

Public Document Pack

Gareth Owens LL.B Barrister/Bargyfreithiwr
Chief Officer (Governance)
Prif Swyddog (Llywodraethu)



To: Cllr Robin Guest (Chair)

CS/NG

Councillors: Alex Aldridge, Bernie Attridge,
Glyn Banks, Haydn Bateman, Chris Bithell,
Clive Carver, David Cox, Paul Cunningham,
Glenys Diskin, Veronica Gay, George Hardcastle,
Christine Jones, Dave Mackie, Tim Newhouse,
Neville Phillips, Aaron Shotton, Nigel Steele-
Mortimer, David Williams, David Wisinger and
Arnold Woolley

25 June 2015

Maureen Potter 01352 702322
maureen.potter@flintshire.gov.uk

Dear Sir / Madam

A meeting of the **CONSTITUTION COMMITTEE** will be held in the **DELYN COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **WEDNESDAY, 1ST JULY, 2015** at **3.00 PM** to consider the following items.

Please note that the meeting will commence at 3.00pm or on the rising of the Democratic Services Committee, whichever is the latest.

Yours faithfully

Democracy & Governance Manager

A G E N D A

- 1 **APOLOGIES**
- 2 **APPOINTMENT OF VICE-CHAIR**
- 3 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 4 **MINUTES** (Pages 3 - 8)
To confirm as a correct record the minutes of the last meeting.

- 5 **FINANCIAL PROCEDURE RULES** (Pages 9 - 84)
Report of Corporate Finance Manager

- 6 **SCHEDULE OF MEMBER REMUNERATION** (Pages 85 - 126)
Report of Chief Officer (Governance)

- 7 **OVERVIEW & SCRUTINY COMMITTEE TERMS OF REFERENCE** (Pages
127 - 132)
Report of Member Engagement Manager

CONSTITUTION COMMITTEE **15 APRIL 2015**

Minutes of the meeting of the Constitution Committee of Flintshire County Council held in County Hall, Mold, on Wednesday, 15 April 2015.

PRESENT: Councillor Robin Guest (Chairman)

Councillors: Bernie Attridge, Glyn Banks, Haydn Bateman, Chris Bithell, Clive Carver, Veronica Gay, George Hardcastle, Christine Jones, Richard Lloyd, Dave Mackie, Tim Newhouse, Neville Phillips, Aaron Shotton, Nigel Steele-Mortimer, and Arnold Woolley

APOLOGIES: Councillors David Cox, Ian Dunbar, Paul Shotton, and David Wisinger

IN ATTENDANCE:

Democracy and Governance Manager, Member Engagement Manager, and Committee Officer

26. DECLARATIONS OF INTEREST

There were no declarations of interest.

27. MINUTES

The minutes of the meeting of the Committee held on 28 January 2015, were submitted.

Matters arising

Officers' Code of Conduct

In response to a concern raised by Councillor Nigel Steele Mortimer regarding the resolution being contrary to legal advice the Democracy and Governance Manager advised that the minutes had accurately recorded the decision taken by Members at the meeting.

Minutes 23 and 24

The Democracy and Governance Manager advised that consultation had taken place with Group Leaders and the Council's Constitution had been updated to reflect the decisions made by the Committee at the last meeting.

RESOLVED:

That the minutes be received, approved and signed by the Chairman as a correct record.

28. ANTI-FRAUD AND CORRUPTION POLICY AND FRAUD RESPONSE PLAN

The Internal Audit Manager introduced a report on amending the Constitution to reflect the updated Council Corporate Anti-Fraud and Corruption

Strategy and Fraud and Irregularity Response Plan. He provided background information and referred to the Strategy and Response Plan which were appended to the report.

The Internal Audit Manager explained that the Strategy stated the Council's Policy of zero tolerance for fraud and corruption, and defined and outlined the culture within the Council to combat them. It also outlined the deterrence, prevention, detection and investigation measures in place and listed the role and responsibilities of individuals and groups both within and outside the Council. The Fraud and Irregularity Response Plan defined the responsibilities for action and provided guidance to managers and employees in the event of a suspected fraud or other irregularity. It outlined the actions that should be taken by employees, managers, and Members if they suspected a fraud, and also what would happen after they pass on the suspicion and the action that may be taken. It also referred to the updated Whistleblowing Policy.

The Chairman invited Members to raise questions.

Referring to the flowchart which was attached to the Response Plan, Councillor Clive Carver expressed concern that when a fraud was reported there was no provision to provide feedback to the referrer unless the case did not proceed to investigation. Councillor Carver also expressed concerns in relation to data retention and commented on the need to retain data as an audit trail. The Internal Audit Manager agreed to amend the flowchart and to provide information on the Authority's data retention policy.

Councillor Bernie Attridge referred to the Corporate Anti-Fraud and Corruption Strategy and suggested that reference to the Chief Executive on page 15, was not required and should be removed. Following discussion this was agreed.

Councillor Chris Bithell referred to the list of roles and responsibilities contained in the Strategy and raised concerns around the importance of ensuring that Members declared an interest if necessary. The Democracy and Governance Manager advised that it was up to the individual Member to decide whether he/she had an interest and what type of interest it was. If a Member failed to declare an interest as he/she should have done they could face sanctions for a breach of the Members Code of Conduct.

Councillor Bithell raised further concerns relating to the cost, time, and workload involved in investigations of fraud and corruption and asked if the Authority could streamline its process to achieve any efficiencies. The Internal Audit Manager acknowledged the points raised and explained that all investigations followed set procedures, however, he understood that the Authority was reviewing the process with a view to streamlining its procedures.

Commenting on page 26, section 3.1, Councillor Bithell suggested that the wording be amended to make clear why this was important and the Internal Audit Manager agreed to do so.

RESOLVED:

That the updated Corporate Anti-Fraud and Corruption Strategy and Fraud and Irregularity Response Plan attached as Appendices 1 and 2 be approved subject to the above agreed amendments.

29. OVERVIEW AND SCRUTINY COMMITTEE STRUCTURE

The Member Engagement Manager introduced a report on the recommended terms of reference for the new Overview & Scrutiny committee structure and to make recommendations to the Annual Meeting of the Council to be held on 12 May 2015.

The Member Engagement Manager provided background information and advised that Model 3, which was appended to the report, had been identified by the Working Group as the preferred option as it reflected the Council's current operating model and included an Organisational Change Committee. He explained that the terms of reference for each of the Committees outlined in Model 3 were also appended to the report.

Councillor Aaron Shotton spoke in support of the new Overview & Scrutiny Committee structure and referred to the merits of creating the new Organisational Change committee which within its remit would consider alternative delivery models and have an overview of the Organisational Design and Change programme.

In response to a query raised by Councillor Chris Bithell concerning the Library and Information Service Standard report, the Member Engagement Manager explained that under the new structure the Organisational Change Committee would consider Library and Information Service matters and also matters relating to Leisure Services to avoid the duplication of workload where possible.

RESOLVED:

- (a) That the recommended model for a new Overview & Scrutiny committee structure, as shown in Appendix 1, be approved;
- (b) That the terms of reference for Overview & Scrutiny committees within that new structure, as shown in Appendix 2, be approved; and
- (c) That the Committee recommends the new Overview & Scrutiny structure and its terms of reference to the County Council at its Annual Meeting to be held on 12 May 2015.

30. NEW MODEL CONSTITUTION

The Democracy and Governance Manager introduced a report on the recommendations from the Member Constitution Working Group in relation to adopting a new model Constitution.

The Democracy and Governance Manager provided background information and explained that the Member Constitution Working Group had met on 2 April 2015 and had considered the structure and format of the new model Constitution compared with the structure and format of the existing Constitution. He reported on the matters which had been considered by the Working Group which were detailed in the report and its recommendations. He advised that Section 23 of the model contained various Member role descriptions and person specifications. Whilst Flintshire had previously adopted a smaller number of Member role descriptions these were not currently included in its Constitution. The Working Group had agreed that it would leave it to the Constitution Committee to decide whether these current role descriptions should be included in the new Constitution.

During discussion Councillor Chris Bithell proposed that Member role descriptions and person specifications should not be included in the new Constitution. The proposal was seconded and when put to the vote was carried.

RESOLVED:

- (a) That the Chief Officer (Governance) prepares for the Annual Meeting a new Constitution in the format of the new model Constitution to reflect the views of the Member Constitution Working Group as summarised in paragraphs 3.03 to 3.05 of the report;
- (b) That the Member Constitution Working Group continues after the Annual Meeting to consider the detailed differences between the model Constitution and the current Constitution; and
- (c) That the Member role descriptions and person specifications should not be included in the new Constitution.

31. WEBCASTING OF MEMBER MEETINGS

The Democracy and Governance Manager introduced a report to update on progress with webcasting of meetings and for the Committee to approve a proposed protocol on webcasting. He provided background information and advised that the views of the Constitution Committee on the proposed protocol would be reported to the next meeting of Cabinet and Council before decisions were taken on it.

The Democracy and Governance Manager advised that the experience of other local authorities of webcasting meetings had led to a number of useful tips being documented and these were appended to the report and would be sent to

Members, Officers, and third party speakers prior to their attendance at a webcast meetings.

Councillor Chris Bithell raised concerns around public consent to being filmed and issues which may arise in relation to public speaking. The Democracy and Governance Manager responded to the concerns raised and referred to the importance of notifying the public in advance that a meeting was to be webcast. He referred to the special protocol which was used for public speaking in meetings of the Planning and Development Control Committee which drew attention to what members of the public could and could not say. In response to a further query raised by Councillor Bithell concerning how long was the delay in transmission the Democracy & Governance Manager agreed to make enquiries and provide information on this matter.

Councillor Clive Carver raised concerns relating to data retention and referred to the footage of webcasting of meetings being held on the Council's website for 6 months and then destroyed. The Democracy and Governance Manager explained that the footage would ordinarily be destroyed but if an issue arose within the 6 months that required longer retention an exception could be made. Councillor Carver queried a possible discrepancy arising between what was recorded on the footage of the meeting and recorded in the minutes of the meeting. The Democracy and Governance Manager advised that the minutes once approved were the final and official record of the meeting. He explained that if Members viewed the webcast of the meeting and felt there was an inaccuracy in the minutes they should raise any issues with Officers in advance of consideration of the draft minutes at the subsequent meeting.

RESOLVED:

That the proposed protocol on Webcasting as shown in Appendix 1 be approved.

There were no members of the public or press in attendance.

(The meeting commenced at 2.00 pm and finished at 3.09 pm.)

.....
Chairman

This page is intentionally left blank

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CONSTITUTION COMMITTEE**
DATE: **WEDNESDAY 1ST JULY, 2015**
REPORT BY: **CORPORATE FINANCE MANAGER**
SUBJECT: **FINANCIAL PROCEDURE RULES**

1.00 PURPOSE OF REPORT

1.01 To provide Constitution Committee with the proposed updated Financial Procedure Rules (FPR's) for comment and endorsement prior to approval at County Council on 23rd July 2015.

2.00 BACKGROUND

2.01 Section 151 of the Local Government Act 1972 and the Accounts and Audit (Wales) Regulations require the Council to make arrangements for the proper administration of its financial affairs.

2.02 On 25 September 2013 the Council approved and adopted the current Financial Procedure Rules.

2.03 The FPR's state that: 'The Chief Finance Officer is the Officer responsible for the interpretation of these Procedure Rules, responsible for ensuring that they remain appropriate to the Council's activities. An annual review will take place and each individual rule will be reviewed at least every two years. The outcome of each review will be reported to Council, along with any recommendations for changes. Should there be any urgent changes required; these will be recommended to Council between annual reviews.

2.04 The FPR's have been fully reviewed and modernised to reflect the CIPFA guidance on financial regulations.

2.05 The proposed changes have been prepared in consultation with the Chief Officer Team.

2.06 The updated FPR's were considered and approved at Audit Committee on 3 June 2015 and recommended for submission to Council subject to a minor amendment.

2.07 The updated FPR's are attached as Appendix A, a summary of the FPR's are attached as Appendix B and a glossary of terms is attached as Appendix C.

3.00 CONSIDERATIONS

3.01 The FPR's have been split into six main sections:

1. Status of Financial Regulations
2. Financial Management – General roles and responsibilities
3. Financial Planning
4. Risk Management and Control of Resources
5. Financial Systems and Procedures
6. External Arrangements

3.02 Once approved the FPR's will be published on the Infonet and a programme of awareness raising will be implemented with all staff needing to complete a training session to ensure that they are aware of the responsibilities they have in the adherence of the FPR's.

3.03 A summary of the FPR's will also be available which is intended to be an easy guide for budget holding managers and other staff. This will include practical advice and references to more detailed information when requested. A copy of the summary version of the FPR's is included in Appendix B.

4.00 RECOMMENDATION

4.01 That Constitution Committee endorse the updated Financial Procedure Rules and recommend they are submitted to Council. That following approval at County Council the Council's Constitution be updated to reflect the changes.

5.00 FINANCIAL IMPLICATIONS

5.01 The implementation of these rules ensures robust, consistent financial processes across the Authority.

6.00 ANTI POVERTY IMPACT

6.01 None directly as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None directly as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 Chief Officer Team.

11.00 CONSULTATION UNDERTAKEN

11.01 The proposed changes have been prepared in consultation with the Chief Officer Team.

12.00 APPENDICES

12.01 Appendix A – Copy of the updated Financial Procedure Rules
Appendix B – Summary of Financial Procedure Rules
Appendix C – Glossary of Financial Terms

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

Flintshire County Council – Constitution
Flintshire County Council – Financial Procedure Rules

Contact Officer: Gary Ferguson
Telephone: 01352 702271
Email: gary_ferguson@flintshire.gov.uk

This page is intentionally left blank

Flintshire County Council

Financial Procedure Rules

Revised 2015

Contents

1. Status of Financial Regulations
2. Financial Management – General Roles and Responsibilities
3. Financial Planning
4. Risk Management and Control of Resources
5. Financial Systems and Procedures
6. External Arrangements

1. Status of Financial Regulations

1.1 What are Financial Procedure Rules?

1.1.1 Financial Procedures provide the framework for managing the Authority's financial affairs. They apply to every member and officer of the authority and anyone acting on its behalf.

1.1.2 The procedures identify the financial responsibilities of the full Council, the Cabinet and officers.

1.1.3 Where there are references to the Chief Executive and Chief Officer the responsibility is as follows:

The Chief Executive as Head of Paid Service at a strategic level provides oversight, coordination and direction across the organisation.

Chief Officers are accountable at a strategic and operational level for resource management, performance management and delivery of services for the Portfolio for which they have responsibility.

In addition, the Council holds the following statutory posts:

The Head of Paid Service is the Chief Executive

The Chief Finance Officer is the Corporate Finance Manager

The Chief Education Officer is the Chief Officer (Education and Youth)

The Monitoring Officer and Chief Legal Officer is the Chief Officer (Governance)

1.1.4 These Financial Procedure Rules are part of the Authority's Rules of Procedure. They must be read in conjunction with the rest of the Constitution, of which they form part, including the Contract Procedure Rules.

1.1.5 These Financial Procedure Rules and other regulatory rules apply to the Clwyd Pension Fund except where separate legislation exists, e.g. Local Government Investment Regulations.

1.2 Why are they important?

1.2.1 To conduct its business effectively, the Authority needs to ensure that sound financial management arrangements are in place and that they are strictly adhered to in practice. Part of this process is the establishment of Financial Procedures which set out the financial responsibilities of the Authority. These procedures have been devised as a control to help the Authority manage its financial matters properly in compliance with all necessary requirements.

1.2.2 Good, sound financial management is a key element of the Authority's Corporate Governance framework which helps to ensure that the Authority is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

1.2.3 Good financial management secures value for money, controls spending, ensures due probity of transactions and allows decisions to be informed by accurate accounting information.

1.2.4 Good financial management requires secure and reliable records and systems to process transactions and information and substantiate the effective use of public money.

1.2.5 Financial Procedures should not be seen in isolation, but rather as part of the overall regulatory framework of the Authority as set out in the Council's Constitution.

1.3 Who do Financial Procedures apply to?

1.3.1 Financial Procedures apply to every member and officer of the Authority and anyone acting on its behalf. Members and officers have a general responsibility for taking reasonable action to provide for the security and use of the resources and assets under their control, and for ensuring that the use of such resources and assets is legal, is consistent with Authority policies and priorities, and is properly authorised, provides value for money and achieves best value.

1.3.2 Separate financial procedures have been incorporated into the Authority's Scheme for Financing of Schools and relate to those matters where decisions have been delegated to school governing bodies.

1.3.3. These Financial Procedures shall apply in relation to any partnership for which the Council is the accountable body, unless the Council expressly agrees otherwise.

1.3.4 Failure to observe Financial Procedures may result in action under the Authority's disciplinary procedures.

1.4 Who is responsible for ensuring that they are applied?

1.4.1 The Chief Executive and Chief Officers are ultimately responsible to the Council for ensuring that Financial Procedures are applied and observed by his/her staff and contractors providing services on the Authority's behalf and for reporting to the Chief Finance Officer any known or suspected breaches of the procedures.

1.4.2 The Chief Finance Officer is responsible for maintaining a continuous review of the Financial Procedures and submitting any additions or changes necessary to the Council for approval. The Chief Finance Officer is also responsible for reporting, where appropriate, breaches of the Financial Procedures to the Council and/or to the Members.

1.4.3 The Chief Finance Officer is responsible for issuing advice and guidance to underpin the Financial Procedures which Members, Chief Executive and Chief Officers and others acting on behalf of the Authority are required to follow.

1.4.4 Where any Officer considers that complying with Financial Procedures in a particular situation might conflict with the achievement of value for money or the principles of Best Value or the best interests of the Local Authority, he/she shall raise the issue with the Chief Finance Officer who will, if he/she considers necessary and appropriate, seek formal approval from the Council for a specific waiver of the procedures, or an amendment to the procedures themselves.

2. Financial Management – General Roles and Responsibilities

The Role of the Full Council

2.1.1. The Council has a duty towards its Council Tax payers with regard to financial decisions and their consequences. The full Council is responsible for adopting the Council's Constitution and Members' Code of Conduct and for approving the budget and policy framework within which the Cabinet operates. It is also responsible for approving and monitoring compliance with the authority's overall framework of accountability and control. The full Council is also responsible for monitoring compliance with policies and related Cabinet decisions.

2.2 The Role of the Cabinet

2.2.1 The Cabinet (as the Council's Executive) is responsible for proposing the Budget and Policy Framework to full Council, and for discharging executive functions in accordance with the Budget and Policy Framework.

2.3 The Role of the Chief Finance Officer

2.3.1 The Chief Finance Officer is accountable to the Chief Executive and the Council and has statutory duties that provide overall responsibility for the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. These statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations (Wales) Regulations currently in force

2.3.2 The Chief Finance Officer among other functions is responsible for;

- a) The proper administration of the Council's financial affairs.
- b) Setting and monitoring compliance with financial management standards.
- c) Advising on the corporate financial position and on the key financial controls necessary to secure sound financial management.
- d) Advising on all matters which affect, or potentially affect, the finances or financial administration of the Council.
- e) Providing financial information.
- f) Making recommendations to the Cabinet and Council for the preparation of the revenue budget and capital programme.

- g) Preparing the approved revenue budget and capital programme.
- h) Treasury management.

The Chief Executive and Chief Officers are responsible for promoting the financial management standards set by the Chief Finance Officer in their portfolio and monitoring adherence to the standards and practices, liaising as necessary with the Chief Finance Officer.

Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to every Member of the Cabinet or the Council as appropriate and to the External Auditor, if the Council, a Committee or Officer of the Authority, or a Joint Committee on which the Council is represented:

- Has made, or is about to make, a decision which involves or would involve the Council incurring expenditure which is unlawful.
- Has taken, or is about to take, a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency to the Council.
- Is about to make an unlawful entry in the Council's accounts.

The Chief Finance Officer must consult with the Head of Paid Service and the Monitoring Officer as far as practicable in preparing any report under Section 114.

The Chief Finance Officer shall make a report under this Section if it appears to him or her that the expenditure of the Council incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

Section 114 of the 1988 Act also requires:

- The Chief Finance Officer to nominate a properly qualified member of staff to deputise should he or she is unable to perform the duties under Section 114 personally, due to absence or illness.
- 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.

(All references to a Committee (joint or otherwise) include Sub-Committees).

Where a report has been issued by the Chief Finance Officer under Section 114 of the Local Government Finance Act 1988, the Council and the Local Authority's Head of the Paid Service shall then follow the requirements of Sections 115 and 116 of the said Act.

2.4 The Role of Chief Officers

2.4.1 Chief Officers are each accountable to the Council for the financial management and administration of those services and activities allocated to them in accordance with Council policy.

2.4.2 Chief Officers are responsible for:

- a) Ensuring that adequate and effective systems of internal control are operated to ensure the accuracy, legitimacy and proper processing of transactions and the management of activities, having regard to advice and guidance from the Chief Finance Officer.
- b) Ensuring that Cabinet members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer.
- c) Consulting with the Chief Finance Officer in seeking approval regarding any matters which may affect the Council's finances materially, before any commitments are incurred.
- d) Consulting with each other on any issue with corporate financial implications before submitting policy options or recommendations to Members.

3. Financial Planning

3.1 Strategic Planning

Why is this important?

Planning is a continuous process and is a fundamental tool in the management and control of the Authority. The Local Authority has a statutory responsibility to produce various plans. Financial planning is a key part of this process, setting out the financial consequences of the actions planned to meet the objectives and targets set within the plan.

Key Controls

- Ensure that all relevant plans are produced and that they are consistent with Corporate objectives
- Produce plans in accordance with statutory requirements
- Meet the timetables set
- Ensure that all performance information is accurate, complete and up to date
- Provide improvement targets that are meaningful, realistic and challenging

Responsibilities of the Chief Finance Officer

- a) To advise and supply the financial information that needs to be included in plans in accordance with the statutory requirements and agreed timetables
- b) To contribute to the development of corporate and service targets and objectives and performance information
- c) To ensure that performance information is monitored frequently to allow corrective action to be taken if targets are not likely to be met

Responsibilities of the Chief Officers

- a) To contribute to the development of plans in line with statutory requirements
- b) To contribute to the development of corporate and service targets and objectives and performance information.

3.2 Budgets and Medium Term Planning

Why is this important?

The Local Authority is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively to enable scarce resources to be allocated in accordance with the Council's priorities.

Flintshire's Medium Term Financial Strategy (MTFS) provides a framework for the financial principles through which revenue and capital resources will be forecast, organised and managed to deliver the Authority's vision and strategic objectives.

Integral to the Medium Term Financial Strategy, is the Medium Term Financial Plan (MTFP) which uses detailed intelligence led forecasting. The MTFP estimates available resources; investment needs linked to the Authority's Improvement Plan and priorities, demand and externally led cost pressures and opportunities for efficiencies / savings for both revenue services and the capital programme over the medium term. The plan enables the gap between forecast funding levels and resource requirements to be identified over the medium term.

Detailed work is undertaken on an annual basis by Corporate Finance Team, in conjunction with the Chief Officer Team to build on the MTFP to enable a balanced revenue budget and capital programme which is approved by Authority for the following financial year.

Responsibilities of the Chief Finance Officer

- a) To prepare and submit reports on budget prospects for the Cabinet including resource constraints set by the Welsh Government
- b) To determine the detailed form of revenue estimates after consultation with the Cabinet and Chief Officers
- c) To prepare and submit reports to the Cabinet on the aggregate spending plans and resources available to fund them.
- d) To advise on the medium term implications of spending decisions
- e) To encourage the best use of resources and value for money by working with Chief Officers to identify opportunities to improve economy, efficiency and effectiveness
- f) To advise the Authority on proposals in accordance with responsibilities under section 151 of the Local Government Act 1972

Responsibilities of the Chief Officers

- a) To integrate financial and budget plans into service planning so that budget plans can be supported by financial and non financial performance measures
- b) To encourage the best use of resources and value for money by working with the Chief Finance Officer to identify opportunities to improve economy, efficiency and effectiveness.

3.3 Budgeting

3.3.1 Revenue Budget

Why is this important?

Budgetary control and monitoring procedures ensure that once the budget has been formally approved by the County Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the authority to review and adjust its budget targets during the financial year.

By continuously identifying and explaining variances against budgetary targets, the authority can identify changes in trends and resource requirements at the earliest opportunity.

Key Controls

The key controls for managing and controlling the revenue budget are:

- Budget managers should be responsible only for income and expenditure that they can influence
- There is a nominated budget manager for each cost centre heading and the responsibilities for budgetary control are clearly defined.
- Budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities
- Budget managers follow an approved certification process for all expenditure
- Income and expenditure are properly recorded and accounted for
- Performance levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget.
- An annual cycle is established to ensure budgets are promptly prepared

Responsibilities of the Chief Finance Officer

To ensure an appropriate framework of budgetary management and control that ensures that:

- a) A revenue budget is prepared on an annual basis, together with a revenue projection over the medium term, for consideration by the Cabinet, which will make recommendations to the Council. The Council is responsible for the approval of the revenue budget.
- b) A resource allocation process is developed and maintained for consideration by Members at each stage of the revenue budget process
- c) The revenue budget includes the proposed level of unallocated Council Fund reserves, proposed taxation levels and the proposed budgets for each Chief Officer and for central and corporate budget heads.
- d) Each Chief Officer has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities
- e) Expenditure is committed only against an approved budget head
- f) Significant variances from approved budgets are investigated and reported by budget managers on a regular and timely basis.

Responsibilities of the Chief Officers

- a) To maintain budgetary control within their departments and ensure that all income and expenditure are properly recorded and accounted for.
- b) To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the Chief Officer. As a general principle, budget responsibility should be aligned as closely as possible to the decision making that commits expenditure
- c) Ensure that Managers and all staff understand their financial responsibilities.
- d) To prepare annual service plans linked to the improvement plan identifying any budgetary implications for inclusion in the Medium Term Financial Plan for Member consideration.
- e) To ensure that spending remains within the service's overall cash limit, and that individual budget heads are not overspent, by monitoring the budget and

taking appropriate corrective action where significant variations from the approved budget are forecast. Variances in excess of £50k should be reported with an explanation to the Chief Finance Officer.

- f) Prepare budget action plans where a significant overspend is forecast. The action plan should identify how expenditure will be brought back into line with budget, either by taking corrective action, or through the proposed use of compensating savings elsewhere in their budget.
- g) Report areas of forecast under spend, along with the implications for future years, for corporate consideration of where any available resources should be re-allocated. The use of budget savings other than in accordance with the approved budget is not permitted without Cabinet approval.
- h) Consult with the Chief Finance Officer and seek advice on further action to be taken before any commitments are incurred, where these are not covered by the Council's approved budget.
- i) Report significant variations from budget to the Chief Finance Officer, who will report the position and any budget actions plans in the overall budget monitoring report to Cabinet. In certain circumstances it may be that the significance of the variance requires a separate report to Cabinet for consideration or approval. The report will outline the reasons for the projected variance, the implications for future years' budgets, along with the budget action plan to bring expenditure in line with the budget.
- j) Budget action plans will be monitored by the relevant Chief Officer who will notify the Chief Finance Officer should it emerge that a budget action plan will fail to prevent an overspend. The Chief Finance Officer will report the position to Cabinet.
- k) In exceptional cases submit reports to the Cabinet and to the Authority, in consultation with Chief Finance Officer, where a Chief Officer is unable to balance expenditure and resources within existing approved budgets under his or her control, requesting a supplementary budget allocation for the current financial year only.
- l) Nothing in the Financial Procedure Rules shall prevent expenditure being incurred which is essential to meet any immediate needs arising from an emergency, including any expenditure under Section 155 of the Local Government and Housing Act 1989 (Emergency Financial Assistance Scheme, formerly known as the "Belwin" scheme). Such action shall only be taken after consultation with the Chief Finance Officer, and any such expenditure must be reported retrospectively to the Cabinet, and the funding for such expenditure must be agreed as soon as possible.
- m) To ensure compliance with the scheme of virement.

3.3.2 Budget Virements/Accounting Adjustments

Why is this important?

Transfers between budgets is an integral and important feature of budgetary control for an organisation to ensure sound financial management.

In general terms there are two main types of budget transfers:-

1. Accounting Adjustments – this is where it is necessary to transfer a budget from one place to another to account properly for the relevant expenditure or income but where the approved purpose of that expenditure/income does not change from that approved by County Council. An example of this is the allocation of energy inflation which is held centrally and allocated to portfolio areas based on evidenced need.
2. Formal Virements – this is where there is an intended action to transfer budget from one place to another that does change the purpose of the expenditure/income approved by County Council. An example of this would be the transfer of an amount from Adult Social Services to Children’s Social Services to deal with a pressure in the Children’s Services area.

The Key Principles underpinning the control of budget transfers are as follows:

- Where Budget transfers relate to a change of use or policy they should be authorised and there should be formal evidence of this.
- Transferring budgets simply to minimise variances are specifically precluded.
- Where an approved budget is a lump sum provision or contingency intended for allocation during the year, its allocation will not be treated as a virement provided the amount is used in accordance with the purposes for which it was originally intended, or if Cabinet has approved the basis on which it will be allocated.

Formal Virements in excess of £75,000 (this includes cumulative amounts over £75,000) should be submitted to Cabinet for Approval.

- Where there are policy implications for the Council which require a budget virement, Cabinet approval must be obtained.

Overall control of budget transfers is undertaken within the Strategy, Accounting and Systems team which tracks the movements as part of the budget monitoring process and also ensures that any virements that change the purpose of the funding are subject to the relevant approval.

The Corporate Finance Manager as Section 151 officer for the Council has a legal responsibility to ensure the proper management of the Councils financial affairs and

is content that the rules and procedures in place governing the virement of budget are adequate.

Key Controls

- Performance levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget
- Notification of virements should be given to the Chief Finance Officer and approved

Responsibilities of the Chief Finance Officer

- a) Ensure that budget virements in excess of £75,000 (cumulative) are submitted to Cabinet for approval.
- b) Where there are policy implications for the Council ensure that Cabinet approval is obtained where it is proposed to vire between budgets of different Cabinet Portfolio holders or vire between budgets managed by different Chief Officers.
- c) Where there are implications to the policy framework submit a joint report with the relevant Chief Officer.

Responsibilities of the Chief Officers

- a) To ensure compliance with the scheme of virement
- b) To agree with the relevant Chief Officer where it appears that a virement proposal may impact materially on another service area.

3.4 Capital Programmes

Why is this important?

Capital expenditure involves acquiring or enhancing fixed assets with a long term value to the authority such as land, buildings and major items of plant, equipment and vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.

Key Controls

The key controls for capital programmes are:

- Specific approval by the County Council for the programme of capital expenditure
- Expenditure on capital schemes is subject to the approval of the Chief Officer
- A scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project

- Accountability for each proposal is accepted by a named manager
- Monitoring of progress in conjunction with expenditure and comparison with approved budget.

Responsibilities of the Chief Finance Officer

- To prepare capital estimates jointly with Chief Officers to report them to the Cabinet for approval.
- To be responsible for the monitoring of the capital programme in conjunction with the Chief Officer for Organisational Change.
- To prepare and submit reports to the Cabinet on the projected income, expenditure and resources compared with the approved estimates on a quarterly basis. The report will identify changes in capital resources, including the generation of capital receipts and the effect of rollover together with quantifying contractually uncommitted values by scheme.
- To obtain authorisation from the Cabinet for individual schemes where the estimated expenditure exceeds the capital programme provision by more than the specified amount.
- To ensure that whole schemes, or distinct parts thereof, which are identified as slipping into the following financial year, shall be included in the Capital Programme assessments for the later year.
- Ensure that the approved Capital Programme includes information on grant funded schemes if appropriate.

Responsibilities of the Chief Officers

- To comply with guidance concerning capital schemes and controls issued by the Chief Finance Officer
- To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Chief Finance Officer.
- To prepare regular reports reviewing the capital programme provisions for their services
- To ensure that adequate records are maintained for all capital contracts
- To proceed with projects only when there is adequate provision in the capital programme and with the agreement of the Chief Finance Officer, where required.
- To ensure that credit agreements such as leasing agreements are not entered into without the agreement of the Chief Finance Officer (via the Treasury

Management Team) and if applicable approval of the scheme through the capital programme.

- g) To ensure that for the purchase of all items which are not brand new that a Hire Purchase Information (HPI) check has been undertaken to ensure that there is no outstanding finance.

3.5 Maintenance of Reserves

Why is this important?

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

Key Controls

To maintain reserves in accordance with the CIPFA Code of Practice and agreed accounting policies.

For each reserve established, the purpose, usage and basis of transactions should be clearly identified.

Authorisation and expenditure from reserves by the appropriate Chief Officer in consultation with the Chief Finance Officer.

Responsibilities of the Chief Finance Officer

To advise the Cabinet and/or the full Council on prudent levels of reserves for the authority and to provide an annual statement as to the adequacy of the level of reserves held.

Responsibilities of the Chief Officers

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

4. Risk Management and Control of Resources

4.1 Risk Management

Why is this important?

The Local Authority like any organisation faces risk to people, property and continued business operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the Authority and ensure the continued financial and organisation well being of the organisation. Risk management is concerned with evaluating the measures the Authority has in place to manage identified risks and recommending the course of action the organisation needs to take to control these risks effectively.

Risk Management is an integral part of the Council's Governance Framework and Internal Control. The Council has a Risk Management Strategy which outlines how the Authority manages risk corporately.

Key Controls

The key controls for risk management are:

- Procedures are in place to identify, assess, prevent or contain material known risks
- 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.
- Managers know that they are responsible for managing relevant risk and are provided with relevant information
- Provision is made for losses that might result from the risks that remain
- Procedures are in place to investigate claims within required timescales
- Acceptable levels of risk are determined and insured against where appropriate
- Business Continuity Plans are in place.

Responsibilities of the Chief Finance Officer

- a) To develop and implement risk management controls in conjunction with Chief Officers.
- b) To include all appropriate employees of the authority in a suitable fidelity guarantee insurance
- c) To effect corporate insurance cover, through external insurance and internal funding and negotiate all claims in consultation with other officers.

Responsibilities of the Chief Officers

- a) To notify the Chief Finance Officer immediately of any loss, liability or damage that may lead to a claim against the authority, together with any information or explanation required by the Chief Finance Officer for the Authority's insurers.
- b) To take responsibility for risk management, having regard to advice from the Chief Finance Officer and other specialist officers e.g. health and safety
- c) To implement the Risk Management Strategy and ensure a regular review of risks within the service they manage
- d) To notify the Chief Finance Officer promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances
- e) To ensure that employees or anyone covered by the Authority's insurances do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- f) To ensure Business Continuity plans are in place and regularly reviewed

4.2 Internal Controls

Why is this important?

Overall responsibility for the control environment rests with the Authority as a whole. The Chief Officer Team is responsible for overseeing and monitoring the control environment.

Monitoring of compliance with policies, procedures, laws and regulations is undertaken by relevant key officers. The Chief Finance Officer and Monitoring Officer have statutory responsibilities. Chief Officers have responsibility for the development and maintenance of the internal control environment to ensure:

- The Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.
- Compliance with all applicable statutes and procedure rules, and other relevant statements of best practice.

Key Controls

The key controls and objectives for internal control systems are:

- Key controls should be reviewed on a regular basis
- Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
- An effective internal audit function that is properly resourced.

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

- a) To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.
- b) To be responsible for having in place procedures to ensure that established controls are being adhered to and for evaluating their effectiveness. Chief Officers are required to periodically assess their systems of internal control to ensure that they are adequate to manage the risks associated with the service. They are also required to undertake such reviews when material changes are to be made either to structures or to working practices. This requirement applies equally to those arrangements in which the Authority has a partnership relationship with a third party.
- c) Assess, at least once a year, the effectiveness of the systems of internal control, in line with current Accounts & Audit (Wales) Regulations.
- d) Provide appropriate information to the Corporate Governance Working Group to enable the Annual Governance Statement to be included within the financial statements, as required.
- e) Review existing controls in the light of changes affecting the Authority and establish and implement new controls as necessary. Also remove controls that are unnecessary or not cost or risk effective – for example, because of duplication.

- f) Ensure that staff have a clear understanding of all procedures, and of the consequences of lack of control.

4.3 Audit Requirements – Internal Audit

Why is this important?

The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972 and is required by the Accounts and Audit (Wales) Regulations 2005. The regulations state that ‘a local government body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices’.

Internal audit is defined in the Public Sector Internal Audit Standards as:

‘Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’

Key Controls

The key controls for internal audit are:

- That it is independent in its planning and operation
- The Internal Audit Manager has direct access to the Head of Paid Services, the Monitoring Officer, External Audit and the Chair of the Audit Committee

Responsibilities of the Chief Finance Officer

To ensure that an effective Internal Audit function is resourced and maintained. Under s151 the local authority should 'make arrangements for the proper administration of their financial affairs'. Proper administration includes compliance with the statutory requirements for accounting and internal audit.

Responsibilities of the Chief Officers

Chief Officers will:

- (a) Ensure that internal and external auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.

- (b) Ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- (c) Consider and respond promptly to recommendations in audit reports.
- (d) Ensure that any agreed actions arising from audit recommendations are carried out timely and efficiently.
- (e) Ensure that whenever any matter arises which involves, or potentially involves, any suspected fraud, theft, irregularity, improper use or misappropriation of the Authority's property or resources, Internal Audit are notified and take any such other immediate action as considered necessary (subject to any Authority rules and protocols).
- (f) Internal Audit shall notify the Chief Officer Governance where appropriate, and take such action by way of investigation and report, including informing and consulting with the relevant Chief Officer, Chief Officer People and Resources, notifying the Head of Paid Service, the Police and/or the External Auditor, as considered appropriate. Pending investigations and reporting, the Chief Officer will take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- (g) Where sufficient evidence exists to believe that a criminal offence may have been committed, Internal Audit will consult with the Chief Officer People and Resources and Monitoring Officer and determine whether to refer the matter to the Police. The Police will determine with the Crown Prosecution Service whether any prosecution will take place. Where fraud, theft, improper use or misappropriation of the Authority's property or resources is proved, and the Authority has suffered a financial loss, the Authority will seek to recover the full value of any loss as outlined in the Corporate Anti-Fraud and Anti Corruption Strategy, Fraud Response Plan and Prosecution Policy.
- (h) Instigate the Authority's disciplinary procedure when the outcome of an audit investigation indicates improper behaviour (by a member of staff), or indicates that a wider investigation is appropriate.
- (i) Ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Internal Audit Manager prior to implementation, to ensure that control issues are fully considered and complied with.

4.4 Security of Assets

Why is this important?

The Authority holds assets in the form of property, vehicles, equipment, furniture, and other items. It is important that assets are safeguarded and used efficiently in service delivery and that there are arrangements for the security of both assets and information required for service operations. An up to date asset register is a pre-requisite for sound asset management.

Key Controls

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

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

Responsibilities of the Chief Finance Officer

Ensure that an asset register is maintained in accordance with good practice for all fixed assets. The function of the asset register is to provide the authority with information about fixed assets so that they are safeguarded, used efficiently and effectively and adequately maintained.

To receive the information required for accounting, costing and financial records from each Chief Officer.

To ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA/LASAAC).

Ensure appropriate accounting entries are made to remove the value of disposed assets from the Authority's records and to include the sale proceeds.

Responsibilities of the Chief Officers

- a) Ensure that records and assets are properly maintained and securely held.
- b) The Chief Legal Officer, in consultation with the Chief Officer for Organisational Change, shall maintain a terrier of:
 - All lands and properties owned by the Authority (with the exception of dwellings provided under the Housing Acts) in a form agreed with the Chief Finance Officer, recording the holding Committee, purpose for which held, location, extent, plan reference, purchase details, particulars of all interests, tenancies granted and rents receivable.
 - All lands and properties leased to the Authority in a form agreed with the Chief Finance Officer, recording the holding Committee, purpose for which held, location, extent, plan reference and lease rental payment details.
- c) The corporate property function resides within the Organisational Change Portfolio, with property records maintained by Valuation and Estates Services in conjunction with Legal.
- d) The Chief Officers (Planning and Environment and Organisational Change) will arrange for the valuation of assets for accounting purposes to meet requirements specified by the Chief Finance Officer and, in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* (CIPFA/LASAAC).
- e) The Head of Legal Services shall have custody of all title deeds and will put in place secure arrangements for this.
- f) The Chief Officers (Planning and Environment and Organisational Change) shall maintain a record of all dwellings provided under the Housing Acts in a form agreed with the Chief Finance Officer.
- g) Chief Officers shall be responsible for maintaining proper security and confidentiality of all financial and related information in the Chief Officer's possession including complying with the requirements of the Authority's Information Security Policy, Data Protection Act, the Computer Misuse Act and any subsequent legislation.
- h) Chief Officers must ensure that:

- All staff are aware of their responsibilities with regard to safeguarding the Authority's assets and the protection and confidentiality of information, whether held in manual or computerised records, including the requirements of the Data Protection Act and software copyright legislation.
- All staff are aware of their responsibilities with regard to safeguarding the security of the Authority's computer systems, including maintaining restricted access to the information held on them and compliance with the Authority's computer, portable storage media acceptable usage, e-mail and internet security policies.
- Arrangements are in place for the proper security and safe custody of all buildings, vehicles, equipment, furniture, stock, stores and other assets under their control.
- Lessees and other prospective occupiers of authority land or buildings are not allowed to take possession or enter the land or building until a lease or legal agreement, in a form approved by the Chief Legal Officer in consultation with the Chief Finance Officer, has been established as appropriate.
- Where land or buildings are surplus to requirements, a recommendation for sale is the subject of a report by the Chief Officer, or where action is taken under delegated powers this is reported to the Cabinet.
- Each Chief Officer maintains a register of moveable assets and that assets are identified, their location recorded, and that they are appropriately marked and insured.
- Cash holdings on premises are kept to a minimum and shall not exceed such limit as the Chief Finance Officer may prescribe, and that the arrangements for such cash holdings have been agreed with Internal Audit. Each Chief Officer must, in consultation with the Chief Finance Officer ensure safe and efficient cover for cash in transit.
- Keys to safes and similar receptacles are carried in the possession of those responsible at all times; loss of any such keys must be reported to the Chief Finance Officer as soon as possible. All official keys of buildings, alarms and secure places shall be securely maintained at all times using a designated key tagging system by the individual responsible for their custody. If not held on the person of the individual responsible for their custody, they should be held under secure arrangements. The loss of any such keys shall be reported to the Chief Finance Officer immediately.
- Assets are only used in the course of the Authority's business, unless the Chief Officer concerned has given permission, in writing, for personal use by an employee.
- Records are kept of the disposal or part-exchange of assets. Such disposals should normally be by competitive tender or public auction, unless, following consultation with the Chief Finance Officer, the Cabinet agrees otherwise.

- Inventories or other records are maintained, in a form approved by the Chief Finance Officer, of all vehicles, plant, equipment (including portable equipment such as FCC Laptops), machinery, protective clothing and such other items as the Chief Finance Officer may require for each location under the Chief Officer's control. Unless otherwise authorised in writing by the Chief Finance Officer, each inventory shall record, in respect of each item a brief description of the item, the serial number or other identifying mark (where applicable), particulars of acquisition (including details of ownership where applicable) and, in due course, particulars of disposal.
- An annual check of all items on the inventory is carried out in order to verify location, review condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the Authority.
- There are arrangements for the care and custody of stocks and stores in the Portfolio. Each Chief Officer shall be responsible for the care and custody of all stocks and stores held in that Portfolio and shall account for their purchase, control, issue and return and disposal in a manner approved by the Chief Finance Officer.
- Items shall be held in stock only where ready availability or where purchase in bulk is more economical than purchase of individual items, having due regard to the storage and administration costs associated with each method. Stocks shall not exceed the level required to meet reasonable anticipated needs or to obtain the benefits of bulk purchasing, except in special circumstances in consultation with the Chief Finance Officer.
- Stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion, referring issues to Internal Audit, where appropriate.
- The Chief Finance Officer shall receive from the appropriate Chief Officer such information relating to stocks as the Chief Finance Officer may require for accounting or costing purposes, and shall require the appropriate Chief Officer to conduct, by persons other than the storekeeper, a complete stock-take at intervals of not more than one year together with one interim stock check.
- Sample checks are made of all actual stock holdings against recorded stock holdings. The checks should be such that all items of stock are included within the check at least once a year.
- Discrepancies are investigated and written off as necessary.

- i) Surplus, obsolete or defective items held in stock shall be disposed of at regular intervals not exceeding one year. Procedures for disposal of such stocks and equipment, including inventory items, should be by competitive quotations or auction, unless, following consultation with the Chief Finance Officer, the Cabinet decides otherwise in a particular case. Such write-offs or disposals will be reported to the Cabinet.
- j) When the Chief Officer considers it appropriate, the stock or inventory item may be offered to other Portfolio's or employees for the highest quotation received on a secret and competitive basis, or disposed of by public auction, or as scrap and disposal shall be certified in the stock records or inventory by the signature of the Chief Officer or other authorised Officer.
- k) The names of Officers authorised to certify such disposals shall be agreed with and notified to the Chief Finance Officer by each Chief Officer, who shall provide the Chief Finance Officer with the specimen signature and initials of each such authorised Officer and amendments as they may occur. Disposal of items by any other method shall be subject to prior written authority from the Chief Finance Officer.
- l) In the event that the Authority decides to become involved in the commercial exploitation of intellectual property e.g. software development, the matter should be agreed by the Cabinet.
- m) Whenever, in case of eviction, re-possession or similar circumstances, the Authority takes possession or custody of private moveable property, an itemised inventory shall be taken in the presence of two persons, one of whom shall be an Authority Officer or representative, who both shall witness it as a correct record.
- n) Each Chief Officer shall be responsible for ensuring safe custody and maintaining adequate records of lost property found on premises for which that Chief Officer is responsible. Unclaimed items shall be disposed of by the Chief Officer under arrangements approved by the Chief Finance Officer.
- o) Each Chief Officer will ensure that controls are in place to ensure that staff do not carry out private work in Authority time and that staff are aware of an employer's rights with regard to intellectual property. The Chief Officer People and Resources will ensure that this is reflected in the Authority's HR Policies.

- p) Every acquisition, disposal or transfer to another location shall be recorded immediately in the appropriate inventories.
- q) Ensure that income received for the disposal of an asset is properly banked and recorded.
- r) If any aspect of security is considered defective, or if special security arrangements are considered desirable, the Chief Officer concerned shall consult with the Chief Finance Officer with a view to remedial action.

4.5 Treasury Management

Why is this important?

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

Key Controls

That the authority's borrowing and investments comply with the CIPFA Code of Practice on Treasury Management and the authority's treasury policy statement.

The Authority nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Responsibilities of the Chief Finance Officer

- a) Maintain, as the cornerstones for effective treasury management:
 - A Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable treasury management practices (TMPs), setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- b) The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this Authority. Such amendments will not result in the Authority materially deviating from the Code's key principles.

- c) Ensure that the Authority receives reports on its treasury management polices, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- d) Act in accordance with the Authority's policy statement and TMPs and CIPFA's Standard of Professional Practice in Treasury Management to ensure that the Authority delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Chief Finance Officer,
- e) The Chief Finance Officer will operate bank accounts as are considered necessary. Opening or closing any bank account shall require the approval of the Chief Finance Officer. Heads of Service will follow the instructions on banking issued by the Chief Finance Officer.
- f) The Chief Finance Officer will act as the Authority's registrar of stocks, bonds and mortgages and maintain records of all borrowing of money by the Authority.
- g) Criminal Injuries Compensation Awards will be put on deposit with the Authority's other investments and therefore form part of the Central Loans and Investment Account, thus attracting appropriate money market rates. Each award will be accounted for separately with interest being credited on an annual basis.

Responsibilities of the Chief Officers

- a) Arrange for all trust funds to be held, wherever possible, in the name of the Authority. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the Chief Finance Officer, unless the deed otherwise provides.
- b) Arrange where funds are held on behalf of third parties, for their secure administration, approved by the Chief Finance Officer, and for the maintenance of written records of all transactions.
- c) Ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

4.6 Imprest Accounts

Responsibilities of the Chief Finance Officer

- a) Provide employees of the Authority with cash or bank imprest accounts to meet minor expenditure on behalf of the Authority and prescribe rules for operating these accounts.
- b) Agree, in consultation with the relevant Chief Officer, the petty cash limit and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.
- c) Reimburse imprest holders as often as necessary to restore the imprests, but normally not more than monthly.
- d) Issue to Officers authorised to receive official money, such change floats as considered necessary, following consultation with the relevant Chief Officer, for the efficient performance of cash collection duties. Such a float shall not be used for any purpose other than the giving of change, and the Officer to whom it is issued shall be responsible at all times for its safe custody until such time as it is repaid to the Chief Finance Officer.
- e) The Chief Finance Officer may at any time require the authorised Officer to produce the float for inspection, to repay it or to sign a certificate of the amount held.
- f) Where considered appropriate the Chief Finance Officer shall open an account with the Authority's bankers or other approved agency.

Responsibilities of the Chief Officers

Ensure that employees operating an imprest account:

- (a) Obtain and retain receipts/invoices and vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained in order to ensure the correct recovery of VAT as per HM Revenue and Customs regulations.
- (b) Ensure reimbursement claims are signed by the claimant and one authorising signatory. Imprest controllers must ensure that two authorising signatories are obtained where there are no valid receipts/invoices to support the expenditure.
- (c) Make adequate arrangements for the safe custody of the account.
- (d) Produce upon demand by the Chief Finance Officer cash and all receipts/invoices and vouchers to the total value of the imprest amount.

- (e) Record transactions promptly.
- (f) Reconcile and balance the account at least monthly irrespective of the frequency of reimbursement claims. Reconciliation sheets are to be signed by the imprest holder and two authorising signatories and placed on file.
- (g) The Imprest holder shall not allow the account to become overdrawn. It shall be a standing instruction to the Authority's bankers or approved agency that the amount of any overdrawn balance on a Petty Cash Imprest holder's bank account be reported to the Chief Finance Officer.
- (h) Provide the Chief Finance Officer with a certificate of the value of the imprest account/float held at 31st March each year.
- (i) Ensure that the imprest is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made.
- (j) Ensure that payments are never made to individuals, contractors, consultants, casual staff or self-employed persons. The exceptions are where incentive bonus payments are made to service users in Social Services Day Opportunities and payments are made to residents from deputyship monies. Payments can be made from petty cash and then coded appropriately to the correct budget. In the case of deputyship, this is then reclaimed from personal monies.
- (k) Where emergency loans are made to service users, Officers will comply with the Monitoring and Recovery of Loans Procedure.
- (l) On leaving the Authority's employment or otherwise ceasing to be entitled to hold an imprest advance inform the Chief Finance Officer so that arrangements can be made to close the account or transfer to another authorised Officer.

4.7 Staffing

Why is this important?

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

Key Controls

The key controls for staffing are:

- a) An appropriate staffing strategy and policy exists in which staffing requirements and budget allocations are matched
- b) Procedures are in place for forecasting staffing requirements and cost

- c) Controls are implemented that ensure that staff time is used efficiently and to the benefit of the authority
- d) Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy

The management of employee costs within schools is the responsibility of the governing body.

Responsibilities of the Chief Finance Officer

To act as an advisor on workforce related costs (e.g. pension contributions) as appropriate.

Responsibilities of the Chief Officers

The Chief Officer (People and Resources) will act as an advisor to a Chief Officer on HR policies.

Chief Officers will:

- (a) Ensure that budget provision exists for all existing and new employees.
- (b) Monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.
- (c) Ensure that the staffing budgets are not exceeded without due authority and that they are managed to enable the agreed level of service to be provided.
- (d) When reporting to the Cabinet or Authority on any matter which has, or is liable to have, staffing / HR implications, the Chief Officer shall, in consultation with the Chief Finance Officer and the Chief Officer (People and Resources), incorporate into the report both the staffing / HR and financial implications of the matter under discussion.
- (e) Maintain a register of interests, in which any hospitality or gifts accepted, must be recorded:
 - In compliance with the Flintshire County Authority Code of Conduct for Local Government Employees, no employee of the Authority shall accept any fee, gift or reward which is intended as, or might be construed as, an inducement to influence that employee in the execution of that employee's duties.
 - The offer of any such fee, gift or reward shall be reported immediately by the employee concerned to the appropriate Chief Officer, who shall in turn notify the Chief Finance Officer of the occurrence.

The Chief Officer People and Resources will ensure that this policy will be reflected in the HR Policies and other policies, as relevant, of the Authority.

5. Financial Systems and Procedures

5.1 General

Why is this important?

The information held in financial systems must be accurate and the systems and procedures well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

Key Controls

The key controls for systems and procedures are:

- a) Basic data exists to enable the authority's objectives, targets, budgets and plans to be formulated
- b) Performance is communicated to the appropriate managers on an accurate, complete and timely basis
- c) Early warning is provided of deviations from target, plans and budgets that require management attention
- d) Operating systems and procedures are secure

Responsibilities of the Chief Finance Officer

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

- a) Issue advice, guidance and procedures for officers and others acting on the authority's behalf
- b) Determine the accounting systems, form of accounts and supporting financial records
- c) Establish arrangements for audit of the authority's financial affairs
- d) Approve any new financial systems to be introduced
- e) Approve any changes to be made to existing financial systems

Responsibilities of the Chief Officers

- a) To ensure that accounting records are properly maintained and held securely
- b) To ensure that vouchers and documents with financial implications are not destroyed except in accordance with arrangements approved by the Chief Finance Officer

- c) To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original documents and vice versa is maintained
- d) To incorporate appropriate controls to ensure where relevant that all input is genuine, complete, accurate, timely and no previous processed. All processing is carried out in an accurate, complete and timely manner and output from the system is complete, accurate and timely.
- e) To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice
- f) To ensure there is a documented and tested disaster recovery plan to allow for information system processing to resume quickly in the event of an interruption
- g) To ensure that systems are documented and staff trained in operations.
- h) To consult with the Chief Finance Officer before changing any existing system or introducing new systems
- i) To establish a scheme of delegation identifying officers authorised to act upon the Chief Officer's behalf in respect of payments, income collection and placing orders, including variations and showing the limits of their authority.
- j) To supply lists of authorised officers, with specimen signatures and delegated limits to the Chief Finance Officer and any subsequent variations
- k) To ensure that , where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation

5.2 Income and Expenditure

Why is this important?

Effective income collection systems are necessary to ensure that all income is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the authority's cashflow and avoids the time and cost of administering debts.

Key Controls

The key controls for income are:

- a) All income due to the Authority is identified and charged correctly, in accordance with the approved charging policy which is regularly reviewed
- b) All income is collected from the correct person at the right time using the correct procedures
- c) All money received by an employee on behalf of the authority is paid without delay to the Chief Finance Officer or as he or she directs to the Authority's bank account and properly recorded. The responsibility for cash collection should be separated from that of identifying the amount due and for reconciling the amount due to the amount received.

- d) Effective action is taken to pursue non-payment within defined timescales
- e) Formal approval for debt write-off is obtained
- f) Appropriate write-off action is taken within defined timescales
- g) Appropriate accounting adjustments are made following write-off action
- h) All appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule
- i) Money collected and deposited is reconciled to the back account by a person who is not involved in the collection or banking process.
- j) The Council's position on money laundering is contained within the Money Laundering Policy, which is available upon request from the Chief Finance Officer. Officers involved in the collection of income should make themselves aware of this policy and report suspected cases to the Chief Finance Officer. For this purpose, the Council cannot accept cash in excess of £5,000, although it is for individual officers to decide if, in specific instances, they should report incidents involving lesser amounts. In any situation requiring a sizeable refund the Officer involved should check the original type of lodgement.

Responsibilities of the Chief Finance Officer

- a) To agree arrangements for the collection of all income due to the authority and to approve the procedures, systems and documentation for its collection
- b) Order, control and issue all receipts, invoices, tickets and other documents recording, acknowledging, or demanding the receipt of monies paid to the Council, except where the Chief Finance Officer has given written approval to alternative arrangements in specific instances.
- c) Agree the write-off of bad debts up to £5,000 in aggregate for each single domestic or business debtor, agree in consultation with Cabinet the write-off of bad debts over those amounts but up to £25,000 and refer for approval items for write-off in excess of £25,000 to the Cabinet. A record of all sums written off up to the approved limit is maintained to adhere to the requirements of the Accounts and Audit Regulations
- d) Make or approve secure and efficient arrangements for the recording of all income received by direct debit, standing order, debit and credit cards and such other methods of payment as the Council may approve
- e) To ensure that appropriate accounting adjustments are made following write-off action

Responsibilities of the Chief Officers

- a) Establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and review it at least annually, in consultation with the Chief Finance Officer. Where the Chief Officer considers that an existing charge should be discontinued, or an additional charge levied, the Chief Officer shall, after consultation with the Chief Finance Officer, make a recommendation to the Cabinet.
- b) To separate the responsibility for identifying amounts due and the responsibility for collection
- c) To initiate appropriate debt recovery procedures in accordance with the Corporate Debt policy
- d) To issue official receipts or to maintain other documentation for income collection
- e) To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- f) To lock away all income to safeguard against loss or theft and to ensure the security of cash handling
- g) To ensure that income is paid fully and promptly into the appropriate authority bank account in the form in which it is received
- h) To ensure income is not used to cash personal cheques or other payments
- i) To supply the Chief Finance Officer with details relating to work done, good supplied, services rendered or other amounts due, to enable the Chief Finance Officer to record correctly the sums due to the authority and to ensure accounts are sent out promptly. If possible all invoices should be raised within 5 working days of the provision of goods or services or at the earliest opportunity.
- j) Have a responsibility to 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.
- k) To recommend to the Chief Finance Officer all debts to be written off and keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled except by full payment or by its formal writing off.

- l) Ensure that levels of cash held on the premises do not exceed approved limits.
- m) Keep a record of every transfer of cash between employees of the Council. The receiving officer must sign for the transfer and the transferor must retain a copy. Every transfer of cash shall be made direct by hand and not through the internal or external post (unless by prior approval from the Chief Finance Officer).
- n) To obtain the approval of the Chief Finance Officer when writing off debts in excess of the approved limit and the approval of Cabinet where required.

5.3 Ordering and paying for work, goods and services

Why is this important?

Public money should be spent with demonstrable probity and in accordance with the authorities' policies. The Authority has a statutory duty to achieve best value through economy and efficiency. The Authority's procedures should help ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the authority's Contract Standing Orders.

General

Every officer and member of the authority has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the authority in accordance with the appropriate codes of conduct.

Official orders must be submitted via the Purchase 2 Pay system. No retrospective orders should be placed. Official orders must be issued for all work, goods or services to be supplied to the authority except for supplies of utilities, periodic payments such as rents or rates, petty cash purchases or other exceptions specified by the Chief Finance Officer.

Where possible income should be obtained in advance of supplying goods or services to improve the Council's cash flow, to avoid the time and cost of administering debts, and to reduce the risk of non-collection, particularly for low value items.

No invoices with a value of less than £40, with the exception of invoices relating to peppercorn rents, licenses or leases in connection with the occupation of council land or property shall be raised without the approval of the Chief Finance Officer.

Each order must conform to the guidelines approved by the full authority on central purchasing and the standardisation of supplies and materials. Standard terms and conditions must not be varied with the prior approval of the Chief Finance Officer.

Apart from petty cash, schools own bank accounts and other payments in advance accounts, the normal method of payment from the authority shall be by cheque or other instrument or approved method drawn on the authority's bank account. The use of direct debit shall require the prior agreement of the Chief Finance Officer.

Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of authority contracts.

Key Controls

The key controls for ordering and paying for work, goods and services are:

- a) All goods and services are ordered only by appropriate persons and are correctly recorded
- b) All goods and services shall be ordered in accordance with the authority's contract standing orders
- c) A written order shall be placed in advance of the relevant work, goods services or works being supplied. Where, due to urgent need, it is necessary to place a verbal, fax or e-mail order a written order shall be issued at the earliest opportunity and shall be clearly marked as being in confirmation of the verbal order.
- d) Goods and services received are checked to ensure they are in accordance with the order. Goods should not be received by the person who placed the order
- e) Payments are not made unless goods have been received by the authority to the correct price, quantity and quality standards
- f) All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
- g) All appropriate evidence of transaction and payment documents are retained and stored for the defined period in accordance with the document retention schedule.
- h) All expenditure, including VAT, is accurately recorded against the right budget and any exceptions corrected.
- i) The effect of electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

Responsibilities of the Chief Finance Officer

- a) To ensure that all the authority's financial systems and procedures are sound and properly administered.
- b) All procurement activities (ordering or goods, services and works) will be undertaken on the Council's approved Purchase to Pay (P2P) system.

- c) To approve any changes to existing financial systems and to approve any new systems before they are introduced
- d) To approve the form of official orders and associated terms and conditions
- e) To make payments from the authority's funds on the Chief Officer's authorisation that the expenditure has been duly incurred in accordance with financial procedure rules
- f) To make payments, whether or not provision exists within the estimates where the payment is specifically required by statute or is made under a court order
- g) To make payments to contractors on the certificate of the appropriate Chief Officers which must include details of the value of work, retention money, amounts previously certified and amounts now certified
- h) To provide advice and encouragement on making payments by the most economical means
- i) To ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into accounts in budget monitoring reports.

Responsibilities of the Chief Officers

- a) To ensure that official orders are used for all goods and services other than the exceptions for supplies of utilities, rent, rates, petty cash purchases and any other exemptions specified by the Chief Finance Officer.
- b) To ensure that orders are only used for goods and services provided to the Portfolio. Individuals must not use official orders to obtain goods or services for their private use
- c) To ensure that only those staff authorised by the Chief Officer sign orders and to maintain an up to date list of such authorised staff including specimen signatures identifying in each case the limits of their authority. The list should be reviewed annually. Names of authorising Officers together and details of the limits of their authority shall be forwarded to the Chief Finance Officer and any subsequent amendments incorporated into the P2P system
- d) The authoriser of the order should be satisfied that the goods and services ordered are appropriate and that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the authority's approach to procurements. Value for money should always be achieved.

- e) To ensure that all expenditure, including VAT, is accurately recorded against the correct budget head and any exceptions are corrected. If it is deemed that a budget amount has been incorrectly allocated, a Chief Officer will request a journal adjustment. Under no circumstances will the expenditure be incorrectly coded in order to match the expenditure with an incorrect budget allocation.
- f) Each Chief Officer shall be responsible for all orders issued from, or on behalf of, his or her Portfolio. Where one Chief Officer places an order on behalf of another, that Chief Officer shall obtain the latter's consent in advance.
- g) To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should where possible be carried out by a different officer from the person who authorised the order.
- h) To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment confirming:
- Receipt of goods or services
 - That the invoice has not been previously paid
 - That expenditure has been properly incurred and is within budget provision
 - That prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
 - Correct accounting treatment of tax
 - That discounts have been taken where available
 - That appropriate entries will be made in accounting records
- f) To ensure that two authorised members of staff are involved in the ordering, receiving and payment process. If possible, a different officer from the person who signed the order, and in every case, a different officer from the person checking a written invoice, should authorise the invoice.
- g) To ensure that the Portfolio maintains and reviews periodically a list of staff approved to authorise the invoices. Names of authorising officers together with specimen signatures and details of the limits of their authority shall be forwarded to the Chief Finance Officer
- h) To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice
- i) To encourage suppliers of goods and services to receive payments by the most economical means for the authority. Payments made by direct debit must have the prior approval of the Chief Finance Officer.
- j) To ensure that the directorate obtains the best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality with regard to best value principles and contract standing orders

- k) To ensure that loans, leasing or rental arrangements are not entered into without prior agreements from the Chief Finance Officer.
- l) To notify the Chief Finance Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer.
- m) To notify the Chief Finance Officer immediately of any expenditure incurred as a result of statute/court order where there is no budgetary provision
- n) To ensure that all appropriate payment records are retained and stored for the defined period in accordance with the document retention schedule.
- i) For purchases made electronically over the Internet (not including P2P transactions) the Officer will:
 - Ensure that the transaction has been authorised and evidence obtained.
 - Ensure that there are no corporate purchasing arrangements that allow the goods or services to be purchased more competitively.
 - Provide proof that the goods have been received and are in the custody of the Council.
 - Ensure that payment is only made using a Corporate Purchasing Card.

5.4 Payments to employees and members

Why is this important?

Staff costs are the largest item of expenditure for most authority services. It is therefore important that payments are accurate, timely, made only where they are due for services to the authority and that payments accord with individuals' conditions of employment. It is important that all members' allowances are authorised in accordance with the scheme adopted by the full council.

Key Controls

The key controls for payments to employees and members are:

- a) Proper authorisation procedures are in place and that there are corporate timetables in relation to starter, leavers and variations
- b) Frequent reconciliation of payroll expenditure against approved budget and bank account

- c) All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule
- d) That Inland Revenue regulations are complied with
- e) All claims for payment of financial loss, attendance, travelling, subsistence and car allowances, and other incidental expenses paid for by the claimant, shall be completed and signed by the claimant in a form approved by the Chief Finance Officer or Chief Officer (People and Resources) as appropriate. With the introduction of the iTrent system, employees will be able to submit expenses via Employee Self Service. Managers will authorise expenses via the iTrent system.

Responsibilities of the Chief Finance Officer

The Chief Finance Officer or Chief Officer (People and Resources) as appropriate will:

- (a) Arrange and control secure and reliable payment of salaries, wages, pensions, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.
- (b) Record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- (c) Make arrangements for payment of all travel and subsistence claims or financial loss allowance.
- (d) Make arrangements for paying Members' under the Members Allowances Scheme and the Members Travel and Subsistence Scheme, which will be maintained by the Chief Finance Officer or Chief Officer (People and Resources) as appropriate.
- (e) Ensure that there are adequate arrangements for administering pension scheme matters on a day-to-day basis.

Responsibilities of the Chief Officers

- a) To provide the Chief Finance Officer or Chief Officer (People and Resources) as appropriate in writing with the names of Officers authorised to certify claims for expenses together with the specimen signature and initials of each such authorised Officer, and any amendments on the occasion of any change. Certification of a claim by, or on behalf of, a Chief Officer shall signify that the certifying Officer is satisfied that the journeys were authorised, that the expenses were necessarily incurred in the performance of duty, that the allowances are properly payable by the Council, and that cost-effective travel arrangements are achieved

- b) To ensure that claims are submitted to the Chief Finance Officer or Chief Officer (People and Resources) as appropriate for payment within the specified timescale. Ensure appointments are made in accordance with the Procedure Rules of the Council and approved establishments, grades and scale of pay and that adequate budget provision is available.
- c) Notify the Chief Finance Officer or Chief Officer (People and Resources) as appropriate of all appointments, terminations (resignations, dismissals) or variations (secondments, transfers, absences from duty through sickness or other reasons apart from approved leave, changes in remuneration, other than normal increments and pay awards and agreements of general application) which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Chief Finance Officer or Chief Officer (People and Resources) as appropriate
- d) Ensure that adequate and effective systems and procedures are operated in a form approved by the Chief Officer (People and Resources), so that payments are only authorised to bona fide employees:
- Payments are only made where there is a valid entitlement.
 - Conditions and contracts of employment are correctly applied.
 - Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- e) Provide information necessary to maintain records of service for superannuation, income tax, national insurance or other statutory obligations.
- f) Ensure that payroll transactions are processed only through the payroll system. Chief Officers should give careful consideration to the employment status of individuals employed on a self-employed, consultant or subcontract basis. HM Revenue and Customs applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Chief Officer (People and Resources).
- g) Ensure that the Chief Officer (People and Resources) is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- h) In conjunction with the Chief Officer (People and Resources), maintain an up to date establishment structure and adhere to the Establishment Control Maintenance Process.

- i) The Chief Officer (People and Resources) will be responsible for recovering payroll overpayments where the employee continues to have employment with the Council and where the overpayment is £750 or less. A repayment schedule, ensuring repayment is made within the same financial year as the overpayment, will be formally agreed with the employee.
- j) For all payroll overpayments in excess of £500, irrespective of employment status, recovery of the overpayment will be the responsibility of Debt Recovery, ensuring that such overpayments are included within the Council's total debt.
- k) All pay documents shall be, in a manner prescribed by the Chief Officer (People and Resources), certified manually by or on behalf of the appropriate Chief Officer. The names of Officers authorised to certify such documents shall be agreed with, and notified in writing to the Chief Officer (People and Resources) by each Chief Officer, who shall provide the Chief Finance Officer with the specimen signature and initials of each such authorised Officer and any amendments on the occasion they arise.
- l) Chief Officers and the Chief Officer (People and Resources) will ensure that all appropriate payroll documents are retained and stored, as required, by the Chief Officer (People and Resources).
- m) No cheque made payable to a Member or Employee will be cashed by the Council, unless it is under a scheme approved by the Chief Finance Officer and is presented by the person named on the cheque, and duly endorsed.
- n) Members will submit claims for travel and subsistence on a monthly basis.

5.5 Taxation

Why is this important?

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

Key Controls

The key controls for taxation are:

- a) Budget managers are provided with the relevant information and kept up to date on tax issues

- b) Budget managers are instructed on required record keeping
- c) All taxable transactions are identified, properly carried out and accounted for within stipulated timescales
- d) Records are maintained in accordance with instructions
- e) Returns are made to the appropriate authorities within the stipulated timescale

Responsibilities of the Chief Finance Officer

- a) The Chief Finance Officer and / or Chief Officer People and Resources (as appropriate as described below) is responsible for advising Chief Officers and Heads of Service, on all taxation issues that affect the Council.
- b) The Chief Finance Officer or Chief Officer People and Resources as appropriate is responsible for maintaining the Council's tax records, making tax payments, receiving tax credits and submitting tax returns by their due date.
- c) Complete a monthly return of VAT inputs and outputs to HM Revenue and Customs.
- d) Be responsible for accounting to the appropriate agency for other forms of taxation payable to or by the Council and for supplying to such agencies such other information as they may validly require.
- e) Provide details to HM Revenue and Customs regarding the construction industry tax deduction scheme.
- f) Maintain up-to-date guidance for each Chief Officer on their responsibilities in regard to any taxation matters, and to individual Council employees on taxation issues.
- g) The Chief Officer People and Resources, with guidance from the Chief Finance Officer, will:
 - Account to HM Revenue and Customs for all tax deducted from employees' emoluments under the PAYE arrangements.
 - Maintain up-to-date guidance for Chief Officers on their responsibilities in regard to taxation matters relating to Payroll, and inform Council employees of taxation issues arising within Payroll.

h) The Chief Finance Officer or Chief Officer People and Resources as appropriate may require from any employee of the Council such information as is necessary for fulfilment of their obligation under this Financial Procedure Rule.

Responsibilities of the Chief Officers

- (a) Ensure that for any purchase which is taxable under current VAT legislation, payment will only be made on receipt of a proper invoice complying with the VAT regulations. The only exceptions are where an invoice is properly issued by the supplier on receipt of payment or where the use of authenticated VAT receipts has been agreed with the supplier.
- (b) Ensure that the correct VAT liability is attributed to all income due and that the recovery of VAT on purchases, including those paid for via an imprest account or corporate card, complies with HM Revenue and Customs regulations.
- (c) Ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- (d) Ensure that all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
- (e) Follow the guidance on taxation issued by the Chief Finance Officer or Chief Officer People and Resources such as the "Tax Management: Corporate Policy Statement"; in the "VAT Manual" and in taxation updates issued periodically.
- (f) Seek advice from the Chief Finance Officer or Chief Officer People and Resources as appropriate on VAT, or other tax implications, when entering into partnerships and other joint working arrangements.

5.6 Trading Accounts and Business Units

Why is this important?

Trading accounts and business units will become more important as services develop a more commercial culture. Authorities are required to keep trading accounts for services provided on a basis other than a straightforward recharge of cost.

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

- a) To consult with the Chief Finance Officer where a business unit wishes to enter into a contract with a third party where the contract exceeds the remaining life of their main contract with the authority
- b) To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs is charged to produce an annual report in support of the final accounts.
- c) To ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units
- d) To ensure that each business unit prepares an annual business plan

6. External Arrangements

6.1 Partnerships

Why is this important?

Partnerships play a key role in delivering community strategies and in helping to promote and improve the well being of an area. The Local Authority can still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders and deliver a shared vision of services based on user wishes.

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

Key Controls

The key controls for authority partners are:

- a) If appropriate to be aware of their responsibilities under the authority's financial regulations and contract standing orders
- b) To ensure that risk management processes are in place to identify and assess all known risks
- c) To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise
- d) To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences

- e) To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution

General

a) Both the Council and the Cabinet are responsible for approving delegations, including frameworks for partnerships and joint ventures. The Cabinet is the focus for forming partnerships and joint ventures with other local public, private, voluntary and community sector organisations to address local needs.

b) Both the Council and the Cabinet 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 Officers remain accountable for them to the Council and the Cabinet as appropriate.

c) The Head of Paid Service or other nominated Officers will represent the Council on partnerships and external bodies, in accordance with decisions of the Council/Cabinet or otherwise as authorised by the Head of Paid Service

Responsibilities of the Chief Finance Officer

a) Be responsible for (with the Monitoring Officer) for encouraging the same high standards of conduct (with regard to financial administration and other matters, respectively) in partnerships and joint ventures that apply throughout the Council insofar as the constitutions of respective organisations permit them to do so.

b) Ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are appropriate. He or she, in consultation with the Monitoring Officer, must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies, ensuring that the risks have been fully appraised before agreements are entered into.

c) Advise on the key elements of funding a project, including:

- An options appraisal scheme for financial viability.
- Risk appraisal and management.
- Resourcing, including taxation and pension issues.
- Audit, security and control requirements.
- Carry-forward arrangements.

d) Ensure that the accounting arrangements are appropriate.

Responsibilities of the Chief Officers

- a) To be responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies. (The Monitoring Officer will advise on legal matters)
- b) Maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Chief Finance Officer.
- c) Ensure that, before entering into agreements with external bodies, a risk management and options appraisal has been prepared for the Cabinet, in consultation with the Chief Finance Officer and Monitoring Officer.
- d) Ensure that all agreements and arrangements are properly documented.
- e) Provide appropriate information to the Chief Finance Officer to enable a note to be entered into the Council's Statement of Accounts concerning material items.
- f) Ensure that the project progresses in accordance with the agreed plan and that all expenditure is properly incurred and recorded.
- g) Ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Council, following consultation with the Chief Finance Officer.
- h) Seek advice from the Chief Finance Officer or Chief Officer People and Resources as appropriate on VAT, or other tax implications, when entering into partnerships.

6.2 External Funding

Why is this important?

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 authority. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers.

Key Controls

The key controls for external funding are:

- a) To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- b) To ensure that funds are acquired only to meet the priorities approved in the policy framework by the full council.
- c) 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.

Responsibilities of the Chief Finance Officer

- (a) Ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- (b) Ensure that audit requirements are met.
- (c) Ensure that match funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Chief Officers

- a) Ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- b) Ensure that funds are acquired only to meet the priorities approved by the Council in the policy framework.
- c) Ensure that any match-funding requirements are given due consideration and that future revenue budgets reflect these requirements, before entering into long-term agreements.
- d) Ensure that all claims for funds are made by the due date.

- e) Ensure that proposals are costed properly and that the approval of the Cabinet is obtained before any negotiations are concluded to work for third parties.
- f) Ensure that contracts are drawn up and maintain a register of all contracts entered into with third parties.
- g) Ensure that all grant income and associated information is logged on the Corporate Grant Register and adhere to the requirements of the Grant Manual.
- h) Ensure that appropriate insurance arrangements are made, via the Chief Finance Officer.
- i) Ensure that, as far as possible, the Council is not put at risk from any bad debts.
- j) Ensure that no contract is subsidised by the Council.
- k) Ensure that such contracts do not impact adversely upon the services provided for the Council.
- l) Have in place an exit strategy to implement when the funding ceases. This strategy must allow for all costs associated with the winding up, including any costs arising because staff have gained employment rights, being met from within the externally provided monies and, therefore, at no additional cost to the Council. If the terms of the external funding do not allow such costs to be met from it, then they must be met from within the base budget of the Portfolio concerned.
- m) Provide appropriate information to the Chief Finance Officer to enable a note to be entered into the Statement of Accounts, as required.
- n) Ensure that all grant income is coded, in the first instance, to the appropriate balance sheet code in order to avoid double counting the overall income and expenditure of the Council.

Other Funds

Why is this important?

The Council will not as a general rule supervise the financial administration of, nor audit, unofficial funds, and accepts no liability whatsoever for any loss however caused. Unofficial funds are defined as those which are not the property of the Council, for example school monies collected by schools for school trips and monies held in Amenities Funds in Social Services establishments. Those operating such funds, therefore, have an overall responsibility to ensure that proper financial stewardship is observed.

Key Controls

- (a) A Treasurer and independent auditor are formally appointed.
- (b) Proper rules are operated to secure adequate standards.
- (c) Adequate records and procedures are maintained.
- (d) Regular reports on fund transactions and balances are received and checked against bank statements.
- (e) Annual statements of income and expenditure and fund balances are prepared and audited on a timely basis.

General

The School Fund Regulations, 2013 must be followed for the operation of all school funds in Flintshire Schools.

Responsibilities of the Chief Finance Officer

Prepare the note to be entered into the Statement of Accounts

Responsibilities of the Chief Officers

Those operating or intending to operate unofficial funds are also required to:

- (a) Notify the Chief Finance Officer of details of the fund as soon as it is set up.
- (b) Provide an independent audit certificate for the fund on an annual basis.
- (c) Provide appropriate information to the Chief Finance Officer to enable a note to be entered into the Statement of Accounts, as required.

Protection of Clients Assets

Why is this important?

Where the Council is appointed as a Deputy for a Client by the Office of the Public Guardian (OPG), the Chief Officer will ensure that all OPG regulations and guidelines are complied with.

Where the Council is approved by the Department for Work and Pensions (DWP) to act as a Corporate Appointee for a Client, Chief Officers will ensure that all guidelines provided by the DWP are complied with.

Key Controls

Responsibilities of the Chief Officers

Heads of Service will ensure that a separate bank account is arranged for each Client, with the bank account reconciled on a regular basis, at least monthly.

Every transfer of clients monies from one Officer to another shall be recorded immediately in a manner approved by the Chief Finance Officer and shall be evidenced by the signature of the receiving Officer.

This page is intentionally left blank

Flintshire County Council

Financial Procedure Rules – Summary

1. What are Financial Procedure Rules?

- Financial Procedure Rules (FPR's) provide the framework for managing the Authority's financial affairs.
- They apply to every member and officer of Flintshire County Council.
- The FPR's should be read in conjunction with the rest of the constitution of which they form part, including Contract Procedure Rules (available on Infonet – Collaborative Procurement system section)

Why are they important?

Good, sound financial management is a key element of the Authority's Corporate Governance framework which helps to ensure that the Authority:

- Is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- Secures value for money, controls spending, ensures due probity of transactions and allows decisions to be informed by accurate accounting information.
- Uses secure and reliable records and systems to process transactions and information and substantiate the effective use of public money.

Below is a summary of the key control points of the FPR's and is intended as an easy guide for staff . A full set of the FPR's is available on the Infonet - Corporate Finance

2. Financial Management – Roles and Responsibilities

The **Council** has a duty towards its Council Tax payers with regard to financial decisions and their consequences and is responsible for approving the budget and the policy framework, approving and monitoring compliance with the framework of accountability and control and for monitoring compliance with policies.

The **Chief Finance Officer** is accountable to the Chief Executive and the Council has statutory duties that provide the overall responsibility for the financial administration of the Council.

The **Chief Executive** and **Chief Officers** are responsible for promoting the financial management standards set by the Chief Finance Officer in their portfolio and monitoring adherence to the standards and practices.

Chief Officers are responsible for ensuring that **all officers** that report to them operate adequate and effective financial systems and adhere to the FPR's.

3. Financial Planning

3.1 Strategic Plans

The Local Authority has a responsibility to produce various plans, financial planning is a key part of this process, setting out the financial consequences of the actions planned to meet the objectives set. The key controls are:

- Ensure that all relevant plans are produced and that they are consistent with corporate objectives.
- Produce plans in accordance with statutory requirements.
- Meet the timetables set.
- Ensure that all performance information is accurate, complete and up to date.
- Provide improvement targets that are meaningful, realistic and challenging.

3.2 Budgeting

Budgetary control and monitoring procedures ensure that once the budget has been formally approved resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the authority to review and adjust its budget targets during the financial year.

By continuously identifying and explaining variances against budgetary targets, the authority can identify changes in trends and resource requirements at the earliest opportunity. The key controls are:

- Budget responsibility should be aligned as closely as possible to the decision making that commits expenditure and all budget managers and staff must understand their financial responsibility.
- Spending must remain within the services' overall cash limit and budgets should not be overspent and corrective action should be taken where significant variances are forecast. Variances in excess of £50,000 should be reported with an explanation to the Chief Finance Officer.
- Budget managers should prepare action plans where a significant overspend is forecast and report areas of under spend. The use of budget savings, other than in accordance with the approved budget, is not permitted without cabinet approval.

3.3 Budget Virements

Virement between budgets is an important feature of budgetary control. There are two types of virement:

- Accounting adjustments – transfer to another budget where the approved purpose of the expenditure/income does not alter e.g. allocation of energy inflation which is held centrally and allocated to portfolio areas based on evidenced need.
- Formal virements – transfer of budget which does change the purpose of the expenditure/income approved by County Council e.g. transfer of an amount from Adult Social Services to Children's Social Services to deal with a pressure in the Children's Services area.

All formal virements must be authorised and budget virements in excess of £75,000 (this includes cumulative amounts over £75,000) should be submitted to Cabinet for approval.

3.4 Capital Programmes

Capital expenditure involves acquiring or enhancing fixed assets with a long term value to the authority such as land, buildings and major items of plant, equipment and vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs. The key controls are:

- That there is specific approval by the full authority for the programme of capital expenditure.
- Expenditure on capital schemes is subject to the approval of the Chief Finance Officer.
- A scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project.
- Accountability for each proposal is accepted by a named manager.
- Monitoring of progress in conjunction with expenditure and comparison with approved budget.

3.5 Maintenance of Reserves

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

4. Risk Management and Control of Resources

The Local Authority faces risk to people, property and continued business operation. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Risk management is an integral part of the Council's Governance Framework and Internal Control. The council has a Risk Management Strategy which outlines how the Authority manages risk corporately.

4.1 Internal Controls

Internal Controls are required to ensure that the Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that assets and interests are safeguarded. Managers are required to periodically assess their systems of control to ensure that they are adequate to manage the risks associated with the service in line with the current Accounts & Audit (Wales) regulations.

Managers need to provide appropriate risk and control information using the Self-Assessment questionnaire to the Corporate Governance Working Group to enable the Annual Governance Statement to be included in the annual financial statements.

Managers need to ensure that staff have a clear understanding of all procedures and of the consequences of lack of control.

4.2 Internal Audit

The requirement of internal audit is set out by the Accounts and Audit (Wales) regulations 2005. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the Authority's operations. It evaluates and improves the effectiveness of risk management, control and governance processes.

All Staff will ensure that:

- Internal and external auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work and that auditors are provided with any information and explanations that they seek in the course of their work.
- Any agreed actions arising from audit recommendations are carried out timely and efficiently.
- Internal Audit are notified of any matter which involves, or potentially involves, any suspected fraud, theft, irregularity, improper use or misappropriation of the Authority's property or resources.
- New systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Internal Audit Manager prior to implementation, to ensure that control issues are fully considered and complied with.

4.3 Security of Assets

The Authority holds assets in the form of property, vehicles, equipment, furniture, and other items. It is important that assets are safeguarded and used efficiently in service delivery and that there are arrangements for the security of both assets and information required for service operations. An up to date asset register is a pre-requisite for sound asset management. The key controls are:

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

4.4 Treasury Management

Many millions of pounds pass through the authority's books each year. Statutory codes of practices aim to provide assurances that the authority's money is managed in a way that balances risk with return with the overriding consideration being given to the security of the authority's capital sum.

The Authority nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

4.5 Imprest Accounts

Imprest accounts (cash or bank accounts) are provided to meet minor expenditure on behalf of the Authority. Staff operating an imprest account should:

- Obtain and retain receipts/invoices and vouchers to support each payment from the imprest account and record each transaction promptly.
- Ensure reimbursement claims are signed by the claimant and one authorising signatory.
- Make adequate arrangements for the safe custody of the account and reconcile and balance the account at least monthly irrespective of the frequency of reimbursement claims. The account should not become overdrawn.
- Provide the Chief Finance Officer with a certificate of the value of the imprest account/float held at 31 March each year
- Ensure that the imprest is not used to cash personal cheques or make personal loans.
- Ensure that no payments are made to individuals, contractors, consultants, casual staff or self-employed persons. The exceptions are where incentive bonus payments are made to service users in Social Services Day Opportunities and payments are made to residents from deputyship monies.
- Ensure that if emergency loans are made to service users that the Monitoring and Recovery of Loans Procedure is adhered to.

4.6 Staffing

Managers will ensure that:

- Budget provision exists for all existing and new employees and they monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.
- The staffing budgets are not exceeded without due authority and that they are managed to enable the agreed level of service to be provided.
- A register of interests is maintained, in which any hospitality or gifts accepted are recorded
- Ensure that staff comply with the Flintshire County Authority Code of Conduct for Local Government Employees which states that no employee of the Authority shall accept any fee, gift or reward which is intended as, or might be construed as, an inducement to influence that employee in the execution of that employee's duties.

- The offer of any such fee, gift or reward is reported immediately by the employee concerned to the appropriate Chief Officer, who shall in turn notify the Chief Finance Officer of the occurrence.

5. Financial Systems and Procedures

The information held in financial systems must be accurate and the systems and procedures well administered. The key controls are to ensure that:

- Accounting records are properly maintained and held securely
- Vouchers and documents with financial implications are not destroyed except in accordance with arrangements approved by the Chief Finance Officer
- A complete management trail, allowing financial transactions to be traced from the accounting records to the original documents and vice versa is maintained
- Processing is carried out in an accurate, complete and timely manner and output from the system is complete, accurate and timely.
- The organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice
- There is a documented and tested disaster recovery plan to allow for information system processing to resume quickly in the event of an interruption
- Systems are documented and staff trained in operations.
- There is a scheme of delegation identifying officers authorised to act upon the Chief Officer's behalf in respect of payments, income collection and placing orders, including variations and showing the limits of their authority.
- A list of authorised officers is supplied, with specimen signatures and delegated limits to the Chief Finance Officer and any subsequent variations
- Where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation

5.1 Income

The key controls for income are:

- All income due to the Authority is identified and charged correctly, in accordance with the approved charging policy which is regularly reviewed.
- All income is collected from the correct person at the right time.
- All money received by an employee on behalf of the authority is paid without delay into the Authority's bank account and properly recorded. The responsibility for cash collection should be separated from that of identifying the amount due and for reconciling the amount due to the amount received.
- Where possible income should be obtained in advance of supplying goods or services to improve the Council's cash flow, to avoid the time and cost of administering debts, and to reduce the risk of non-collection, particularly for low value items.

- No invoices with a value of less than £40, with the exception of invoices relating to peppercorn rents, licenses or leases in connection with the occupation of council land or property shall be raised.
- Effective action is taken to pursue non-payment within defined timescales.
- Formal approval for debt write-off is obtained.
- Appropriate write-off action is taken within defined timescales.
- Appropriate accounting adjustments are made following write-off action.
- All appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule.
- Officers involved in the collection of income should make themselves aware of the Council's Money Laundering Policy and report suspected cases to the Chief Finance Officer.

5.2 Ordering and paying for work, goods and services

The key controls are:

- Every officer and member of the authority has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the authority in accordance with the appropriate codes of conduct.
- Official orders must be submitted via the Purchase 2 Pay system and no orders should be raised retrospectively.
- Official orders must be issued for all work, goods or services to be supplied to the authority except for supplies of utilities, periodic payments such as rents or rates, petty cash purchases or other exceptions specified by the Chief Finance Officer.
- Each order must conform to the guidelines approved by the full authority on central purchasing and the standardisation of supplies and materials. Standard terms and conditions must not be varied with the prior approval of the Chief Finance Officer.
- Apart from petty cash, schools own bank accounts and other payments in advance accounts, the normal method of payment from the authority shall be by cheque or other instrument or approved method drawn on the Authority's bank account. The use of direct debit shall require the prior agreement of the Chief Finance Officer.
- Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of authority contracts.

5.3 Payments to employees and members

Staff costs are the largest item of expenditure for most authority services. It is therefore important that payments are accurate, timely, made only where they are due for services to the authority and that payments accord with individuals' conditions of employment.

The key controls for payments to employees and members are:

- Proper authorisation procedures are in place and that there are corporate timetables in relation to starter, leavers and variations
- Frequent reconciliation of payroll expenditure against approved budget and bank account
- All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule
- That Inland Revenue regulations are complied with

- All claims for payment of financial loss, attendance, travelling, subsistence and car allowances, and other incidental expenses paid for by the claimant, shall be completed and signed by the claimant in a form approved by the Chief Finance Officer or Chief Officer (People and Resources) as appropriate. With the introduction of the iTrent system, employees will be able to submit expenses via Employee Self Service. Managers will authorise expenses via the iTrent system.

5.4 Taxation

The Authority is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important that all officers are made aware of their role. The key controls are:

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

6. External Arrangements

6.1 Partnerships

Partnerships play a key role in delivering community strategies and in helping to promote and improve the wellbeing of an area. The Local Authority can still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders and deliver a shared vision of services based on user wishes.

The key controls for authority partners are:

- If appropriate to be aware of their responsibilities under the authority's financial regulations and contract standing orders.
- 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.
- To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

6.2 External Funding

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 authority.

The key controls for external funding are:

- 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.

- To ensure that funds are acquired only to meet the priorities approved in the policy framework by the full council.
- 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.

6.3 Other Funds

The Council will not as a general rule supervise the financial administration of, nor audit, unofficial funds, and accepts no liability whatsoever for any loss however caused. Unofficial funds are defined as those which are not the property of the Council, for example school monies collected by schools for school trips and monies held in Amenities Funds in Social Services establishments. Those operating such funds, therefore, have an overall responsibility to ensure that proper financial stewardship is observed. The key controls are:

- A Treasurer and independent auditor are formally appointed.
- Adequate records and procedures are maintained.
- Regular reports on fund transactions and balances are received and checked against bank statements.
- Annual statements of income and expenditure and fund balances are prepared and audited on a timely basis.
- The School Fund Regulations, 2013 must be followed for the operation of all school funds in Flintshire Schools.

6.4 Protection of Clients Assets

Where the Council is appointed as a Deputy for a Client by the Office of the Public Guardian (OPG), Officers will ensure that all OPG regulations and guidelines are complied with.

Where the Council is approved by the Department for Work and Pensions (DWP) to act as a Corporate Appointee for a Client, the DWP guidelines must be complied with. This includes arranging a separate bank account for each Client, with the bank account reconciled on a regular basis, at least monthly. Every transfer of client's monies from one Officer to another shall be recorded immediately and be evidenced by the signature of the receiving Officer.

This page is intentionally left blank

GLOSSARY OF FINANCIAL TERMS	
Aggregate External Finance (AEF)	Aggregate external finance (AEF) represents the support for local revenue spending from the Welsh Government and is made up of formula grant. Formula grant includes the revenue support grant (RSG), and the distributable part of non-domestic rates (NDR). Amounts are determined annually and in advance of each new financial year as part of the Local Government Financial Settlement.
Annual Report & Accounts	The document that contains a summary of the purpose of the local authority, its activities and performance for the year, as well as the annual accounts.
Anti Canvassing	A declaration that a supplier, provider or contractor has not been party to canvassing or lobbying Council staff or Members either directly or indirectly to gain preferential treatment in competitive tendering processes.
Anti Collusive	A declaration that a supplier, provider or contractor has not been party to possibly fraudulent arrangements between two or more of them whereby prices or service requirements are manipulated to get round competitive tendering.
Assets	Any item of value owned by an entity (e.g. buildings, vehicles). Assets can be classed as Non-current or capital assets where the asset has a useful life of more than one year (e.g. buildings, vehicles), or a current asset which includes cash or other assets which can reasonably be expected to be converted to cash in the normal course of business including stocks, debtors etc.
Audit Certificate	The document that contains the opinion of the external auditor regarding an organisation's accounts, systems and standards.
Audit Committee	Audit Committees monitor and review the risk, control and governance processes that have been established in an organisation and the associated assurance processes to ensure that internal control systems are effective and that activities are within the law and governing regulations. This is done through a process of constructive challenge.
Audit Plan	Internal audit identification of the work that they intend carrying out over the audit planning period (up to a year) and the resources needed for that work.
Barnett Formula	The formula used to allocate a population based share of changes in planned expenditure on comparable services by Departments of the UK Government to the devolved administrations of Wales, Scotland and Northern Ireland. The Barnett Formula calculates the size of change to the assigned budget rather than the total assigned budget.
Benchmarking	A method for councils to work out how well they are doing, by comparing their performance with other, similar councils, and with performance indicators.
Best value	A statutory duty owed by local authorities to their local community, requiring them to make continuous improvements in the way they carry out their functions having regard to a combination of economy, efficiency and effectiveness.

Block Grant	The Block Grant is the sum of money voted by parliament to the Secretary of State for Wales. It constitutes the assigned element of the Welsh Governments' Departmental Expenditure Limit and is calculated from the existing baseline using the Barnett Formula.
Budget	A statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and the capital programme and any authorised amendments to them.
Budget Book	The publication in which the Council sets out its budget for a particular financial year.
Budget Head	For a particular service activity, the level of detail at which revenue or capital budgets are approved by the Council, whether in the Budget Book, the latest approved capital programme or as a result of supplementary estimates approved for the budget year.
Budgetary Control	The continual review of expenditure and income, both revenue and capital, against planned levels of expenditure and income to help ensure that service objectives are achieved and the overall resources of the Council are not over or under spent. This process is aided by the use of budget profiles.
Capital Programme	The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.
Capital Charges	A calculation of the annual costs, included within the revenue accounts of using capital assets. This includes, where appropriate depreciation.
Capital Expenditure	Spending on non-current assets (buildings, equipment and land) intended to benefit future accounting periods or spending that increases the capacity, economy, efficiency or lifespan of an existing asset.
CIPFA	Chartered Institute of Public Finance and Accountancy
Code of Corporate Governance	The part of the Council's constitution which sets out the systems and processes, and cultures and values necessary for achieving and demonstrating good corporate governance.
Codes of Conduct	The protocols within which Members and Officers will work as set out in the Constitution.
Codes of Practice	Guidance issued by professional bodies in relation to standards which are not regulated by statute, or by the Council itself.
Collaborative Arrangement	A contract or agreement established in conjunction with one or more other organisations.
Collaboration/ Consortium	The process of procurement shared between different Councils or other public sector organisations.
Construction Industry Scheme 2007	Legislation designed to ensure that all payments to contractors are made in accordance with HMRC legislation.
Consultant	A person (not an employee), agency or firm engaged for a limited period of time on a fee basis to carry out a specific task or tasks. A consultant provides subject matter expertise and/or experience to the Council either because it does not possess the skills or resource in-

	house or which requires an independent evaluation/assessment to be made
Contract	An agreement to be supplied with goods, works, services or supplies on mutually agreed and binding terms, often in writing.
Contractor/ Supplier/ Provider	The successful 'other party' with whom a contract is formed to provide the specified requirement.
Corporate Contracts	A contract which has been procured by Flintshire County Council or a Consortium for the potential use of, and on behalf of, the whole of Flintshire.
Corporate Governance	The system by which organisations are directed and controlled. The framework that ensures that an organisation fulfils its overall purpose, achieves its intended outcomes for residents of Flintshire and service users, and operates in an effective, efficient and ethical manner.
Council Fund	The fund to which all the Council's revenue expenditure is charged
Council Tax	A local tax based on the capital value of residential properties.
Council Tax Base	The estimated number of chargeable properties, expressed as the equivalent number of 'Band D' properties in the Council's area. The Council is required to annually advise the Welsh Government of its Council Tax Base (as at 31 st October), which they use in the Local Government Financial Settlement, and to allow the County Council, North Wales Police Authority and Town / Community Councils to calculate the following year's Council Tax charges.
Council's Constitution	The Constitution sets out how Flintshire County Council operates, how decisions are made and the procedures which are followed to ensure that the Council is efficient, transparent and accountable to local people.
Council's Monitoring Officer	The Officer designated by the Council as its Statutory Monitoring Officer.
Creditors	A person or body to whom the Council owes money.
Debtors	A person or body who owes the Council money. The debt may derive from a number of sources such as Council Tax or rent arrears, rechargeable works or where an account has been rendered for a service provided by the Council.
E procurement	The effective use of ICT to communicate and transact Council business with suppliers etc.
E tender	The effective use of ICT to undertake tenders.
Estimated Outturn	Estimates of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.
External Audit	External auditors provide an independent check that the annual accounts of a body properly reflect the financial year, funds were spent in accordance with relevant regulations or directions, and that the body achieves the best possible value for public money. External audit may also carry out value for money or other reviews of services.
Financial Regulations	That part of the Council's Constitution which provides an approved framework for the proper financial management of the authority.
Financial year	The period of twelve months commencing on 1 April
Framework Agreements	An arrangement under which a contracting Authority establishes with a provider of goods, works or services, the terms under which contracts

	subsequently can be entered into, or 'called-off' (within the limits of the agreement) when particular needs arise.
Fraud	Fraud is an intentional deception made for personal gain or to damage another individual. Good internal controls and governance arrangements are essential to minimise the risk of fraud. When council suffer fraud or theft it is often the case that the perpetrator has prepared false documents to disguise or to cover up the theft or fraud. In many cases the false documents include invoices and minutes
Goods	Tangible, moveable commodities (e.g. furniture and equipment etc)
Housing Revenue Account	The Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the council fund and trading accounts and is funded primarily from rents and government subsidy. Rent increases and the Housing Revenue Account Subsidy (HRAS) are approved annually under Standing Order 29, by the Welsh Government, through the <i>(Wales) General Determination of the Item 8 Credit and Item 8 Debit</i> and the <i>Housing Revenue Account Subsidy (Wales) Determination</i> .
Hypothecated Funding	Ring-fenced funding, which must be spent on particular services or initiatives
Indicator Based Assessments (IBAs)	Service specific Indicator Based Assessments (IBAs) are combined to generate total Standard Spending Assessments (SSAs, see further on) which are used by the Welsh Government to distribute the Revenue Support Grant funding to Local Authorities. IBAs are for use in calculating total SSAs and are not intended for use in determining individual authorities' budgeted expenditure on particular services.
Investment Income	Income form interest receipts on investments held by the council
Indemnity	Protection against future loss, or legal exemption from liability for damages
Insurance	Insurance is one of the ways that the councils manage the risk of losses
Internal Audit	Internal audit provides an objective appraisal service within an organisation, to improve the organisation's risk management, control and governance procedures, and to provide assurance to the accountable officer and the audit committee on these matters.
Internal control	The systems an organisation has in place to manage and mitigate risk.
Inventory	A detailed listing of all goods, materials, furniture and equipment in the ownership or use of a particular service, other than those held in stocks and stores records. They are also subject to periodic physical checks. Inventories are normally maintained in sufficient detail as to description, location, age, value etc. to enable any material loss arising from a fire, theft or other event to be identified and to support any insurance claim.
Land Terrier	Records of land owned by the Council
Liabilities	Items that are owed by the entity such as loans, leases, etc.
Liquidated Damages	A prior estimate of a justifiable financial loss in the event of a failure to complete by the specified date(s).
Materiality	An expression of the relative significance of a particular matter in the

	context of the financial statements as a whole
Members Allowances	A scheme of payments to elected Members of the Council in recognition of their duties and responsibilities in accordance with the relevant Regulations.
Medium Term Financial Strategy	The approved strategic process by which the council expects to finance its activities in the medium term.
Outturn	Expenditure actually incurred
Overspend	When referring to expenditure the actual expenditure incurred is greater than the budget. Shown as a +ve When referring to income the actual income achieved is less than the budget. Shown as a +ve.
PAYE	Tax deductions from salaries and wages payments made by the Council in accordance with HMRC legislation.
Petty Cash/Imprest Account	A small amount of cash kept on hand by a service for incidental expenses
Precept	This is the Council Tax collected by the Council on behalf of the Community Councils and the North Wales Police Authority
Procurement	Procurement is the process of obtaining supplies, services and works spanning the life cycle of the asset or service contract. It has a wider meaning than traditional terms such as purchasing, buying or commissioning. It is about securing services and products which best meet the needs of all stakeholders; anyone who can or might be affected by the services and products involved.
Reserves	These are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
Revenue	A term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes however charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.
Revenue Support Grant (RSG)	<p>The Revenue Support Grant (RSG) represents the major element in the support for local revenue spending that the Council receives from the Welsh Government, as required by section 78(1) of the <i>Local Government Finance Act 1988</i>. Amounts are determined annually and in advance of each new financial year as part of the Local Government Financial Settlement, and form a part of the Aggregate External Finance (AEF).</p> <p>The objective of the revenue support grant system is to enable authorities to provide a common level of service consistent with an aggregate figure of total standard spending (as assessed by Welsh Government using Standard Spending Assessments, see below). Its aim is to compensate for differences in the levels at which authorities need to spend and at which they can raise council tax in order to provide a common level of service. This objective is met by calculating the revenue support grant for each authority as the difference between its standard spending assessment and the sum of its re-distributed non-domestic rate income and council tax (as calculated by the Welsh</p>

	Government for standard spending purposes.)
Risk Management	A planned and systematic approach, involving culture, structure and processes, to provide assurance that the Council's significant risks are identified, evaluated and managed effectively
Risk Management Policy	An agreed policy which sets out how and why the Council will manage risk of all types across all of its activities
Scheme of Delegation	The framework by which budgetary control and financial monitoring are exercised at a local level.
Section 151 Officer	Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. In Flintshire, this responsibility is vested in the Head of Finance.
Select List	A list of suitably qualified contractors, suppliers or providers that has been drawn up and assessed through an advertising and short-listing exercise for a particular contract or procurement activity.
Services	Intangible commodities (e.g. agency staff, consultants etc). It can also mean support to individuals or groups.
Standard Spending Assessments (SSAs)	<p>Standard Spending Assessments (SSAs) are notional assessments of each council's need to spend on revenue services, calculated each year by the Welsh Government for use in the distribution of the Revenue Support Grant (RSG). SSAs are calculated prior to the year to which they relate using principles established by the Welsh Government, which encompass the demographic, physical and social characteristics of each area, as reflected by a range of indicators. SSAs include the need to spend on the current element of revenue expenditure and the need to spend on the capital charges element of revenue expenditure. The distribution of the current element between local authorities is based on the distribution of, such as pupil numbers, population and measures of deprivation and rurality. The distribution of the capital charges element between local authorities is based on the latest available credit ceiling figure for each authority (which is essentially the level of unpaid debt) together with estimates of how this will change in the year to which the SSAs relate.</p> <p>SSAs are intended to reflect variations in the need to spend which might be expected if all authorities responded in a similar way to the demand for services in their area, and as this is the mechanism for distributing the RSG to local authorities this would enable all authorities in Wales to charge the same level of council tax for the provision of a similar standard of service.</p> <p>An authority's SSA is derived as a funding mechanism to distribute the RSG, it is not and should not be viewed as a target level of expenditure for an authority. The RSG funding is unhypothecated, SSAs are not meant to be prescriptive in any way, and therefore authorities will spend at levels above and below their SSA according to decisions that have been made locally.</p>

Statement of Accounts	<p>The Statement of Accounts provides details of the Council's financial position over the previous financial year. Its purpose is to give electors, those subject to locally levied taxes and charges, members of the authority, employees and other interested parties clear information about the authority's finances. Statements of Accounts across all local authorities should reflect a common pattern of presentation, although this does not require them to be in an identical format.</p> <p>The Statement of Accounts is produced in accordance with the requirements of the Code of Practice on Local Authority Accounting in the UK (the code). The code is updated annually and in 2010/11 the code was based on International Financial Reporting Standards (IFRS) issued by CIPFA for the first time.</p>
Sub-contractors	A subcontractor is a legal person appointed by a contractor to get the contract, part of the contract or any section of the contract assigned to him to be executed.
Supplies	Consumables (e.g. paper, stationery, foodstuffs etc).
Tender List	Drawn from a previously determined select list, the list of suppliers, providers or contractors actually invited to tender
Tenderer	A potential supplier or provider or contractor.
Third Sector	Third Sector Organisations are key partners in the delivery of services on behalf of the people of Flintshire
Treasury Management	The management of the authority's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks.
Treasury Management Strategy	The strategy for the Treasury Management activities to be adopted for a particular financial year. The strategy needs to be flexible enough to allow the Head of Finance to respond appropriately to changing circumstances during the course of the year to the best advantage of the Council.
Underspend	When referring to expenditure the actual expenditure incurred is less than the budget. Shown as a -ve. When referring to income the actual income achieved exceeds the budget. Shown as a -ve.
Unhypothesized Funding	Funding allocated without restrictions on how it should be spent.
Unhypothesized Supported Borrowing	A source of funding from the Welsh Government to finance general capital expenditure. Allocations are issued annually to each local authority as part of the Local Government Financial Settlement. The Welsh Government includes an element within the Revenue Support Grant to fund the cumulative costs of this borrowing that is classed as supported borrowing.
Unsupported (Prudential) Borrowing	Borrowing to fund capital expenditure which exceeds Welsh Government support in the Revenue Support Grant. Councils can choose to fund capital expenditure through Unsupported (Prudential) Borrowing so long as they demonstrate that borrowing is prudent, sustainable and affordable, as the ongoing revenue costs of

	unsupported borrowing will still need to be met from available resources.
Value for Money	<p>Broadly value for money is the extent to which objectives are achieved in relation to costs. It is about achieving the optimum combination of costs and benefits to an organisation.</p> <p>Value for money is more formally defined as the relationship between economy, efficiency and effectiveness.</p> <p>Economy is the price paid for what goes into providing a service</p> <p>Efficiency is a measure of productivity – how much you get out in relation to what is put in</p> <p>Effectiveness is a measure of the impact achieved and can be quantitative or qualitative. Outcomes should be equitable across communities, so effectiveness measures should include aspects of equity.</p>
Variance	<p>Difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected for example projected to the end of the month or financial year.</p>
Virement	<p>The transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.</p>

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CONSTITUTION COMMITTEE**
DATE: **WEDNESDAY, 1 JULY 2015**
REPORT BY: **CHIEF OFFICER, GOVERNANCE**
SUBJECT: **SCHEDULE OF MEMBER REMUNERATION**

1.00 PURPOSE OF REPORT

- 1.01 To consider amending the format of the Council's Schedule of Member Remuneration to reflect recent guidance issued by the Independent Remuneration Panel for Wales ("The Panel").

2.00 BACKGROUND

- 2.01 The Panel was established in 2008 and since the Local Government (Wales) Measure 2011 its main function has been to determine the payments that Members are entitled to receive for undertaking their roles. The Panel issues an annual report prescribing the levels of payment that each Council in Wales pays its elected and co-opted members for the subsequent Council year.
- 2.02 Regulations made under the Measure require authorities not only to produce a Schedule of Member Remuneration each year containing information specified in the regulations but for this to be publicised and for a copy to be sent to the Panel Secretariat by the 31 July each year. Flintshire's current schedule is attached as Appendix 1.
- 2.03 The Panel has recently issued a proforma to assist authorities in producing their Schedules of Member Remuneration. This proforma is attached as Appendix 2. In issuing the proforma the Panel has explained that it is not mandatory to use the exact proforma and it should be amended for each authority's particular circumstances.

3.00 CONSIDERATIONS

- 3.01 The Panel have issued the proforma in response to recent instances of non-compliance by some authorities (not Flintshire) surrounding the required contents of Schedules of Member Remuneration. This has been discussed by the Panel at regional meetings of authorities such as the one held for North Wales authorities earlier in the year.

3.02 It is considered that the Panel's proforma has certain provisions that are clearer than in the Council's existing schedule. It is also considered that there are some provisions in the Council's existing schedule that should be added to the Panel's proforma such as the introduction, definitions and detailed provisions concerning travel and subsistence allowances. Attached as Appendix 3 is a recommended revised Schedule of Member Remuneration seeking to combine the best parts of the Panel's proforma and the Council's existing schedule.

4.00 RECOMMENDATIONS

4.01 The committee is recommended to adopt the revised Schedule of Member Remuneration shown in Appendix 3.

5.00 FINANCIAL IMPLICATIONS

5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 None as a result of this report.

11.00 CONSULTATION UNDERTAKEN

11.01 None as a result of this report.

12.00 APPENDICES

12.01 Appendix 1 – Flintshire current Schedule of Member Remuneration
Appendix 2 – Proforma Schedule of Member Remuneration
Appendix 3 – Revised Schedule of Member Remuneration

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

Contact Officer: Peter Evans
Telephone: 01352 702304
Email: peter.j.evans@flintshire.gov.uk

This page is intentionally left blank

**SCHEDULE OF MEMBER REMUNERATION
FOR THE COUNCIL YEAR 2015/2016
PURSUANT TO COUNCIL DECISION OF THE 12 MAY 2015**



SCHEDULE OF MEMBER REMUNERATION

1.00 Introduction

- 1.01 Regulation 4 of the Independent Remuneration Panel for Wales (IRPW) Regulations requires that an authority must produce annually a schedule of payments it intends to make to its Members and co-opted Members. The amount of those payments must accord with the Panel's determinations made for that year. The schedule must be produced no later than 4 weeks following the annual meeting of the authority. An authority may amend the schedule at any time during the year provided such amendments accord with the Panel's determinations for that year.
- 1.02 The IRPW have decided that certain payments to Members should be called salaries even though Members are not employees of the Council. More commonly such payments are called allowances. This document will refer to salaries as allowances.
- 1.03 Annex 3 of the annual report issued by IRPW in February 2014 requires that the schedule of Member remuneration contain certain information and this document contains the information required by Annex 3.
- 1.04 In addition to the 70 Members of Flintshire County Council (the Council) some Committees of the Council have co-opted Members and such co-opted Members are entitled to receive co-opted Member payments determined by the IRPW as detailed in this document.

2.00 Definitions

- 2.01 "Basic Allowance (Basic Salary)"
This is the amount of payment determined by the IRPW that is paid to each Member of the Council.
- 2.02 "Senior Allowance (Senior Salary)"
This is the amount of payment determined by the IRPW that is paid to a limited number of Members because of the specific responsibilities they have and includes for those Members their basic allowance (basic salary).
- 2.03 "Civic Allowances (Civic Salaries)"
These are payments made to the Chair of the Council as civic head and to the Vice Chair of the Council.

- 2.04 “Care Allowance”
This is a payment to Members and co-opted Members in respect of expenses of arranging for the care of children or dependants necessarily incurred in order to carry out official Council business.
- 2.05 “Travel Allowance”
This is a payment made to a Member or co-opted Member in respect of travel expenditure incurred for the performance of official Council business.
- 2.06 “Subsistence Allowance”
This is a payment made to a Member or co-opted Member in respect of expenditure incurred by the Member or co-optee in the performance of official Council business. It is not payable for the performance of official business within the boundaries of Flintshire.
- 3.00 Payments**
- 3.01 ***Basic Allowance***
Attached as Appendix 1 to this schedule are the names of those Members who receive the basic allowance of £13,300 p.a.
- 3.02 ***Senior Allowances***
Attached as Appendix 2 are the names of those Members who receive senior allowances, including the office and portfolio held and the amount paid. The amount paid includes £13,300 basic allowance. It also indicates which of the four bands of senior allowance determined by the IRPW applies. The IRPW have placed a maximum of 18 on the number of senior allowances that Flintshire can pay. This limit can only be exceeded where there is a temporary senior allowance office holder providing temporary cover for the family absence of the appointed office holder. This maximum limit of senior allowances has not been exceeded.
- 3.03 ***Civic Allowances***
The Chair of the Council as the Civic Head receives a civic allowance of £21,500 p.a. and the Vice Chair of the Council a civic allowance of £16,000 p.a. These include the basic allowance of £13,300 p.a. Appendix 2 names the Members entitled to civic allowances.
- 3.04 ***Co-optees***
Attached as Appendix 3 are the names of the co-opted Members who receive the co-opted Member fee and whether they are a Committee Chair or an ordinary Committee Member. As a Chair the daily fee is £256 (£128 for half day), whereas for a co-opted ordinary Member the daily fee is £198 (£99 for half day). No more than 15 full days or 30 half days will be paid during the year.

4.00 Allowable Expenses

4.01 Care Allowance

A maximum payment of £403 per month can be paid to Members and co-opted Members who incur necessary expenses for the care of children or dependents while undertaking Council duties.

Reimbursement is only made on production of receipts from the carer.

4.02 Travel & Subsistence Allowances

Members and co-opted Members will be reimbursed expenditure on travel and subsistence by way of payment of travel and subsistence allowances in accordance with Appendix 4.

5.00 Arrangements

5.01 Paragraph 6 of Annex 2 requires local authorities to declare in the schedule of Member remuneration whether certain arrangements are in place. These are whether:-

- A statement of the basic responsibility of a Councillor is in place.
- Role descriptions of senior allowance office holders is in place.
- Records are kept of Councillor attendance.
- Records are kept of Councillor activity.
- Annual reports are prepared by Councillors and published on the Council's website.

In Flintshire the first and second of the above are in place and records are kept of Councillor attendance at formal meetings. Any annual reports prepared by Councillors are published on the Council's website. Records are not kept of Councillor activity.

5.02 Such part of a salary, allowance or fee must be repaid where payment has already been made in respect of any period during which the Member or co-opted Member concerned:

- was suspended or partially suspended from their duties or responsibilities in accordance with Part 3 of the Local Government Act 2000 or regulations thereunder;
- ceases to be a Member or co-opted Member of the authority;
- or in any way is not entitled to receive an allowance (salary), or fee in respect of that period.

5.03 Any Member or co-opted Member may by notice in writing to the Chief Officer, Governance elect to forgo any part of their entitlement to an allowance, or fee for that particular year.

- 5.04 Members and co-opted Members are paid their allowances, and fees on a monthly basis through the year. For travel and subsistence allowances this is dependent upon having received a completed claim form from the Member submitted in accordance with Appendix 4.
- 5.05 Changes may be made to this Schedule of Member Remuneration by the Chief Officer, Governance provided all Members, co-opted Members and the IRPW are informed promptly of any such changes.

List of Councillors

Councillors:-

Alex Aldridge	Rita Johnson
Bernie Attridge	Christine Jones
Glyn Banks	Kevin Jones
Haydn Bateman	Richard Jones
Marion Bateman	Colin Legg
Chris Bithell	Phil Lightfoot
Amanda Bragg	Brian Lloyd
Helen Brown	Richard Lloyd
Derek Butler	Mike Lowe
Clive Carver	David Mackie
David Cox	Nancy Matthews
Paul Cunningham	Hilary McGuill
Peter Curtis	Ann Minshull
Ron Davies	Billy Mullin
Adele Davies-Cooke	Tim Newhouse
Alan Diskin	Mike Peers
Glenys Diskin	Vicky Perfect
Chris Dolphin	Neville Phillips
Rosetta Dolphin	Mike Reece
Ian Dunbar	Gareth Roberts
Andy Dunbobbin	Ian Roberts
Brian Dunn	David Roney
Carol Ellis	Tony Sharps
David Evans	Aaron Shotton
Jim Falshaw	Paul Shotton
Veronica Gay	Ian Smith
Robin Guest	Nigel Steele-Mortimer
Alison Halford	Carolyn Thomas
Ron Hampson	Owen Thomas
George Hardcastle	David Williams
David Healey	Sharron Williams
Cindy Hinds	David Wisinger
Ray Hughes	Arnold Woolley
Dennis Hutchinson	Matt Wright
Hilary Isherwood	
Joe Johnson	

APPENDIX 2

<u>Band 1</u>	<u>Amount</u> [including Basic Allowance (Salary) of £13,300]
Leader (Councillor Aaron Shotton)	£48,000
Deputy Leader (Councillor Bernie Attridge)	£33,500

Band 2

Cabinet Members £29,000

Councillors:-

Billy Mullin
Christine Jones
Helen Brown
Kevin Jones
Chris Bithell
Derek Butler

Band 3

Committee Chairs for:- £22,000
Planning & Development Control Committee
(Councillor D Wisinger)
Audit Committee (Councillor Tim Newhouse)
Licensing Committee (Councillor L A Sharps)
6 Overview & Scrutiny Committees
(Councillors R Hampson, C Ellis, I Roberts,
V Gay, D Roney and C Carver)

Band 4

Leader of the largest group not represented £22,000
on the Cabinet (Councillor Mike Peers)

Note: A maximum of 18 senior salaries can be paid by Flintshire.

No Member can receive more than one senior allowance (salary).

Civic Allowances

Council Chair (Councillor Ray Hughes) £21,500

Council Vice Chair (Councillor Peter Curtis) £16,000

Note: These amounts include Basic Allowance of £13,300 paid to all Members.

Co-opted Members

Standards Committee:-

Mr Edward Michael Hughes (Chair)
Mr Robert Dewey
Mrs Phillipa Ann Earlam
Mr Jonathan Duggan-Keen
Mr Kenneth Harry Molyneux

Lifelong Learning:-

Mrs Rebecca Stark
Mrs Rita Price
Mr David Hytch
The Venerable John Thelwell
Mrs Janine Beggan

Audit Committee:-

Mr Paul Williams

Pensions Committee:-

Mr Steve Hibbert
Councillor Steve Wilson
Councillor Huw Llewelyn Jones
Councillor Andrew Rutherford

TRAVEL & SUBSISTENCE ALLOWANCES

Any claim for travel or subsistence allowance must be made on the appropriate claim form and submitted on a monthly basis within 4 months of the date on which any entitlement became due. With the exception of claims for travel by private motor vehicle all other claims for payment travel or subsistence allowance shall be accompanied by appropriate receipts proving actual expenses. The approved form for claiming of subsistence allowance includes a statement that the Member/co-opted Member has not made and will not make any other claim in respect to the matter to which the claim relates. The claim form needs to be signed by the Member or co-opted Member.

Members and co-opted Members can only claim travel, subsistence and care allowances for the following official business:

- a) Attendance at a meeting of the Council or of any Committee of the Council or of any Body to which the Council makes appointments or nominations, or of any Committee of such a Body.
- b) Attendance at a meeting of any Association of Authorities of which the Council is a Member.
- c) Attendance at any other meeting the holding of which is authorised by the Council or by a Committee of the Council or by a Joint Committee of the Council and one or more other Authorities.
- d) A duty undertaken for the purpose of, or in connection with, the discharge of the functions of the Cabinet.
- e) A duty undertaken in pursuance of a Standing Order which requires a Member or Members to be present when tender documents are opened.
- f) A duty undertaken in connection with the discharge of any function of the Council which empowers or requires the Council to inspect or authorise the inspection of premises.
- g) Attendance at any training or developmental event approved by the Council or its Cabinet.
- h) Attendance at any training or developmental event approved by a Committee of the Council or by the Chief Executive or appropriate Chief Officer in consultation with the Chair or Vice Chair of the Council.
- i) Any attendance required by financial regulations or Contract Standing Orders.
- j) Any attendance authorised/required by the Council's Scheme of Delegation (e.g. attendances for consultation purposes).
- k) Attendance upon an Officer of the Council upon Ward business.
- l) Attendance upon an Officer of the Council upon Council business.
- m) Attendance to inspect background documents under Section 100D Local Government Act 1972.
- n) Any other attendances expressly authorised by Committee, Executive or Council.

Where the above official business is carried out within the Council area, this will not entitle payment of a subsistence allowance except where it related to a co-opted Member living outside the Council area.

Where a Member or co-opted Member is suspended or partially suspended from being a Member or co-opted Member, under Part 3 of the Local Government Act 2000 then travel and subsistence allowances payable to that Member/co-opted Member in respect of the responsibilities or duties from which that Member/co-opted Member is suspended or partially suspended will not be paid.

Conditions of Claiming Travel and Subsistence Allowances:-

- 1) Travel and subsistence allowances are reimbursement of expenses necessarily incurred in performing official business provided always that they are not reimbursable by any other Body
- 2) If the appropriate official business is not identified (and in the case of (k) & (l) above the Officer/s and business concerned) no reimbursement shall be made
- 3) Except in the case of claims for travel by means of a private motor vehicle, receipts must be produced prior to any reimbursement
- 4) In the case of claims for travel by means of a private motor vehicle the actual start and finish mileage should be shown
- 5) Where two or more Members travel to the same venue out of the County, then either rail travel or a pool/hire car shall be used unless either the Chief Executive, Chief Officer Governance or the Corporate Finance Manager has given prior authorisation.
- 6) Wherever possible travel should be booked in advance by the Council to obtain:-
 - Discount
 - VAT refund
 - Best ValueWhenever travel is not so booked, this must be approved by the Chief Executive, the Chief Officer Governance or the Corporate Finance Manager.
- 7) Wherever possible officers travelling with Members shall defray all appropriate expenditure and reclaim via official channels

Travel Allowances:

1. Approved duty must always be specified

2. Mileage

(a) ***Private Car***

The relevant mileage will be reimbursed at the rate appropriate to vehicles of up to 999 cc irrespective of the actual cubic capacity of the vehicle actually used, the rate is currently 45p per mile. Where an official passenger/passengers are carried a further 5p per passenger per mile is payable in which case the passenger/s must be identified. The rate per mile applies up to a maximum of 10,000 miles in the year and 25p per mile thereafter.

(b) ***Pool Car***

Reimbursement for ACTUAL FUEL purchased upon production of receipts.

(c) Motor cycle reimbursement at the rate of 24p per mile.

(d) Bicycles reimbursement at the rate of 20p per mile.

3. Other Travel Arrangements

All rail or other travel should be pre-booked and paid for by the Council. In those cases where direct bookings or alternative arrangements are authorised then the actual expenditure incurred will be reimbursed upon production of appropriate receipts up to the maximum of the relevant standard class fare or actual mileage involved.

Subsistence Allowances

1. Official business to be specified. No subsistence allowance is paid for official business within Flintshire.
2. All appropriate receipts to be produced with claim forms.
3. Any overnight accommodation should be arranged via the Council's Members' Services Team.
4. For official business within Flintshire the rate of subsistence allowance is Nil. For approved duties outside of Flintshire the rates are as indicated below.
5. A maximum payment of £25 is available for an overnight stay, including breakfast with friends or relatives whilst on an approved duty.

6. Where the Member certifies that the expenditure was necessarily incurred reimbursement will be made up to the maximum of:

Breakfast £4.48	more than 4 hours before 11.00 am
Lunch £6.37	more than 4 hours of which part is between 12.00 and 2.00 pm
Tea £2.43	more than 4 hours of which part is between 3.00 pm and 6.00 pm
Evening Meal £7.64	more than 4 hours ending after 7.00 pm

Tea and evening meal cannot be claimed for the same day, only one of these may be claimed.

Any of the above will not be payable if the equivalent meal is provided free of charge to the Member at the event.

Where expenditure has been incurred by the Member exceeding the figures given above, reimbursement maybe made subject to a maximum of £28 per day.

Accommodation Expenses

- (a) Official business to be specified:-
- (b) Except in exceptional circumstances approved by the Chief Executive, or Chief Officer Governance or the Corporate Finance Manager all accommodation must always be booked in advance by the Council to obtain:-
- Discount
 - VAT
 - Best Value
- In these circumstances there is no question of reimbursement.
- (c) Where meals are included in the accommodation or courses/conferences those cannot be claimed for separately, except in exceptional circumstances as approved by the Chief Executive, or Chief Officer Governance or Corporate Finance Manager.
- (d) Where accommodation is booked other than by the Council, reimbursement will only be made upon production of appropriately detailed receipts.

AND

up to a maximum of £150.00 per overnight stay in London
or £95.00 for overnight stay elsewhere in UK.

AND

the Council obtaining better value by this arrangement or this arrangement being the only practicable one in the circumstances.

This page is intentionally left blank

Authority Name**MEMBERS' SCHEDULE OF REMUNERATION**

This Scheme is made under the Local Government (Wales) Measure 2011 with regard to Independent Remuneration Panel for Wales (IRPW) Regulations which apply to payments made to members and co-opted members of local authorities.

1. Basic Salary

- 1.1 A Basic Salary shall be paid to each elected Member of the Authority.
- 1.2 In accordance with the Regulations, the rate of the Basic Salary shall be reviewed annually as determined by the Independent Remuneration Panel for Wales.
- 1.3 Where the term of office of a Member begins or ends other than at the beginning or end of a year, his/her entitlement to the Basic Salary will be pro-rata.
- 1.4 No more than one Basic Salary is payable to a Member of the Authority.

2. Senior Salaries & Civic Salaries

- 2.1 Members occupying specific posts shall be paid a Senior Salary as set out in **Schedule 1**.
- 2.2 In accordance with the Regulations, the rates of Senior Salaries and Civic Salaries shall be reviewed annually as determined by the Annual or Supplementary Report of the Independent Remuneration Panel for Wales.
- 2.3 Only one Senior Salary or Civic Salary is payable to a Member of the Authority.
- 2.4 A Member of the Authority cannot be paid a Senior Salary and a Civic Salary.
- 2.5 All Senior and Civic Salaries are paid inclusive of Basic Salary.
- 2.6 A Senior Salary may not be paid to more than the number of members specified by the Independent Remuneration Panel for Wales in its Annual Report and cannot exceed fifty percent of the total membership of the authority, except to include a temporary Senior Salary office holder providing temporary cover for the family absence of the appointed office holder.
- 2.7 A Member of the Authority in receipt of a Senior Salary **cannot** receive a salary from any National Park Authority (NPA) or Fire and Rescue Authority (FRA) for which he/she has been nominated.
- 2.8 Where the term of Senior Salary or Civic Salary of a Member begins or ends other than at the beginning or end of a year, his/her entitlement to the Salary will be pro-rata.

3. Election to Forgo Entitlement to Allowance

- 3.1 A Member may, by notice in writing delivered to the Proper Officer of the authority, personally elect to forgo any part of his/her entitlement to any salary, allowance or fee payable under this Scheme from the date set out in the notice.

4. Suspension of a Member

- 4.1 Where a Member of the Authority is suspended or partially suspended from his or her responsibilities or duties as a Member of the Authority in accordance with Part III of the Local Government Act 2000 (Conduct of Members), or regulations made under the Act, the part of the Basic Salary payable to him/her in respect of that period for which he or she is suspended will be withheld by the Authority (Section 155 (1) of the Measure).
- 4.2 Where a Member in receipt of a Senior Salary is suspended or partially suspended from being a Member of the Authority in accordance with Part III of the Local Government Act 2000 (Conduct of Members), or regulations made under the Act, the Authority must not make payments of the Member's Senior Salary for the duration of the suspension (Section 155 (1) of the Measure). If the partial suspension relates only to the specific responsibility element of the payment, the member may retain the Basic Salary.

5. Repayment of salaries, allowances or fees

- 5.1 Where payment of any salary, allowance or fee has been made to a Member of the Authority or Co-opted Member in respect of any period during which the Member concerned:
- (a) is suspended or partially suspended from that Member's/Co-opted Member's duties or responsibilities in accordance with Part 3 of the 2000 Act or regulations made under that Act;
 - (b) ceases to be a Member of the Authority or Co-opted Member; or
 - (c) is in any other way not entitled to receive a salary, allowance or fee in respect of that period,

the Authority will require that such part of the allowance as relates to any such period be repaid.

6. Payments

- 6.1 Payments of all allowances will be made by the [specify Officer] by [direct bank credit / specify other means of payment] in instalments of one-twelfth of the Member's annual entitlement on [specify date].
- 6.2 Where payment has resulted in a Member receiving more than his/her entitlement to salaries, allowances or fees the Authority will require that such part that is overpayment be repaid.
- 6.3 All payments are subject to the appropriate tax and National Insurance deductions.

7. Care Allowance

- 7.1 Care Allowance shall be paid to a Member or Co-opted Member, who has caring responsibility for dependent children or adults, provided the Member incurs expenses in the provision of such care whilst undertaking 'approved' council duties.
- 7.2 Care Allowance applies in respect of children who are aged 15 or under and other persons for whom the Member or Co-opted Member can show that care is required. If a Member or Co-opted Member has more than one dependent the Member may claim more than one allowance, provided the Member can demonstrate a need to make separate arrangements for care.
- 7.3 Eligible Members may claim Care Allowance for actual and receipted costs up to a maximum amount not exceeding that determined by the Independent Remuneration Panel as set out in **Schedule 1**. All claims for Care Allowance should be made in writing to

Democratic Services detailing times, dates and reasons for claim. Receipts are required for both informal and formal care arrangements.

8. Family Absence

- 8.1 Members are entitled under the provisions of the Family Absence for Members of Local Authorities (Wales) Regulations 2013 to a period of family absence, during which if they satisfy the prescribed conditions they are entitled to be absent from authority meetings.
- 8.2 When taking family absence Members are entitled to retain a basic salary irrespective of their attendance record immediately preceding the commencement of the family absence.
- 8.3 Should a senior salary holder be eligible for family absence they will be able to continue to receive their senior salary for the duration of the absence.
- 8.4 If the authority agrees that it is necessary to make a substitute appointment to cover the family absence of a senior salary holder the Member substituting will be eligible if the authority so decides to be paid a senior salary.
- 8.5 If the paid substitution results in the authority exceeding its maximum number of senior salaries, an addition to the maximum will be allowed for the duration of the substitution.

9. Co-optees' payments

- 9.1 A Co-optees' daily fee (with a provision for half day payments) shall be paid to Co-optees, provided they are statutory Co-optees with voting rights.
- 9.2 *Optional - Co-optees' payments will be capped at a maximum of the equivalent of [X] full days a year for each committee to which an individual may be co-opted.*
- 9.3 Payments will take into consideration travelling time to and from the place of the meeting, reasonable time for pre meeting preparation and length of meeting (up to the maximum of the daily rate).
- 9.4 The [Monitoring Officer] is designated as the "appropriate officer" and will determine preparation time, travelling time and length of meeting, the fee will be paid on the basis of this determination.
- 9.5 The [Monitoring Officer] can determine in advance whether a meeting is programmed for a full day and the fee will be paid on the basis of this determination even if the meeting finishes before four hours has elapsed.
- 9.6 A half day meeting is defined as up to 4 hours.
- 9.7 A full day meeting is defined as over 4 hours.
- 9.8 The daily and half day fee for the Chairpersons of the Standards Committee and Audit Committee, as determined by the Independent Remuneration Panel, is set out in **Schedule 1**.
- 9.9 The daily and half day fee for other statutory Co-optees with voting rights, as determined by the Independent Remuneration Panel, is set out in **Schedule 1**.

10. Travel and Subsistence Allowances

10.1 General Principles

- 10.2 Members and Co-opted Members may claim travelling expenses when travelling on the Authority's business for 'approved duties' as set out in **Schedule 2**. Where Members travel on the Authority's business they are expected to travel by the most cost effective means. In assessing cost effectiveness regard will be given to journey time. A Member who does not travel by the most cost effective means may have his/her claim abated by an appropriate amount.
- 10.3 Where possible Members should share transport.
- 10.4 The distance claimed for mileage should be the shortest reasonable journey by road from the point of departure to the point at which the duty is performed, and similarly from the duty point to the place of return.
- 10.5 The rates of Members' Travel and Subsistence Allowances are set out in **Schedule 3** and are subject to annual review by the Independent Remuneration Panel for Wales.
- 10.6 Where a Member is suspended or partially suspended from his or her responsibilities or duties as a Member of the Authority in accordance with Part III of the Local Government Act 2000 (Conduct of Members), or regulations made under the Act, any travel and subsistence allowances payable to him/her in respect of that period for which he or she is suspended or partially suspended must be withheld by the Authority.

11. Travel by Private Vehicle

- 11.1 The Independent Remuneration Panel for Wales has determined that the maximum travel rates payable should be the rates set out by Her Majesty's Revenue & Customs for the use of private cars, motor cycles and pedal cycles plus any passenger supplement.
- 11.2 The mileage rates for private vehicles as determined by the Independent Remuneration Panel for Wales are set out in **Schedule 3**.
- 11.3 Where a Member makes use of his/her private vehicle for approved duty purposes, the vehicle must be insured for business use. Proof of appropriate insurance must be provided to the Authority on request.

12. Travel by Public Transport

12.1 Rail/Coach Travel

Unless otherwise authorised rail tickets will be second-class.

Optional-

[Democratic Services will purchase requisite rail and coach tickets for Members in advance of journeys. In the unlikely event that a Member needs to purchase a ticket directly, payment will be reimbursed upon production of the used ticket and/or a receipt.]

or

[Members are responsible for purchasing suitable tickets in advance and may claim for tickets purchased which will be reimbursed upon production of the used ticket and/or a receipt.]

12.2 Taxi Fares

Taxi fares will only be reimbursed where their use has been authorised for cases of urgency, where no public transport is reasonably available, or a Member has a particular personal need. Re-imbusement will be upon receipt only.

12.3 **Air Fare (optional)**

Travel by air is permissible if it is the most cost effective means of transport. Authorisation of the [*specify officer*] is required and tickets will be purchased by [*Democratic Services*].

12.4 **Travel Abroad**

Travel abroad on the Authority's business will only be permitted where authorised by [*specify officer*]. Democratic Services will arrange travel and accommodation.

12.5 **Other Travel Expenses**

Members will be entitled to reimbursement of toll fees, parking fees, overnight garaging and other necessary travel associated expenses. Re-imbusement will be upon receipt only.

13. **Overnight Accommodation**

13.1 Overnight stays will only be permitted where the Authority's business extends to two days or more, or the venue is at such a distance that early morning or late night travel would be unreasonable. All overnight stays must receive prior authorisation from the [*specify officer*].

13.2 Overnight accommodation will be booked by [*specify officer*]. Wherever possible the overnight accommodation will be pre-paid or invoiced.

13.3 Direct booking of overnight accommodation by a Member will only be permitted in the event of an emergency. Reimbursement will only be made upon the production of a receipt and will be at a level deemed reasonable and not in excess of the rates set out in **Schedule 3**.

14 **Subsistence Allowance**

14.1 The day subsistence rate to meet the costs of meals and refreshments in connection with approved duties (including breakfast when not provided as part of overnight accommodation) is set out in **Schedule 3**. The maximum daily rate covers a 24 hour period and can be claimed for any meal that is relevant, providing such a claim is supported by receipt(s)

14.2 No provision is made for subsistence claims within the County Borough.

15. **Claims and Payments**

15.1 A claim for travel and subsistence allowances must be made in writing within [*specify timeframe*] of the end of the calendar month in which entitlement to allowances arises and must be accompanied by the relevant receipts.

15.2 Allowances will be paid by the [*specify officer*] by [*direct bank credit/specify other means of payment*].

16. **Pensions**

16.1 The Authority shall enable its Members who are eligible to join the Local Government Pension Scheme.

17. **Compliance**

- 17.1 In accordance with the Regulations, the Authority must comply with the requirements of the Panel in respect of the monitoring and publication of payments made to members and co-opted members as set out in **Schedule 4**.

Members are reminded that expense claims are subject to both internal and external audit.

SCHEDULE 1

SCHEDULE OF REMUNERATION 2015-16

MEMBERS ENTITLED TO BASIC SALARY		ANNUAL AMOUNT OF BASIC SALARY
The following named elected members of the authority		
1. AN Other		£13,300
2. AN Other		
3. AN Other		

SENIOR SALARIES ENTITLEMENTS (includes basic salary)			ANNUAL AMOUNT OF SENIOR SALARY
	ROLE	MEMBER	
1.	Leader	AN Other	£48,000
2.	Deputy Leader	AN Other	£33,500
3.	Cabinet Member - Resources		£29,000
4.	Cabinet Member - Communities		£29,000
5.	Cabinet Member - Wellbeing		£29,000
6.	Cabinet Member - Children & Young People		£29,000
7.	Chairperson of Improvement Overview and Scrutiny Committee		£22,000
8.	Chairperson of Governance Overview and Scrutiny Committee		£22,000
9.	Chairperson of Corporate Overview and Scrutiny Committee		£22,000
10.	Chairperson of Community Overview and Scrutiny Committee		£22,000
11.	Chairperson of Health Overview and Scrutiny Committee		£22,000
12.	Chairperson of Development Committee		£22,000

SENIOR SALARIES ENTITLEMENTS (includes basic salary)		ANNUAL AMOUNT OF SENIOR SALARY
ROLE	MEMBER	
13. Chairperson of Licensing Committee		£22,000
14. Chairperson of Audit Committee		£22,000
15. Chairperson of X Committee		£22,000
16. Leader Of The Largest Opposition Group		£22,000
17. Not used		
18. Not used		

A maximum of [XX] senior salaries for [Name of Authority] may be paid and this has not been exceeded.

ENTITLEMENT TO CIVIC SALARIES		ANNUAL AMOUNT OF CIVIC SALARY
ROLE	MEMBER	
Civic Head (Mayor / Chair)	AN Other	£21,500
Deputy Civic Head (Deputy Mayor / Chair)	AN Other	£16,000

ENTITLEMENT AS STATUTORY CO-OPTees		AMOUNT OF CO-OPTees ALLOWANCES
ROLE	MEMBER	
Chairperson Of Standards Committee	AN Other	£256 Daily Fee £128 ½ Day Fee
Chairperson of Audit Committee	N/A	£256 Daily Fee £128 ½ Day Fee
Statutory Co-optees - Standards Committee, Education OVSC Committee, Audit Committee, Crime and Disorder OVSC	Standards: <ul style="list-style-type: none"> • AN Other • Vacancy Scrutiny <ul style="list-style-type: none"> • AN Other Audit <ul style="list-style-type: none"> • AN Other 	£198 Daily Fee £99 ½ Day Fee
Statutory Co-optees -ordinary members of Standards Committee who also chair Standards Committees for Community Councils	AN Other	£226 Daily Fee £113 ½ Day Fee

MEMBERS ELIGIBLE TO RECEIVE CARE ALLOWANCE

All Members	Up to a maximum of £403 per month
-------------	-----------------------------------

SCHEDULE 2

Approved duties: -

- attendance at a meeting of the Authority or of any committee of the Authority or of any body to which the Authority makes appointments or nominations or of any committee of such a body;
- attendance at a meeting of any association of authorities of which the Authority is a member;
- attendance at any other meeting the holding of which is authorised by the Authority or by a committee of the Authority or by a joint committee of the Authority and one or more other Authorities;
- a duty undertaken for the purpose of or in connection with the discharge of the functions of Cabinet;
- a duty undertaken in pursuance of a standing order which requires a Member or Members to be present when tender documents are opened;
- a duty undertaken in connection with the discharge of any function of the Authority which empowers or requires the Authority to inspect or authorise the inspection of premises;
- attendance at any training or developmental event approved by the Authority or its Cabinet;
- the following duties which have been approved by Council:
 - *List duties*

SCHEDULE 3

Mileage Rates

All sizes of private motor vehicle Up to 10,000 miles Over 10,000 miles	45 pence per mile 25 pence per mile
Private Motor Cycles Pedal Cycles	24 pence per mile 20 pence per mile
Passenger supplement	05 pence per mile

Subsistence Allowance

The day subsistence rate is up to a maximum of £28 and covers a 24 hour period and can be claimed for any meal if relevant provided such a claim is supported by receipts.

Re-imbursment of alcoholic drinks is not permitted.

Overnight Stay

The maximum allowances for an overnight stay are £150 for London and £95 for elsewhere. A maximum of £25 is available for an overnight stay with friends or relatives whilst on approved duty.

SCHEDULE 4

Compliance

- The authority will arrange for the publication on the council's website the total sum paid by it to each member and co-opted member in respect of salary, allowances, fees and reimbursements not later than 30 September following the close of the year to which it relates. In the interests of transparency this will include remuneration from all public service appointments held by elected members.
- The authority will publish on the council's website a statement of the basic responsibility of a councillor and role descriptors for senior salary office holders, which clearly identify the duties expected.
- The authority will publish on the council's website the annual schedule of Member Remuneration not later than 31 July of the year to which the schedule refers.
- The authority will send a copy of the schedule to the Independent Remuneration Panel not later than 31 July of the year to which the schedule refers.
- The authority will maintain records of member/co-opted members attendance at meetings of council, cabinet and committees and other approved duties for which a member/co-opted member submits a claim for reimbursement.
- The authority will arrange for the publication on the council's website of annual reports prepared by members.
- When the authority agrees a paid substitution for family absence it will notify the Independent Remuneration Panel within 14 days of the date of the decision of the details including the particular post and the duration of the substitution.

FLINTSHIRE COUNTY COUNCIL

MEMBERS' SCHEDULE OF REMUNERATION FOR THE COUNCIL YEAR 2015/2016

1.00 Introduction

- 1.01 Regulation 4 of the Independent Remuneration Panel for Wales (IRPW) Regulations requires that an authority must produce annually a schedule of payments it intends to make to its Members and co-opted Members. The amount of those payments must accord with the Panel's determinations made for that year. The schedule must be produced no later than 4 weeks following the annual meeting of the authority. An authority may amend the schedule at any time during the year provided such amendments accord with the Panel's determinations for that year.
- 1.02 The IRPW have decided that certain payments to Members should be called salaries even though Members are not employees of the Council. More commonly such payments are called allowances. This document will refer to payments as both allowances and salaries.
- 1.03 This schedule is made under the Local Government (Wales) Measure 2011 with regard to Independent Remuneration Panel for Wales (IRPW) Regulations ("The Regulations") which apply to payments made to members and co-opted members of local authorities in Wales.

2.00 Definitions

- 2.01 "**Basic Allowance (Basic Salary)**"
This is the amount of payment determined by the IRPW that is paid to each Member of the Council.
- 2.02 "**Senior Allowance (Senior Salary)**"
This is the amount of payment determined by the IRPW that is paid to a limited number of Members because of the specific responsibilities they have and includes for those Members their basic allowance (basic salary).
- 2.03 "**Civic Allowances (Civic Salaries)**"
These are payments made to the Chair of the Council as civic head and to the Vice Chair of the Council and includes for those members the basic allowance (basic salary).
- 2.04 "**Care Allowance**"
This is a payment to Members and co-opted Members in respect of expenses of arranging for the care of children or dependants necessarily incurred in order to carry out official Council business.

2.05 ***“Travel Allowance”***

This is a payment made to a Member or co-opted Member in respect of travel expenditure incurred for the performance of official Council business.

2.06 ***“Subsistence Allowance”***

This is a payment made to a Member or co-opted Member in respect of expenditure incurred by the Member or co-optee in the performance of official Council business. The Council has decided it is not payable for the performance of official business within the boundaries of Flintshire.

2.07 ***“Co-optee’s Allowance”***

This is a payment to co-opted members provided they are statutory co-optees with voting rights.

3.00. Basic Allowance or Salary

3.1 A basic allowance/salary shall be paid to each elected Member of the authority.

3.2 In accordance with the Regulations, the rate of the basic allowance/salary shall be reviewed annually as determined by the Independent Remuneration Panel for Wales.

3.3 Where the term of office of a Member begins or ends other than at the beginning or end of a year, his/her entitlement to the basic allowance/salary will be pro-rata.

3.4 No more than one basic allowance/salary is payable to a Member of the authority. The current rate of basic allowance/salary is £13,300 p.a.

4. Senior Allowance/Salaries & Civic Allowance/Salaries

4.1 Members occupying specific posts shall be paid a senior allowance/salary as set out in **Appendix 1**.

4.2 In accordance with the Regulations, the rates of senior allowances/salaries and civic allowances/salaries shall be reviewed annually as determined by the Independent Remuneration Panel for Wales.

4.3 Only one senior allowance/salary or civic allowance/salary is payable to any Member of the authority.

4.4 A Member of the authority cannot be paid a senior allowance/salary and a civic allowance/salary.

4.5 All senior and civic allowances/salaries are paid inclusive of basic allowance/salary.

4.6 A senior allowance/salary may not be paid to more than the number of members specified by the Independent Remuneration Panel for Wales in its Annual Report and cannot exceed fifty percent of the total membership of the authority, except to include a temporary senior allowance/salary office holder providing temporary cover for the family absence of the appointed office holder.

4.7 A Member of the authority in receipt of a senior allowance/salary **cannot** receive an allowance/salary from any National Park Authority (NPA) or Fire and Rescue Authority (FRA) for which he/she has been nominated.

4.8 Where the term of senior allowance/salary or civic allowance/salary of a Member begins or ends other than at the beginning or end of a year, his/her entitlement to the allowance/salary will be pro-rata.

5. Election to Forgo Entitlement to Allowance

5.1 A Member may, by notice in writing delivered to the Proper Officer of the authority, personally elect to forgo any part of his/her entitlement to any salary, allowance or fee payable under this scheme from the date set out in the notice.

6. Suspension of a Member

6.1 Where a Member of the authority is suspended or partially suspended from his or her responsibilities or duties as a Member of the authority in accordance with Part III of the Local Government Act 2000 (Conduct of Members), or regulations made under the Act, the part of the basic allowance/salary payable to him/her in respect of that period for which he or she is suspended will be withheld by the authority (Section 155 (1) of the Measure).

6.2 Where a Member in receipt of a senior allowance/salary is suspended or partially suspended from being a Member of the authority in accordance with Part III of the Local Government Act 2000 (Conduct of Members), or regulations made under the Act, the Authority must not make payments of the Member's senior allowance/salary for the duration of the suspension (Section 155 (1) of the Measure). If the partial suspension relates only to the specific responsibility element of the payment, the member may retain the basic allowance/salary.

7. Repayment of Salaries, Allowances or Fees

7.1 Where payment of any salary, allowance or fee has been made to a Member of the Authority or Co-opted Member in respect of any period during which the Member concerned:

- (a) is suspended or partially suspended from that Member's/co-opted Member's duties or responsibilities in accordance with Part 3 of the 2000 Act or regulations made under that Act;
- (b) ceases to be a Member of the authority or co-opted Member; or
- (c) is in any other way not entitled to receive a salary, allowance or fee in respect of that period,

The authority will require that such part of the allowance as relates to any such period be repaid.

8. Payments

8.1 Payments of all basic, civic and senior allowances/salaries will be made by direct bank credit in monthly instalments of one-twelfth of the Member's annual entitlement.

8.2 Where payment has resulted in a Member receiving more than his/her entitlement to salaries, allowances or fees the authority will require that such part that is overpayment be repaid.

8.3 All payments are subject to the appropriate tax and National Insurance deductions.

9. Care Allowance

- 9.1 Care allowance shall be paid to a Member or co-opted Member, who has caring responsibility for dependent children or adults, provided the Member incurs expenses in the provision of such care whilst undertaking 'approved' council duties.
- 9.2 Care allowance applies in respect of children who are aged 15 or under and other persons for whom the Member or co-opted Member can show that care is required. If a Member or co-opted Member has more than one dependent the Member may claim more than one allowance, provided the Member can demonstrate a need to make separate arrangements for care.
- 9.3 Eligible Members may claim care allowance for actual and receipted costs up to a maximum amount not exceeding that determined by the Independent Remuneration Panel as set out in **Appendix 1**. All claims for care allowance should be made in writing to Democratic Services detailing times, dates and reasons for claim. Receipts are required for both informal and formal care arrangements.

10. Family Absence

- 10.1 Members are entitled under the provisions of the Family Absence for Members of Local Authorities (Wales) Regulations 2013 to a period of family absence, during which if they satisfy the prescribed conditions they are entitled to be absent from authority meetings.
- 10.2 When taking family absence Members are entitled to retain a basic allowance/salary irrespective of their attendance record immediately preceding the commencement of the family absence.
- 10.3 Should a senior allowance/salary holder be eligible for family absence they will be able to continue to receive their senior allowance/salary for the duration of the absence.
- 10.4 If the authority agrees that it is necessary to make a substitute appointment to cover the family absence of a senior allowance/salary holder the Member substituting will be eligible if the authority so decides to be paid a senior salary.
- 10.5 If the paid substitution results in the authority exceeding its maximum number of senior allowances/salaries, an addition to the maximum will be allowed for the duration of the substitution.

11. Co-optees' payments

- 11.1 A co-optees' daily fee (with a provision for half day payments) shall be paid to co-optees, provided they are statutory Co-optees with voting rights.
- 11.2 Co-optees' payments will be capped at a maximum of the equivalent of 15 full days a year for each committee to which an individual may be co-opted.
- 11.3 Payments will take into consideration travelling time to and from the place of the meeting, reasonable time for pre meeting preparation and length of meeting (up to the maximum of the daily rate).
- 11.4 The Democracy & Governance Manager is designated as the "appropriate officer" and will determine preparation time, travelling time and length of meeting, the fee will be paid on the basis of this determination.

- 11.5 The Democracy & Governance Manager can determine in advance whether a meeting is programmed for a full day and the fee will be paid on the basis of this determination even if the meeting finishes before four hours has elapsed.
- 11.6 A half day meeting is defined as up to 4 hours.
- 11.7 A full day meeting is defined as over 4 hours.
- 11.8 The daily and half day fee for the Chairperson of the Standards Committee, as determined by the Independent Remuneration Panel, is set out in **Appendix 2**.
- 11.9 The daily and half day fee for other statutory co-optees with voting rights, as determined by the Independent Remuneration Panel, is set out in **Appendix 2**.

12. Travel and Subsistence Allowances

Any claim for travel or subsistence allowance must comply with the requirements set out in Appendix 3.

13. Compliance

- 13.1 In accordance with the Regulations, the Authority must comply with the requirements of the Panel in respect of the monitoring and publication of payments made to members and co-opted members as set out in **Appendix 4**.

SCHEDULE OF REMUNERATION 2015-16**Members Entitled to Basic Allowance/Salary of £13,300 p.a.**

Councillors:-

Alex Aldridge	Joe Johnson
Bernie Attridge	Rita Johnson
Glyn Banks	Christine Jones
Haydn Bateman	Kevin Jones
Marion Bateman	Richard Jones
Chris Bithell	Colin Legg
Amanda Bragg	Phil Lightfoot
Helen Brown	Brian Lloyd
Derek Butler	Richard Lloyd
Clive Carver	Mike Lowe
David Cox	David Mackie
Paul Cunningham	Nancy Matthews
Peter Curtis	Hilary McGuill
Ron Davies	Ann Minshull
Adele Davies-Cooke	Billy Mullin
Alan Diskin	Tim Newhouse
Glenys Diskin	Mike Peers
Chris Dolphin	Vicky Perfect
Rosetta Dolphin	Neville Phillips
Ian Dunbar	Mike Reece
Andy Dunbobbin	Gareth Roberts
Brian Dunn	Ian Roberts
Carol Ellis	David Roney
David Evans	Tony Sharps
Jim Falshaw	Aaron Shotton
Veronica Gay	Paul Shotton
Robin Guest	Ian Smith
Alison Halford	Nigel Steele-Mortimer
Ron Hampson	Carolyn Thomas
George Hardcastle	Owen Thomas
David Healey	David Williams
Cindy Hinds	Sharron Williams
Ray Hughes	David Wisinger
Dennis Hutchinson	Arnold Woolley
Hilary Isherwood	Matt Wright

Members Entitled to Senior Allowances/Salaries

Band 1

Amount

[including Basic Allowance
(Salary) of £13,300]

Leader (Councillor Aaron Shotton)	£48,000
Deputy Leader (Councillor Bernie Attridge)	£33,500

Band 2

Cabinet Members	£29,000
-----------------	---------

Councillors:-

Billy Mullin

Christine Jones

Helen Brown

Kevin Jones

Chris Bithell

Derek Butler

Band 3

Committee Chairs for:-	£22,000
Planning & Development Control Committee (Councillor D Wisinger)	
Audit Committee (Councillor Tim Newhouse)	
Licensing Committee (Councillor L A Sharps)	
6 Overview & Scrutiny Committees (Councillors R Hampson, C Ellis, I Roberts, V Gay, D Roney and C Carver)	

Band 4

Leader of the largest group not represented on the Cabinet (Councillor Mike Peers)	£22,000
---	---------

Note: A maximum of 18 senior salaries can be paid by Flintshire.

No Member can receive more than one senior allowance/salary.

Entitlement to Civic Allowances/Salaries

Council Chair (Councillor Ray Hughes)	£21,500
Council Vice Chair (Councillor Peter Curtis)	£16,000

Note: These amounts include basic allowance/salary of £13,300 paid to all Members.

Entitlement to Care Allowance

All Members - Up to a maximum of £403 per month

Entitlement as Statutory Co-optees

Chairperson of the Standards Committee (Edward Michael Hughes)	£256 per day £128 per half day
---	-----------------------------------

All other co-opted members are entitled to a daily fee of -	£198 per day £ 99 per half day
---	-----------------------------------

Co-opted members:-

Standards Committee:-

Mr Robert Dewey
Mrs Phillipa Ann Earlam
Mr Jonathan Duggan-Keen
Mr Kenneth Harry Molyneux

Lifelong Learning:-

Mrs Rebecca Stark
Mrs Rita Price
Mr David Hytch
The Venerable John Thelwell
Mrs Janine Beggan

Audit Committee:-

Mr Paul Williams

Pensions Committee:-

Mr Steve Hibbert
Councillor Steve Wilson
Councillor Huw Llewelyn Jones
Councillor Andrew Rutherford

TRAVEL & SUBSISTENCE ALLOWANCES

Any claim for travel or subsistence allowance must be made on the appropriate claim form and submitted on a monthly basis within 4 months of the date on which any entitlement became due. With the exception of claims for travel by private motor vehicle all other claims for payment travel or subsistence allowance shall be accompanied by appropriate receipts proving actual expenses. The approved form for claiming of subsistence allowance includes a statement that the Member/co-opted Member has not made and will not make any other claim in respect to the matter to which the claim relates. The claim form needs to be signed by the Member or co-opted Member.

Members and co-opted Members can only claim travel, subsistence and care allowances for the following official business:

- a) Attendance at a meeting of the Council or of any Committee of the Council or of any Body to which the Council makes appointments or nominations, or of any Committee of such a Body.
- b) Attendance at a meeting of any Association of Authorities of which the Council is a Member.
- c) Attendance at any other meeting the holding of which is authorised by the Council or by a Committee of the Council or by a Joint Committee of the Council and one or more other Authorities.
- d) A duty undertaken for the purpose of, or in connection with, the discharge of the functions of the Cabinet.
- e) A duty undertaken in pursuance of a Standing Order which requires a Member or Members to be present when tender documents are opened.
- f) A duty undertaken in connection with the discharge of any function of the Council which empowers or requires the Council to inspect or authorise the inspection of premises.
- g) Attendance at any training or developmental event approved by the Council or its Cabinet.
- h) Attendance at any training or developmental event approved by a Committee of the Council or by the Chief Executive or appropriate Chief Officer in consultation with the Chair or Vice Chair of the Council.
- i) Any attendance required by financial regulations or Contract Standing Orders.
- j) Any attendance authorised/required by the Council's Scheme of Delegation (e.g. attendances for consultation purposes).
- k) Attendance upon an Officer of the Council upon Ward business.
- l) Attendance upon an Officer of the Council upon Council business.
- m) Attendance to inspect background documents under Section 100D Local Government Act 1972.
- n) Any other attendances expressly authorised by Committee, Executive or Council.

Where the above official business is carried out within the Council area, this will not entitle payment of a subsistence allowance except where it relates to a co-opted Member living outside the Council area.

Where a Member or co-opted Member is suspended or partially suspended from being a Member or co-opted Member, under Part 3 of the Local Government Act 2000 then travel and subsistence allowances payable to that Member/co-opted Member in respect of the responsibilities or duties from which that Member/co-opted Member is suspended or partially suspended will not be paid.

Conditions of Claiming Travel and Subsistence Allowances:-

- 1) Travel and subsistence allowances are reimbursement of expenses necessarily incurred in performing official business provided always that they are not reimbursable by any other Body
- 2) If the appropriate official business is not identified (and in the case of (k) & (l) above the Officer/s and business concerned) no reimbursement shall be made
- 3) Except in the case of claims for travel by means of a private motor vehicle, receipts must be produced prior to any reimbursement
- 4) In the case of claims for travel by means of a private motor vehicle the actual start and finish mileage should be shown
- 5) Where two or more Members travel to the same venue out of the County, then either rail travel or a pool/hire car shall be used unless either the Chief Executive, Chief Officer Governance or the Corporate Finance Manager has given prior authorisation
- 6) Wherever possible travel should be booked in advance by the Council to obtain:-
 - Discount
 - VAT refund
 - Best ValueWhenever travel is not so booked, this must be approved by the Chief Executive, the Chief Officer Governance or the Corporate Finance Manager.
- 7) Wherever possible officers travelling with Members shall defray all appropriate expenditure and reclaim via official channels.
- 8) Where a Member makes use of his/her private vehicle for approved duty purposes, the vehicle must be insured for business use. Proof of appropriate insurance must be provided to the Council on request.

Travel Allowances:

1. Approved duty must always be specified
2. Mileage

(a) **Private Car**

The relevant mileage will be reimbursed at the rate appropriate to vehicles of up to 999 cc irrespective of the actual cubic capacity of the vehicle actually used, the rate is currently 45p per mile. Where an official passenger/passengers are carried a further 5p per passenger per mile is payable in which case the passenger/s must be identified. The rate per mile applies up to a maximum of 10,000 miles in the year and 25p per mile thereafter.

(b) **Pool Car**

Reimbursement for ACTUAL FUEL purchased upon production of receipts.

- (c) Motor cycle reimbursement at the rate of 24p per mile.
- (d) Bicycles reimbursement at the rate of 20p per mile.

3. Other Travel Arrangements

All rail or other travel should be pre-booked and paid for by the Council. In those cases where direct bookings or alternative arrangements are authorised then the actual expenditure incurred will be reimbursed upon production of appropriate receipts up to the maximum of the relevant standard class fare or actual mileage involved.

Subsistence Allowances

- 1. Official business to be specified. No subsistence allowance is paid for official business within Flintshire.
- 2. All appropriate receipts to be produced with claim forms.
- 3. Any overnight accommodation should be arranged via the Council's Members' Services Team.
- 4. For official business within Flintshire the rate of subsistence allowance is Nil. For approved duties outside of Flintshire the rates are as indicated below.
- 5. A maximum payment of £25 is available for an overnight stay, including breakfast with friends or relatives whilst on an approved duty.
- 6. Where the Member certifies that the expenditure was necessarily incurred reimbursement will be made up to the maximum of:

Breakfast £4.48	more than 4 hours before 11.00 am
Lunch £6.37	more than 4 hours of which part is between 12.00 and 2.00 pm
Tea £2.43	more than 4 hours of which part is between 3.00 pm and 6.00 pm
Evening Meal £7.64	more than 4 hours ending after 7.00 pm

Tea and evening meal cannot be claimed for the same day, only one of these may be claimed.

Any of the above will not be payable if the equivalent meal is provided free of charge to the Member at the event.

Where expenditure has been incurred by the Member exceeding the figures given above, reimbursement maybe made subject to a maximum of £28 per day.

Accommodation Expenses

- (a) Official business to be specified:-
- (b) Except in exceptional circumstances approved by the Chief Executive, or Chief Officer Governance or the Corporate Finance Manager all accommodation must always be booked in advance by the Council to obtain:-
- Discount
 - VAT
 - Best Value

In these circumstances there is no question of reimbursement.

- (c) Where meals are included in the accommodation or courses/conferences those cannot be claimed for separately, except in exceptional circumstances as approved by the Chief Executive, or Chief Officer Governance or Corporate Finance Manager.
- (d) Where accommodation is booked other than by the Council, reimbursement will only be made upon production of appropriately detailed receipts.

AND

up to a maximum of £150.00 per overnight stay in London
or £95.00 for overnight stay elsewhere in UK.

AND

the Council obtaining better value by this arrangement or this arrangement being the only practicable one in the circumstances.

Compliance

- The authority will arrange for the publication on the Council's website the total sum paid by it to each member and co-opted member in respect of salary, allowances, fees and reimbursements not later than 30 September following the close of the year to which it relates. In the interests of transparency this will include remuneration from all public service appointments held by elected members.
- The authority will publish on the Council's website a statement of the basic responsibility of a councillor and role descriptors for senior salary office holders, which clearly identify the duties expected.
- The authority will publish on the Council's website the annual Schedule of Member Remuneration not later than 31 July of the year to which the schedule refers.
- The authority will send a copy of the schedule to the Independent Remuneration Panel not later than 31 July of the year to which the schedule refers.
- The authority will maintain records of Member/co-opted members attendance at meetings of Council, Cabinet and Committees and other approved duties for which a Member/co-opted member submits a claim for reimbursement.
- The authority will arrange for the publication on the Council's website of annual reports prepared by Members.
- When the authority agrees a paid substitution for family absence it will notify the Independent Remuneration Panel within 14 days of the date of the decision of the details including the particular post and the duration of the substitution.

This page is intentionally left blank

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CONSTITUTION COMMITTEE**

DATE: **WEDNESDAY, 1 JULY 2015**

REPORT BY: **MEMBER ENGAGEMENT MANAGER**

SUBJECT: **OVERVIEW & SCRUTINY COMMITTEE TERMS OF REFERENCE**

1.00 PURPOSE OF REPORT

1.01 To inform the committee of the representations which have been made by the Overview & Scrutiny committees within the new structure for amendments to their terms of reference.

2.00 BACKGROUND

2.01 The Council has recently undergone a review of the Overview & Scrutiny structure. Reports were made to this committee during the process on 15th October 2014, 20th January and 15th April 2015. In addition, a task and finish group gave more in-depth consideration of the proposals.

2.02 The proposed new structure was approved at the Annual Meeting of the Council on 12th May 2015 and implemented immediately.

3.00 CONSIDERATIONS

3.01 All of the committees within the new structure have now met at least once and in most cases twice. At the initial meeting of each of the committees, a report setting out the terms of reference was submitted and duly considered.

3.02 At the meeting of the Corporate Resources Overview & Scrutiny Committee which was held on 14th May 2015, it was resolved that the Constitution Committee be requested to amend the terms of reference of the committee (Corporate Resources) to specifically include a reference to 'Value for Money'.

3.03 For completeness and the avoidance of doubt, it is also suggested that the committee consider the specific inclusion of the Medium Term Financial Strategy and Plan within the terms of reference of Corporate Resources. An amended version of the terms of reference is attached at appendix 1.

3.04 At the meeting of the Education & Youth Overview & Scrutiny Committee which was held on 15th June, it was resolved as follows:

(a) That the Committee deplore the removal of Leisure Services from the remit of the Education & Youth Overview & Scrutiny Committee; and

(b) That the Committee be fully informed of any future issues arising around dual use leisure centres where there would be an impact on schools.

It should be noted that despite their expressed concern, the committee has not requested that Leisure Services be included within their terms of reference. Resolution (b) is a reasonable request and can be acted upon.

3.05 The committee is advised that none of the other Overview & Scrutiny committees have requested an amendment to their terms of reference. However, it is suggested that this can be kept under review and that a further report or reports be made to this committee as necessary.

4.00 RECOMMENDATIONS

4.01 That the committee approves the inclusion of references to Value for Money and the Medium Term Financial Strategy and Plan within the terms of reference of the Corporate Resources Overview & Scrutiny Committee, as shown in appendix 1 to this report.

4.02 That the Education & Youth Overview & Scrutiny Committee be kept informed of any future issues arising around dual use leisure centres where there would be an impact on schools.

5.00 FINANCIAL IMPLICATIONS

5.01 None

6.00 ANTI POVERTY IMPACT

6.01 None

7.00 ENVIRONMENTAL IMPACT

7.01 None

8.00 EQUALITIES IMPACT

5.01 None

9.00 PERSONNEL IMPLICATIONS

9.01 None

10.00 CONSULTATION REQUIRED

10.01 None

11.00 CONSULTATION UNDERTAKEN

11.01 None

12.00 APPENDICES

Appendix 1: Terms of Reference of the Corporate resources Overview & Scrutiny Committee with suggested amendments shown in italics.

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

Minute 5 of the Corporate Resources Overview & Scrutiny Committee, 14th May 2015.

Minutes of the Education & Youth Overview & scrutiny Committee, 15th June 2015.

Contact Officer: Robert Robins
Telephone: 01352 702320
Email: robert.robins@flintshire.gov.uk

This page is intentionally left blank

Overview & Scrutiny Committee	Scope
<p>Corporate Resources</p> <p>15 Elected Members</p> <p>(Statutory crime & disorder committee)</p>	<p>To fulfil all of the functions of an Overview & Scrutiny committee as they relate to the following:</p> <p>Corporate Management and Governance</p> <p>Council strategic and improvement planning Council performance and performance systems Customer Services Crime and Disorder Civil Contingencies and Emergency Planning Alternative delivery models (shared responsibility with Organisational Change)</p> <p>Finance Strategy</p> <p><i>Medium Term Financial Strategy and plan</i> <i>Value for Money</i> Revenue and capital strategic planning Revenue and capital budget monitoring</p> <p>Clwyd Pension Fund</p> <p>ICT Strategy</p> <p>People Strategy</p> <p>People Strategy Organisational Design & Change Programme (shared responsibility with the Organisational Change O&SC)</p> <p>Corporate Services</p> <p>Corporate Communications Financial services ICT Services Information and Business Services Procurement HR Business Partnering Occupational Health and Wellbeing Employment Services Legal Services</p>

	<p>Democratic Services Electoral registration and elections Strategic and Partnership Working</p> <p>Partnership and collaborative working frameworks Local Service Board Strategic need assessment and Community Strategy Community Safety Partnership Voluntary Sector Compact The County Forum and the Joint Community Charter with Town and Community Councils</p> <p>Main External Partner Organisations</p> <p>Flintshire Local Voluntary Council North Wales Fire & Rescue Authority & Service North Wales Police & Crime Commissioner North Wales Police Service North Wales Probation Service Welsh Local Government Association</p>
--	---