finance Officer must satisfy him/herself that the accounting arrangements for all company, joint ventures and other associations are proper and appropriate, including all audit and inspection requirements. He/she must also consider overall corporate governance arrangements and any legal and taxation issues when associations are arranged. He/she must ensure all known risks are appraised before creating new entities and any agreements should seek to ensure that VFM is obtained.

7.3.11 In conjunction with the Chief Officer the Chief Finance Officer will carry out due

diligence for any proposal to purchase an existing company so as to ensure the robustness of the proposal and mitigate any potential losses.

7.3.12 The Chief Finance Office is responsible for advising on the funding and financing of a project including:

- financial viability in current and future years.
- resourcing and taxation.
- audit, security and control requirements.

7.3.13 The Chief Finance Officer has authority to approve short term cashflow loans to subsidiary companies to a maximum of £25k.

7.3.14 The Chief Finance Officer should ensure that it is a condition of any collaborative arrangements where the Council has an interest in another entity that:

- governance arrangements meet specified minimum standards.
- the Council will have access to the information and explanations it needs for its own accounting purposes (and other aspects relating to control over its financial interests).
- data (including consolidation data) will be provided in a specified format and by a deadline.
- arrangements are in place for timely audit of the financial statements
- securing the appropriate audit opinion on the entity's financial information.

7.3.15 Chief Officers are responsible for:

- In conjunction with the Chief Finance Officer carry out due diligence on any company purchase so as to mitigate any potential losses.
- carry out risk appraisal and risk management arrangements prior to entering into any arrangement.
- determining a means of communication in order for the Council to discharge any responsibility for compiling group accounts.
- notify the Chief Finance Officer in any changes to the Board members of the entity.
- keeping the Corporate Policy & Resources Committee apprised, at least annually, of the financial position of the entity and specifically where any change could involve the Council having to meet the cost of any losses or other liabilities. Should there be any significant concern at any point during the year then this should be reported immediately.
- ensuring that such agreements and arrangements do not impact adversely upon the services provided by the Council;
- ensuring that all agreements and arrangements are properly documented.
- providing appropriate information to the Chief Finance Officer to enable relevant entries to be made in the Council's Statement of Accounts concerning material items.
- ensuring that for all instances of grant/loan funding there is:

- i) proper consideration of the relevant interest rate payable agreed and approved by the Chief Finance Officer;

- ii) in respect of loans a process of monitoring on at least a six monthly basis
 - iii) a written agreement is in place for any services provided to the entity by the Council.
- all grants/loans must have prior budgetary approval, typically through the budget process.
 - aligning accounting policies, especially consideration of the cost implications of asset valuation.
 - managing the impact of different year-ends, including practicalities of realignment.

7.3.16 Key Controls

The key controls are:

- In conjunction with the Chief Officer, the Chief Finance Officer will carry out appropriate due diligence in relation to financial implications and of relevant parties associated with the entity.
- The Corporate Policy & Resources Committee is responsible for approving the creation of any new legal entity and appointments of executive directors or other statutory officers onto the Board of the entity.
- The prior approval of the Corporate Policy & Resources Committee, in conjunction with the Chief Finance officer, is required before any agreement is entered into.
- Chief Officers will undertake risk appraisals and risk management arrangements prior to entering into any arrangement.
- On an annual basis the Corporate Policy & Resources Committee will be appraised of the financial position of the entity and specifically where any change could involve the Council having to meet the cost of any losses or other liabilities. Any financial concerns should be reported immediately.

7.4 **EXTERNAL FUNDING / GRANTS General**

7.4.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Funds from external agencies provide additional resources to enable the Council to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council's overall plan.

Bids for external funding

7.4.2 Bids must be comprehensive and comply with relevant Council policies. If bids are successful then the grant works and administration must be properly undertaken to ensure no penalties are incurred.

7.4.3 All bids and claims must be signed by the Chief Finance Officer, through the use of a certification process.

The Chief Finance Officer shall have delegated power to approve grant bids up to a value of **£50,000** where no additional Council resources are required. Should a bid be successful it will need to be reported to Corporate Policy and Resources for budget approvals. For Grants in excess of this sum, Chief Officers must obtain Management Team (where no additional Council resources are required) and/or Corporate Policy & Resources Committee approval, where appropriate, for any bids for new monies detailing the service and financial implications **before** grant applications are made.

7.4.4 Comprehensive project business cases must identify associated risks, internal budget provisions including matched funding and any resource implications.

7.4.5 The relevant service Finance Business Partner must be involved in the preparation of all grant applications.

Grant Claims

7.4.6 Records supporting any claim, including interim and final claims, must be maintained and available and reconcile back to the Council's General Ledger.

7.4.7 All claims must be submitted in accordance with the terms and timetable of the grant.

Roles and Responsibilities

7.4.8 The Chief Finance Officer and Management Team are responsible for:

- Ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts;
- Ensuring that match-funding requirements are considered prior to entering into agreements, and that these requirements are reflected in future revenue budgets;
- Ensuring that all audit requirements are met.

7.4.9 Chief Officers are responsible for providing the Chief Finance Officer with all necessary information to enable the proper recording to be achieved. They have the responsibility for submitting any proposed grant funded projects to the Chief Finance Officer and/or the Entrepreneurial Board/Corporate Policy & Resources Committee for their prior approval and they must also ensure that any conditions of grant funding are met and all the statutory requirements are complied with.

7.4.10 Chief Officers will ensure that an appropriate level of due diligence is conducted and documented on the funding organisations and any associated project(s).

7.4.11 Chief Officers will ensure that the project proceeds in accordance with the agreed plan and that all expenditure is properly incurred and recorded;

7.4.12 Key Controls

The key controls are:

- Before any arrangements for external funding are entered into, the project must be submitted to the Chief Finance Officer and or Entrepreneurial

Board/Policy & Corporate Resources Committee for approval;

- To ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements;
- To ensure that funds are acquired only to meet the priorities approved in the policy framework by the full Council;
- To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood;

7.5 WORK FOR THIRD PARTIES

7.5.1 The Corporate Policy & Resources Committee is responsible for approving the contractual arrangements for any work for third parties or external bodies with a value of more than £25,000

7.5.2 The Chief Finance Officer is responsible for approving contractual arrangements for any work for third parties or external bodies with a value of up to £25,000.

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

7.5.4 Proposals for working for third parties must be costed in accordance with guidance provided the Chief Finance Officer. Proposals must clearly be in the public interest and an appropriate level of due diligence must have been conducted and documented.

7.5.5 Work for third parties should not expose the Council to any additional liabilities.

7.5.6 Contracts must be drawn up in compliance with guidance provided by the Chief Finance Officer and Monitoring Officer.

7.5.7 Key Controls

The key controls are:

- To ensure that proposals are costed properly in accordance with guidance provided by the Chief Finance Officer;
- To ensure that contracts are drawn up using guidance provided by the Chief Finance Officer and the Monitoring Officer, and that the formal approvals process is adhered to;
- To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

8 REGULATION 8- ENVIRONMENTAL ISSUES

8.1 INTRODUCTION

8.1.1 The Council operates a culture of waste minimisation. This covers not only waste products that require disposal, but also the waste in use of all resources generally.

8.1.2 All procurement in the Council is subject to the Contract Procedure Rules, Procurement Strategy, Procurement Manual and any other guidance which may be issued. Fundamental to good procurement is the need to achieve value for money. An optimum combination of whole life costs and quality (or fitness for purpose) to meet the Council's corporate and service level aims and objectives must be considered. These will include sound environmental practice. Further information can be found in the documents referred to above or from Financial Services.

8.1.3 Paper and storage space are both expensive and unnecessary paper usage is harmful to the environment. All officers are responsible for reducing paper use wherever possible and reducing the amount of paper that is stored. However, certain financial records do need to be retained.

8.1.4 The Chief Financial Officer will:

- Maintain a list of financial records and the duration for storage;
- Advise officers as required on the archiving of financial records.

8.1.5 Chief Officers will:

- Retain records as required;
- Minimise the usage of paper within their service.

8.1.6 Key Controls

The Key controls are:

- All officers to be aware that printing is to be kept to a minimum;
- The introduction and monitoring of the agile working policy;

RESPONSIBLE OFFICER: STRATEGIC FINANCE AND BUSINESS SUPPORT MANAGER
REVIEWED ANNUALLY
REVIEW DATE: JUNE 2020

APPENDIX 1

SUMMARY OF FINANCIAL RESPONSIBILITIES

	Council/Policy & Resources Committee	Executive Director of Operations	Chair of Policy & Resources Committee	Section 151 Officer (Chief Finance Officer)	Chief Officers
Financial Planning Page 251	a) Approve policy framework and budget	a) Propose Corporate Plan to Corporate Policy & Resources Committee		a) Prepare a minimum of three years Financial Strategy b) Prepare Capital Investment Strategy and Asset Management Plan	a) Prepare Service Delivery Plans

Capital Programme	<ul style="list-style-type: none"> a) Approve a minimum three year capital programme b) Approve amendments to the capital programme. c) Approve capital schemes before commencement of work and upon completion. 	<ul style="list-style-type: none"> a) Emergency decisions in consultation with Chief Finance Officer 	<ul style="list-style-type: none"> a) Approve amendments to capital programme in excess of £25k with Chief Officer and Chief Finance Officer 	<ul style="list-style-type: none"> a) Prepare a minimum three year capital programme b) Approve amendments to capital programme up to £25k with Chief Officer. c) Approve amendments over £25k with Chief Officer and Chairman of Policy & Resources Committee d) Report all changes to capital programme to Corporate Policy & Resources Committee 	<ul style="list-style-type: none"> a) Complete outline capital bid forms b) Approve amendments to capital programme up to £25k with Chief Finance Officer
Capital Monitoring Page 252	<ul style="list-style-type: none"> a) Approve overspends of £10k or 20% of total project cost b) Note quarterly budget monitoring reports 			<ul style="list-style-type: none"> a) Issue guidance on monitoring 	<ul style="list-style-type: none"> a) Appoint Project Manager b) Notify Chief Finance Officer of expected slippage c) Notify Chief Finance Officer of overspends d) Report to CPR Committee on overspends of £10k or 20% of total project cost

Revenue Budget	a) Approve a minimum three year revenue budget			a) Prepare overall budget	a) Prepare service budgets b) Review all fees and charges
Revenue Monitoring	a) Note quarterly budget monitoring reports b) Authorise use of grants over £50k.			a) Provide guidance on budget monitoring b) Provide financial information c) Authorise use of grants up to £50k.	a) Monitor budget and advise Chief Finance Officer if budget will exceed £10k.
Virement	a) Approve virements over £100k		a) Approve virements over £25k and up to £100k with Chief Officer, Management Team and Chief Finance Officer	a) Approve virements up to £25k with Chief Officer. b) Approve virements over £25k and up to £100k with Chief Officer and Chairman of Corporate Policy & Resources Committee	a) Up to £25k with Chief Finance Officer
Earmarked Reserves	a) Approve spend in excess of £50,000.			a) Approve spend up to £50,000.	
Write-Offs	a) Approve write-offs over £25k		a) Approve write-offs over £2,500 and up to £25k with Chief Officer and Chief Finance Officer	a) Approve write-offs up to £2,500 with Chief Officer. b) Approve write-offs over £2,500 and up to £25k with Chief Officer and Chairman of Corporate Policy & Resources Committee	a) Up to £2,500 with Chief Finance Officer

Other				<ul style="list-style-type: none">a) Authorise a partnership with a value of works/services of up to £25k.b) Approve arrangements for work for third parties or external bodies up to a value of £25k.c) Authorise short term cash flow loans to subsidiary companies of no more than £25kd) Authorise grant funding bids of upto £50k	
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APPENDIX 2

RETENTION OF ACCOUNTING AND FINANCIAL DOCUMENTS

Title	Retention Period – Complete Years
Budget Working Papers	2
Capital & Revenue Budget Monitoring Files	3
Capital Strategy & Medium Term Financial Plan	6
Final Accounts Working Papers	6
Financial Ledger: - Final Summary - Cumulative Year End Detail - Other	Indefinite Indefinite 2
Grant Claim Records	6 or as specified by the awarding body
Journals	3
Leasing Records – vehicles, plant, equipment	3 (after termination)
Loans – Contractual documentation	6
Statement of Accounts	Indefinite
VAT: - Assessments - Claims - Records	12 6 6
Voluntary Fund Accounts	6
Other Documents e.g. official orders, receipts, paying in slips etc.	6
Payroll: Employee personal records Payment data	Indefinite 6

APPENDIX 3

DEFINITIONS

APPOINTED AUDITORS

Independent external auditors procured by the Council.

BUDGET

A plan that matches spending with available resources. The budget is an authorisation for future expenditure and a base for controlling expenditure and income.

BUDGET MANAGER

The budget manager is whoever is responsible for a budget within a service.

BUDGET PAGE

The page in the Annual Budget Book that sets out the budget for a service

CAPITAL EXPENDITURE

Section 40 of the *Local Government and Housing Act 1989* defines 'expenditure for capital purposes'. This includes spending on the acquisition of assets either directly by the Council or indirectly in the form of grants to other persons or bodies. Expenditure that does not fall within this definition must be charged to a revenue account. Capital Expenditure includes:

- Acquisition or disposal of land, buildings and major items of plant, apparatus and vehicles;
- Construction of roads and buildings;
- Enhancement of land, roads and buildings.

In addition the Council usually regards any item below £10,000 as revenue.

CIPFA

Chartered Institute of Public Finance & Accountancy (CIPFA) is one of the leading professional accountancy bodies in the UK and has responsibility for setting accounting standards for local government.

CONTINGENCY

Money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

COST CENTRE

Any unit to which costs are assigned or allocated. A cost centre is the lowest level to which the Council's budget monitoring procedures usually apply although budget managers will monitor the income and expenditure within their costs centres at detail code level.

ESTIMATES

The amounts expected to be spent, or received as income, during an accounting period. The term is also used to describe detailed budgets, which are either being prepared for the following years, or have been approved for the current year.

FEES AND CHARGES

Income raised by charging users of services for the facilities. For example, Councils usually make charges for the use of leisure facilities, the collection of trade refuse, etc. The Council levies fees and charges in accordance with the corporate Fees, Charges and Concessions Policy.

GENERAL LEDGER

The core of the Council's financial records. These constitute the central "books" of the system, and every financial transaction flows through the general ledger.

NET EXPENDITURE

Total expenditure less specific service income.

OFFICER

An employee of the Council or other person contracted to carry out functions where these Financial Procedure Rules apply.

PROVISIONS AND RESERVES

Amounts set aside in one year to cover expenditure in the future. Provisions are for liabilities or losses that are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain. Reserves are amounts set aside which do not fall within the definition of provisions and include general reserves (or 'balances'), which every Council must maintain as a matter of prudence.

SERVICE

A cost centre or group of cost centres delivering a common function. The service is the lowest level of budget detail set out in the Budget Book.

SLIPPAGE

Where actual expenditure on a project is less than the planned spend in a financial year. VALUE FOR MONEY (VFM)

A term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it. It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource, use, fitness for purpose, timeliness, and convenience to judge whether or not, together, they constitute good value.

VIREMENT

The permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head, i.e. a switch of resources between budget heads. Virement must be properly authorised by the appropriate committee or by officers under delegated powers.

FINANCIAL LIMITS

APPENDIX 4

CONTRACT VALUES

Goods and Services

up to £5000	one written estimate/quotation (email included)
£5001 - £25,000	two quotations
£25001 - £75,000	three quotations (RFQ)
£75,001 – EU threshold (£181,302.00)	four quotations (RFQ)
over £181,302.00	full EU tender process (ITT)

Works contracts as above until

£181,302.00 - £4,551,413.00	Five quotations or by advertisement
Over £4,551,413.00	full EU tender process (ITT)

OTHER VALUES

Item	Notes	Amount
De minimis amount	Capital Expenditure	£10,000 and above
De minimis amount	Capital Receipts	£10,000 and above
Out-turn variation on a service budget.	Chief Officer will immediately advise the Chief Finance Officer and Management Team of the situation, together with their proposed action to recover the position.	£10,000 and above

Virements – between cost centres under same Chief Officer	With the approval of the Chief Finance Officer. Virement to be minuted or otherwise documented.	No more than £25,000
Virements – between cost centres under same Chief Officer	Can be approved by the relevant Chief Officer, Chief Finance Officer and Management Team in consultation with the Chairman of Corporate Policy & Resources Committee. These virements should be minuted or otherwise documented.	Over £25,000 and up to £100,000
Virements – between cost centres under same Chief Officer	Approved only by Corporate Policy & Resources Committee. They will be reported by the Chief Officer, in such format as the Chief Finance Officer may prescribe	Over £100,000
Virements – between cost centres under different Chief Officers	Only when the relevant Chief Officers and the Corporate Policy and Resources Committee Chairman are in agreement.	Same limits as shown above for virements between cost centres under the same Chief Officer.
Virements of Unbudgeted Income or unused budgets	Are not authorised to be used without prior agreement of the Management Team. The Chief Finance Officer and Management Team may consider a report to the Corporate Policy and Resources Committee.	Over £5,000
Securing additional revenue resources (e.g. grants)	The Chief Finance Officer may authorise the use of those resources to finance additional revenue expenditure where the grant conditions require such. Where there are no such requirements the Chief Finance Officer may require the use of these resources to be approved by Corporate Policy & Resources Committee.	Less than £50,000
Securing additional revenue resources (e.g. grants)	Use to be approved by Corporate Policy & Resources Committee	£50,000 or more
Use of earmarked reserves	The Chief Finance Officer shall have delegated power to approve spending of any earmarked reserve. The CFO will confirm that planned spending remains affordable when considering any mixed funding, including call on reserves, current budgets and/or external funding packages.	Up to £50,000
Use of earmarked reserves	Only with the approval of Corporate Policy & Resources Committee.	Over £50,000

Acquisitions or disposals of land or buildings	Chief Officers (including the Chief Finance Officer) may authorise acquisitions and disposals (including leases or easements where the annual rent multiplied by the length of the lease does not exceed that figure assuming that the rent is not increased on review) which is an approved item in the approved Capital Programme.	Up to £75,000
Acquisitions or disposals of land or buildings	Only following consultation with the Leader of the Council or the Deputy Leader if the Leader is not available.	Between £75,001 and £250,000
Variance to inventory	Report to relevant Chief Officer	Up to £1,500
Variance to inventory	Report to Chief Finance Officer	Over £1,500
Variance to Stocks and Stores	Report to relevant Chief Officer	Up to £1,500
Variance to Stocks and Stores	Report to relevant Chief Officer and Chief Finance Officer	Over £1,500
Asset Write Offs (including cash, income, stocks and inventories)	The relevant Chief Officer in consultation with the Chief Finance Officer may write off Income, Stocks and Inventory deficiencies	Up to £1,500
Asset Write Offs (including cash, income, stocks and inventories)	The relevant Chief Officer in consultation with the Chief Finance Officer and the Chairman of the Corporate Policy & Resources Committee may authorise the write off.	Over £1,500 and under £25,000.
Asset Write Offs (including cash, income, stocks and inventories)	Write offs may only be written off by the Corporate Policy & Resources Committee after receiving a report from the Chief Finance Officer.	Over £25,000
Manual countersigning on cheques	All cheques must be manually countersigned by one of the other officers authorised on the bank mandate.	Over £10,000
Petty Cash	Items can be paid out through any holder of petty cash.	Up to £50
Purchases	Items must be purchased through the Council's purchasing system unless the Chief Officer has agreed a different limit in consultation with the Chief Finance Officer.	Items of a value of £50 or more
Income and Cash Handling	Differences between actual cash and recorded cash being reported to the Chief Finance Officer.	Items over £20
Security of Cash kept on premises	Value of cash kept on premises to be within insurance limit.	Maximum of £5,000

Capital Monitoring	Council/Corporate Policy & Resources Committee approve overspends of total project cost	£10,000 or 20% of project cost
Capital Programme	Chief Finance Officer and relevant Chief Officer approves amendment to Capital Programme	Up to £25,000
Capital Programme	Chair of Corporate Policy & Resources Committee, Chief Officer and Chief Finance Officer approves amendments to Capital Programme	Over £25,000

West Lindsey District Council Petition Scheme

1. Petitions

- 1.1 The Council welcomes petitions and recognises that petitions are one way in which people can let us know their concerns. All petitions sent or presented to the Council will receive an acknowledgement from the Council within 10 working days of receipt.

This acknowledgement will set out what we plan to do with the petition. We will treat something as a petition if it is identified as being a petition, or if it seems to us that it is intended to be a petition.

- 1.2 Petitions can be sent to:

Democratic Services Team
West Lindsey District Council
Guildhall
Marshall's Yard
Gainsborough
Lincolnshire
DN21 2NA

- 1.3 Petitions can also be presented to a meeting of the Council. These meetings take place on an approximately six weekly basis, dates and times can be found at www.west-lindsey.gov.uk.

- 1.4 If you would like to present your petition to the Council, or would like your Councillor or someone else to present it on your behalf, please contact Democratic Services on 01427 676676, at least 10 working days before the meeting and they will talk you through the process. If your petition has received 300 signatures or more it will also be scheduled for a Council debate and if this is the case, we will let you know whether this will happen at the same meeting or a later meeting of the Council.

2. What are the guidelines for submitting a petition?

- 2.1 Petitions submitted to the Council must include:

- A clear and concise statement covering the subject of the petition. It should state what action the petitioners wish the Council to take; and

- The name and address and signature of any person supporting the petition.
- 2.2 Petitions should be accompanied by contact details, including an address, for the petition organiser. This is the person we will contact to explain how we will respond to the petition.
- 2.3 Petitions, which are considered to be vexatious, abusive or otherwise inappropriate, will not be accepted. In the period immediately before an election or referendum, we may need to deal with your petition differently – if this is the case, we will explain the reasons and discuss the revised timescale which will apply. If a petition does not follow the guidelines set out above, the Council may decide not to do anything further with it. In that case, we will write to you to explain the reasons.

3. What will the Council do when it receives my petition?

- 3.1 An acknowledgement will be sent to the petition organiser within 10 working days of receiving the petition. It will let them know what we plan to do with the petition and when they can expect to hear from us again. It will also be published on our website.
- 3.2 If we can do what your petition asks for, the acknowledgement may confirm that we have taken the action requested and the petition will be closed. If the petition has enough signatures to trigger a Council debate, or a senior officer giving evidence, then the acknowledgement will confirm this and tell you when and where the meeting will take place.
- 3.3 If the petition applies to a planning or licensing application, is a statutory petition (for example requesting a referendum on having an elected mayor), or on a matter where there is already an existing right of appeal, such as council tax banding and non-domestic rates, other procedures apply. Further information on all these procedures is available from the Democratic Services Team on 01427 676594/5.
- 3.4 We will not take action on any petition, which we consider to be vexatious, abusive or otherwise inappropriate and will explain the reasons for this in our acknowledgement of the petition.

4. Petition Levels

The response your petition receives depends on the number of signatures gathered.

The different response levels are:

<u>Number of Signatures</u>	<u>Response given</u>
<u>1-99</u>	<u>Passed to the relevant service area</u>
<u>100-299</u>	<u>Meeting with the Leader, Deputy Leader and Head of Paid Service</u>
<u>300+</u>	<u>Full Council debate</u>

5. Next Steps / Action to be taken

5.1 Our response to a petition will depend on what a petition asks for and how many people have signed it, but may include one or more of the following:

- Taking the action requested in the petition Considering the petition at a Council meeting
- Holding an inquiry into the matter
- Undertaking research into the matter
- Holding a public meeting
- Holding a consultation
- Holding a meeting with petitioners
- Referring the petition for consideration by the Council's Scrutiny Committee
- Calling a referendum
- Writing to the petition organiser setting out our views about the request in the petition

5.2 If your petition is about something over which the Council has no direct control (for example local railway or hospital) we will consider making representations on behalf of the community to the relevant body. The Council works with a large number of local partners and where possible will work with these partners to respond to your petition. If we are not able to do this for any reason (for example if what the petition calls for conflicts with Council policy), then we will set out the reasons for this to you. You can find more information on the services for which the Council is responsible here (www.west-lindsey.gov.uk).

5.3 If your petition is about something that a different Council is responsible for, we will give consideration to what the best method is for responding to it. This might consist of simply forwarding the petition to the other Council, but could involve other steps. In any event, we will always notify you of the action we have taken.

5.4 Petitions with less than 100 signatures do not meet the relevant criteria, but will be passed to the relevant service area.

6. Full Council debates

- 6.1 If a petition contains more than 300 signatures, it will be debated by the full Council.

- 6.2 This means that the issue raised in the petition will be discussed at a meeting which all Councillors can attend. The Council will endeavour to consider the petition at its next meeting, although on some occasions this may not be possible and consideration will then take place at the following meeting. The petition organiser will be given five minutes to present the petition at the meeting and the petition will then be discussed by Councillors for a maximum of 15 minutes. The Council will decide how to respond to the petition at this meeting. They may decide to take the action the petition requests, not to take the action requested for reasons put forward in the debate, or to commission further investigation into the

matter, for example by a relevant Committee. The petition organiser will receive written confirmation of this decision. This confirmation will also be published on our website.

6. Consideration by the Leader, Deputy Leader and Head of Paid Service

- 6.1 A meeting with the Leader, Deputy Leader and Head of Paid Service will take place if a petition contains 100 signatures or more.
- 6.2 A senior officer will attend to present a short report setting out the Council's position. Up to three representatives of the petitioners are invited to attend with one nominated as spokesperson.

7. What can I do if I feel my petition has not been dealt with properly?

- 7.1 If you feel that we have not dealt with your petition properly, the petition organiser has the right to request that the Council's Overview and Scrutiny Committee review the steps that the Council has taken in response to your petition. It is helpful to everyone, and can improve the prospects for a review if the petition organiser gives a short explanation of the reasons why the Council's response is not considered to be adequate.
- 7.2 The Committee will endeavour to consider your request at its next meeting, although on some occasions this may not be possible and consideration will take place at the following meeting. Should the Committee determine we have not dealt with your petition adequately, it may use any of its powers to deal with the matter. These powers include instigating an investigation, making recommendations to the Council and arranging for the matter to be considered at a meeting of the full Council.
- 7.3 Once the appeal has been considered, the petition organiser will be informed of the results within five working days. The results of the review will also be published on our website.

8. Information and Advice

For further information or advice, please contact the Democratic Services Team on 01427 676595.

Governance and Audit Workplan for 2020/21 as at 8 June 2020

Purpose:

This report provides an overview of items scheduled for committee over the coming year.

Recommendation:

1. That members note the workplan.

Date	Title	Lead Officer	Purpose of the report	Date First Published
21 JULY 2020				
21 Jul 2020	4th Tier Governance Review	James O'Shaughnessy, Corporate Policy Manager & Deputy Monitoring Officer	As requested by the Chairman of the Governance and Audit Committee	28 February 2020
21 Jul 2020	Annual Fraud Report	Tracey Bircumshaw, Strategic Finance and Business Support Manager	To appraise members of the activities undertaken to counter fraud and to report on any instances of fraud identified during 2019/20	
21 Jul 2020	Unaudited Statement of Accounts	Caroline Capon, Corporate Finance Team Leader	Review of the Unaudited Statement of Accounts	19 December 2019
21 Jul 2020	Annual Voice of the Customer Report 2019/20	Natalie Kostiuk, Customer Experience Officer	To summarise customer feedback from the year 2019/20 and analyse customer contact data to give a clear view of the voice of the customer.	
21 Jul 2020	Member Development Annual Report	Ele Snow, Democratic and Civic Officer	To provide a summary of Member Development over the previous 12 months, including progress made with the actions agreed by the Member Development Group. To review and approve the priorities for	28 February 2020

			Member Development for the coming year.	
21 Jul 2020	Internal Audit Quarter 1 2020/21	Assurance Lincolnshire	Report from Assurance Lincolnshire	19 December 2019
29 SEPTEMBER 2020				
29 Sep 2020	Annual Governance Statement 2019/20. Closure of the Annual Governance Statement 2018/19 Action Plan.	James O'Shaughnessy, Corporate Policy Manager & Deputy Monitoring Officer	To present the Council's Annual Governance Statement for 2019/20. To update progress against the Annual Governance Statement 2018/19 Action Plan.	28 February 2020
29 Sep 2020	Six Month Review of Strategic Risks	James O'Shaughnessy, Corporate Policy Manager & Deputy Monitoring Officer	To undertake and present the six-monthly review of the Council's strategic risks.	28 February 2020
29 Sep 2020	EXTERNAL AUDIT REPORT - ISA 260	Tracey Bircumshaw, Strategic Finance and Business Support Manager	External Auditor, Mazars will present their ISA260 report relating to our Statement of Accounts 2018/19	10 June 2019
29 Sep 2020	Audited Statement of Accounts 2019/20	Caroline Capon, Corporate Finance Team Leader	To review and sign off the 2019/20 Statement of Accounts	19 December 2019
13 OCTOBER 2020				
13 Oct 2020	Internal Audit Report Quarter 2 20/21	Assurance Lincolnshire	Quarter 2 report from Assurance Lincolnshire	19 December 2019
12 JANUARY 2021				
12 Jan 2021	Internal Audit Quarter 3 20/21 report	Assurance Lincolnshire	Quarter 3 report from Assurance Lincolnshire	
12 Jan 2021	External Audit Strategy Memorandum (Plan) 2020/21	Caroline Capon, Corporate Finance Team Leader	Review of External Audit plan for the Closure of the 2020/21 Accounts	

12 Jan 2021	Certification of Grants & Returns	Caroline Capon, Corporate Finance Team Leader	Review of the Certification of Grants and Returns
12 Jan 2021	Draft Treasury Management Strategy 2020/21	Caroline Capon, Corporate Finance Team Leader	Review of the Draft Treasury Management Strategy
9 MARCH 2021			
9 Mar 2021	Accounts Closedown 2020/21 Accounting Matters	Caroline Capon, Corporate Finance Team Leader	Review of Accounting Policies, Key Dates and Risk
13 APRIL 2021			
13 Apr 2021	Internal Audit Quarter 4 Report	Assurance Lincolnshire	Quarter 4 report from Assurance Lincolnshire