

Public Document Pack



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AUDIT COMMITTEE 'TO FOLLOW' REPORTS

DATE: FRIDAY 26 MARCH, 2010

TIME: 10.00 A.M.

PLACE: COUNCIL HOUSE, PLYMOUTH (NEXT TO THE CIVIC CENTRE)

Members –

Councillor Sam Leaves, Chair.
Councillor Vincent, Vice-Chair.
Councillors Stark, Thompson and Tuohy.

Independent Members –

Mr. Clarke, Ms. Myles and Mr. Stewart.

PLEASE FIND ATTACHED REPORTS FOR CONSIDERATION UNDER AGENDA
ITEM NOS. 12, 16 AND 17.

BARRY KEEL
CHIEF EXECUTIVE

AUDIT COMMITTEE

12. ANNUAL REVIEW OF FINANCIAL REGULATIONS (Pages 1 - 122)

The Director for Corporate Support will submit the Annual Review of Financial Regulations.

16. STRATEGIC RISK REGISTER MONITORING REPORT (Pages 123 - 138)

The Director for Corporate Support will submit the Strategic Risk Register Monitoring Report.

17. REVISED RISK MANAGEMENT STRATEGY (Pages 139 - 162)

The Director for Corporate Support will submit the Revised Risk Management Strategy.

CITY OF PLYMOUTH

Subject: Review of Financial Regulations 2009/10
Committee: Audit Committee
Date: 26 March 2010

Cabinet Member: Councillor Bowyer
CMT Member: Director of Corporate Support
Author: Sandra Wilson, (Corporate Accountancy and Finance Manager)
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Ref: SW/ CorpF
Part: I

Executive Summary:

This report outlines the findings and amendments required to the Financial Regulations following the annual review for 2009/10.

The main changes are an update to the titles of responsible Officers to reflect the revised organisational structure within the Authority and the inclusion within the delegated limits of the currently approved limits for purchasing officers at Grade J and below.

Corporate Plan 2009- 2012:

The Financial Regulations set the parameters within which the Council Officers and Members operate, and, thus work towards delivering the Corporate Plan.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

Financial Regulations outline in particular a number of officer delegation limits which have been set having regard to the day to day operation of Council Services as well as the minimisation of risk. Adherence to the Financial Regulations together with the supplementary suite of Governance documents such as Contract Standing Orders, contribute towards achievement of Value for Money in the use of Council resources.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

Not applicable

Recommendations & Reasons for recommended action:

1. The amendments made to the Financial Regulations following the annual review 2009/10 be noted.
2. Council be recommended to approve the updated Financial Regulations.
3. The Governance arrangements for ordering and paying for the purchase of work, supplies and services and for the collection and processing of income and other amount due as outlined in Appendix B be approved and added to the Index.
4. The additional operational documents as outlined in section 3.3 of the report be brought to the next Committee for formal adoption and inclusion within the Index.

Alternative options considered and reasons for recommended action:

It is a requirement of the Financial Regulations themselves that they be reviewed on an annual basis.

Background papers:

Financial Regulations as updated April 2009

Sign off:

MC0910.024
TH0002

Fin		Leg		HR	n/a	Corp Prop		IT	n/a	Strat Proc	n/a
Originating SMT Member: Malcolm Coe											

Review of Financial Regulations 2009/10

1. Introduction

- 1.1 A review of Financial Regulations was carried out during 2009, and presented to Audit Committee in March 2009. This review recommended that the Financial Regulations themselves should in future be a more concise strategic policy document, supplemented by more detailed operational and working practices within an 'Index'.
- 1.2 Financial Regulations themselves stipulate that the Regulations should be subject to an annual review to ensure that any changes required are made in a timely manner and that the Financial Regulations remain fit for purpose. As a minimum, an annual review of delegated limits should be undertaken.

2. Financial Regulations

- 2.1 Financial Regulations provide the framework for managing the Council's financial affairs, and are required to be approved at a full meeting of the Council. They apply to every Member, Committee, School Governing Body, Department, Officer, Partner, Employee of the Council and anyone else acting on behalf of the Council unless otherwise minuted by Council.
- 2.2 Failure to comply with the requirements of Financial Regulations could be considered a potential act of gross misconduct.
- 2.3 The Chartered Institute of Public Finance and Accountancy (CIPFA), the body which oversees financial practice within the public sector, has provided guidelines on the format and content of Financial Regulations for Local Authorities. Whilst it is not mandatory to follow this guidance, it is recommended that it be followed as a matter of best practice. The Council's Financial Regulations have been produced, and updated, having regard to the CIPFA guidance.

3. Review 2009/10

- 3.1 The Financial Regulations have been updated to:
 - reflect the current management structure and new job titles of specified Officers, namely the Assistant Director for HR and Organisational Development (was Head of HR), and the Assistant Director for Governance and Democratic Support (was Head of Legal Services) as the Council's Monitoring Officer
 - refine the document by removing areas of operational detail supplementing the Regulations by the inclusion of further documents within the Index
 - include a glossary of terms
 - update and improve the links to the more detailed operational documents contained within the Index.

The updated Financial Regulations are attached at Appendix A with the amendments highlighted for ease of reference.

3.2 Officers have continued to update the operational documents included in the Index, and an updated list is included at Annex A within the main Document. In refining the Financial Regulations, two new documents have been created:

- Governance arrangements for ordering and paying for the purchase of work, supplies and services
- Governance arrangements for the collection and processing of income and other amount due

These documents have been included at Appendix B. The documents effectively replace sections D3.25 and D3.61 of the previous regulations and will be added to the Index, subject to approval by Audit Committee.

3.3 The following key documents, referred to within the Financial Regulations, are currently being drafted and will require approval from Audit Committee before they can be formally added to the 'Index' and it is proposed that they be considered at the meeting in June 2010:

- Income and Credit Management Policy
- Money Laundering Policy
- Capital Programme Governance Document
- External funding/Grants Protocol

3.4 Delegated Limits

Following a benchmarking exercise, the Council's delegated limits have been found to be in line with limits applied by other Unitary Councils and therefore no increases are proposed as part of this review. However the delegated limits have been updated to include the currently agreed operational limits for purchasing officers below grade J, and to remove the reference to HRA debt within the write-off limits. The amended list is shown at Appendix C.

4. Conclusions

4.1 Financial Regulations have a central place in the delivery of Council goals. The fact that they are reviewed annually is a reflection of the importance that they remain up to date, relevant and focussed on supporting corporate priorities.

5.0 Recommendations

5.1 The amendments made to the Financial Regulations following the annual review 2009/10 be noted.

5.2 The Governance arrangements for ordering and paying for the purchase of work, supplies and services and for the collection and processing of income and other amount due as outlined in Appendix B be approved and added to the Index.

5.3 Council be recommended to approve the updated Financial Regulations.

- 5.4 The additional operational documents as outlined in section 3.3 of the report be brought to the next Committee for formal adoption and inclusion within the Index.

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PLYMOUTH CITY COUNCIL FINANCIAL REGULATIONS

***As updated by the Council
APRIL 2010***

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Annex A [The Index](#) (*Formal register of guides to financial processes and procedures and other finance related documents*).

Annex B **Working papers available on the Financial
Management Web Pages**

Chapter 1 INTRODUCTION

- 1.1 The Director for Corporate Support in his/her role as Section 151 Officer to the Council is managerially responsible, amongst other things, for:
- (a) the management of the Council's finances;
 - (b) the supervision of the Council's:
 - arrangements for capital, revenue and financial planning;
 - systems for capital and revenue financial monitoring and budgetary control;
 - financial management and administration, including:
 - Accounting
 - Banking
 - Internal Audit
 - Insurance
 - Account Services
- 1.2 The objective of these Regulations is to specify a number of rules and key control measures which ensure that public accountability and high standards of financial integrity are exercised in the use of public funds. These Regulations are to be operated in accordance with procedures laid down by the Director for Corporate Support, so as to enable him/her to fulfil his/her responsibility as the officer charged with administering the Council's financial affairs under Section 151 of the Local Government Act 1972.
- 1.3 In exceptional circumstances, approval may be sought to the temporary waiver of the requirements. Chief Officers must consult with the Director for Corporate Support regarding any exceptional circumstances and the need to report to the **Audit Committee** for approval to the temporary waiver of a Financial Regulation. Approval of any waiver must be recorded by Council minute.
- 1.4 These Financial Regulations have been produced, in tandem with the Council's approved scheme of delegation that specifies the decision-making responsibilities of the Cabinet, Committees and Officers of the Council, to be helpful to both Councillors, Chief Officers and Employees generally. It is in their own interest to ensure that they are complied with and that accountability to the Public is demonstrated.
- 1.5 Financial Regulations and associated documents listed at [Annex A](#) are to be treated as public documents and should be made available on the Council's website. Where it is believed it may not be in the public interest for a part of these financial regulations to be issued publicly a case is to be presented to the Director for Corporate Support seeking approval for a more restricted audience.
- 1.6 "The Index" at [Annex A](#) provides a formal directory of documents that have been created as an interpretation of Financial Regulations. The main body of Financial Regulations provide the "Policy" concerning the use of Financial Resources and "The Index" documents describe "processes and procedures" that show document users "how to" deliver the requirements at a working level.

- 1.7 All documents listed on 'the Index' require specific approval of **Audit Committee**, or other governance body as appropriate, and once adopted carry the same status as the Financial Regulations themselves. It is the responsibility of the document owners to keep the documents under continuous review as to suitability.
- 1.8 It is the duty and responsibility of all Chief Officers to ensure that these Regulations are brought to the attention of, and followed by, Employees in their Department. To ensure compliance, managers in departments are to communicate the requirements of these regulations to all staff whose duties require compliance. To assist this process these Regulations will be accessible, available and clearly visible on the Council's website (otherwise and exceptionally as in paragraph 1.4 above).
- 1.9 The Financial Regulations provide clarity about the accountabilities of individuals – particularly:
- Members of the Cabinet, including Portfolio Holders;
 - Members of the Scrutiny Committees;
 - School Governing Bodies
 - Chief Executive (as the Head of the Paid Service);
 - Director for Corporate Support (as the Responsible Financial Officer);
 - **Assistant Director of Democracy & Governance (as the Monitoring Officer);**
 - Corporate Management Team; and
 - Directors, Assistant Directors, Headteachers / Principals (posts hereinafter collectively referred to as Chief Officers)
- 1.10 They will apply to all Members, Committees, Departments, Employees and Partners of the Council, unless otherwise minuted by the Council.
- 1.11 Governing Bodies shall conduct their financial affairs in accordance with these Financial Regulations unless otherwise minuted, or explicitly overridden by the Fair Funding Scheme, the School Standards and Framework Act 1998 or the Education Act 2002.

Combating Fraud

- 1.12 The City Council acknowledges the responsibility it has for the administration of public funds, and wishes to emphasise to both the public and its employees the importance it places upon probity, financial control and honest administration.
- 1.13 The Council is committed to making sure that the opportunity for fraud and corruption is reduced to the lowest possible risk. Where there is a possibility of fraud, corruption or other related problems the Council will deal with it in a firm and controlled manner regardless of whether the perpetrators are from inside (members and employees) or outside the Council.
- 1.14 An important part of this approach is the introduction of the Anti-Fraud and Corruption Policy (see [Annex A](#)) to advise and guide members and employees on the Council's approach to the serious issues of fraud and corruption. This document provides an overview of the Council's policy on this matter and sets out how to deal with an allegation or suspicion of fraud or corruption.

Review

- 1.15** The Director for Corporate Support shall review these Regulations on an ongoing basis and at least annually.

Compliance

- 1.16** Failure to comply with Financial Regulations, or the instructions issued under them, may constitute gross misconduct or a potential breach of the Members' Code of Conduct as appropriate. Breaches of Financial Regulations should be reported to Internal Audit, who will be responsible for investigating the circumstances and recommending the further action(s) to be taken.

Chapter 2

BACKGROUND -THE CITY VISION

- 2.1 Plymouth Council is a large unitary authority in England and it provides a diverse range of services to its residents.
- 2.2 The Council has an overall responsibility for the well-being of the City and provides the following main services:
- | | |
|---|---|
| <ul style="list-style-type: none"> • Education • Social services • Strategic planning • Roads and highways • Traffic and transportation • Subsidised public transport • Libraries • Waste disposal • Waste recycling | <ul style="list-style-type: none"> • Trading standards • Registration of births, deaths and marriages • Street lighting • Housing • Revenues • Museums • Economic development • Environmental management • Leisure |
|---|---|
- 2.3 The Council works in partnership with other public and business organisations within the City via the Plymouth 2020 Local Strategic Partnership (LSP).
- 2.4 The LSP has a shared vision of making Plymouth “One of Europe’s finest, most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone” by 2020.
- 2.5 To achieve this shared vision the partners have agreed to focus their priorities around four themed areas aimed at making the city healthy, wealthy, safe and wise. The diagram below shows how the vision for the city is being delivered through theme groups and supported by the partnership.



Chapter 3

STATUS OF FINANCIAL REGULATIONS

- 3.1 Financial Regulations provide the framework for managing the Council's financial affairs, and are required to be approved at a full meeting of the Council. They apply to every Member, Committee, School Governing Body, Department, Officer, Partner, Employee of the Council, and anyone acting on behalf of the Council, unless otherwise minuted by the Council. Breaches will be reported to the Audit Committee, if the Director for Corporate Support and the Chair of the Audit Committee deem that it is appropriate. Failure to comply with the requirements of Financial Regulations, Procedures, and their associated [Standing Orders for Contracts](#), could be considered a potential act of gross misconduct.
- 3.2 In respect of the Council, Member and Officer role with Accountable Bodies, the Director for Corporate Support and Chief Officers will ensure that any Body where the Authority is the Major Funder, Accountable Body or Lead Authority; or where the Director for Corporate Support undertakes the role of Company Treasurer, or Finance Director, shall conduct their affairs in accordance with these Regulations, [Standing Orders for Contracts](#) and statutory requirements.
- 3.3 Financial Regulations and Procedures will apply to all Schools (subject to para 3.5 below), Partners, Members, Officers and Employees unless alternative regulations for the conduct of the Partnership's financial affairs have been approved by the Director for Corporate Support and recorded by Council minute.
- 3.4 The Regulations identify the financial responsibilities of the Council; the Cabinet; the Scrutiny Committees; the Chief Executive; the Assistant Director of Democracy and Governance, the Director for Corporate Support; the Corporate Management Team; and of Chief Officers. The Chief Officers must maintain a written record where their responsibilities have been delegated to members of their staff, including seconded staff. Where responsibilities have been delegated or devolved to other responsible Officers or Bodies, such as Headteachers / Principals / School Governing Bodies, references to the Chief Officer in the Regulations should be read as referring to them.
- 3.5 School Governing Bodies must abide by the provisions contained in the Fair Funding for Schools Scheme (see [Annex A](#)), and the requirements set out in Financial Regulations in the management of delegated budgets. Section 48 of the School Standards and Framework Act 1998 states that where there is any inconsistency between a Fair Funding Scheme prepared by a Local Education Authority under subsection (1) and any other rules or regulations made by the Authority, which relate to the funding or financial management of the Schools which they maintain, the terms of the Fair Funding Scheme shall prevail.
- 3.6 The Director for Corporate Support is responsible for maintaining a continuous review of the Financial Regulations and advising the Council of any additions or changes that it needs to make.

- 3.7 The Council's detailed financial procedures setting out how the Regulations will be implemented are contained in [Annex A](#). The requirements of these Financial Processes and Procedures carry the same weight and status as the Financial Regulations themselves (See paragraph 1.7). The Director for Corporate Support or his/her nominated officers must be consulted on all requests to add to or amend documents on "the Index" prior to seeking formal approval by the appropriate governance body. Additional documents and working practices may be made available on the internal financial management pages. These are working practices only and do not override principles contained in Financial Regulations or formal documents shown on the index.
- 3.8 Chief Officers are responsible for ensuring that all staff in their departments are aware of their responsibilities under Financial Regulations and other internal regulatory documents, and that they comply with them.
- 3.9 All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, for ensuring that the use of these resources is legal, is properly authorised and provides value for money and that any misuse is formally reported to the appropriate Chief Officer or the Director for Corporate Support.

Chapter 4 FINANCIAL REGULATIONS

Section A: FINANCIAL MANAGEMENT

Part 1 Introduction

- A1.1 Financial management covers all financial accountabilities in relation to the running of the Authority, including the policy framework and the budget and delivery of the [Medium Term Financial Strategy](#) (MTFS).

Overview of financial accountabilities in relation to:

The Council

- A1.2 The Council is responsible for its internal constitutional arrangements and codes of conduct for Members and Officers (see Annex A), and for determining the policy framework and budget within which the Cabinet operates. It sets the level of council tax and determines issues relating to the control of its borrowing requirements. The framework is set out in its Constitution (see Annex A). Together with the Cabinet, the Council is responsible for monitoring compliance with policies and the framework of accountability and controls. However, the scrutiny of Cabinet decisions is undertaken by the Overview and Scrutiny Commission and Panels.
- A1.3 The Council's Constitution (see Annex A) sets out responsibilities and procedures for the recording and reporting of decisions taken, including key decisions as defined under the Local Government Act 2000.

The Cabinet

- A1.4 The Cabinet is responsible for proposing to the Council the policy framework,(see Annex A) including that for accountability and control, the budget (see Annex A), and for delivering services and discharging functions in accordance with the policy framework and budget.
- A1.5 Cabinet decisions may be delegated to Portfolio Members, sub-Committees of its Members or to Officers and must be undertaken in accordance with approved protocols.
- A1.6 Together with the Council, the Cabinet is responsible for monitoring compliance with policies, and the framework of accountability and control.

Committees

Scrutiny Committees

- A1.7 These Committees are responsible for scrutinising the decisions of the Cabinet before or after they have been implemented and for holding the Cabinet to account. The Overview and Scrutiny Committee is also responsible for making recommendations on future policy options and for reviewing the general policy and service delivery of the Authority.

Audit Committee

- A1.8 The Audit Committee is an advisory body which is able to have three Independent Members as part of its constitution. It reports to full Council and its role is to provide governance and to contribute to the overall process for ensuring that an effective internal control system is maintained by the Authority. Approval of the Statement of Accounts is delegated by full Council to the Audit Committee.

Standards Committee

- A1.9 The Council has established a Standards Committee, which is responsible for promoting and maintaining high standards of conduct amongst Councillors. In particular, it has responsibility for advising on the adoption of the Members' Code of Conduct (Annex A), for its operation and its updating. The Committee is made up of Councillors and Independent Members.

The Statutory Officers:*Chief Executive*

- A1.10 The Chief Executive is the Head of the Paid Service and is responsible for the corporate and overall strategic management of the Council as a whole. The Chief Executive must report to, and provide information for the Council, the Cabinet, the Scrutiny and other Committees. The Chief Executive is also responsible for establishing a framework for management direction, style and standards, and for monitoring the performance of the organisation. In addition, the Chief Executive is responsible, together with the Assistant Director of Democracy and Governance, for the system of recording Council decisions.

Responsible Financial Officer

- A1.11 The Director for Corporate Support exercises the statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972;
- Local Government Finance Act 1988;
- The Local Government and Housing Act 1989;
- The Accounts and Audit Regulations 2003; and
- The Local Government Act 2000;

and are supplemented and explained by case law.

- A1.12 The Director for Corporate Support is responsible (under Section 151 of the LGA 1972) for:

- the proper administration of the Council's financial affairs;
- setting and monitoring compliance with financial management standards;
- advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;
- preparing the [Medium Term Financial Strategy](#) which incorporates the Annual Revenue Budget and the Capital Programme; see Annex A

- advising Council on the requirements to be observed in the setting of the Revenue Budget and the fixing of the Council Tax rate; and
- Treasury Management. (see Annex A)
- Providing financial information
- Recommending amendments to Financial Regulations
- Internal audit
- Anti-fraud
- Risk management
- Insurance

A1.13 In the absence of the Director for Corporate Support the statutory duties will be undertaken by the Deputy Section 151 Officer.

A1.14 Under Section 114 of the Local Government Finance Act 1988, the Director for Corporate Support is required specifically to report to the Council and the Audit Committee and the External Auditor if the Council or one of its Officers or Councillors:

- has made, or is about to make, a decision which involves incurring unlawful expenditure;
- has taken, or is about to take, an unlawful action which has, or would result in a loss or deficiency to the Council; or
- is about to make an unlawful entry in the Council's accounts.

Monitoring Officer

A1.15 The Assistant Director of Democracy and Governance is the Monitoring Officer and the Head of Legal Services is the Deputy Monitoring Officer responsible for promoting and maintaining high standards of overall conduct, and therefore provides support to the Standards Committee. The Assistant Director of Democracy and Governance is also responsible for reporting any actual or potential breaches of the law, or instances of mal-administration either to the Council directly or via the Cabinet.

Corporate Management Team (CMT)

A1.16 In its aim to assist the achievement of the Corporate Plan priorities the CMT acts as the Senior Officers' body in instigating policy proposals; considering Chief Officers' policy proposals; ensuring the preparation of the [Medium Term Financial Strategy](#), the [Asset Management Plan](#) and the [Risk Management Strategy](#); and in directing and monitoring the performance of the organisation in applying the approved policies. It is also responsible for referring issues of concern to the Cabinet for determination.

Chief Officers

A1.17 In this context their responsibility is:

- to direct the delivery of services in compliance with these Financial Regulations and the [Standing Orders for Contracts](#), and in accordance with all statutory requirements, the Council's approved policy and performance framework, and their service budget allocations;
- to develop and propose policy changes for service delivery;

- to ensure that they identify and agree with the Director for Corporate Support the financial implications of all proposals for new spending and partnering arrangements, and that the Cabinet is advised of those implications, before such spending is incurred or committed;
- to consult with the Director for Corporate Support on any report with financial implications;
- to make sure staff are aware of Financial Regulations and that staff within their departments have adequate written guidance on financial procedures and system working practices, and shall ensure that staff comply with such written guidance
- to consult with, and seek agreement of, the Director for Corporate Support where it is apparent that new written processes and procedures are required to be included as a new document at [Annex A](#) ("The Index") to these Regulations.

Departmental Section 151 Responsibilities

A1.18 The Section 151 role is exercised in Departments through Finance Managers. They are required to bring the Section 151 Officer's attention to any issue they are unable to resolve. In most cases, therefore, Departmental Finance Managers are required to ensure that the Director for Corporate Support's role is carried out in their Departments.

Governing Bodies

A1.19 School Governing Bodies shall conduct their affairs in accordance with these Financial Regulations, unless otherwise minuted by the Council, or explicitly overridden by the Council's [Fair Funding for Schools Scheme](#) (see Annex A) or other Government legislation. They are responsible for:

- Risk and governance arrangements for the School;
- The management of their delegated budgets by the provisions contained in the Fair Funding Scheme, the requirements set out in Financial Regulations and Standing Orders and in accordance with all statutory requirements;
- Ensuring that Staff are aware of Financial Regulations and that they have adequate written guidance on financial procedures and system working practices, and ensuring that Staff comply with this written guidance.

Other financial accountabilities in relation to:

Key spending decisions

A1.20 The Assistant Director of Democracy and Governance must:

- ensure that key Cabinet decisions and the reasons for them are made public;
- ensure that Council Members are aware of decisions made by the Cabinet and of those made by Officers acting under delegated authority;
- monitor, review and seek Council's approval to the update of its constitutional arrangements.

- A1.21 The Cabinet is responsible for establishing protocols to ensure that Chief Officers consult with relevant Portfolio Holder(s) before taking a decision within the Portfolio Holder's delegated authority. In doing so, the Chief Officers must take account of both legal and financial liabilities as well as risk management issues which may arise from the decision.
- A1.22 The Director for Corporate Support is responsible, in consultation with the Corporate Management Team, for advising the Cabinet or Council if the financial implication of a proposal or of a decision already taken under delegated authority is, or is likely to be considered, contrary to, or not wholly in accordance with, the approved policy framework or financial plans. In this context this may result from a Chief Officer:
- initiating a new policy (without prior approval);
 - committing expenditure or other resources in future years in excess of the approved plan level;
 - agreeing transfers of budget approvals (virements) in excess of the limits within delegated authority; or
 - causing the total expenditure financed from council tax, grants and corporately held reserves to increase, or to decrease by more than a specified amount.
- A1.23 Chief Officers are responsible for consulting with the Director for Corporate Support on any matter which is liable to affect the Council's finances materially either favourably or adversely, before any commitments are incurred, and for advising the Cabinet accordingly.
- A1.24 The Head of Legal Services is responsible for providing the Council, Cabinet, the Corporate Management Team and other Officers with legal advice on probity and other issues to do with the implementation of financial issues within the Constitution (see Annex A).

Revenue Budget monitoring

- A1.25 The Director for Corporate Support is responsible for providing appropriate financial information to enable Chief Officers, acting as 'summary budget holders', to monitor effectively their budgets.
- A1.26 Chief Officers are responsible within their own service areas for controlling income and expenditure against their budget and for monitoring their service delivery and financial performance targets. Chief Officers must take any action necessary to avoid exceeding their financial allocation.
- A1.27 The Director for Corporate Support is responsible for monitoring the performance of Chief Officers in controlling income and expenditure against their budget allocation and must report details of variances on a regular basis to the Corporate Management Team, and, as appropriate, to the Cabinet.
- A1.28 Chief Officers are responsible for providing such information, as is required by the Director for Corporate Support, on income and expenditure against their budget allocations and must report details of variances on a regular basis to their Portfolio Holder.

Virements

- A1.29 The Council is responsible for agreeing procedures for the transfer of approvals (virement) (see Annex A) between budget headings and for approving supplementary estimates.
- A1.30 The Cabinet is responsible, on the basis of advice from the Director for Corporate Support and the Corporate Management Team, for taking in-year decisions on reallocating resources in order to deliver the budget policy framework within the financial limits set by the Council.
- A1.31 In addition, Chief Officers are responsible for agreeing in-year virements within delegated limits (see Annex A) and which are in line with the currently approved policy framework, and, where in excess of those limits, for consulting with the Director for Corporate Support and / or the relevant Portfolio Holder. Chief Officers must notify the Director for Corporate Support of all virements which exceed those limits, and the Director for Corporate Support will report these initially to the Corporate Management Team for consideration, and onwards to the Cabinet for determination / confirmation.

Year-end balances

- A1.32 The Council is responsible for agreeing procedures for carrying forward under and over-spending (see Annex A) on budget headings at the year end.
- A1.33 The Corporate Management Team is responsible for monitoring the impact of the year-end variations on the level of service outputs which had been planned for both the relevant and subsequent year(s).

Accounting policies

- A1.34 The Director for Corporate Support is responsible for selecting appropriate accounting policies (see Annex A) and for ensuring that they are applied consistently.

Accounting records and returns

- A1.35 The Director for Corporate Support is responsible for determining the accounting procedures to be followed and accounting records to be maintained within the authority.

The Annual Statement of Accounts

- A1.36 The Director for Corporate Support is responsible for ensuring that the annual statement of accounts (Annex A) is prepared in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (the 'SORP') and other legal requirements, for approval by Audit Committee

Capital Programme Monitoring

- A1.37 The Capital Delivery Board (CDB) is responsible for the governance of the medium term capital programme in accordance with the Capital Programme Governance Document which is currently under development (See [Annex A](#)). This includes reviewing and monitoring the progress of the capital programme.
- A1.38 The Chief Officers and Capital Delivery Project Officers are required to present a Capital Programme Summary report at each Extended Capital Delivery Board Meeting.

Part 2 Financial Management Standards

Why is this important?

- A2.1 All staff and members have a duty to observe the highest standards of probity in dealing with financial issues. This is achieved by ensuring every one is clear about the standards to which they are working, and the controls which are in place to ensure that those standards are met.

Key controls

A2.2 The key controls for financial management standards are that:

- they are set in line with those approved and issued by the appropriate professional bodies, including the Accounting Standards Board (ASB) and the Chartered Institute of Public Finance & Accountancy (CIPFA);
- they are promoted throughout the Council;
- a monitoring system is in place to review members' and officers' compliance with them;
- regular comparisons of performance indicators and benchmark standards are reported to the Council.
- All staff with budgetary responsibility receive appropriate training.

Responsibilities of Director for Corporate Support

- A2.3 To ensure the proper administration of the financial affairs of the Council.
- A2.4 To set the financial management standards, and to monitor their compliance.
- A2.5 To ensure proper professional practices are adhered to, and to act as Head of Profession in relation to the standards, performance and development of all finance staff throughout the Council.
- A2.6 To advise on the key strategic controls necessary to secure sound financial management.
- A2.7 To ensure that financial information is available to Chief Officers to enable them to secure sound financial management of their functions and to enable them to report accurately and timely comparisons of relevant national and local financial performance indicators.

Responsibilities of Chief Officers

- A2.8 To implement and monitor adherence within their service areas to the financial management standards set by the Director for Corporate Support.
- A2.9 To implement and monitor adherence within their service areas to proper financial practices in relation to the standards, performance and development of their staff.

Part 3 Managing and Controlling Spending

Annual revenue budget

Why is this important?

- A3.1 Budget management ensures that resources allocated by members are used for their intended purposes and that these resources are properly accounted for.
- A3.2 The Council itself approves, and operates within, an annual budget (see Annex A); to ensure that the Council does not overspend in total. Each Chief Officer is required to manage their own expenditure within the budget allocated to them.
- A3.3 Regular reporting of income and expenditure against approved budgets keeps the Council aware of, and highlights, situations where actions may be required to maintain spending within approved budget levels.
- A3.4 Budgetary control is a continual process enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism to call Chief Officers to account for their budget allocations. Chief Officers may delegate day to day responsibility for budgetary control to cost centre managers.
- A3.5 The Council considers on a regular basis variances against financial and performance targets and is therefore able to identify changes in trends and resource requirements at the earliest opportunity.

Key controls

- A3.6 The key controls for managing and controlling the revenue budget are that:
 - all elements of budgeted expenditure and income are allocated to named budget holders;
 - budget holders are responsible only for expenditure and income which they can influence;
 - budget holders accept accountability for their budget allocations and the level of service to be delivered;
 - budget holders adhere to the approved procedures for the ordering and certifying for payment the purchase of goods and services used in the provision of their service and for the collection of income (see Annex A);
 - income and expenditure is completely, accurately and promptly recorded and accounted for (see Annex A); and
 - service delivery performance levels are monitored in conjunction with financial performance and that necessary action is taken to align service outputs and budget resources.

Responsibilities of Director for Corporate Support

- A3.7 To establish an appropriate framework of budgetary management and control which ensures that:
 - Chief Officers exercise budget management within their budget allocations unless the Council agrees a subsequent variation;

- Chief Officers determine a single named manager for each budget area (a 'cost centre manager') which aligns responsibility as closely as possible to the ability to commit expenditure or to raise the income;
- each Chief Officer has available timely information on receipts and payments to enable each of the cost centre managers to fulfil their budgetary management responsibilities;
- expenditure is committed only against an approved budget;
- all officers responsible for committing expenditure or collecting income are able to comply with relevant guidance, including financial regulations;
- Chief Officers ensure that appropriate budget monitoring reports are prepared that identify any significant variances from their approved budgets . Chief Officers are responsible for taking appropriate action to contain spending within their allocations.

A3.8 To administer the Council's scheme of virement (see Annex A).

A3.9 To submit reports to the Corporate Management Team, in consultation with the Chief Officer, where the Officer is unable to contain spending within their cash-limited allocation and / or seeks approval to a proposed virement which can not be approved under delegated authority.

A3.10 To prepare and submit reports to the Corporate Management Team and Cabinet on the Council's overall projected expenditure/income compared with the approved annual budget.

A3.11 To prepare and submit reports to the Cabinet on issues of finance with policy implications.

Responsibilities of Chief Officers

A3.12 To maintain budgetary control within their service area, in adherence to the principles in para A3.7 above and to ensure that all income and expenditure is completely, accurately and promptly recorded and accounted for.

A3.13 To identify a Cost Centre Manager for each item of expenditure and income under their overall control, ensuring that this responsibility is aligned as closely as possible to the officer's ability to commit the expenditure or to raise the income.

A3.14 To ensure that spending remains within their overall service budget by monitoring the budget regularly and, where it appears that areas of the budget are likely to be over- or under-spent, to take appropriate corrective action to contain spending within their allocation.

A3.15 To ensure that a monitoring process is in place to review service delivery performance levels in conjunction with financial performance, and to take the necessary action to align service outputs with budget resources.

A3.16 To prepare and submit regular reports to the relevant Portfolio Member and the Director for Corporate Support on the service's projected expenditure compared with its budget, and, where the Chief Officer is unable to contain spending within that allocation, to seek an additional allocation, and / or to seek approval to a proposed virement which is in excess of that which can be approved under delegated authority.

A3.17 To seek and obtain prior approval by the Council to any spending proposal, of whatever amount, which:

- initiates new policy for service delivery, or ceases existing policies;
- creates additional financial commitments in future years; or
- materially extends or reduces the Council's service delivery.

(A report on new proposals for service spending must explain the full financial implications, and must be prepared after consultation with the Director for Corporate Support. Unless the Council has agreed otherwise, Chief Officers must plan to contain the financial implications of such proposals within their existing and projected budget allocations.)

A3.18 To ensure compliance with the Council's scheme of virement. (see Annex A)

A3.19 To consult with the relevant Chief Officer where it appears that a budget proposal, including a virement proposal, may impact materially on another Chief Officer's level of service activity.

Virement and in year changes to the budget

Why is this important?

A3.20 The scheme of virement is intended to enable the Cabinet, Chief Officers and their staff to manage budgets with a degree of flexibility within the overall budget and policy framework determined by the full Council, and therefore to optimise the use of resources.

Key Controls

A3.21 Key controls for the scheme of virement are:

- It is administered by the Director for Corporate Support in accordance with the Budget and Policy Framework Procedure Rules. Any variation from this scheme requires the approval of the full Council.
- The overall revenue budget (see Annex A) is drawn up by the Cabinet and approved by the full Council. Chief Officers and Budget Managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is, switching resources between approved budget headings.
- Virement does not create additional overall budget liability. Chief Officers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should not support recurring revenue expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Chief Officers must plan to fund such commitments from within their own budgets.

Responsibilities of the Director for Corporate Support

- A3.22 To report and seek approval of cabinet via budget monitoring reports for revenue virements outside of delegated limits.(see Annex A)
- A3.23 To report and seek the approval of the Chief Executive (in consultation with the Leader) to the exercise of the virement powers of the Cabinet where a matter is urgent
- A3.24 To ensure that transfers between revenue budget headings do not involve any policy change and do not involve an increasing commitment in future years that cannot be contained within existing approved budget allocations
- A3.25 To report virements across budget heads to cabinet as part of bi-monthly monitoring reports

Responsibilities of Chief Officers

- A3.26 To exercise virement on revenue budgets under his or her control for amounts up to delegated limits on any one budget head during the year, following notification to the Director for Corporate Support.
- A3.27 In conjunction with the Director for Corporate Support, to report to and seek the prior approval of the Cabinet for any revenue expenditure where:
- It is proposed to vire between budgets managed by different Chief Officers.
 - It is for the release of earmarked sums from central contingency.
 - Where the proposed virement is likely to have an adverse effect on any published performance indicator.
- A3.28 Where an approved budget (a lump sum budget or contingency) is intended for allocation during the year, funding may be used without further approval, provided that:
- The amount is used in accordance with the purposes for which it has been established.
 - The Cabinet has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Cabinet.
- A3.29 To seek approval of Director for Corporate Support for all virements across departments.

Treatment of Budget Variations at Year End***Why is this important?***

- A3.30 On occasion it may be necessary to *carry forward* (see Annex A) resources from one budget in one year for use in the forthcoming year(s). Budget overspends are also required to be carried forward unless Cabinet determines otherwise.

Key Controls

- A3.31 Appropriate accounting procedures are in operation to exercise proper budgetary control during the year so as to minimise the over or under spending at the year end and achieve the objectives declared within the [Medium Term Financial Strategy](#) (MTFS) (see [Annex A](#)).

Responsibilities of the Director for Corporate Support

- A3.32 To recommend to Cabinet a budget carry forward policy (see Annex A) having regard for the Council's overall financial situation and taking into consideration of the competing and increasingly challenging year on year priorities of programmes within the MTFS.
- A3.33 To report all overspendings and underspendings on service estimates carried forward to the Cabinet and to the full Council.

Responsibilities of Chief Officers

- A3.34 To declare any underspend on their budgets in a timely manner.
- A3.35 To report any overspend on their budgets.
- A3.36 To identify any potential pressures which cannot be met from approved budgets for consideration as part of the year end process.
- A3.37 To ensure that any overspending on service estimates, against profiles declared in General Fund budgets, under the control of the Chief Officer and which are determined by the Cabinet, are offset by underspendings in the following year, unless the Cabinet determines otherwise.
- A3.38 All internal business unit surplus shall be retained for the benefit of the Authority. Chief Officers may, however, apply to the Cabinet to re-invest surpluses in excess of the target surpluses set by the Director for Corporate Support during the budget process.

Capital Programme Monitoring**Why is this important?**

- A3.39 The Council has a substantial capital programme (see Annex A) covering a 5 year period. The programme is based on a number of assumptions, including on the level of resources that may be available in future years.
- A3.40 The capital programme is revised during the year as new schemes are approved and existing schemes are re-profiled to future years.
- A3.41 Financing decisions within the capital programme, especially levels of borrowing, may impact on revenue budget assumptions.

Key controls

A3.42 The key controls surrounding the capital programme are:

- Governance of the capital programme is via the Capital Delivery Board (CDB).
- New schemes require an initial project proposal (IPP) and Detailed business case (DBC) before they can be included in the programme, unless they meet the criteria of fast track schemes.
- All schemes must be fully financed.
- No new borrowing may be incurred without consideration of revenue implications.
- Strict capital virement (see Annex A) limits exist.

Responsibilities of the Director for Corporate Support:

A3.43 To determine, seek approval from Council, and communicate to Chief Officers guidelines for the transfer of approvals (virements) (Annex A) of schemes included in the Capital Programme.

A3.44 To prepare and submit through the Capital Delivery Board, CMT to the Cabinet, both on a regular basis and on out-turn at the year end, reports which provide details of:

- the progress of spending on approved projects,
- virements of a material value within the limits set,
- virements in excess of those limits but which are to meet an overspending on an approved Capital Programme scheme, and

total projected payments and resources. To approve capital virements as specified in delegated limits (see [Annex A](#)) .

A3.45 To make recommendations to Cabinet and Council with regards to prudent levels of borrowing to support capital investment including both supported and unsupported borrowing.

A3.46 To report to Cabinet and Council the implications of changes in resource assumptions to the extent that capital programmes may become unfinanced.

Responsibilities of Chief Officers:

A3.47 To monitor the progress on all approved schemes on a regular basis and to supply such information to the Capital Delivery Board as is required to enable the Director for Corporate Support to report through the Corporate Management Team to the Cabinet.

A3.48 To manage their approved schemes, exercising virements between approved schemes as appropriate and in accordance with delegated limits (see [Annex A](#)) to meet variations in programme spend.

A3.49 To report projected overspends on approved schemes to the Capital Delivery Board in accordance with the Capital Programme Governance Document (yet to be approved by Audit Committee).

- A3.50 To identify under-spending on approved schemes not vired under delegated approval to meet over-spending on other schemes, and to provide such details to the Director for Corporate Support as is required to allow a report to the Cabinet for it to recommend to Council the reallocation, where appropriate, of the resources no longer required.
- A3.51 To report to the **Director of Corporate Support** and seek approval for all bids for unsupported borrowing or grant funding to support expenditure that has not been included in the approved capital programme to ensure the expenditure meets corporate priorities and identifies any ongoing revenue consequences. No bids for funding should be submitted without **CDB** approval.
- A5.52 To ensure that adequate records are maintained in respect of all spending on capital projects.

Part 4 Accounting Policies

Why is this important?

- A4.1 The Director for Corporate Support is responsible for the preparation of the Council's statement of accounts (see Annex A), in the format required by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, for each financial year ending 31 March. This ensures that the statement of accounts 'presents fairly' the financial position of the Council at the year end and also the expenditure and income for that year.
- A4.2 Accounting policies (see Annex A) underpin the preparation of the statement of accounts and are consistent with the basic accounting concepts of materiality, going concern, matching, consistency, prudence and substance over form.

Key controls

- A4.3 The key controls for the satisfactory completion of the statement of accounts are that:
- suitable accounting policies (see Annex A) are determined, communicated and their consistent application monitored;
 - all judgements made, and estimates of outstanding liabilities and income prepared, are consistent with the determined policy, are documented, and can be shown to be reasonable and prudent;
 - statutory and other professional requirements are observed;
 - all reasonable steps are taken for the prevention and detection of fraud and other irregularities; and
 - the draft statement is available for examination and report by the external auditors in accordance with a previously agreed timetable.

Responsibilities of Director for Corporate Support

- A4.4 To select suitable accounting policies and to ensure that they are applied consistently.
- A4.5 To disclose the accounting policies in the annual statement of accounts, as published at [Annex A](#), the policies to cover the basis, or nature, of such items as:
- including debtors and creditors in the accounts at the year end;
 - maintaining provisions and reserves;
 - recording fixed assets, investments and deferred charges in the balance sheet;
 - making provisions for depreciation;
 - making capital charges to services for the use of assets in the provision of services;
 - valuing work in progress, and stocks and stores in hand at the year end;
 - accounting for value added tax;

- accounting for government grants;
- charging for leasing costs;
- charging for pensions costs; and
- recharging for overheads.

Responsibilities of Chief Officers

A4.6 To adhere to the accounting policies (see Annex A) determined by the Director for Corporate Support.

Part 5 Accounting Records and Returns***Why is this important?***

- A5.1 Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for the stewardship of public resources. These records form the basis on which the Council is able to satisfy its statutory responsibility to prepare and publish by the required date its annual statement of accounts; the statement must present fairly details of both its operations during the year and its position at the year end.
- A5.2 The annual accounts are subject to examination by external auditors; this arrangement provides assurance that the accounts are properly prepared in accordance with proper accounting practices and that satisfactory arrangements have been made for securing economy, efficiency and effectiveness in the use of the Council's resources.

Key controls

- A5.3 The key controls for the maintenance of accounting records and returns are to ensure that procedures are in place to:
- monitor that all Cabinet Members, Chief Officers, finance staff and Budget Holders operate within the required accounting standards of the Council;
 - record completely, accurately and promptly all the Council's transactions, material commitments and contracts and other essential accounting information;
 - perform on a timely basis balancing and reconciliation procedures to ensure that transactions are recorded completely and accurately; and
 - reconstitute accounting records in the event of loss or failure of the underlying computer or other systems, etc.

Responsibilities of Director for Corporate Support

- A5.4 To determine the accounting procedures and format of the financial records for the Council, and to ensure that these are followed and maintained in service departments.
- A5.5 To compile all accounts and maintain accounting records in a complete, accurate and timely manner, or to ensure that they are compiled under the Director for Corporate Support' direction to a similar standard.
- A5.6 To ensure that adequate procedures are in place, and these are tested on a regular basis, to reconstitute accounting records in the event of failure of the computer system and to prepare a business continuity plan for financial systems accounting in the event of total system failure or unavailability, including failure of feeder systems.
- A5.7 To compile all grant claims and external financial returns based on the accounts in a complete, accurate and timely manner, or to ensure that Chief Officers have processes in place to compile grant claims to a similar standard.
- A5.8 To prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable laid down within the Accounts and Audit Regulations 2003, including the requirement for the Council to approve by 30th June:

- A5.9 To make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations or other statutory requirements.
- A5.10 To determine, having regard to relevant statutory and other guidance, and to communicate, the policy for the proper retention of financial and related documents, and to ensure that it is followed.

Responsibilities of Chief Officers

- A5.11 To comply with the following principles when allocating accounting duties within their department:
- the separation of the duties of providing information about sums due to or from the Council and the calculating, checking and recording of these sums, from the duty of collecting or disbursing those sums; and
 - the separation of the duty of examining or checking the accounting entries for cash transactions from the duties shown immediately above.
- A5.12 To consult and obtain the approval of the Director for Corporate Support before introducing any new or replacement processes or systems, or amending any currently approved processes or systems for the maintenance of financial records or records of assets.
- A5.13 To compile all accounts and maintain all accounting records under their control in a complete, accurate and timely manner, and to make them available for inspection by the Director for Corporate Support, the External Auditor, the Internal Auditor or any of their representatives.
- A5.14 To maintain, or to ensure that staff maintain, adequate supporting records to provide a complete trail for all transactions leading from the source of income and/or expenditure item through to the entries in the centralised accounting records.
- A5.15 To determine, and test on a regular basis, procedures to reconstitute accounting records under their control, in the event of failure of the underlying computer based or other systems.
- A5.16 To complete, or to ensure that staff complete, all grant claims or external financial returns based on the accounts for their service area in an accurate and timely manner.
- A5.17 To supply, or to ensure that staff supply, information in respect of their service area to the Director for Corporate Support in accordance with policies, guidance or timetables issued to enable the Director for Corporate Support to complete the Council's Statement of Accounts and any grant claim or other external financial return.
- A5.18 To provide, or to ensure that staff provide, information or explanations to the External Auditor in a complete, accurate and timely manner to enable completion of the audit of the Council's statement of accounts in accordance with the External Auditor's timetable.

- A5.19 To provide, or to ensure that staff provide, information or explanations to the Internal Auditor in a complete, accurate and timely manner to ensure that the Auditor is able to complete the audit in accordance with their timetable.
- A5.20 To comply, or to ensure that staff comply, with the policy for the retention of financial, electronic and related documents (see Annex A).

Part 6 The Annual Statement of Accounts

Why is this important?

- A6.1 The Council has a statutory duty to prepare its accounts to present fairly its operations during the year and its position at the year end.

General

- A6.2 CIPFA has prescribed the format and content of the accounts to enable the harmonisation of external reporting; this facilitates the comparison of costs on a consistent basis. Service expenditure areas are closely defined, as is the treatment of various items of expense and income; so too is the definition of the cost of a providing a service, which is to include the appropriate share of all relevant overheads and support service costs wherever they originate. Detailed requirements are shown in the Code of Practice on Local Authority Accounting in the United Kingdom – A Statement of Recommended Practice (the 'SORP') and in the Best Value Accounting Code of Practice (BVACoP) (the 'Code').

Key controls

- A6.3 The key controls for the preparation of the Statement of Accounts are that it:
- complies with all legal requirements;
 - complies with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom;
 - complies with the CIPFA Best Value Accounting Code of Practice; and
 - is undertaken by the Director for Corporate Support as part of the duties for the proper administration of the Council's financial affairs.

Responsibilities of Director for Corporate Support

- A6.4 To comply with all statutory and other requirements for the completion of the annual statement of accounts (see Annex A); this to include the signing and dating of the statement of accounts to the effect that it presents fairly the position of the Council at the year end and of its income and expenditure for the year concerned.
- A6.5 To determine the detailed timetable for the preparation and completion of the final accounts so as to meet the statutory deadlines, and to communicate their respective responsibilities to Chief Officers and to the External Auditors.

Responsibilities of Chief Officers

- A6.6 To comply with the accounting guidance provided by the Director for Corporate Support and to supply the Director for Corporate Support with the required information when required.

Section B: FINANCIAL PLANNING

Part 1 Introduction

- B1.1 The Council is responsible for approving the following which will be proposed by the Cabinet:
- The policy framework (corporate strategy) that includes a declaration of the Council's main aims and objectives (see Annex A) (Corporate Improvement Priorities (CIPs));
 - The [Medium Term Financial Strategy](#) (MTFS), including:
 - the general fund revenue budget (section 4) which includes the setting of council tax and other income collection as well as revenue spend and income assumptions.
 - identification of reserves and provisions.
 - an appreciation of issues surrounding the working balance
 - the Council's capital position and programme
 - statements on treasury management and value for money
 - [Treasury Management Strategy](#) (See Section C, part 6)
 - [Asset Management and Capital Strategy](#)
- B1.2 The Council's agreed policy objectives are subject to national and locally determined policy drivers and inform the overall policy framework and service plans. The core documents are listed in the Council's policy framework and these are listed in the Council's Constitution.
- B1.3 The Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies which form the policy framework.
- B1.4 The Council is responsible for setting the level at which the Cabinet may re-allocate budget funds described in the MTFS, within the current year revenue budget or the Capital Programme. The Cabinet is responsible for taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council.

Overview of responsibilities in relation to:

Policy framework

- B1.5 The Chief Executive, in consultation with the Corporate Management Team, is responsible for ensuring the policy framework is prepared for approval by the Council and that it is consistently applied.

Budgeting

Format of budget:

- B1.6 The general format of the budget is proposed by the Cabinet on the advice of the Director for Corporate Support and approved by full Council. The draft budget should include allocations to different services and projects, proposed sources of funding, options for taxation levels and contingency funds.

- B1.7 The Director for Corporate Support is responsible for advising Chief Officers of the statutory, legal or other requirements for the format of the budget to be applied and to monitor its application.

Budget preparation

- B1.8 The Director for Corporate Support is responsible for ensuring that a medium term financial strategy (see Annex A) covering a period 3 years, or as may be determined otherwise, and a revenue budget (see Annex A) is prepared and updated on an annual basis for consideration initially by the Corporate management team and subsequently by the Cabinet, before submission for approval to the Council. The Council may amend the budget or ask the cabinet to reconsider it or to re-examine areas of detail within the overall budget set
- B1.9 Chief Officers are responsible for ensuring that their medium term financial plans reflect agreed service plans and their proposals for change, and are available for submission to the Corporate Management Team and the Cabinet within the timescale set. The Chief Officers must also provide information to the Cabinet where, in their opinion, the service plan does not meet statutory or central government requirements.

Budget Guidelines

- B1.10 The Cabinet, following consultation with the Director for Corporate Support, is responsible for issuing to Chief Officers guidelines on the preparation of the annual revenue budget. The guidelines will take account of:
- legal requirements;
 - the approved policy framework and service delivery targets;
 - medium term financial planning prospects;
 - available resources;
 - Members' agreed political objectives and targets
 - spending pressures;
 - service performance measures;
 - Value for money and other relevant Government guidelines; and
 - cross cutting issues (where relevant)
 - requirements of the MTFS and the capital programme.

Capital Programme

- B1.11 The **Capital Delivery Board** is responsible for Governance of the capital programme
- B1.12 The Director for Corporate Support is responsible for ensuring that an [Asset management plan and capital strategy](#) Statement, and a Capital Programme (see Annex A) covering at least a rolling 5 year period, or as may otherwise be determined, are prepared and updated on an annual basis for consideration initially by the Corporate Management Team and subsequently by the Cabinet, before their submission for approval to the Council.
- B1.13 Chief Officers are required to comply with guidance issued by the **Capital Delivery Board** or the **Corporate Management Team** concerning the preparation of the Capital Programme.

Part 2 Policy Framework – Performance Plans

Why are these important?

- B2.1 The Council has a responsibility to publish performance plans against national indicators for resources as well as against crime reduction strategies, community care plans etc. that cascade down from the corporate plan (see Annex A) and assist to set the policy framework for delivering the Corporate Improvement Priorities (CIPs)

Key controls

- B2.2 The key controls for the production of performance plans are to ensure that procedures are in place:
- which ensure that all relevant plans are produced and that they are consistent each with the other;
 - to produce plans in accordance with statutory and corporate requirements;
 - to meet the timetables set;
 - to ensure that all performance information is accurate, complete and up to date; and
 - to provide improvement targets which are meaningful, realistic and challenging.

Responsibilities of the Director for Corporate Support

- B2.3 To advise and, where appropriate, supply the financial information that needs to be included in corporate and service performance plans in accordance with statutory and other Council approved requirements and agreed timetables.
- B2.4 To contribute to the development of corporate and service targets and objectives, and performance information.

Responsibilities of Chief Officers

- B2.5 To develop service performance plans in line with statutory and other Council approved requirements.
- B2.6 To contribute to the development of corporate performance plans in line with statutory and other Council approved requirements.
- B2.7 To develop service targets and objectives, and performance information.
- B2.8 To contribute to the development of corporate targets and objectives, and performance information.
- B2.9 To determine and maintain appropriate systems to record service performance data on a complete, accurate and timely basis.
- B2.10 To monitor service performance information on a regular basis to ensure that corrective action is taken if targets are not likely to be met.
- B2.11 Chief Officers provide, where appropriate, financial information that needs to be included in service performance plans in accordance with statutory and other Council approved requirements and agreed timetables.

Part 3 Annual Revenue Budget Preparation

Why is this important?

- B3.1 The annual revenue budget (see Annex A) is the financial expression of the Council's plans and policies for one year.
- B3.2 The revenue budget must be constructed so as to ensure that resource allocation to services properly reflects the spending plans and priorities of the Council. Budgets (spending plans), are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent to achieve individual service performance targets which meet the Council's approved desired outcomes or outputs – see also Section A: Financial Management - Part 3 Managing and Controlling Spending – Annual Revenue Budget.
- B3.3 The format of the annual revenue budget determines the level of detail at which financial management and control is exercised.
- B3.4 Proposals on the annual revenue budget submitted by the Cabinet to the Council should include details of the allocation of resources to different services and projects; the nature and level of contingency funds and reserves; and a budget risk assessment.
- B3.5 The Cabinet, in consultation with the Director for Corporate Support, is responsible for issuing guidance to Chief Officers on service spend levels and the general content of the annual revenue budget as soon as possible following its approval by the Council.

Key controls

- B3.6 The key controls for the format of the budget are to have processes in place which ensure that the selected format:
- reflects the local accountabilities of service delivery;
 - has regard to the requirements of CIPFA's 'Best Value Accounting – Code of Practice', and
 - has regard to all other statutory or legal requirements.

Responsibilities of Director for Corporate Support

- B3.7 To ensure that a revenue budget (see Annex A) is prepared and updated on an on-going basis, but not less than annually, for consideration initially by the Corporate Management Team and subsequently by the Cabinet, before submission for approval to the Council. The Council may amend the budget or ask the Cabinet to reconsider it or to re-examine areas of detail within the overall budget set.
- B3.8 To prepare detailed annual revenue estimates of expenditure and income within the resources allocated, in line with the approved level of service outputs and/or outcomes, in the format required and within the appropriate timescales.

- B3.9 To advise Council, directly if appropriate, on Cabinet proposals in accordance with his or her responsibilities under Section 114 of the Local Government Finance Act 1988 if there is the likelihood of unlawful expenditure or the determination of an unbalanced budget.
- B3.10 To determine a process to identify on an annual basis for consideration and approval by the Council, the resource constraints which limit the financing and are available to meet the [Medium Term Financial Strategy](#). To advise Chief Officers of the statutory, legal or other requirements for the format of budget to be applied, and to monitor its application.
- B3.11 To provide guidance to Chief Officers on the Annual Revenue Budget setting process and make this available on the internal financial management pages.

Responsibilities of Chief Officers

- B3.12 To comply with the accounting guidance issued by the Director for Corporate Support.
- B3.13 To provide the Director for Corporate Support with such information as the Director for Corporate Support requires in sufficient time for input to the annual revenue budget.

See also Medium Term Financial Planning Section 4

Part 4 Medium Term Financial Planning

Why is this important?

- B4.1 The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems and processes to enable resources to be allocated in accordance with the Council's strategic priorities.
- B4.2 Medium term financial planning (covering at least a rolling 3 year period, or such other period as the Council may determine) is an ongoing process and is subject to continuous review. As each year passes, the initial year of the [Medium Term Financial Strategy](#) (MTFS) becomes the basis of the annual revenue budget and another detailed future year is added to the plan.
- B4.3 Medium term financial planning encompasses the assessment of spending which is likely to emerge during the period to meet:
- Members' agreed political objectives and targets;
 - Central Government plans and targets;
 - services' current levels of outcomes and outputs; and
 - new service developments or commitments arising directly or from performance review reports,
- and compares these with the resources likely to be available; the MTFS therefore ensures that the Council is always preparing for events in advance and as a result sets and monitors detailed annual revenue budgets tailored to meet service needs.
- B4.4 The revenue budget (see Annex A) must be constructed so as to ensure that resource allocation to services properly reflects the spending plans and priorities of the Council. Budgets (spending plans), are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent to achieve individual service performance targets which meet the Council's approved desired outcomes / outputs – see also Section A- Financial Management: Part 3 Managing and Controlling Spending – Annual Revenue Budget.
- B4.5 The MTFS includes the more detailed annual budget proposals.

Key controls

- B4.6 The key controls for medium term financial planning and annual budget preparation are to ensure that procedures are in place to ensure that Members:
- agree their desired outcomes and/or outputs for the period;
 - consider and prioritise these in the light of projected resources;
 - determine the allocation of resources to services;
 - set service performance targets to reflect those agreed outputs / outcomes;
 - set the annual revenue budget;
 - budget managers accept, within the delegations set by the Council, accountability for their budgets and the level of service to be delivered; and

- a monitoring process is in place to review regularly the effectiveness and operation of the medium term financial planning and annual revenue budget setting process, so that any corrective action is taken.

Responsibilities of Director for Corporate Support

- B4.7 To provide guidance to Chief Officers on the Medium Term Financial Planning and make this available on the financial management web pages.
- B4.8 To prepare and submit reports on the MTFS initially for consideration by the Corporate Management Team and then the Cabinet prior to submission to the Council for approval.
- B4.9 To incorporate in that report details of Chief Officers' assessments of need during the period, together with an assessment of the resource constraints, including:
- inflationary trends;
 - maximum borrowing levels as determined by Government controls (or, in the absence of such controls, by a prudent assessment of the affordability of resulting debt charges);
 - government revenue grants and other central resources (eg. business rates); and
 - any Government restrictions on Council Tax, whether in terms of the absolute level or the increase in any one financial year.
- B4.10 To encourage best use of resources and value for money by working with Chief Officers to identify opportunities to improve economy, efficiency and effectiveness in the delivery of their services, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.

Responsibilities of Chief Officers

- B4.11 To provide information to the Director for Corporate Support for incorporation in the MTFS which identifies their service needs and the impact on their current level of service outputs and/or/ outcomes; in particular details of:
- the cost of existing services for the next 3 years, indicating any planned savings;
 - their assessment of the impact of new service developments or commitments arising directly from performance review reports, from Members' political objectives, from statutory requirements, or from Central Government plans or targets.
- B4.12 To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- B4.13 To consult with the relevant Portfolio Holder(s) and relevant Chief Officer(s), where it appears that a proposal is likely to impact on another service or level of service activity and to identify changes to MTFS on an ongoing basis.

- B4.14 Chief Officers are responsible for ensuring that their medium term financial plans reflect agreed business plans and their proposals for change, and are available for submission to the Corporate Management Team and the Cabinet within the timetable set. The Chief Officers must also provide information to the Cabinet where, in their opinion, the service plan does not meet statutory or central government requirements.
- B4.15 Chief Officers must provide the Director for Corporate Support with such information as the Director for Corporate Support requires in sufficient time for input to the [Medium Term Financial Strategy](#) and the [Annual Revenue Budget](#).

Part 5 Asset Management Plan, Capital Strategy and Capital Programme

Why are these important?

- B5.1 Capital expenditure involves the acquisition by outright purchase or leasing, or the enhancement of assets which have a long-term value, such as land, buildings, roads and major items of plant and equipment or vehicles.
- B5.2 It normally creates financial commitments for the future in the form of financing costs and revenue running costs.
- B5.3 The Government places strict controls on the Council's financing capacity; this means that new investment needs to form part of an investment strategy which must be prioritised so as to maximise the benefit of scarce resources.
- B5.4 The Council uses capital assets directly in the way in which it delivers some of its services; the Council also enables other bodies under partnership, etc arrangements to deliver its services and this sometimes avoids the need for the Council itself to hold the relevant assets.
- B5.5 The [Asset Management Plan and Capital Strategy](#) principally cover those assets held by the Council, but may also include those assets used by external bodies in partnership with the Council.
- B5.6 The service plans are used collectively to determine the Capital Programme; the Capital Programme (see Annex A) prioritises the Council's capital investment requirements in recognition of the limited resources that are available to fund both the initial expenditure and the on-going financing and running costs.
- B5.7 The Capital Programme (see Annex A) normally covers a 5 year period, however, it is subject to review and revision on a continuous basis throughout that period .

Key controls

- B5.8 The Council's [Asset Management Plan and Capital Strategy](#) (AMPCS) sets the principles to be followed in making new capital investment which will, together with the active management of the existing assets, ensure that all assets are managed effectively in order to meet its policy priorities and to enhance its service performance. The over-riding aim of the AMPCS is to ensure that all assets are effectively managed to meet policy priorities and enhance performance, and are optimised in terms of service benefit and social, cultural and economic use.
- B5.9 Governance of the capital programme is overseen by the Capital Delivery Board.

Annual consideration of assets and capital:

- B5.10 The Council may amend the proposed [Asset Management Plan and Capital Strategy](#) (AMPCS) Statement or Capital Programme, or ask the Cabinet to reconsider areas of detail within them.

B5.11 Schemes are approved within the Capital Programme (see Annex A) on an individual basis and the approval relates to the total spending on the scheme, irrespective of when the payments are made; virements of approvals are permitted within limits set by the Council (See [Annex A](#).)

Responsibilities of Director for Corporate Support

B5.12 Oversee the arrangements for Governance of the capital programme

B5.13 To ensure that an AMPCS statement, and a Capital Programme covering at least a rolling 5 year period, or as may otherwise be determined, are prepared and updated on an annual basis for consideration initially by the Corporate Management Team (CMT) and subsequently by the Cabinet, before their submission for approval to the Council.

B5.14 To issue guidelines to Chief Officers through the Capital Programme Governance Document (yet to be approved by Audit Committee) on the process for the preparation of the capital programme and MTFS and treatment of variations to the approved programme.

B5.15 To determine a process for the preparation, consideration and approval of proposals by Members of the Capital Delivery Board. This process must include the requirement that each proposal is prioritised against the Council's policies and objectives prior to inclusion in a Capital Programme. The process must also specify that where the cost of a proposal exceeds a specified threshold, the Chief Officer prepares a detailed financial appraisal and risk assessment in conjunction, if appropriate, with the Corporate Property Officer.

B5.16 To issue guidance to Chief Officers on the definition of capital spending having regard to government regulations and accounting requirements, the financial and operational information to be included in an appraisal, and the criteria for prioritisation of schemes.

B5.17 To include in the Capital Programme details of how schemes contribute to meeting the Council's approved policy and objectives, highlighting those which reflect a thematic or multi-agency approach.

B5.18 To include also in the report details of the resource constraints which need to be considered; these may include any or all of:

- the cash resources (useable capital receipts; earmarked reserves, grants or contributions; and the direct use of revenue budgets) likely to be available for capital financing, including timescales where relevant;
- within defined borrowing limits
- the availability of 'off balance sheet' funding mechanisms (eg PFI);
- the on-going revenue resources available to fund the financing and running costs; and

- the physical constraints of land availability / planning permissions / professional staffing resources and the ability to deliver a scheme within a realistic time-frame.

B5.19 To distinguish within the report between those schemes which attract either their own capital resources or which have no impact on the availability of such resources for other schemes; and those schemes which are reliant on resources that could be deployed across a number of schemes.

B5.20 To prepare and report upon on an annual basis to the Corporate Management Team and the Cabinet and continuously review the draft 5 year Capital Programme in conjunction with the **Capital Delivery Board** and jointly with relevant Chief Officers.

Responsibilities of Chief Officers

B5.21 To comply with guidance issued by the Director for Corporate Support, **Corporate Management Team or the Capital Delivery Board** concerning the preparation of the Capital Programme.

B5.22 To identify, prior to submission **to the Capital Delivery Board** for inclusion in a draft Capital Programme, how their proposals for capital investment meet the Council's approved policies, objectives and targets in terms of service delivery, and the relative priority of each proposal.

B5.23 To prepare, prior to the submission of a scheme to the **Capital Delivery Board** for inclusion in a draft Capital Programme, a financial appraisal and risk assessment where the proposal exceeds the specified threshold.

B5.24 To proceed with individually identified projects, including those under credit arrangements, and other leasing arrangements, only once they have been approved within a Capital Programme.

B5.25 To proceed with projects approved on a provisional basis or as part of a block sum, only once the conditions of that approval have been met.

Part 6 Maintenance of Reserves

Why is this important?

B6.1 The Council must determine the level of general reserves before it can set the level of council tax. Reserves are maintained as a matter of prudence to provide working balances; to meet unforeseen items of expenditure, and to meet specifically approved policy objectives of either a capital or revenue nature. Specific advice regarding the maintenance of working balances is discussed in the MTFS (See [Annex A](#)).

Key controls

B6.2 The key controls for the maintenance of reserves are:

- to ensure that reserves are held at a prudent level and in accordance with guidance issued by Government or the Chartered Institute of Public Finance & Accountancy, and locally agreed accounting policies;
- the purpose, usage and basis are clearly identified; and
- to ensure that reserves earmarked for specific policy objectives are applied for the purpose intended.

Responsibilities of Director for Corporate Support

B6.3 To advise Council on the prudent level of reserves to be held for the specified purposes, having regard to relevant external guidance.

B6.4 To advise Chief Officers of the basis of operation of reserves.

Responsibilities of Chief Officers

B6.5 To ensure that allocations from the earmarked reserves are used only for the purposes for which they were intended, and to comply with any other conditions of the allocation.

Section C RISK MANAGEMENT AND CONTROL OF RESOURCES

Part 1 Introduction

- C1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all the Council's significant operational and strategic risks. This should include the proactive participation of all those involved directly or associated with the planning or delivering of services, this includes the process of peer challenge and should encourage both internal and external cross-cutting arrangements so that our statutory duty to involve and inform is achieved.

Overview of responsibilities in relation to:

Risk management

- C1.2 The Council and Audit Committee are jointly responsible, on the recommendation of the Corporate Management Team, for approving the Council's [Risk Management Strategy](#) and Policy Statement, and, in addition, for ensuring that proper insurance arrangements are effected where appropriate.
- C1.3 The Director for Corporate Support is responsible for preparing the Council's Risk Management Policy Statement, promoting risk management through the Authority, advising Chief Officers of their responsibilities and for monitoring their compliance.
- C1.4 Chief Officers are responsible for complying with the Risk Management Policy Statement in respect of their service areas.
- C1.5 The Director for Corporate Support is responsible for advising initially the Corporate Management Team and subsequently the Cabinet on any non-compliance by a Chief Officer with the approved Risk Management Policy Statement. The Director for Corporate Support is also responsible for providing advice on and effecting the appropriate insurance arrangements.

Internal control

- C1.6 The Director for Corporate Support is responsible for advising Chief Officers on effective systems of internal control. These arrangements need to ensure that all statutory and corporate requirements, and other relevant statements of best practice are met. They should ensure that public funds are properly safeguarded and used economically and efficiently, and in accordance with the statutory and other authorities that govern their use.
- C1.7 Chief Officers are responsible for:
- Establishing sound arrangements for planning, appraising, authorising, monitoring and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.
 - Promoting compliance with Council Policy (eg: striving for excellence), Standing Orders, Financial Regulations, Codes of Conduct and statutory requirements.

- Promoting an overall effective internal control system. Managerial Control Systems, including appropriate organisational structures, personnel arrangements and supervision, as well as Financial and Operational Control systems and procedures, including physical safeguards of assets, segregation of duties, authorisation and approval procedures and information systems, should be documented (see Chapter 1, paragraphs 1.5 to 1.7 “The Index”) and regularly reviewed.
- Providing assurances for the annual governance statement (Annex A) that financial and operational control processes are in place to enable Departments to achieve their objectives and manage significant risks.

Audit requirements:

- C1.8 The Accounts and Audit Regulations 2003 (as amended), and the Accounts and Audit Regulations 2006 require every local authority to maintain an adequate and effective internal audit.
- C1.9 The Audit Commission is responsible for appointing external auditors to each local authority. The basic duties of the External Auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.
- C1.10 The Authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Customs and Excise and Revenues, who have statutory rights of access.

Preventing Fraud and Corruption

- C1.11 The Director for Corporate Support is responsible for the development and maintenance of a Anti-Fraud and Corruption Policy (see Annex A). The following standards and policies also assist in the prevention of fraud and corruption:
- [Risk Management Strategy](#);
 - Codes of Conduct;(see Annex A)
 - Ethical Standards;(see Annex A)
 - Public Information Disclosure Act – Confidential Reporting Code (Whistleblowing Policy). (see Annex A)

Assets

- C1.12 Chief Officers are responsible for ensuring that all records, physical assets and supporting documentation used in the provision of their services are properly maintained, securely held and, in respect of physical assets, suitably recorded in accordance with the Council’s information management and retention policy (see Annex A).
- C1.13 They must also ensure that sound contingency plans for the security of those assets and for the continuity of service provision in the event of a disaster or other major system failure are in place, and that those arrangements are regularly tested, at least annually. (see Annex A)

Treasury Management

- C1.14 The Council has adopted CIPFA's 'Code of Practice for Treasury Management in Local Authorities '
- C1.15 The Council is responsible for approving the treasury management policy statement (see Annex A) setting out the matters detailed in paragraph 15 of CIPFA's 'Code of Practice for Treasury Management in Local Authorities.' The policy statement is prepared on an annual basis by the Director for Corporate Support, and is proposed to the Council by Audit Committee. The Director for Corporate Support, acting through the Audit Committee, is required to ensure the policy statement is reviewed at least twice a year.
- C1.16 All money in the hands of the Council is monitored and controlled by the Director for Corporate Support acting as the officer designated for the purposes of Section 151 of the Local Government Act 1972.
- C1.17 The Director for Corporate Support has delegated responsibility for implementing and monitoring the treasury management policy statement (see Annex A) and issuing other Treasury management guidance as appropriate. All Cabinet decisions on borrowing, investment or financing shall be delegated to the Director for Corporate Support, who is required to act in accordance with the policy statement which has regard to CIPFA's Code of Practice for Treasury Management in Local Authorities.
- C1.18 The Director for Corporate Support is responsible for reporting to the Audit Committee at least twice a year on the treasury management activities and on the exercise of the delegated treasury management authority.

Staffing

- C1.19 The Chief Executive, through the Corporate Management Team, is responsible for exercising the overall management of staff.
- C1.20 The Director for Corporate Support is responsible for determining and monitoring adherence to staffing policies and procedures, and for ensuring that there is proper use of the evaluation, or other agreed system, for determining the remuneration of a job.
- C1.21 The Assistant Director for HR and Organisational Development is responsible for controlling total staff numbers by:
- employing staff in accordance with the approved policy framework and annual revenue budget;
 - seeking the approval within the [Medium Term Financial Strategy](#) of the Cabinet to cover the estimated staffing levels required to support the existing and proposed levels of service provision;
 - seeking the prior approval of the Cabinet to any adjustment to the staffing numbers to meet changing operational needs where the ongoing impact cannot

be wholly met from within the approved budget or from within ongoing additional external income.

Gifts & Hospitality

C1.22 With the exceptions listed below, all members of staff and Representatives of the Council's Partnering Organisations must refuse any personal gift offered to them or their family by any person or body who has or seeks dealings with the Authority, or any of its Partnering Arrangements:

Exceptions:

- A modest gift of a promotional nature given to a wide range of people, e.g. calendars diaries and other articles, which are of use in the office.
- A modest gift where refusal would cause needless offence and the giver is not seeking a business decision but merely wishes to express thanks for service, advice, help or co-operation received.

C1.23 An Employee or Partner Representative will not, on any occasion, accept the offer of money from any body, person or person's estate, who has or seeks dealings with the Authority or one of its Partners.

Money Laundering

C1.24 The Director for Corporate Support is responsible for the development of a Money Laundering Policy in accordance with the Money Laundering Regulations 2007 (yet to be approved by Audit Committee) (See also Treasury Management section C part 7, para C7.46.)

Part 2 Risk Management

Why is this important?

- C2.1 The Council, in common with all other organisations, whether they are in the private or public sectors, faces risks to people, property and the continuity of providing its services. Risk is defined as the chance or possibility of loss, damage, injury, or failure to achieve an objective which is caused by an unwanted or uncertain action or event.
- C2.2 Risk Management is the planned and systematic approach to the identification, evaluation and control of risk. It therefore seeks to facilitate the achievement of the Council's objectives by securing the Council's overall operational, financial, strategic, reputational and organisational well being as well as its assets. The process is concerned with evaluating the adequacy of the measures which are already in place to manage identified risks and to recommend appropriate action to improve further the identification of risk and to control or mitigate those risks effectively.
- C2.3 Insurance has been the traditional means of protecting against loss but, by reducing, or even preventing, the incidence of losses (whether they result from accident or crime) the Council can benefit both from the reduced costs of providing insurance cover and from the continuity of service provision.
- C2.4 The Audit Committee, jointly with the Council, and on the recommendation of the Corporate Management Team, has the overall responsibility to approve the Council's risk management strategy and policy statement, (see Annex A) and to promote a culture of risk management awareness throughout the Council.

Key controls

- C2.5 The key controls for risk management are to ensure that procedures are in place:
- to determine a risk management strategy and policy statement (see Annex A), and seek approval on an annual basis;
 - to review on a continuing basis the effectiveness of the risk management strategy and policy statement (see Annex A), and to seek approval to any required amendments;
 - to identify, assess, prevent or contain material known risks promptly, completely and accurately and to ensure that these procedures are available, visible and accessible and are operating effectively;
 - to determine completely and promptly an acceptable level of risk and to seek insurance cover where appropriate;
 - to promote the procedures throughout the organisation so that Chief Officers are aware that they are responsible for managing relevant risks and have the appropriate information to enable them to manage their risks;
 - to make provision to safeguard against losses that might result from the risks that remain;
 - to identify potential insurance claims promptly, accurately and completely;
 - to investigate incidents resulting in insurance claims accurately, completely and within required timescales; and
 - to determine contingency arrangements for the continuation of service provision arising from a major incident which results in a significant loss or damage to any of its resources.

Responsibilities of Director for Corporate Support

- C2.6 To prepare, seek approval to, and promote the Council's risk management strategy and policy statement (see Annex A).
- C2.7 To review on a continuing basis the effectiveness of the risk management strategy and policy statement (see Annex A), and to seek approval to any required amendments and report thereon in an annual report to the Audit Committee.
- C2.8 To publish an annual governance statement (see Annex A), attached to the Statement of Accounts (see Annex A), summarising the main processes that have been in place for risk management and internal control and the findings of the annual review of their effectiveness.
- C2.9 To develop risk management control measures in conjunction with Chief Officers.
- C2.10 To determine the need for, and, where required, to effect the most appropriate insurance cover, whether by external or internal arrangements.
- C2.11 To set premiums for insurance cover to be charged to services.
- C2.12 To negotiate all claims in consultation with the relevant Chief Officer.
- C2.13 To arrange a suitable fidelity guarantee insurance cover for appropriate Council employees.

Responsibilities of Chief Officers

- C2.14 To ensure that there are regular reviews of risk, and the potential for risk, within their service area, and that the outcome of those reviews, and the steps taken, are documented.
- C2.15 To apply and develop the approved risk management procedures and controls, having regard to advice from the Director for Corporate Support and other specialist officers (eg Crime Prevention, Fire Prevention, Health and Safety), and to take all reasonable action to minimise risks.
- C2.16 To notify the Director for Corporate Support immediately of all new or anticipated risks, including additional properties, vehicles, plant or equipment which require insurance, and of any alterations which may affect existing insurances.
- C2.17 To notify the Director for Corporate Support immediately of any event or anticipated event of loss, liability or damage which may lead to a claim against the Council, and to provide any information or explanation relating to that incident which is required by the Director for Corporate Support or the Council's insurers.
- C2.18 To consult with the Director for Corporate Support and the Head of Legal Services on the terms of any indemnity which the Council may be requested to give before such an indemnity is given.
- C2.19 To ensure that, before entering into any contract or agreement, the Director for Corporate Support is provided with evidence of the contractor's, or other parties, public liability insurance cover, in accordance with the minimum limits of indemnity determined by the Director for Corporate Support and the Head of Legal Services.

- C2.20 To ensure that any member of staff or any other person acting on the Chief Officer's behalf and who is covered by the Council's insurances, does not admit liability or make any offer to pay compensation which may prejudice the assessment of a liability in respect of any insurance claim, or potential claim.
- C2.21 To ensure that any employee using their private motor vehicle on Council business has adequate insurance that covers that vehicle for business use.

Part 3 Internal Controls

Why are these important?

- C3.1 Internal control is the system of control devised by management to help ensure the Council's objectives are achieved in a manner which promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.
- C3.2 The Council is a complex organisation and its activities are beyond the direct control of a limited number of individuals. It therefore requires a range of internal controls to manage and monitor progress towards achieving its strategic objectives.
- C3.3 The Council has statutory obligations to meet. It, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.
- C3.4 The Council faces a wide range of financial, operational, administrative, strategic, reputational and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to identify, evaluate and manage these risks.
- C3.5 The Council therefore needs to establish a system of internal controls in order to provide measurable evidence of:
- Efficient and effective operations;
 - Reliable financial and operational information and reporting;
 - Compliance with corporate and statutory requirements, and other regulations;
 - Effective risk management procedures; and
 - Assets being safeguarded.

Key controls

- C3.6 The key controls for a system of internal control are to ensure that:
- managerial control systems are in place which define policies, set objectives and plans, monitor financial and other performance and provide for the appropriate anticipatory and remedial action to be taken; the key objective of these systems is to promote ownership of the control environment throughout the organisation by defining the roles and responsibilities of individual members of staff;
 - financial and operational control systems and procedures are in place, which include provision for supervisory checks over the actions of staff, the physical safeguarding of assets, the segregation of duties, the determination of authorisation and approval procedures, and the availability of appropriate information systems;
 - an adequate and effective internal audit function is provided;
 - regular reviews of the internal control systems are carried out in order to ensure that they remain appropriate, and are revised as necessary; and
 - the Audit Committee consider an annual report from the Chief Auditor on the effectiveness of the systems of internal control.

Responsibilities of the Director for Corporate Support

- C3.7 To advise the Council through the Audit Committee of the need for, and to seek approval to, an appropriate control environment, effective internal controls and risk management procedures, which provide reasonable assurance of the effective and efficient delivery of services, financial stewardship, probity, and compliance with statutory requirements and regulations.
- C3.8 To issue financial instructions at [Annex A](#) (“The Index”) and detailed working practices on financial management web pages, where appropriate, dealing with any matter covered by these regulations.
- C3.9 To seek approval to the revision of internal control measures, including revision of process and procedural guides, in the light of changing circumstances.
- C3.10 To report annually to the Audit Committee on the effectiveness of the system of internal control.

Responsibilities of Chief Officers

- C3.11 To put in place appropriate measures to achieve effective internal financial controls. These may include:
- Provision of codes of practice & procedures (in [Annex A](#) “The Index”);
 - Detailed working practices on Financial Management web pages;
 - Adequate operation of budgetary control & accounting systems;
 - Adequate supervision;
 - Physical safeguarding of property and staff;
 - Segregation of duties;
 - Maintenance of local information systems; and
 - Adherence to authorisation and approval processes.
- C3.12 To establish appropriate and relevant control measures within their area, to document them and publish them, and to monitor their application to ensure they are being adhered to, and to evaluate their effectiveness, in order to be confident that all resources under their control are used economically, effectively and efficiently in meeting their approved service policies and objectives, and that all risks are minimised.
- C3.13 To ensure all staff within their service area have a clear understanding of the requirements of the internal control measures and the consequences of not applying them.
- C3.13 To advise the Director for Corporate Support, of the need to consider the updating of existing controls in the light of changing circumstances whether arising from proposed changes to, or the introduction of new, operational systems, procedures or processes, and to implement, and publish, the resultant approved revised arrangements.

Part 4 Requirements for Audit

Internal Audit

Why is this important?

- C4.1 The Accounts & Audit Regulations 2003 (as amended), and the Accounts and Audit Regulations 2006, which require the Council to provide an adequate and effective internal audit facility to assist in the management of its financial affairs. The Council has delegated the day to day responsibility for providing and managing the internal audit function to the Director for Corporate Support. This forms part of the Director for Corporate Support's statutory responsibility for the overall financial administration of the Council's affairs under section 151 of the Local Government Act, 1972.

The Accounts & Audit Regulations 2003 require the Council to provide an adequate and effective internal audit facility to assist in the management of its financial affairs. The Council has delegated the day to day responsibility for providing and managing the internal audit function to the Director for Corporate Support. This forms part of the Director for Corporate Support' statutory responsibility for the overall financial administration of the Council's affairs under section 151 of the Local Government Act, 1972.

- C4.2 Internal Audit is a continuous independent appraisal function contracted by the Council for reviewing the internal control system as a service to the organisation. The Council has contracted with the Devon Audit Partnership for internal audit service provision. The Devon Audit Partnership objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

Key controls

- C4.3 The key controls for the provision of an internal audit function are that:

- Its terms of reference are agreed between the Council's appointed Internal Audit Manager, the Audit Committee and the Director for Corporate Support.
- It remains independent in its planning and operation and does not therefore carry out any executive function.
- It is objective in its planning, operation and reporting.
- Its activities are in accordance with approved [Annual Audit Plans](#); (Annex A) such plans to take into account not only the statutory requirement but also the need to seek added value, effective use of resources, and improved performance.
- The Council's appointed Internal Audit Manager, as the person to whom the Director for Corporate Support has delegated responsibility for internal audit, has direct access to the Chief Executive, the Council, the Cabinet, the Audit Committee and all other Council committees as the Internal Audit Manager sees fit.
- Internal Auditors comply with CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom which is based on the Auditing Practices Board's auditing guidelines 'Guidance for Internal Auditors', and with all other relevant guidance and statutory requirements and regulations.
- The performance of the Internal Audit function is reviewed regularly by the Council's External Auditor.

Responsibilities of Director for Corporate Support

- C4.4 To maintain on the Council's behalf under their delegated approval an adequate and effective system of Internal Audit.
- C4.5 To ensure that Internal Auditors, or other representatives acting on **the Director of Corporate Support's** behalf, have the authority to:
- Access any Council premises or land, but where such premises or land are in the control of a contractor, or partnership arrangement, that access shall be in accordance with the provisions of the contract.
 - Access all assets, records, documents, correspondence and control systems relating to any financial or other activity of the Council which they consider relevant to audit, including assets owned by third parties under the control of the Council's employees.
 - Take such copies of any records, documents, and correspondence as they consider necessary for the conduct of their work.
 - Remove and provide safe custody of personal computers, records, documents and other items, which may be relevant to any audit investigation.
 - Require and receive any information and explanation considered necessary concerning any matter under examination.
 - Require any Employee of the Council, Partner, Elected Member or a Member of a Governing Body to produce or account for cash, stores or any other Council property under their control.
 - Access, when required, records belonging to third parties, including those of contractors, and partners so long as that access shall be in accordance with the provisions of the contract.
 - Report directly to the Chief Executive, the Council, the Cabinet, the Audit Committee or any other Council committees as appropriate.
- C4.6 To approve the [Annual Audit Plans](#), (Annex A) prepared and maintained by the **Internal Audit Manager**, which take account of the characteristics and relative risks of the activities involved. In preparing the Strategic and Annual Audit Plans, the **Internal Audit Manager** should liaise with the External Auditor and Chief Officers on the audit strategy and cover required, and consult as necessary, with the Audit Committee.
- C4.7 To refer the matter to the Audit Committee where a response to an audit report has not been made within a month, or such other reasonable period as may be determined by the Director for Corporate Support; or where any other matter arising from internal audit work remains unresolved.
- C4.8 To ensure that effective procedures and resources are in place to promptly investigate any potential fraud or irregularity.
- C4.9 To report not less than annually to the Audit Committee on the overall performance and the main issues arising from the internal audit activity undertaken during the period.

Responsibilities of Chief Officers

- C4.10 To liaise with the **Internal Audit Manager** in determining the content of the Annual Audit Plans.
- C4.11 To ensure that External or Internal Auditors, or other authorised representatives of the Director for Corporate Support are given access at all times, to premises, land, cash, stores, other property, personnel, records, documents and correspondence under their control, which the Auditors consider necessary for the purposes of their work, and are able to take relevant copies.
- C4.12 To ensure that Auditors or other authorised representatives are provided with any information and explanations which they seek in the course of their work.
- C4.13 To consider and respond to audit reports within a month, or such other reasonable period as may be determined.
- C4.14 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- C4.15 To notify the **Internal Audit Manager** immediately, of any suspected fraud, theft, irregularity, improper use, or misappropriation of the Authority's property or resources. Pending investigation and reporting, the Chief Officer should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration (see also Section C, Part 5 – Prevention of Fraud & Corruption) in accordance with the **Anti Fraud and Corruption Policy (see Annex A)**.

External Audit**Why is this important?**

- C4.16 The Local Government Finance Act 1982 set up the Audit Commission which is responsible for appointing external auditors to each local authority normally for a period of five years or such other period as it sees fit.
- C4.17 The basic duties of the External Auditor are defined in statute and set out in a code of audit practice determined by the Audit Commission; the guidance sets out the auditor's objectives to review and report on:
- The financial aspects of the Council's corporate governance arrangements.
 - The Council's financial statements.
 - The Council's arrangements for managing its performance, in particular for the preparation and publication of specified performance information.
- C4.18 The External Auditors must satisfy themselves that the statement of accounts (Annex A) 'presents fairly' the financial position of the Council at the accounting date and its income and expenditure for the year in question, and complies in all respects with the legal requirements.
- C4.19 The External Auditor has the same rights of access as the Internal Auditor to all records, documents and correspondence which are necessary.

Key controls

C4.20 The key controls for the provision of an External Audit facility are that:

- External Auditors are an independent appointment made by the Audit Commission.
- The External Auditors follow the Audit Commissions code of practice when carrying out their role.

Responsibilities of Director for Corporate Support

C4.21 The Director for Corporate Support is responsible for liaising with the External Auditor and for advising the Council, Cabinet, the Audit Committee, and Chief Officers on their responsibilities in relation to external audit.

C4.22 To discuss with the External Auditors and agree on an annual basis their overall audit plan, key deliverables and timescales having regard to the Council's own [Annual Audit Plans](#) (see Annex A).

C4.23 To ensure a continuous and effective liaison between the External and Internal Auditors.

C4.24 To advise the Council and Chief Officers of their obligations under the external audit plan, and specifically their obligations with regard to the final accounts audit process.

C4.25 To ensure that Chief Officers provide External Auditors with the same rights of access to all records, documents, and correspondence relating to any financial or other activity of the Council, allow them to take copies of such records, documents and correspondence as they see fit, and also to provide such explanations as are required for the purposes of their work in the same way as they are required to provide to, or allow, the Internal Auditors.

C4.26 To consider, in conjunction with Chief Officers when necessary, and respond as appropriate to, reports and management letters issued by the External Auditors.

C4.27 To ensure that all External Auditor's reports and management letters are submitted for consideration, and approval where appropriate, to the Audit Committee, Cabinet or Council.

Responsibilities of Chief Officers

C4.28 To provide the External Auditors with the same rights of access and explanations as are necessary for the purposes of their work and as are available to Internal Auditors.

- C4.29 To ensure that all financial systems, records, documents, and correspondence are complete and up to date, and available for inspection by the External Auditors as and when required.
- C4.30 To consider and respond directly, or through the Director for Corporate Support, as necessary, to reports and management letters issued by the External Auditors.

Part 5 Prevention of Fraud and Corruption

Why is this important?

- C5.1 The Council as a local authority is accountable to the public for the actions of all its members, employees and others acting on its behalf, and needs to safeguard against the misuse of the assets and resources held on the public's behalf; it will not tolerate fraud or corruption in the administration of its responsibilities whether occurring within the organisation or by those that it engages with, for example, as service providers.
- C5.2 The Council's expectation of propriety and accountability is that Members and staff at all levels will undertake their duties with honesty and integrity (in accordance with the Nolan Principles for public life) and will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- C5.3 The Council also expects that individuals and organisations (eg suppliers, partners, contractors, service providers) that it comes into contact with, will act towards the Council with similar honesty and integrity and without any thought of acting in a fraudulent or corrupt manner.

Key controls

C5.4 The key controls regarding the prevention of fraud or financial irregularities are that:

- Policies and procedures (listed at [Annex A](#) "The Index") are determined and operate effectively which set out the standards of conduct (see Annex A) to be followed by Members, staff, partners and service providers; such policies and procedures to include:
 - Anti-Fraud & Corruption Policy (see Annex A)
 - Public Information Disclosure Act (Whistleblowing Policy)(see Annex A)
 - [Risk Management Strategy](#)
 - Codes of Conduct for Members and for Employees(see Annex A)
- An adequate & effective Internal Audit function is provided.
- Policies and procedures are communicated to, understood and applied by all Members, staff, partners and service providers.
- Procedures and practices are reviewed on a regular basis to identify any or suspected weaknesses, and that the procedures and practices are revised as necessary.
- A register of interests is maintained in which details of any hospitality or gifts offered to Members, partners or staff are recorded regardless of whether or not the offer was accepted.
- Identified or suspected frauds or financial irregularities are examined swiftly and offenders are dealt with firmly and appropriately.

Responsibilities of Director for Corporate Support

- C5.5 To develop and maintain suitable policies and procedures to minimise the risk of fraud or financial irregularities occurring e.g. the Authority's Anti-Fraud & Corruption Policy (see Annex A) and an Anti-Fraud Strategy in respect of Housing Benefits and Council Tax Benefits.

- C5.6 To advise Members of their responsibilities under these policies and procedures.
- C5.7 To advise Chief Officers of their responsibilities under these policies and procedures and to require them to communicate the requirements to their staff.
- C5.8 To provide an Internal Audit function which will review the effectiveness and appropriateness of the policies and procedures, and which will undertake, advise on, or assist in, the examination of any actual or suspected occurrence of a fraud or financial irregularity, in accordance with the Council's **Anti - Fraud & Corruption Policy** (see Annex A).
- C5.9 Where the Director for Corporate Support believes that reasonable grounds exist to suspect that a loss or deficiency has resulted from a fraudulent or illegal act, or in any circumstances where it appears right to do so, the Director for Corporate Support may refer the relevant facts to the Police for further investigation.

Responsibilities of Chief Officers

- C5.10 To apply, and ensure that all staff under the Chief Officer's direction apply, approved policies and procedures concerning the prevention or minimisation of fraud or financial irregularities.
- C5.11 To notify the Council's **Internal Audit Manager** immediately the Chief Officer becomes aware of any actual or suspected fraud or irregularity.
- C5.12 To agree a plan of action with the **Internal Audit Manager** to minimise the risk of any, or a further, loss arising from any actual or suspected fraud or financial irregularity.
- C5.13 To undertake, in consultation with Internal Audit and others where deemed appropriate, an investigation into the occurrence of an actual or suspected incident.
- C5.14 To notify the Corporate/Departmental **HR Manager**, where the outcome of an investigation is likely to require the Chief Officer to instigate the Council's disciplinary procedures against a member of staff.
- C5.15 To ensure that, where financial impropriety is discovered, and sufficient evidence exists to believe that a criminal offence may have been committed, the **Internal Audit Manager** is consulted regarding provision of details to the Police, **in accordance with the Anti - Fraud & Corruption Policy** (see Annex A).
- C5.16 To maintain a register of the details of any gifts or hospitality offered to any member of staff regardless of whether or not the offer has been accepted; to monitor the reasonableness of the gifts received, the frequency and level of amounts received by an individual and, if deemed unreasonable, to take action to avoid a further recurrence; and to make the register of details available for public inspection at all reasonable hours.

Responsibility of the Head of Legal Services

- C5.17 To maintain a register of details of any gifts or hospitality offered to any Member, regardless of whether or not the offer was accepted, and to make such record available for public inspection at all reasonable hours.

Responsibility of Members

C5.18 Every Member shall inform the Chief Executive immediately any matter which arises which involves, or is thought to involve, irregularities concerning income, expenditure, cash, stores, equipment, assets or any of the resources of the Authority. The Chief Executive will decide what further action is required and from whom, and whether an investigation should be undertaken and if so, the conduct of that investigation.

Responsibility of Employees

C5.19 Every employee shall inform their Chief Officer immediately any matter which arises which involves, or is thought to involve, irregularities concerning income, expenditure, cash, stores, equipment, assets or any of the resources of the Authority. The Chief Officer concerned shall immediately notify the **Internal Audit Manager** and they will determine:

- What further action is required and from whom.
- Whether an investigation should be undertaken and if so the conduct of that investigation.

C5.20 Where the allegation may implicate the Director for Corporate Support or a Chief Officer, such information shall be passed to the Chief Executive.

C5.21 To inform their Head of Service of any gifts or hospitality offered and to complete the relevant departmental register for recording such items.

Part 6 Assets**Security - General*****Why is this important?***

- C6.1 The Council holds assets in the form of information, land, buildings, vehicles, equipment, plant, machinery, furniture and other capital items worth many millions of pounds. In addition, it holds significant stocks of various materials for use in service delivery and staff hold cash for operational purposes.
- C6.2 All assets should be safeguarded against loss, damage, misuse or any other unnecessary diminution in value so that they continue to be available to provide continuity of efficient service delivery. Similarly, information must also be safeguarded so that service delivery can continue.
- C6.3 In addition, for capital assets, up to date details are required for purposes of both fixed asset accounting and sound asset management

Key controls

- C6.4 The key controls for the security of resources such as land, buildings, vehicles, equipment, plant, machinery, and other assets are that procedures are in place to ensure that:
- The items are used only for the purposes of the Council and are properly accounted for.
 - The items are available for official use as and when required.
 - When the items are no longer of use, they are disposed of in an appropriate manner so as to maximise the sale proceeds, unless there has been prior Member approval to allow the item(s) to be donated to a charity, voluntary organisation or similar body.
 - Details of all items are recorded at the time of purchase in an asset register, or other appropriate record and that the details of the item's location, value and condition are maintained up to date.
 - All staff are aware of their responsibilities with regard to the safeguarding of the authority's assets.
- C6.5 The key controls for the safeguarding of computer software and information are that procedures are in place to ensure that:
- Staff, and anyone working with or on behalf of the Council, are made aware of their responsibilities in accordance with the requirements of Council policies, the Data Protection Act and software copyright legislation.
 - There is only restricted access to information held on computer systems by staff and anyone working with or on behalf of the Council if the requirements of their work justify the restriction or to comply with the data protection act. Otherwise information is assumed to be accessible to the public.
 - All employees, and anyone working with or on behalf of the Council, must observe fully the Council's computer and internet security policies.
- C6.6 The key controls for the control of intellectual property are shown at Section C, Part 5: Assets, Intellectual property.

Responsibilities of Director for Corporate Support

- C6.7 To ensure that a capital asset register is maintained in accordance with good practice for all fixed assets with a material value as determined by the Director for Corporate Support.
- C6.8 To ensure that each Chief Officer maintains and provides all information relating to assets that is required for accounting, costing and financial records.
- C6.9 To ensure that relevant assets are valued on a regular basis and in accordance with all other provisions of the 'Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice'
- C6.10 To ensure that insurance cover arrangements have been made where, in consultation with the Director for Corporate Support, it is considered appropriate. (see also Section C, Part 2 Risk Management; and Section C, Part 6 Materials, Stocks and Stores)

Responsibilities of Chief Officers

- C6.11 To keep the Director for Corporate Support informed of details of all assets of a material value currently owned or used by the Council, including all land, buildings, vehicles, equipment, plant, machinery, and other assets. In addition, where such an item is not used in service delivery directly but by others on the Council's behalf, to ensure that details are held of the terms, responsibilities and duration of use or occupation of that asset by those other bodies.
- C6.12 To ensure that relevant assets are valued on a regular basis for fixed asset accounting purposes in accordance with the requirements of the Director for Corporate Support.
- C6.13 To ensure that intended lessees and other prospective occupiers of Council land or buildings are not allowed to take possession or enter into the land or buildings until a lease or agreement, in a form approved by the Head of Legal Services, in consultation with the Corporate Property Officer has been concluded as appropriate.
- C6.14 To ensure the proper security and safe custody of all information, land, buildings, vehicles, plant, equipment, furniture, stock, stores and other assets under the Chief Officer's control and to protect against loss, damage, or misuse by ensuring that their locations are recorded, that they are identified, and also are appropriately marked as belonging to the Council.
- C6.15 To liaise with the Director for Corporate Support, to ensure that insurance cover arrangements have been made where it is considered appropriate. (see also Section C, Part 2 Risk Management; and Section C, Part 6 Materials, Stocks and Stores)
- C6.16 To ensure that all title deeds for land or buildings under the Chief Officer's control are passed to the Head of Legal Services who will ensure secure storage.
- C6.17 To ensure that no Council asset is subject to personal use by an employee without proper prior approval and is in accordance with relevant Council policies and procedures.

- C6.18 To identify assets which become surplus to requirements and to arrange for their disposal in accordance with approved policies and procedures (see also Section C, Part 5 Assets: Disposal). (see Annex A)
- C6.19 To ensure cash holdings on premises are kept to a minimum in line with normal operational service requirements (see also Section C, Part 7 Treasury Management and related items)(see Annex A)
- C6.20 To ensure that all of the Chief Officer's staff are aware of their general responsibility for taking reasonable action to provide for the security of the assets under their control, so as to ensure that the use of those resources is:
- Legal;
 - Properly authorised; and
 - Provides value for money.
- C6.21 To ensure that staff take due care over the custody of keys to safes and similar security facilities, or receptacles for which they are responsible, in accordance with instructions issued by the Director for Corporate Support. To report the loss of these keys immediately to the Director for Corporate Support and to take steps to minimise any potential loss which may arise from the loss of such keys.
- C6.22 To ensure that all members of staff are aware that they have a personal responsibility under the Data Protection Act with regard to the protection and confidentiality of information they access or use in the course of their work, whether held in manual or computerised records. Such information may be sensitive or privileged, or may possess some intrinsic value such that its disclosure or loss could be detrimental to the Council in some way (see Section C, part 6 Assets: Intellectual Property)(see Annex A)
- C6.23 Computer Access
- To maintain proper security and privacy of information held in the main computer installations, and to authorise user access to this information.
 - To maintain proper security and privacy of information held locally on other computers within their departments and to authorise and control access to that information.
 - To ensure that all employees having access to computer systems shall not disclose their passwords, unless required for audit investigation purposes, nor allow others to record transactions on them.
 - To ensure that employees are not required to disclose their passwords to anyone else, other than in C6.26 below.
- C6.24 To ensure all staff and anyone working with or on behalf of the Council, are made aware of their responsibilities in accordance with the requirements of the Council's policies, Data Protection Act and software copyright legislation.

Responsibilities of Members

- C6.25 Members having access to computer systems shall not disclose their passwords, unless required for Audit investigation purposes, nor allow others to record data or transactions on them. Members will be held responsible for all entries logged under their passwords.

Responsibilities of Employees

- C6.26 Employees having access to computer systems shall not disclose their passwords, unless required for Audit investigation purposes, nor allow others to record data or transactions on them. Employees will be responsible for all transactions logged under their passwords.

Security- Equipment - Inventories***Responsibilities of Chief Officers***

- C6.27 To maintain up to date and accurate records of all items of equipment, plant, furniture, fittings, machinery and other items, in accordance with guidance specified on the Council's official inventory guidelines.
- C6.28 To ensure that all items of equipment, plant, furniture, fittings, machinery and other items, and in particular those which are attractive and portable, such as computers, mobile phones, cameras and video recorders, are identified with security markings as belonging to the Council.
- C6.29 To ensure that equipment, etc. is used only in the course of the Council's business unless the Chief Officer has given permission otherwise, and subject to Council's policy on private use.
- C6.30 To ensure that appropriate records are maintained of those items of equipment etc., which are in the control of specific members of staff.
- C6.31 To carry out a check at least annually of the existence and continued suitability for use, of all items recorded in the inventory, and to take appropriate action in respect of any discrepancies or items no longer suitable for use, annotating the inventory accordingly.

Security – Materials, Stocks and Stores***Responsibilities of Chief Officers***

- C6.32 To make arrangements for the safe care and custody of materials, stocks and stores.
- C6.33 To ensure that quantities of stocks are maintained only at reasonable levels for normal operational requirements unless there are sound financial or other reasons for doing otherwise and in such cases to notify the Director for Corporate Support.
- C6.34 To maintain accurate and reliable records of items in stores specified by, and in a form agreed with, the Director for Corporate Support.
- C6.35 To ensure that for all stocks there is an independent comparison of physical stock against the records at least once in each financial year, to investigate any discrepancies arising, and to report them to the Director for Corporate Support.
- C6.36 To write-off physical discrepancies, or obtain the approval of the Director for Corporate Support, if the value of the discrepancy exceeds the Chief Officers delegation (see Annex A),

- C6.37 To dispose of surplus or redundant materials, stocks and stores in accordance with guidelines determined by the Director for Corporate Support.
- C6.38 To ensure that any disposal of surplus or redundant materials, stocks and stores to members of staff be under the same arrangements as to any other party.
- C6.39 To maintain a record of all disposals, including details of the proceeds and the purchasers.
- C6.40 To write off surplus or redundant stocks not otherwise disposed of, or to seek the approval of the Director for Corporate Support to such write off where the value of the stock item exceeds a level determined (see Annex A) by the Director for Corporate Support.
- C6.41 To provide to the Director for Corporate Support such information concerning materials, stores or other assets as is required for financial accounting purposes, or to allow the Director for Corporate Support to report the level of write-offs to the Cabinet on a regular basis.

Intellectual Property

Why is this important?

- C6.42 Intellectual property is a generic term that includes inventions and written works. Certain creations, particularly computer software, may have a commercial value and be marketable outside the Council.
- C6.43 As a general rule, items of intellectual property which are created by an employee during the normal course of their employment are the property of the employer, not the employee.
- C6.44 Various Acts of Parliament detail the treatment of different types of intellectual property and provide for the patenting of the development work to safeguard it against exploitation.

Key controls

- C6.45 The key controls are to ensure that procedures are in place, and are adhered to, which protect against the external exploitation of intellectual property vested in the Council and developed by staff during the normal course of their work.

Responsibilities of Director for Corporate Support

- C6.46 To develop and seek approval by the Council of policies and procedures which safeguard the Council's interest in intellectual property.
- C6.47 To advise Chief Officers of the requirements of the policies and procedures, to monitor their adherence, and to report any instances of staff failing to comply with the requirements to the Audit Committee.

Responsibilities of Chief Officers

- C6.48 To implement the Council's approved policies and procedures (see Annex A) on the safeguarding of intellectual property.

C6.49 To ensure, as part of applying the policy, that there are no conflicts concerning staff conducting private work, or of using information obtained during the course of their work for personal gain.

C6.50 To report any instances of staff failing to comply with the requirements of the policies or procedures to the Director for Corporate Support.

Disposal of Assets

Why is this important?

C5.51 It is not cost-effective for the Council to tie up cash resources or to incur maintenance or other costs by continuing to hold physical assets which are no longer required or fit for use in service delivery; thus, obsolete, non-repairable or surplus assets must be disposed of in a suitable manner at the appropriate time, and having regard to legal and other requirements so as to ensure that the maximum sale proceeds are obtained.

Key controls

C6.52 The key controls for the disposal of assets are to ensure that processes are in place which ensure that:

- Surplus or redundant assets are identified promptly for disposal as appropriate.
- Assets are disposed of at the most appropriate time and only when it is in the best interests of the Council to do so.
- All legal requirements are observed.
- Disposal is by means of private treaty, competitive tender or public auction as appropriate.
- The maximum sale proceeds are obtained, unless there has been prior approval from the appropriate Portfolio Holder to allow the item(s) to be made available at a lesser value to a charity, voluntary organisation or similar body, or the asset is the Council's contribution to a joint working arrangement; and
- Staff are protected from any accusations of personal gain.

C6.53 There are specific arrangements for the disposal of land and buildings which the Corporate Property Officer in conjunction with the relevant Chief Officer, has identified as surplus to requirements, and which the Corporate Property Officer follows. The arrangements set out in the corporate property [asset management plan](#) are compatible with the key controls identified above.

Responsibilities of Director for Corporate Support

C6.54 To determine and issue to Chief Officers guidance for the disposal of assets other than land and buildings.

C6.55 To monitor Chief Officer's adherence to the guidance, including the recording and accounting for sale proceeds.

Responsibilities of Chief Officers

- C6.56 To follow, or to ensure that staff follow, the Director for Corporate Support' instructions on the disposal of surplus or obsolete vehicles, plant, furniture, materials, stocks, stores or other equipment. (See Annex A)
- C6.57 To ensure that surplus or obsolete assets are identified promptly.
- C6.58 To ensure that disposal is timely and by the appropriate means.
- C6.59 To make arrangements for the disposal of surplus goods, materials, vehicles and equipment in the manner most beneficial to the City Council, making every effort to dispose of surplus or obsolete assets by competitive tender or by public auction, and in all cases where the estimated value of the proceeds is at a level as determined by the Director for Corporate Support, in consultation, as appropriate, with the Cabinet.
- C6.60 To maintain a record of all disposals on inventories or within stock systems, including details of the quantity, items, proceeds and the purchasers.
- C6.61 To ensure that sale proceeds are banked and accounted for promptly, and that the Director for Corporate Support is notified of the disposal of any capital assets.
- C6.62 To arrange the disposal of computers and other recordable IT media via ISD, who will ensure that all data is properly erased prior to disposal.
- C6.63 To ensure that all printed information is disposed of securely and in accordance with the requirements of the Data Protection Act 1998.

Leased assets***Why is this important?***

- C6..64 In some instances it may be more cost effective to lease assets, including property, vehicles and equipment, rather than to purchase them outright.
- C6.65 It is important to distinguish between operational leases and finance leases as both have differing accounting requirements and have a different impact on service revenue accounts.
- C6.66 The Council recognises the importance of obtaining the most favourable terms for its leasing agreements and has employed the services of a leasing advisor.

Key controls

- C6.67 Proposals to lease vehicles and equipment are subject to a capital options appraisal.
- C6.68 Lease payments must be identified and declared on the annual statement of accounts (see Annex A).

Responsibilities of the Director for Corporate Support:

- C6.69 To determine and issue guidance on leasing proposals, having regard for value for money.

- C6.70 To ensure all leased assets are recorded on a register and returned to lessor by due date.

Responsibilities of Chief Officers:

- C6.71 To ensure the Director of Corporate Support is consulted on all proposals for leased assets.
- C6.72 To keep an inventory of all leased assets and to ensure assets are returned at the end of the lease period in accordance with the terms of the arrangement.

Part 7 Treasury Management

Why is this important?

- C7.1 Each year the Council processes a high volume of both high and low value cash transactions through its accounts. It is essential that the Council manages properly both the raising of loans by the most appropriate means so as to minimise the cost of borrowing; and also the investment of cash which is not immediately required to meet payments so as to balance risk of loss with the investment return to be gained. The Council is able to achieve an assurance that its cash is being managed efficiently by ensuring that national codes of practice are applied.
- C7.2 It is sometimes necessary for the Authority to be responsible for private property belonging to a person under their guardianship; to act as a trustee of assets on behalf of beneficiaries; or for Council officers to be involved with the administration of Voluntary Unofficial Funds. In such cases the Authority has a legal duty of care over the custody of assets and administration of funds and it is essential that adequate safeguards are in place.
- C7.3 This Council adopts the key recommendations of CIPFAs Treasury Management in the Public Services: Code of Practice (the Code), as described at section 4 of that code. Accordingly the Council will create and maintain, as the cornerstones of effective treasury management:
- a treasury management policy statement (see Annex A), stating the policies and objectives of its treasury management activities.
 - suitable treasury management practices (TMPs) (See [Annex A](#)), setting out the manner in which the Council will achieve these policies and objectives and prescribing how it will manage and control those activities.

Key controls

- C7.4 The key controls for treasury management, banking arrangements, and the management of trust funds and other funds/assets held for third parties are to ensure that procedures are in place to ensure that:
- The Director for Corporate Support, who has delegated authority for borrowing, investment and financing, shall act in accordance with the approved Treasury Policy Statement or Treasury Management Practices (see Annex A) which has regard to CIPFA's Code of Practice on Treasury Management;
 - bank accounts are operated in accordance with approved policies and procedures and only the Director for Corporate Support shall be authorised to open or close such accounts, unless specific dispensation is given by the Director for Corporate Support; and
 - trust funds and other funds/assets held for third parties are securely held, accurately recorded and are operated in accordance with approved arrangements.

Responsibilities of Director for Corporate Support***Treasury management - borrowings and investments***

- C7.5 To prepare on an annual basis, and to seek the approval of the **Audit Committee** and Council, a report on treasury management policies, procedures, practices and activities, including, as a minimum an annual strategy and plan in advance of the year and an annual report at its close, in the form prescribed in Treasury Management Practices (TMP) (see [Annex A](#)).
- C7.6 To implement and monitor treasury management policies and practices and the execution and administration of treasury management decisions.
- C7.7 To identify, in conjunction with Chief Officers, the projected cash-flow position of the Council, and, in the light of this, to arrange the borrowings and investments for the Council in accordance with the approved Treasury Policy Statement (see Annex A) so as to ensure that the borrowings and investments are valid, complete, accurate and properly accounted for.
- C7.8 To maintain records of all borrowing of funds by the Council.
- C7.9 To ensure that all borrowings are made in the name of the Council.
- C7.10 To act when and if appropriate as the Council's Registrar of stocks, bonds, and mortgages.
- C7.11 To ensure that investments of money under its control are made in the name of the Council, or in the name of nominees approved by Council.
- C7.12 To ensure that all securities which are the property of, or in the name of the Council or its nominees, and the title deeds of all property in its ownership, are held securely by the Head of Legal Services, the Director for Corporate Support or other nominees, or the Council's bankers as appropriate.
- C7.13 To advise Chief Officers of their responsibilities under the Treasury Policy Statement and treasury management practices, in particular that they must neither borrow nor invest without the Director for Corporate Support's prior approval.

Banking

- C7.14 To act as the Council's Officer with delegated responsibility for the opening and closing of all bank accounts as are necessary for the City Council and for other organisations that appoint the Director for Corporate Support as Company Treasurer or Finance Director.
- C7.15 To determine, or approve, all arrangements for the operation of such receipt, collection and banking facilities for the Council (and for other organisations that appoint the Director for Corporate Support as Company Treasurer or Finance Director), as the Director for Corporate Support considers appropriate having regard to all statutory and corporate requirements
- C7.16 To ensure that all bank accounts are in the name of Plymouth City Council, or such name as may be expressly approved by the Director for Corporate Support.

C7.17 To approve the opening and closing of all bank accounts holding Council monies and to assist and liaise with Chief Officers, where appropriate, when the management of monies not belonging to the Council is entrusted to Members and Officers of the Council (eg trust funds, receiverships, voluntary unofficial funds, school funds etc); and to maintain an up to date record of all accounts and the authorised signatories for each bank account opened.

C7.18 To ensure Chief Officers are aware of, and comply fully with, their responsibilities for bank accounts operated under their control.

Imprest Accounts

C7.19 In conjunction with the Council's procurement and purchasing card arrangements, to determine, and periodically review, arrangements for the provision and operation of cash and / or bank imprest accounts to enable Members and Officers to meet minor expenditure on behalf of the Council. The arrangements should include:

- maintaining an up to date record of all accounts and the authorised signatories for each imprest account opened,
- requirements for the recording of all advances made,
- the security of cash holdings,
- the regular reimbursement of payments made and
- the reconciliation of activity on the account.

C7.20 To issue guidance, together with the appropriate stationery, to Chief Officers on the arrangements for the provision and operation of imprest accounts.

C7.21 To ensure that all Chief Officers are aware of, and comply fully with, their responsibilities for imprest bank accounts operated under their control.

Trust funds and other funds/assets held for third parties.

C7.22 To liaise with, and provide advice and guidance as necessary to, Chief Officers with regard to financial aspects and risks associated with, trust funds and other funds/assets held on behalf of third parties.

Credit Cards and Purchase Cards

C7.23 To provide credit cards and purchase cards to be used for agreed purposes and to be allocated to nominated members of staff.

C7.24 To prescribe procedures for the use of credit cards and purchase cards and publish these on the Financial Management web pages and the accounting arrangements required to record and monitor expenditure incurred with such cards.

Money Laundering

- C7.25 To issue guidelines on the maximum amount of cash that can be taken as one transaction over a 12 month period in accordance with “The Money Laundering Regulations 2007” (yet to be agreed by Audit Committee)

Responsibilities of Chief Officers*Treasury management - borrowings and investments*

- C7.26 To adhere to the requirements of the approved Treasury Policy Statement and treasury management practices (see Annex A), and in particular neither to arrange for any borrowing, nor to make any investment or advance any loan to a third party without the prior approval of the Director for Corporate Support.
- C7.27 To provide details of projected cash flow requirements to the Director for Corporate Support to enable the Director for Corporate Support to arrange appropriate borrowings or investments on behalf of the Council; including notification of anticipated grant payments and receipts or other large amounts.

Banking

- C7.28 To comply with the arrangements determined by the Director for Corporate Support for the operation of such banking facilities as the Director for Corporate Support considers appropriate.
- C7.29 To ensure that all bank accounts holding Council monies are opened with the approval and authorisation of the Director for Corporate Support.
- C7.30 To ensure that money received on behalf of the Council, is kept securely, banked in full and not used to cash personal cheques; and, unless otherwise approved by the appropriate Chief Officer and the Director for Corporate Support, to ensure that money received on behalf of the Council is banked within one working day, or within a period as specifically approved by the Director for Corporate Support.
- C7.31 To ensure that every employee paying money into a bank account shall enter on the paying-in slip and on the counterfoil or duplicate, particulars of such payment, including in the case of each cheque, particulars of the payment which will connect the cheque with the debt to which it relates, or in the case of non debtors payments, details of what the income is for and the financial ledger code to which it should be allocated.
- C7.32 To produce for verification, upon demand from an appropriately authorised officer, cash and all supporting vouchers to the total value of the bank account.
- C7.33 To liaise with the Director for Corporate Support, where appropriate, when the management of monies not belonging to the Council is entrusted to members and officers of the Council e.g. trust funds, receiverships, school funds etc. Responsibilities include maintaining an up to date record of all such accounts and the authorised signatories for each bank account opened. Furthermore, to ensure that amendments to arrangements and authorised signatories are notified promptly to the Director for Corporate Support.

Imprest Accounts

C7.34 To operate, or to ensure that staff operate imprest accounts in accordance with the procedures and guidance notes issued by the Director for Corporate Support and in conjunction with the Council's procurement arrangements and purchasing card arrangements; in particular:

- to maintain an up to date record of all authorised signatories for each departmental imprest account and to ensure that amendments are notified promptly to the Director for Corporate Support;
- to operate the account only for the payment and reimbursement of minor expenditure (as determined by the Director for Corporate Support) on behalf of the Council and, under no circumstances, to use the account to cash personal cheques or to make personal loans;
- to ensure that only the appropriate minor expenditure is paid via petty cash in accordance with the Director for Corporate Support' guidance and instructions;
- to maintain adequate security arrangements for any cash holdings;
- to record all transactions completely, accurately and promptly and ensure that a regular reconciliation of activity on the account is maintained;
- to ensure that another officer verifies and authorises the monthly claim for reimbursement of payments made through the account;
- to provide a certificate to the value of the account held to support the entry in the Council's final accounts;
- to produce for verification, upon demand from an appropriately authorised officer, cash and all supporting vouchers to the total value of the imprest account or cash float balance held;
- to ensure that any officer, holding petty cash and leaving the employ of the Council, accounts fully for the value of the monies held and makes the appropriate arrangements for its secure transfer.

Trust funds and other funds/assets held for third parties.

C7.35 To ensure they are aware of all trust funds, voluntary unofficial funds and other private property with which their Officers may be involved.

C7.36 To ensure that all Officers involved with safeguarding assets belonging to third parties are aware of their financial, statutory and other responsibilities.

C7.37 To ensure that trust funds are operated in accordance with all statutory and corporate requirements, and the specific requirements for each trust.

C7.38 To arrange that all trust funds are, wherever possible, established in the name of the Council.

- C7.39 To determine, in consultation where appropriate, with the Director for Corporate Support, appropriate arrangements, including the maintenance of up to date, complete and accurate records, for the safe custody of all securities and other assets, etc relating to the trust.
- C7.40 To ensure that any Officer who is responsible for any property (including monetary assets) not belonging to the Council:
- takes all reasonable steps to prevent or mitigate loss or damage to that property, and
 - where any such loss, damage or other reduction in value occurs, the Chief Officer is notified accordingly without delay, who shall in turn notify the Director for Corporate Support.
- C7.41 To account completely, accurately and promptly for all transactions relating to the trust fund or other funds held on behalf of third parties.
- C7.42 To ensure that all funds are regularly verified by an independent authorised Officer so that no one Officer has sole access to the monies, property, accounting entries and supporting documentation.
- C7.43 To allow the Director for Corporate Support or the authorised representative, the same rights of access to assets, financial and accounting records, etc, held or maintained on behalf of third parties.
- C7.44 In the case of voluntary unofficial funds, to ensure that audited accounts are prepared and considered by an appropriate management body annually.
- C7.45 To operate the use of credit cards and purchase cards in accordance with the procedures issued by the Director for Corporate Support, including the authorised limits as at [Annex A](#) (Delegation limits: credit card and purchase cards transaction limits):

Money Laundering

- C7.46 To ensure that any Officer responsible for collection of cash does not exceed the limits advised by the Director for Corporate Support (or his nominated officer(s)), or as outlined in the Money Laundering Policy (yet to be agreed at Audit Committee).

Part 8 Staffing***Why is this important?***

- C8.1 In order to provide the highest level of service, it is crucial that the Council recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.
- C8.2 An appropriate staffing strategy and policy should exist, in which staffing requirements and budget allocation should be matched. Payments for directly employed staff cost many millions of pounds – more than 50% of the Council's gross annual spending.

Key controls

- C8.3 The key controls for staffing are that procedures are in place to ensure that:
- staff are employed in accordance with the approved Council policies, procedures and protocols;
 - staffing requirements and costs are forecast, and that budget allocations are obtained and available at the appropriate time;
 - staffing expenditure is monitored against budget approvals; and
 - staff time is used efficiently and effectively for the benefit of the Council.

Responsibilities of Director for Corporate Support

- C8.4 To ensure that procedures are in place to enable Chief Officers to seek appropriate budget provision for all existing and new employees.
- C8.5 To act as an advisor to Chief Officers on areas such as liabilities for National Insurance, pension contributions, etc as appropriate.

Responsibilities of Chief Officers

- C8.6 To employ staff in accordance with the approved policy framework and protocols.
- C8.7 To ensure that an adequate revenue budget provision is obtained at the appropriate time to support the existing and proposed staffing levels to meet the required level of service provision.
- C8.8 To seek the prior approval of the Cabinet / Cabinet Member to any adjustment to existing staffing levels in order to meet changing operational needs where the ongoing impact can not be wholly met from ongoing additional external income, and / or where the staffing implications are significant.
- C8.9 To manage spending on staff costs within the approved budget; such monitoring to include controlling such costs as sickness, overtime, training and the employment of temporary staff.

Section D SYSTEMS AND PROCEDURES

Part 1 Introduction

- D1.1 Sound systems and procedures are essential to form an effective framework of accountability and control.
- D1.2 The Director for Corporate Support is responsible for the overall operation and maintenance of the Council's form of accounts, the accounting and related systems, and all supporting financial records.
- D1.3 Chief Officers are responsible for the proper operation of approved Financial Regulations and Procedures within their own service area.
- D1.4 Chief Officers must seek the prior approval of the Director for Corporate Support to any proposed changes to the existing financial or related systems or to the establishment of any new financial or related systems which are / will be directly under their control.
- D1.5 Chief Officers must also seek the prior approval of the Director for Corporate Support, who, if appropriate, will seek the approval initially of the Corporate Management Team and subsequently of the Cabinet or Audit Committee as appropriate, to any proposed changes to the Council's instructions or procedural notes on financial matters which are required to meet their own specific service needs.
- D1.6 Chief Officers must ensure that, where financial management arrangements are undertaken within their departments, whether under formal decentralised arrangements or not, their staff receive appropriate financial training and operate to the professional standards set by, and detailed in guidelines issued by the Director for Corporate Support.
- D1.7 Chief Officers must ensure that, where appropriate, computer and other systems are registered in accordance with Data Protection legislation and that their staff are aware of their responsibilities under the Freedom of Information legislation.

Overview of Responsibilities in relation to :

Expenditure and Income

- D1.8 Chief Officers are responsible for the effective operation of a system for the control of expenditure and income within their area; where a Chief Officer has delegated this responsibility, their records must formally identify who has been authorised to act on his / her behalf in respect of the placing of orders, the making of payments, or the collection of income, and the limit of their authority.
- D1.9 The Council is responsible for approving procedures for the writing-off of uncollectable debts as part of its overall control framework of accountability and control (see Annex A).
- D1.10 Chief Officers are responsible for complying with the Council's contract standing orders (see Annex A) and procurement strategy and should make use of common supplies and services provided by other Departments of the Council.

Payments to employees, former employees and Members

- D1.11 The payment of all salaries, wages, pensions, gratuities and other emoluments to all employees and former employees, will be made by the Assistant Director for HR and Organisational Development, or under arrangements approved and controlled by the Assistant Director for HR and Organisational Development. Any School making its own arrangements for payroll will need to ensure that timely information, in an agreed format, is made available to the Assistant Director for HR and Organisational Development so that statutory returns can be made to the Inland Revenue, the Contributions Agency, the Local Government Pensions Fund and the Teachers Pension Agency.
- D1.12 The Assistant Director for HR and Organisational Development is responsible for maintaining employee pension records, disbursements and returns for the relevant Fund Manager.

Part Taxation

- D1.13 The Director for Corporate Support is responsible for communicating directly with HM Customs and Excise and the Council's Tax Advisors; and for advising Chief Officers on all taxation issues that affect the Council, in the light of statutory requirements and relevant guidance issued by the appropriate bodies.
- D1.14 The Director for Corporate Support is responsible for maintaining directly, or where appropriate, ensuring that Chief Officers, maintain the Council's taxation and contribution records for all taxation issues. The Director for Corporate Support is responsible for making all tax payments, receiving tax credits / refunds and for submitting tax returns by their due date as and when appropriate.

Leasing arrangements and PFI Funding Arrangements

- D1.15 Before entering into any finance or operating lease, or lease rental agreement, or PFI arrangements, Chief Officers must get agreement from the Director for Corporate Support to ensure that the arrangement is financially advantageous to the Council and should take appropriate legal advice from the Head of Legal Services

Trading Accounts and Business Units

- D1.16 The Director for Corporate Support is responsible for advising on the establishment and the operation of suitable accounting records and supporting procedures for trading accounts and business units.

Part 2 Systems and Procedures - General***Why is this important?***

- D2.1 Service managers require financial and other service performance information which is complete, accurate, appropriate, up to date and timely in managing and controlling the provision of their services. Service departments operate many systems and procedures to provide this information; most of these are computer based, and are either of a corporate or service specific nature. It is essential that the systems and procedures are sound, well administered and comply with current legislation; also that appropriate controls are in place to ensure that transactions are processed completely, accurately and promptly such that any errors are identified and corrected quickly.
- D2.2 As part of the statutory responsibility to ensure the proper administration of the Council's financial affairs, the Director for Corporate Support must ensure that the Council's financial systems are sound and operate efficiently. Thus Chief Officers must obtain prior approval from the Director for Corporate Support for any new developments or changes to existing practices that may impact on the existing corporate or service based financial systems or procedures.

Key controls

- D2.3 The key controls in the provision of financial systems and procedures are to ensure that:
- operating systems and procedures are secure;
 - financial data is available on an accurate, complete and timely basis to support service managers in preparing for approval Council's objectives, targets, plans, budgets and statutory returns;
 - financial management information is provided in a timely manner to enable service managers to monitor performance against approvals and plans, and, when relevant, to take appropriate corrective action; and
 - Financial Regulations are reviewed on an ongoing basis to reflect approved changes in operating systems, procedures and legislation.

Responsibilities of Director for Corporate Support

- D2.4 To make arrangements for the proper administration of the Council's financial affairs, including:
- determining the accounting systems, form of accounts, supporting financial records, banking services and procedures to be maintained or prepared;
 - providing Chief Officers with advice and guidance in applying the accounting systems, form of accounts, supporting financial records and procedures;
 - considering the impact on, and amending as necessary, the accounting systems, form of accounts, supporting financial records and procedures for new developments or changes in working practices deriving from external or internal factors;
 - determining arrangements for the audit of the Council's financial affairs;

- reviewing, on an ongoing basis and in consultation with Chief Officers, the Financial Regulations to ensure that they remain appropriate and applicable; and, where this is not the case, seeking approval to their amendment.

Responsibilities of Chief Officers

- D2.5 To apply the requirements of the Director for Corporate Support in the maintenance, preparation and operation of financial systems, form of accounts, supporting financial records and procedures.
- D2.6 To ensure that relevant accounting records are properly maintained and held secure.
- D2.7 To ensure relevant financial systems and processes are documented.
- D2.8 To ensure that staff receive relevant financial training which has been approved by the Director for Corporate Support.
- D2.9 To ensure that the departmental organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other financial irregularity.
- D2.10 To determine, document, apply and maintain a scheme of delegation that identifies those members of staff authorised to act upon the Chief Officer's behalf in respect of placing orders, making payments, or collecting income and showing the limits of each individual's authority.
- D2.11 To supply the Director for Corporate Support with up to date details of members of staff authorised to act on the Chief Officer's behalf, including the purpose and limits of their authority together with their specimen signatures.
- D2.12 To incorporate, apply and monitor the effectiveness of appropriate controls within service department procedures to ensure that:
- all input is genuine, complete, accurate, timely and has not been previously processed;
 - all processing is carried out in a complete, accurate and timely manner; and
 - output from the system is complete, accurate and timely.
- D2.13 To ensure that a complete management trail is maintained which allows financial transactions to be traced from the original document to the accounting records, and vice versa.
- D2.14 To ensure that accounting records, vouchers and other supporting financial documents are retained in accordance with the Council's approved policy on document retention.

- D2.15 To obtain express approval from the Director for Corporate Support prior to the introduction, or implementation, of any proposals for the provision of new or replacement processes or systems, or the amendment of currently approved processes or systems for maintaining financial records, or records of assets.
- D2.16 To ensure central financial systems are utilised except where otherwise agreed by the Director for Corporate Support.
- D2.17 To ensure that effective contingency arrangements, including back-up procedures, exist for all financial and accounting systems and procedures, particularly those that are computer based. Furthermore, to ensure that there is a documented and tested disaster recovery plan available within the department which, in the event of a major failure or unavailability of the primary financial and accounting systems, will provide for the continuity of service provision and the prompt resumption of financial and accounting input into those primary records, including the input of arrears of information.
- D2.18 To ensure that computer back-up information is taken on a regular basis and wherever possible, is securely retained in a fireproof facility, preferably off-site, or in an alternative location within the building.
- D2.19 To ensure that computer equipment and software are safeguarded against loss, damage or other misuse through theft, vandalism etc.
- D2.20 To ensure that all relevant standards and guidelines for computer systems, detailed in the Council's approved IT Policies are observed.
- D2.21 To comply with relevant copyright, designs and patents legislation and, in particular, to ensure that:
- only software meeting the Council's IT standards, and which is legally acquired and properly licensed for the Council's work is installed and is used only on its computers;
 - Acquisition and installation of all hardware, software and ancillary equipment is carried out in accordance with the IT Policy
 - staff are aware and comply with relevant legislative provisions and locally approved guidance measures; and
 - in developing systems, due regard is given to the protection or issue of intellectual property rights (ie inventions and written works, particularly computer software, that may have a commercial and marketable value outside the Council).
- D2.22 To ensure that, where appropriate, computer based and other operational systems containing relevant information are registered in accordance with the Data Protection and related legislation, and that staff are aware of their responsibilities under the legislation.

Part 3 Expenditure and Income**Payments to Employees, Former Employees and Members*****Why is this important?***

- D3.1 Staff costs are the largest item of expenditure for most of the Council's services. It is therefore important that payments to current and former employees are made completely, accurately, on the due date and in accordance with the individual's conditions of service, where they are due for services to the Council; and that payments to members are in accordance with the scheme approved by the Council. Provision should also be made to account for these transactions completely, accurately and promptly; and to comply with statutory and other corporate requirements.

Key controls

- D3.2 The key controls for payments to current & former employees, and members are to ensure that procedures and processes are in place which ensure that:
- payments are made at the appropriate time under secure, sound and reliable arrangements;
 - payment arrangements provide for the appropriate segregation of duties and authorisation procedures;
 - payments are in accordance with all statutory requirements as well as regulations and directions of the Council;
 - payments are accounted for completely, accurately and promptly;
 - payments are monitored regularly against approved budgets; and
 - all appropriate payroll records and supporting documentation are retained for the defined period in accordance with the Council's approved policy regarding the retention of documents.

Responsibilities of Director for Corporate Support

- D3.3 To determine and control all arrangements for the secure, accurate, complete and timely payments to current & former employees, and members in accordance with procedures prescribed by the Assistant Director for HR and Organisational Development.
- D3.4 To account for all transactions completely, accurately and promptly;
- D3.5 To record, control and pay completely, accurately and promptly all statutory and voluntary payroll deductions in accordance with statutory and other legislative requirements.
- D3.6 To ensure that arrangements are in place for returns of pension contributions and information to the administrators of the appropriate schemes eg. Local Government Pension Scheme, Teachers Pension Scheme etc.
- D3.7 To ensure that schemes of remuneration to current & former employees and members, and any subsequent changes, are approved by the Cabinet / appropriate Committee and the Council prior to their implementation.

- D3.8 To take prompt action to recover and account for any overpayments to current or former employees arising. Recovery of overpayments will be achieved directly from an employees salary at a rate commensurate with the Council's Income & Credit Management Policy (yet to be agreed by Audit Committee).

Responsibilities of Chief Officers

- D3.9 To ensure appointments are made only in accordance with the approved policies and procedures of the Council, in particular in respect of grading and rates of pay, and that adequate budget provision is available.
- D3.10 To notify the Assistant Director for HR and Organisational Development of all appointments, terminations, or variations to the employment of staff that may affect the pay or pension of a current or former employee, in the form and within the timescale determined by the Director for Corporate Support
- D3.11 To ensure that adequate and effective systems and procedures are operated within the department for personnel and payroll processes, so that:
- payments are only authorised to bona fide employees and former employees.
 - payments are only made where there is a valid entitlement;
 - conditions and contracts of employment are correctly applied;
 - there is an effective system of checking and certifying payroll forms and other notifications sent to the Assistant Director for HR and Organisational Development; and
 - details of employees' names listed on the payroll and currently in payment are checked promptly at regular intervals to verify their accuracy and completeness, and that any irregularities identified are examined promptly and the appropriate action taken without delay.
- D3.12 To provide the approved certificated documentation and receipts for submission to the Assistant Director for HR and Organisational Development on a monthly basis for the payment of travel and subsistence claims, car allowances and other allowances by the end of the following month that travelling or subsistence was incurred. Furthermore car allowance claims must be submitted to comply with the Council's approved scheme and in accordance with the instructions on the official form. Such certification is taken to mean that journeys had been authorised prior to being undertaken, that expenses had been properly and necessarily incurred, and that the allowances are properly payable by the Council, whilst ensuring that the most cost-effective use of travel arrangements is achieved. The Chief Officer, or the authorised representative, must give due consideration to the completeness, accuracy of claims including the tax implications of such payments and notify the Assistant Director for HR and Organisational Development promptly to comply with statutory requirements and deadlines.
- D3.13 To determine the appropriate employment status of individuals having regard to relevant guidance provided by the Assistant Director for HR and Organisational Development, particularly that in respect of those who may be employed on a 'self employed or sub contract' basis. Should there be any cause for doubt, to seek appropriate advice from the Assistant Director for HR and Organisational Development.

- D3.14 To ensure that payment transactions are processed as appropriate through either the corporate payroll or payment systems having regard to advice provided by the Assistant Director for HR and Organisational Development. Where the payroll or payments services are provided externally, or about to be provided externally, then Chief Officers must obtain prior approval from the Assistant Director for HR and Organisational Development, and confirm that the arrangements of the external provider will comply with the processing schedule, statutory responsibilities and requirements of the Council
- D3.15 To maintain an up-to-date list of the names of officers authorised to sign payroll notification forms and other related records on the Chief Officer's behalf and to provide a copy of those specimen signatures to the Assistant Director for HR and Organisational Development; together with prompt notification of any subsequent changes.
- D3.16 To ensure that the details of any employee benefits in kind are notified accurately, completely and within the appropriate timescales to the Assistant Director for HR and Organisational Development to enable the completion of the statutory returns for Income Tax purposes (eg.P11D).
- D3.17 To ensure that all appropriate payroll documents and supporting documentation are retained for the defined period in accordance with the Council's approved policy on the retention of documents.

Responsibilities of Members

- D3.18 To submit, to the Assistant Director for HR and Organisational Development, claims on the Council's standard approved documentation for members' allowances, on a monthly basis.

Ordering and Paying for Work, Goods and Services

Why is this important?

- D3.19 Public money must be spent with prudence and demonstrable control and wholly in accordance with the Council's policies, and corporate procurement arrangements so as to deliver the approved service outcomes. All local authorities and schools have a duty to achieve value for money in the delivery of their services through economy, efficiency and effectiveness. The Council's procedures should help to ensure that services can receive value for money in their purchasing arrangements. The following requirements should be read in conjunction with the Council's Fair Funding Scheme (see Annex A), Standing Orders and delegations relating to Contracts for supplies, works and services and when developing financial processes and procedures (See paragraphs 1.5 to 1.7 "The Index" and [Annex A](#) Procurement Guide).
- D3.20 In accordance with the relevant codes of practice, every Officer and Member of the Council who is involved in contractual or purchasing decisions on behalf of the Council has a responsibility to formally declare any links or personal interests which they may have with purchasers or suppliers, contractors and in respect of partnership arrangements.

- D3.21 Official orders for the purchase of goods or services must be in a standard form approved by the Director for Corporate Support, and must be issued for all purchases other than for supplies of utilities (gas, electricity, water, etc), periodic payments (such as rent or rates), petty cash purchases, purchasing cards or other exceptions as specified by the Director for Corporate Support. In addition commitments from credit card, purchasing card or internet purchases must only occur through the Council's approved scheme and in accordance with the instructions on that scheme from the Director for Corporate Support.
- D3.22 Official orders must not be raised for any personal or private purchases.
- D3.23 Apart from payments from petty cash, imprest accounts or schools' own local bank accounts, the normal method of payment due from the Council shall be by BACS. Direct debit and periodical payment arrangements shall require the prior agreement and authorisation of the Director for Corporate Support.
- D3.24 The use of e-business, e-commerce, credit / debit or purchasing cards, or other electronic means of purchasing goods or services, must be authorised by the Director for Corporate Support.

Key controls

- D3.25 The key controls for ordering and paying for the purchase of work, supplies and services are to ensure that documented and approved procedures are in place (see Annex A). The working practices for staff using Purchasing & Creditors are also available on the Financial Management internal web pages and these should be referred to when ordering goods and services.

Responsibilities of Director for Corporate Support

- D3.26 To ensure that all of the Council's financial systems, processes and procedures for the ordering, purchasing and payment of suppliers for goods and services are sound, appropriately documented and properly authorised and administered.
- D3.27 To define the requirements for the checking and certification of invoices prior to payment and to confirm that the goods have been ordered and received, the invoice is in order and is certified for payment by the Budget Manager.
- D3.28 To ensure that Chief Officers do not operate a local system for the ordering, purchasing or payment of suppliers for goods and services, without the Director for Corporate Support' prior approval.
- D3.29 To approve the form of computerised official orders, or their manual equivalents, and associated terms and conditions.
- D3.30 To approve the form of official orders, their computerised equivalents, and associated terms and conditions.
- D3.31 Other than in respect of minor payments made from petty cash or imprest accounts, or payments by schools made from local bank accounts, to make payments from the Council's funds on the Chief Officer's authorisation that the expenditure has been duly incurred in accordance with these financial regulations.

- D3.32 To make payments on Chief Officers' behalf, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order, and, where appropriate and in conjunction with the Chief Officer, to report to the Cabinet / appropriate Committee to seek an additional budgetary allocation.
- D3.33 To make payments to contractors on the approved certificate of the appropriate Chief Officer, that must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- D3.34 To provide advice and encouragement to suppliers and Chief Officers on making payments by the most economical means and within statutory deadlines.
- D3.35 To advise Chief Officers on the availability and suitability of commitment recording facilities within the central financial accounting system, so as to maximise the usefulness of management information enquiries or reports available to them to assist them in monitoring and controlling spending against their budget allocations.
- D3.36 To consider the potential impact of any loans, leasing or rental arrangements on the Council's borrowing powers, and thereby protect the Council from entering into unapproved credit arrangements and ensure that value for money is being obtained.

Responsibilities of Chief Officers

- D3.37 To comply with the Governance arrangements for ordering and paying for the purchase of work, supplies and services (Annex A)
- D3.38 To operate the corporate system for the ordering, purchasing or payment of suppliers for goods or services unless prior approval has been obtained from the Director for Corporate Support, apart from payments from schools' own local bank accounts.
- D3.39 To obtain express approval from the Director for Corporate Support prior to the commitment to, introduction or implementation of any proposals for the provision of new or replacement processes or systems for the ordering, purchasing or payment of suppliers for goods or services, or the amendment of currently approved processes or systems.
- D3.40 To ensure that verbal orders for works, goods or services are only placed exceptionally and are confirmed with an official computer generated order, or manual equivalent, within 24 hours.
- D3.41 To ensure that computer generated orders, or manual equivalents, which are uniquely numbered are used to obtain all goods and services for their department, except where a purchase card is used. Internal orders for goods and services should be raised in writing and sent to the supplying department electronically or via the internal post. Since manual orders are controlled stationery, Chief Officers must therefore ensure that these are securely stored when not in use.
- D3.42 To ensure that orders are used only for the supply of goods and services for the department, establishment or for appropriate partnership bodies; on no account must the Chief Officer allow members of staff to use official orders to obtain goods or services for their private use.

- D3.43 To maintain an up-to-date electronic list of the names of officers authorised to approve official orders on the Chief Officer's behalf and to provide prompt notification of any subsequent changes.
- D3.44 To maintain an up-to-date list of the names of officers authorised to sign other related records on the Chief Officer's behalf and to provide a copy of those specimen signatures to the Director for Corporate Support, together with prompt notification of any subsequent changes.
- D3.45 To ensure that, prior to placing an order, their staff satisfy themselves that the goods or services ordered are appropriate and needed, that the volume is not excessive having regard to the normal rate of usage, that there is adequate budgetary provision, that quotations or tenders are in accordance with the [Council's Standing Orders \(Competitive Tendering\)](#) have been obtained wherever necessary, and that value for money has been taken into consideration.
- D3.46 To ensure that the department obtains value for money from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, whilst having regard to the [Standing Orders for the Regulation of Contracts](#), and other directions, guidelines and best practices of the Council concerning corporate contracts and goods and services.
- D3.47 To ensure that staff do not place orders or make payments for any loans, or enter into any leasing or rental arrangements, without the prior agreement and authorisation of the Director for Corporate Support.
- D3.48 To ensure that goods or services are checked on receipt, and that this check is evidenced, to ensure they are in accordance with the order as recorded by a person other than the one who had authorised the order; and on receipt, to ensure that appropriate entries are made in the relevant asset registers, inventories or stores records.
- D3.49 To ensure that an invoice is neither paid nor submitted to the Director for Corporate Support for payment unless a proper VAT invoice has been received, checked, coded and certified for payment.
- D3.50 To provide for the separation of duties by ensuring that at least two members of staff are involved in the ordering, receiving and payment process, so that, where possible, a different officer from the person who authorised the order, and in every case, a different officer from the person checking and certifying the invoice, authorises an invoice for payment in accordance with the working practice detailed on the Financial Management web pages.
- D3.51 To ensure that payments, or requests for payment, are made only on an original paper or electronic invoice containing the relevant purchase order number and not made on a photocopied or faxed invoice, statement or other document, unless with the agreement of the Director for Corporate Support. On no account should supplier's invoices be prepared or altered by employees of the Council.

- D3.52 To ensure that all undisputed invoices are settled within mutually agreed terms in accordance with the payment for goods policy available on the Financial Management web pages.
- D3.53 To encourage suppliers of goods and services to receive payment by BACS, but not to offer suppliers the facility of payment by direct debit without the prior approval and authorisation of the Director for Corporate Support.
- D3.54 To ensure that their members of staff are aware of their responsibilities under the local Code of Conduct for Employees (see Annex A), particularly with regard to declaring any links or personal interests which they have with regard to purchasers, suppliers, contractors and in respect of partnership arrangements.
- D3.55 To maintain, in a suitable form, a record of the details of those members of their staff who declare any links or personal interests which they have with regard to purchasers, suppliers and or contractors.
- D3.56 To identify, as soon as possible after the 31st March, outstanding liabilities for goods or services received but not paid in respect of the previous or earlier years, and to make an accrual to that year's final accounts in accordance with the requirements of the Director for Corporate Support' timetable for the closure of the accounts.
- D3.57 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Director for Corporate Support and the relevant Chief Officer, the systems and procedures to be adopted in relation to the financial aspects of such contracts, including the certification of interim and final payments, the checking, recording and authorising of payments, the system for monitoring and controlling capital schemes, and the procedures for the validation of sub contractors' tax status.
- D3.58 To notify the Director for Corporate Support immediately of any expenditure to be incurred as a result of statute or court order where there is no budgetary provision, and in conjunction with the Director for Corporate Support to report to the Cabinet or the appropriate Committee to seek an additional budgetary allocation.
- D3.59 To ensure that all appropriate payment records and supporting documentation are retained for the defined period in accordance with the Council's approved policy on document retention.
- D3.60 To make payments, with the approval of the Head of Legal Services, without admission or commitment to any liability or legal obligation, from the appropriate departmental budget, subject to a maximum value as outlined in the approved delegated limits (see Annex A) to any one payee in any one year for damage to, or loss of, property, or for personal injury where such a payment is adjudged to facilitate, or is conducive or incidental to the discharge of any functions of the Council; to maintain a record detailing the payee, the amount and the reason for making the payment and to submit a report for information to the Cabinet or the appropriate Committee on an annual basis.

Income

Why is this important?

D3.61 Income is derived both from the provision of supplies and services to customers and from contributions, grants, taxes and other revenues to finance services generally. The Council needs effective income collection systems to ensure that income due is identified, collected, receipted, banked and accounted for in a complete, accurate and timely manner. The Council encourages the collection of income in advance or at the time of supplying goods or services since this improves cash-flow whilst avoiding the time and cost of administering debts. The following requirements should be read in conjunction with the Council's Income & Credit Management and Uncollectable Debt Write Off Policies (see [Annex A](#)).

Key controls

D3.62 The key control for the collection and processing of income and other amounts due is to ensure that policies and procedures are in place (see Annex A). The working practices for staff using the Debtors system are available on the Financial Management web pages.

Responsibilities of Director for Corporate Support

- D3.63** To determine arrangements for the collection of all income due to the Council and to approve the procedures, systems, and documents for its collection.
- D3.64** To set the credit management policy (see Annex A) for the Council in order to optimise the income due to the Council and its collection
- D3.65** To provide, or where appropriate agree Chief Officers' proposals for the format, ordering, receipt and use of all income stationery, including invoices, receipts, tickets, etc, or their computer produced equivalents, and to ensure that the arrangements for their safe custody and control are of a satisfactory standard.
- D3.66** To ensure that Chief Officers follow the approved procedure for the write-off of uncollected debts (Restricted Document – available on Financial Management web pages) or losses on collection, and report their action accordingly.
- D3.67** To authorise the write off of any debt once proven it is irrecoverable by way of bankruptcy, insolvency or liquidation (See [Annex A](#) Delegated limits).
- D3.68** To ensure, in consultation with Chief Officers that adequate provision is made for potential bad debts arising from uncollected income
- D3.69** To maintain a record of all sums written off and adhering to the requirements of the Accounts and Audit Regulations.
- D3.70** To establish and initiate appropriate recovery procedures for debts or other amounts due which are not paid within the defined timescales in accordance with instruction from the Director for Corporate Support and Head of Legal Services.

This includes the use of bailiffs, external collection agents, legal recovery action or tracing agents.

Responsibilities of Chief Officers

- D3.71 To comply with the Governance arrangements for the collection and processing of income and other amounts due (Annex A)
- D3.72 To determine, with prior agreement from the Director for Corporate Support, the arrangements for the prompt and complete collection of all income or other amounts due to the Council for services, and the procedures, systems and documentation for its collection.
- D3.73 To comply with the agreed Income and Credit Management Policy of the Council (yet to be agreed by Audit Committee).
- D3.74 To ensure that these arrangements are communicated, understood and applied by the staff involved in the income process.
- D3.75 To notify the Director for Corporate Support of new sources of income and to obtain the Director for Corporate Support' approval to proposed changes to established procedures or systems for the collection of this and other income prior to making the commitment for such changes.
- D3.76 To establish, seek approval as appropriate, and review on a regular basis, and within corporate policies, a charging process and procedure for the supply of goods or services, including the appropriate charge for VAT (See [Annex A](#)).
- D3.77 To ensure that agreed charging process and procedures are implemented and consistently applied in respect of each activity and service
- D3.78 To segregate duties so as to ensure that different members of staff are involved in each stage of the processes for the identification of amounts due, the receipt of cash in settlement of the debt, the reconciliation of the amount due to that received, and the reconciliation of cash received and banked to the relevant bank account.
- D3.79 To ensure, wherever practicable, that at least two employees are present when post is opened so that money received by post is identified and recorded on a complete and accurate basis.
- D3.80 To monitor on a regular basis the risk and any short-comings arising where it is impractical to achieve the segregation of duties required under D3.78 and D3.79 above, and, if the need arises, to take appropriate action to rectify the short-coming.
- D3.81 To maintain complete and accurate records of all moneys receivable and received by the department.
- D3.82 To hold securely receipts, tickets and other records of income.
- D3.83 To ensure official receipts are issued and to maintain any other documentation for income collection purposes in accordance with approved processes and procedures.

- D3.84** To ensure that moneys collected are banked within 7 days, unless authorized otherwise within approved processes and procedures, into an account specified by the Director for Corporate Support. In addition, all monies must be completely, accurately and promptly accounted for in order to maintain a complete management trail from the initial receipt to the primary accounting record, and vice versa.
- D3.85** To make arrangements for the safe custody of cash pending its banking so as to minimise its loss or theft.
- D3.86** To ensure that no deductions are made from any income received / receivable without the specific approval of the Director for Corporate Support.
- D3.87** To ensure that no personal cheques are cashed from Council moneys.
- D3.88** To keep a record of every transfer of money whenever it changes hands. The receiving officer must sign immediately for the transfer (unless an approved machine receipting system is in use) and the transferor must retain a copy. Where a sealed container containing an unspecified sum is transferred, the receiving officer will sign a receipt detailing the seal number, to acknowledge that the seal and container have been received intact. Prior approval to use a sealed container system must be obtained from the Director for Corporate Support.
- D3.89** To ensure that money collected and banked is reconciled to the general ledger and/or bank account promptly.
- D3.90** To ensure there is an annual review of fees and charges and that proposals for the level of fees and charges are approved by the relevant Cabinet Member where these vary from RPI as notified by the Director for Corporate Support
- D3.91** Excepting those provisions in D3.92 sums due to the Council must not be written off until the Director for Corporate Support is satisfied that all reasonable steps have been taken to recover the sums due.
- D3.92** Sums due to the Council must not be written-off until the Director for Corporate Support is satisfied that all reasonable steps have been taken to recover the sums due. The appropriate documentation and management trail, including the appropriate authorisation, supporting and justifying individual write-off action must be maintained within the Council's policy on document retention (see Annex A).
- D3.93** The levels for the authorised write off of debt are listed in [Annex A](#): delegated limits.
- D3.94** The Director for Corporate Support for General Fund Dept and or the appropriate Director, or Head of Service or their nominated officers, subject to officer delegation limits (see Annex A), are authorised to write-off the following types of debt where:
- The debtor has gone into liquidation or is deceased and there are no funds nor estate on which to claim for recovery of the debt
 - The evidence against the debtor is inconclusive and the Head of legal Services recommends write-off

- The debtor has absconded and all enquiries have failed
- On the grounds that it would be uneconomical to pursue the debt

D3.95 To ensure that the following conditions apply to the write off of any debt:

- For internal control purposes, the officer formally authorising the write off of the debt must not undertake the discharge action, as appropriate, on the system. Similarly, the officer originating the debt must not undertake the discharge action on the system.
- Chief Officers will be responsible for maintaining a signatory list of officers duly authorised to write off against the appropriate level of debt. This list should be readily available to the Director for Corporate Support, or representative.
- The appropriate documentation and management trail, including the appropriate authorisation, supporting and justifying individual write off action, must be maintained within the Council's approved policy on document retention.

D3.96 To ensure that appropriate accounting adjustments are made following write off action.

D3.97 To maintain a record of all debts written off which shows details of the attempted recovery action and the justification for the non recovery, and to report to the Director for Corporate Support to allow details to be reported on a regular basis to the Cabinet or the appropriate Committee for information.

D3.98 To agree with the Director for Corporate Support proposals for the format, ordering, receipt and use of all income stationery, including invoices, receipts, etc, or their computer produced equivalents.

D3.99 To ensure there are secure arrangements for the safe custody of both unused and used income stationery and supporting documentation, and that they are retained for the defined period in accordance with the Council's approved policy on document retention.

D3.100 To identify as soon as possible after the 31st March outstanding income in respect of the previous financial year and to make an accrual to that year's final accounts in accordance with the requirements of the Director for Corporate Support's timetable for the closure of the accounts.

Part 4 Taxation***Why is this important?***

- D4.1 Like all organisations, the Council 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; all officers must therefore be aware of their roles and responsibilities in these regulations (and any authorised tax or VAT guides published at [Annex A](#)).

Key controls

- D4.2 The key controls on taxation are that procedures are in place which ensure that:
- all relevant staff are provided with appropriate up-to-date information on tax issues;
 - all relevant staff are instructed on the detailed processes to be followed and records to be maintained in accordance with those instructions;
 - all taxable transactions are identified, the tax liability properly assessed, and accounted for within specified timescales;
 - all statutory and other returns are made to the appropriate authorities within the specified timescales; and
 - all other statutory requirements are met.

Responsibilities of Director for Corporate Support

- D4.3 To advise Chief Officers on all taxation issues that affect the authority in the light of relevant legislation as it applies and guidance issued by appropriate bodies.
- D4.4 To provide guidance on detailed processes to be followed, the detailed records to be maintained, and to monitor their adherence.
- D4.5 To complete all HM Revenue and Customs' returns in respect of Construction Industry Scheme tax deductions in accordance with the relevant timescales and requirements.
- D4.6 To complete all HM Revenue and Customs' returns in respect of input and output tax in accordance with the relevant timescales and requirements.
- D4.7 To complete all other statutory and other returns in accordance with the relevant timescales and requirements.
- D4.8 To act as the Council's sole representative for communications with the statutory bodies and independent consultants on all employee related taxation matters.
- D4.9 To maintain and provide up to date guidance for Chief Officers and employees on all taxation issues directly relating to employment.
- D4.10 To complete all HM Customs and excise returns in respect of PAYE, National Insurance and Income Tax in accordance with the relevant timescales and requirements.

Responsibilities of Chief Officers

- D4.11 To ensure that guidance on taxation issues from the Director for Corporate Support, processes to be followed and records to be maintained are communicated to, understood and applied by all relevant staff, in particular that:
- details of all persons employed by the authority, other than those who are bona fide self-employed or are agency staff, are maintained on the Corporate Payroll system so that their tax liabilities are accurately and properly accounted for;
 - the correct income tax liability is identified and promptly accounted for in respect of all employees within the department. Furthermore, to ensure that the Director for Corporate Support is provided promptly with the relevant information to ensure that the appropriate statutory deductions are made in a timely and accurate manner;
 - the correct VAT liability is identified and promptly accounted for in respect of all income and expenditure transactions, and specifically in respect of output tax on all income due or received by the Council and in respect of input tax, whether recoverable or not, on all payments by the authority;
 - the Director for Corporate Support is provided with the relevant information in respect of payments due to sub-contractors involved in construction and maintenance works so that the appropriate liabilities in respect of the Construction Industry Scheme can properly be assessed and accounted for; and
 - advice on taxation issues should not be sought from anyone other than the Director for Corporate Support who is the Council's sole representative for communications with the statutory bodies and independent consultants on all taxation matters.
- D4.12 To consult with and seek advice from the Director for Corporate Support on the potential tax implications of any new initiatives for delivery of Council activity and services.

Part 5 Trading Accounts and Business Units***Why is this important?***

- D5.0 The Council operates a number of statutory trading accounts, as well as internal trading accounts.

Responsibilities of Director for Corporate Support

- D5.1 To advise on the establishment and operation of suitable accounting records and supporting procedures for trading accounts and business units.

Responsibilities of Chief Officers

- D5.2 To ensure that the same accounting principles are applied in relation to trading accounts or business units as for all other services of the Council.
- D5.3 To ensure that each business unit for which the Chief Officer is responsible prepares an annual business plan.
- D5.4 To observe all statutory requirements in relation to business units, including, where appropriate, the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts.
- D5.5 To consult with the Director for Corporate Support where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of the business unit's main contract with the Council. In general, such a contract should not be entered into unless it is capable of being terminated without penalty within the business unit's main contract period.

Internal Recharges***Director for Corporate Support***

- D5.6 To undertake recharges for support services in accordance with the CIPFA Best Value Accounting Code of Practice (BVACOP).
- D5.7 To establish a framework for the carrying out of internal recharges

Chief Officers

- D5.8 To ensure budgets for the purchase and provision of internal services (excluding support services) are agreed between purchaser and provider and properly reflected in annual budgets, business plans and budget monitoring statements.
- D5.9 To raise and process internal charges in a timely and efficient manner.
- D5.10 To notify and/or respond to disputed charges in a timely and efficient manner.

Section E EXTERNAL ARRANGEMENTS

Part 1 Introduction

- E1.1 The Council provides a distinctive leadership role for the community and is able to bring together the contributions of various participants and stakeholders by participating in various Partnership or Joint Working Arrangements; as a result, it is able to achieve the promotion or improvement of the economic, social or environmental well-being of its area.
- E1.2 There are different types of Partners and Partnerships, which range from formal structures to informal joint working arrangements. Each definition will confer differing responsibilities to the Authority; each role a different emphasis and a differing risk impact on the organisation; each will require more stringent control arrangements.
- E1.3 The requirements and controls for the different types of partnership working arrangements are dealt with more fully below and specific documents listed in “The Index” at [Annex A](#), such as the Procurement Guide and the External Funding Guide (yet to be agreed by Audit Committee).

Overview of Responsibilities

Making Partnerships Work

- E1.4 The Audit Committee is responsible for approving, after initial consideration by the Corporate Management Team, the operational framework for the Council’s participation in all partnerships and joint working arrangements with other local public, private, voluntary and community sector organisations; this includes the arrangements for delegation to Officers and the detailed arrangements for the provision of both financial and physical resources by the Council.
- E1.5 The Head of Legal Services, Director for Corporate Support, Head of Strategic Procurement and Chief Officers are responsible for promoting and maintaining within all partnership and joint working arrangements the same high standards of conduct with regard to the legal, corporate governance and financial affairs which are detailed in these Financial Regulations and elsewhere, and which are applied throughout the Council. They are also responsible for providing a strategic approach and the criteria for supporting any proposed operational arrangements.
- E1.6 Chief Officers, the Head of Legal Services, the Director for Corporate Support and the Head of Strategic Procurement are responsible for ensuring that a formal contract or partnering agreement is completed for all Partnerships and Joint Working Arrangements. The agreement should clearly state the extent of each Partners liability, their level of contribution to the arrangement and the ownership of assets and responsibility for liabilities when and if the arrangement ends, one or more of the parties defaults, or the Partnership fails to achieve its intended purpose.
- E1.7 The Council must be informed of all proposed partnerships.

- E1.8 The Cabinet is the focus for forming partnership arrangements with other public, voluntary and community sector organisations to address local needs. The approval of the Cabinet must be obtained before any negotiations are concluded to form a partnership.
- E1.9 Officers put forward to represent the Council on partnership and external bodies are there acting on the Council's behalf and must ensure that the Council's interests, position and aspirations are protected. If there is a conflict of interest, an Officer's duty is always to the interests of the Council.
- E1.10 The Director for Corporate Support is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council.
- E1.11 The Director for Corporate Support must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. The Treasurer must also consider the overall corporate arrangements and legal issues when arranging contracts with external bodies and ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- E1.12 Chief Officers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.
- E1.13 Partners have common responsibilities:
- to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;
 - to act in good faith at all times and in the best interests of the partnership's aims and objectives;
 - to be open about any conflict of interests which might arise;
 - to encourage joint working to achieve value for money through the promotion and sharing of information, resources and skills between the public, private, community and voluntary sectors;
 - to hold confidentially any information received, as a result of partnership activities or duties, that is of a confidential or commercially sensitive nature; and
 - to act wherever possible as ambassadors for the project.

External Funding

- E1.14 The Director for Corporate Support is responsible for providing specific guidance to Chief Officers to enable them to account properly for funding receivable from external sources (grants protocol yet to be approved by Audit Committee).

Work for Third Parties

- E1.15 The Director for Corporate Support is responsible for providing specific guidance to Chief Officers in respect of the financial aspects of third party contracts, contractual arrangements for the provision of services to third parties or external bodies;

Loans and Guarantee arrangements

- E1.16 The Director for Corporate Support is responsible for providing specific guidance to Chief Officers in respect of Loan and Guarantee arrangements to third parties.
- E1.17 Chief Officers may not enter into any arrangement to provide Loan or Guarantee facilities to any third parties without the prior approval of the Director for Corporate Support and Head of Legal Services.

Part 2 Partnerships***Why are partnerships important?***

- E2.1 Partnerships now play a key role in delivering community strategies and in helping to promote and to improve the well-being of the area. The Council is working in partnership with others - other local authorities, public agencies, private companies, community groups and voluntary organisations. The Council continues to deliver a wide range of services, but it also now provides a distinctive leadership role in bringing together the contributions of the various partners and stakeholders. The participants therefore need to deliver a shared vision of services based on users' wishes and needs (See Plymouth 2020 LSP Governance Guide)
- E2.2 The Council will take an increasingly leading role in mobilising investment, bidding for funds, championing the needs for its area and harnessing the energies and efforts of local people and the community organisations. The Council will be measured increasingly by what it achieves in partnership with others rather than merely on the basis of that which it achieves whilst acting on its own.
- E2.3 The main reasons for entering into a partnership are:
- to provide new and better ways of delivering services;
 - to forge new relationships;
 - to access new resources; and
 - to find new ways to share risk.
- E2.4 A partner is defined as either::
- an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project; or
 - a body whose nature or status give it a right or obligation to support the project.
- E2.5 Partners participate in projects by:
- acting as a project deliverer or sponsor, solely or in concert with others;
 - acting as a project funder or part funder; or
 - being the beneficiary group of the activity undertaken in a project.

Key controls

- E2.6 The key controls in relation to partnerships are :
- that the partnership arrangements (or other innovative structures for service delivery) are underpinned by clear and well documented internal controls

- where the partnership wants to use the Council's financial, contract-making and other facilities, and elements of the Financial Regulations are not appropriate, then dispensation must be sought through Delegated Decision, or the issue of specific operational instructions, in consultation with the Director for Corporate Support and the Audit Committee;
- adequate risk management processes are in place to identify and assess and manage all known and reasonably foreseeable risks;
- project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;
- the roles and responsibilities of each partner involved in the project are agreed and formally accepted before the project commences.
- documentation is in place setting out and limiting the commitments of parties to each other and the project, including an appropriate exit strategy to be followed in the event of a planned or unplanned termination of the arrangement, which must form part of the formal agreement.
- adequate arrangements are in place to ensure the accountability of other organisations for Council moneys, and that such money is only released against proper controls.
- regular communication is maintained with other partners throughout the project, so that problems can be identified and shared promptly to achieve their successful resolution.

Responsibilities of the Director for Corporate Support:

- E2.7 To advise Chief Officers on the need for, and for appraising and approving the relevant Chief Officers' risk assessment of the proposal before any commitment is made for the Council to participate in a scheme. The risk assessment must take into account the corporate effect on the Council's reputation, assets, services, finances and the future commitments for any Partnership or Joint Working Arrangement as well as identifying any specific hindrances to the proposed outputs of the scheme that may result from existing policies, processes and procedures published in these regulations.
- E2.8 To specify the accounting and auditing arrangements to be adopted and determining the overall corporate governance arrangements when, under the approved arrangements, the Council is to be the Lead Authority, Accountable Body or Major Funder.
- E2.9 To ensure that any Body, where the Authority is the Major Funder, Accountable Body, or Lead Authority (or has another role as yet unspecified); or where the Director for Corporate Support undertakes the role of Company Treasurer, or Finance Director, shall conduct their financial affairs in accordance with these Regulations, statutory requirements and the requirement of any external funder (eg South West Regional Development Agency, European Regional Development Fund). To enable this to be achieved efficiently due regard is to be given in identifying where areas of conflict may arise in complying with these orders. Mitigation of these so identified risks are to be implemented (eg: exemptions to these regulations are negotiated and agreed by Audit Committee).
- E2.10 To advise on effective controls which will ensure that resources are used effectively, efficiently and not wasted.

- E2.11 To advise on the key elements of the funding, and other related arrangements, of the project; these include:
- a scheme appraisal for financial viability in both current and future years;
 - risk appraisal and management;
 - resourcing, including any relevant taxation issues;
 - carry forward arrangements;
 - the audit, security and control requirements;
 - as part of the exit strategy, arrangements for dealing with any liabilities or assets which remain at the end of the project.
- E2.12 To ensure that the accounting and reporting arrangements are satisfactory.
- E2.13 Advising on the governance and performance management of partnership arrangements.

Responsibilities of Chief Officers

- E2.14 To ensure that before committing the Council's participation in a scheme, or before seeking the approval of the Cabinet to such participation, they consult with the Director for Corporate Support on the need to prepare a risk assessment of the proposal, and obtaining the Director for Corporate Support' approval to it.
- E2.15 To ensure that the approval of the Cabinet is obtained before any negotiations are concluded; any request for approval must be the subject of a joint report with the Director for Corporate Support and Head of Legal Services.
- E2.16 To ensure that all agreements and arrangements are properly documented, including details of the Council's financial and physical commitment to the arrangements which are to be in accordance with procedures specified by the Director for Corporate Support.
- E2.17 To observe the Council's Contract Standing Orders (see Annex A) when participating in any Partnership or Joint Working Arrangement.
- E2.18 To ensure that the body or person maintaining the accounting and auditing arrangements do so to a standard acceptable by the Director for Corporate Support in those cases where, under the approved arrangements, the Council is not to be the Lead Authority, or Accountable Body but the Council's participation is of a material nature.
- E2.19 To provide appropriate information to the Director for Corporate Support to enable the inclusion of relevant details in the Council's Statement of Accounts (see Annex A), and other financial statements and returns.
- E2.20 To ensure that Data Sharing Protocols comply with Council policy and statute law. There must be a Data Sharing Protocol for every partnering arrangement.
- E2.21 To ensure that the Council's key objectives and interests are sufficiently protected in the Partnership Agreement.

- E2.22 To maintain a corporate register of all partnerships and contracts entered into with external bodies, in accordance with procedures specified by the Director for Corporate Support.
- E2.23 To undertake or determine, as part of the preliminary considerations for the possible formation of a partnership:
- a financial appraisal of the viability of the proposed arrangement throughout its duration;
 - a risk appraisal is prepared for the Director for Corporate Support, before entering into any agreement ; specifically, to include early consideration of potential hindrance to output as a result of adherence to these regulations.
 - the nature, level and timing of the Council's contribution and commitment;
 - the responsibility for undertaking, and the detail of, the project's accounting and financial reporting arrangements;
 - the arrangements for accommodating the inability of any of the proposed partners to meet their financial or other obligations under the arrangements;
 - the arrangements for dealing with any remaining assets or liabilities at the end of the arrangement;
 - the audit, security and other control arrangements which should all generally be in line with the requirements of the Council's detailed Financial Regulations;
 - that the arrangements will not impact adversely on the services provided by the Council;
- E2.24 To ensure that all agreements and arrangements are properly documented and approved by the Head of Legal Services.
- E2.25 To monitor the progress of the partnership towards its stated aims and objectives.
- E2.26 To provide appropriate information to the Director for Corporate Support to enable a note to be entered into the Council Statement of Accounts (see Annex A) concerning material items

Responsibilities of the Head of Legal Services:

- E2.27 The Head of Legal Services is responsible for:
- Advising Chief Officers on the contractual and legislative requirements in respect of Partnerships, Joint Working Arrangements and work for third parties;
 - Drafting or approving the terms of partnership arrangements.

Part 3 External Funding

Why is this important?

- E3.1 External funding is a very important source of finance, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council.
- E3.2 Local Authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external sources such as the National Lottery, the New Deal for Communities and the European Union provide additional resources to assist the Council to deliver services to the local community.
- E3.3 However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be sufficiently flexible to link into the council's overall plans. Where this is an issue, specific and relevant interpretation and guidance is to be provided or exceptions negotiated into financial guides contained at [Annex A](#) to these regulations (eg: External funding guide yet to be approved by Audit Committee).

Key controls

- E3.4 The key controls for the use of external funding are that:-
- funds are accepted only if they meet the priorities approved in the policy framework by the full Council;
 - any match-funding requirements are given due consideration prior to entering into long-term agreements and that revenue budgets reflect these requirements.
 - to ensure that key conditions of funding and any statutory requirements are complied with, and that the requirements of the Funding Body and any Council responsibilities as the Accountable Body are clearly understood.

Responsibilities of Director for Corporate Support

- E3.5 To ensure that all funding notified by external bodies is received, controlled and properly recorded in the Council's accounts.
- E3.6 To ensure that procedures are in place so that all the financial implications, including long term issues, resulting from entering into external funding agreements are identified and where exceptions have been negotiated by partners these are documented and published at [Annex A](#). (External funding guide yet to be approved by Audit Committee).
- E3.7 To maintain a record of expected grants in liaison with Chief Officers.
- E3.8 To investigate ways of maximising grant income.
- E3.9 To account for any non-specific Government Grants received and receivable and submitting any required returns in respect of these.

E3.10 To provide guidelines and advice to Chief Officers as to minimum standards for recording and evidencing grant expenditure in order to meet grant conditions and external audit requirements.

E3.11 To ensure that audit requirements are met.

E3.12 To ensure that when the Council is the Accountable Body (e.g. under a New Deal for Communities programme) there are adequate controls and governance arrangements in place.

E3.13 To maintain the corporate grants register.

E3.14 To produce guidelines for bidding and accepting external funding.

Responsibilities of Chief Officers

E3.15 To ensure that funds are acquired only to meet the priorities that have been approved in the Council's policy framework.

E3.16 To ensure that all claims for funds are made by the due date.

E3.17 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue funds are able to meet these requirements.

E3.18 To ensure that the impact of any reducing external contributions or other liabilities are reflected at the appropriate time in the Council's medium term financial strategy.

E3.19 To ensure that the arrangements for dealing with income from external funding agencies, together with the relevant general requirements of the Financial Regulations, are communicated to, understood and applied by staff involved in the process.

E3.20 To ensure that the project progresses in accordance with the agreed project plan, and that all expenditure is properly incurred and recorded.

E3.21 To identify the cost of administration by the Council of the funding and where appropriate to recover these costs from the funding.

E3.22 To ensure that necessary approvals are obtained before external funding agreements are concluded

E3.23 To ensure that the conditions of external funding agreements and any statutory requirements are complied with.

E3.24 To maintain a record of external funding agreements in place

E3.25 To account for specific Government Grants received and receivable and submitting any required returns in respect of these.

E3.26 To ensure any grant claims requiring signature of the Chief Finance Officer are provided in a timely manner and accompanied by all relevant supporting documentation to enable the claim to be authorised by the required deadline.

E3.27 To liaise with the external Auditor as required during audit certification.

E3.28 To ensure the Director for Corporate Support is notified of any grant bid, and final grant approvals, for incorporation into the Corporate Grants register

E3.29 To comply with grants protocol (yet to be approved by Audit Committee)

Part 4 Work for Third Parties***Why is this important?***

- E4.1 Local authorities can enter into a wide range of agreements to do work with each other and with some (but not all) public bodies.
- E4.2 Such an agreement may enable the Council to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. The Council is only allowed to work for third parties who are specifically authorised under regulations made under the Local Authorities (Goods & Services) Act 1970. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is within the Authority's legal powers.

Key controls

E4.3 The key controls for working with third parties are that:

- proposals are costed properly, in accordance with guidance provided by the Director for Corporate Support;
- no process is started that might lead to the Council agreeing to do work for an outside body, whether public sector or otherwise, without first seeking the advice of the Head of Legal Services as to whether this is within the Council's legal powers;
- no process is started that might lead to the Council agreeing to do work for an outside body, whether public sector or otherwise without first establishing and recording that there is a clear economic case why doing the work is in the Council's best interests;
- contracts are drawn up using guidance provided by the Head of Legal Services and that the formal approvals process is adhered to;
- guidance is issued with regard to the financial aspects of third party contracts and the maintenance of the contract register;
- the Cabinet is responsible for approving the contractual arrangements for any work for third parties or external bodies;
- that the Council has insurance cover for any potential liabilities that could arise to the recipient of the service and any third party, and that the cost of this has been included with the overheads when calculating fees to be charged.

Responsibilities of the Director for Corporate Support

- E4.4 To provide guidance to Chief Officers in respect of the financial aspects of third party contracts and contractual arrangements for the provision of services to third parties or external bodies.

Responsibilities of Chief Officers

- E4.5 To ensure that risks are identified, evaluated and appropriate arrangements made to manage those risks before any arrangements are concluded.
- E4.6 To ensure that the approval of the Cabinet is obtained before any negotiations are concluded to work for third parties.

- E4.7 To ensure that the Council does not enter into any agreement that is beyond its legal authority, in consultation with the Head of Legal Services.
- E4.8 To ensure that no contract is subsidised by the Council, unless specific approval by way of a Council Minute has been given.
- E4.9 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- E4.10 To ensure that the department or unit has the appropriate expertise to undertake the contract, and that such contracts do not impact adversely upon the services provided for the Council.
- E4.11 To ensure that all contracts are properly documented.
- E4.12 To provide appropriate information to the Director for Corporate Support to enable a note to be entered into the Statement of Accounts concerning material items.

Glossary of Financial Terms and Abbreviations contained within the Financial Regulations

Term	Description
Accounting Policies	Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised; the basis on which it is to be measured; and where in the revenue account or balance sheet it is to be presented. Accounting policies do not include estimation techniques.
Accrual	An accrual is an adjustment made at the end of the year to account for income and expenditure in the correct year, for example where goods or services have been received in one year but the invoice will be paid in the following year due to timing differences.
Asset	An asset is anything that is owed by the Council that has a value.
Asset Management Plan and Capital Strategy	A document that explains how the Council will maintain its assets over the next few years and where it is intending to spend money on new or improvements to its existing assets.
Bad Debt	Money owed to the Council that is unlikely to be paid.
Best Practice	The term used to describe the methods used by local government to share procedures and practices in order to learn and improve from each other.
Best Value Accounting Code of Practice (BVACOP)	Produced by CIPFA and required to be followed by local authorities. Preparing accounts in line with the BVACOP ensures consistency and allows comparison between authorities.
Budget	Sum of money allocated for a particular purpose.
Budgetary Control	The process of ensuring actual expenditure and income does not exceed the budget available, and taking corrective action where variances are identified.
Budget Monitoring	The process of reviewing actual expenditure or income against the sum allocated for the year enabling action to be taken to reallocate budgets to or from other budget lines in a timely manner where variances are found.
Capital Expenditure	Money spent to either acquire or improve an asset owned by the Council which will be used over a period of years or money awarded to a third party towards an asset owned by them for example a grant to improve their property.
Capital Delivery Board (CDB)	A working group of senior officers set up to oversee the capital programme. The CDB reviews new expenditure plans before they are recommended for inclusion onto the capital programme, and monitors both the capital expenditure and the financing resources on schemes in the capital programme ensuring timely action is taken for any variances identified.
Capital Programme	The Council's capital expenditure plans for the next few years. The capital programme will show the anticipated cost, usually on a scheme by scheme basis, and how it intends to finance this.
Capital Receipts	Income received from the sale of Council land or other assets, the acquisition of which would meet the definition of capital expenditure.
CIPFA	The Chartered Institute of Public Finance and Accountancy. This body is responsible for interpreting accounting standards and recommending working practices to be followed by all local authorities.

Commitments	A commitment arises when an order is raised to purchase goods or services but the goods or services have not yet been received.
Corporate Improvement Priority (CIP)	An area identified by the Corporate Management Team (CMT) which requires increased or new action by services in order to deliver improvements to our customers. There are currently 14 overarching CIPS, with each containing a number of detailed actions to be delivered during the year.
Corporate Plan	A document outlining what the Council wants to achieve and how it will get there. The Corporate Plan generally covers a period of 3 years, but is reviewed and updated on an annual basis.
Cost Centre	An individual reference used within the Council's financial system to enable the allocation and monitoring of expenditure and income in a meaningful way.
Creditor	A person or organisation that delivers or supplies a service or product to the Council in exchange for cash.
Debtor	A person or organisation that receives a service or product from the Council in exchange for cash.
Earmarked Reserve	Money allocated for a specific purpose which will be spent in a future year.
Financial Regulations	A written code of procedures approved by the authority, intended to provide a framework for proper financial management. Financial regulations set out rules on accounting, audit, administrative procedures and budgeting systems.
Financial Year	A Local Authority financial year runs from 1 April to 31 March.
Fixed Asset	An asset intended to be held for a period of more than one year, such as a machine or building.
Forecast	A prediction of spend for future months/years.
General Ledger	The general ledger, is the main accounting record of the Council. It is basically a library of financial transactions.
Grants	Income received by the Council to support the undertaking of Council services or to support the capital programme. Grants may have terms and conditions as to use attached.
Imprest Account	This is a separate bank account, with a cheque book facility, to which an advance is made to facilitate quick payment for small items
Intellectual Property	A generic term that includes inventions and written works. Certain creations, particularly computer software, may have a commercial value and be marketable outside the Council.
Internal Control	The system of control devised by management to help ensure the Council's objectives are achieved in a manner which promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.
Internal Recharge	A charge made by one council department to another for provision of a service.
Lease	An asset not owned by the Council but which the Council has an agreement to use in providing its day to day services in return for a regular cash payment.
Medium term Financial Plan/Strategy	A document outlining the Council's spending plans and forecast resources over the next three years.
Money Laundering	The term used where an individual uses legal payment routes to pass off income earned from illegal activities or to avoid the payment of Government taxes. In terms of the Council's activities this would include the payment of rents and council tax at the Council's payment counters with large cash payments.

Monitoring Officer	The Council is required to designate an officer as its monitoring officer. This Officer must possess a legal qualification and is responsible for promoting and maintaining high standards of overall conduct, for reporting any actual or potential breaches of the law, or instances of mal-administration either to the Council directly or via the Cabinet.
Over-spend	This is where the actual expenditure exceeds the budget for the same period.
Petty Cash	A small amount of cash held by departments and available to purchase minor items of expenditure such as postage stamps.
PFI	Private Finance Initiative. The contracting of a private sector provider to build a new, or refurbish an existing, Council asset and then provide services on behalf of the Council. Contracts under the PFI are for a specified period of time and under an agreed service standard specification. The Council makes regular payments to the provider from its revenue budget over the contracted period. At the end of the contract period the asset may revert to the Council ownership.
Policy Framework	The collective term used to describe all the Council's agreed policies and strategies which identify what the Council aims to do, how it plans to do this and what resources it has available over a period of years.
Provisions	An amount set aside by the authority to meet a known item of expenditure but for which the actual timing and amount of the payment is not known. The main provisions relate to the Council's various insurance funds.
Reserve	Money set aside for future policy initiatives.
Revenue Expenditure	Expenditure incurred by the Council on a day to day basis in the provision of services to the public.
Risk Management	The planned and systematic approach to the identification, evaluation and control of risk.
Section 151 Officer	Under section 151 of the Local Government Act 1972 each Council is required to have a nominated Officer with responsibility to ensure the proper administration of the Council's financial affairs. In Plymouth this role is undertaken by the Director of Corporate Support. This Officer must be a member of a professional accountancy body.
Statement of Accounts	Council's are required to produce an annual Statement of Accounts which show how the Council has spent its money and what resources and reserves it has available. The Statement of Accounts includes the Council's statutory income and expenditure account, its balance sheet and a cash flow statement.
Support Service	The term used to describe those Council departments or services who do not provide a service direct to the public, but provide a back office function to support the staff directly working with the public. Support services include finance, IT, HR, legal as well as accommodation etc.
Trading Account	The term used to describe an activity or provision of a service which is aimed to be self financing. There may be a statutory requirement to account for some activities as a trading account, with any surpluses generated required to be reinvested in the service.
Treasury Management	The term used to describe the Council's management of its cash, investments and borrowing requirements.
Trust Fund	Money administered by the Council on behalf of another body, usually a charitable organisation, and usually arising from the donation of cash or assets.
Under-spend	A favourable variance. Actual expenditure including any commitments is less than the budget set for the same period.

Value Added Tax (VAT)	Tax levied on goods and services.
Variation	A variation is an increase or decrease in a budget after the budget has been approved at the start of the year.
Virement	A switch of resources between Cost Centres or budget lines within a Cost Centre.
Voluntary unofficial funds	These are any funds (other than those of the Council) controlled wholly or in part by an officer by reason of his/her employment either by the Council or by Managers of an establishment maintained by the Council. They include monies collected from fund raising events, donations and other sources.

The Financial Regulations 'Index' of Approved Governance Documents

PCC Constitution
Financial Regulations Delegated Limits
Medium Term Financial Strategy
Budget Book
Statement of Accounts
Annual Governance Statement
Ethical Standards
Members & Officers Code of Conduct
Risk Management Strategy
Emergency Response Plan
Corporate Plan
Contract Standing orders
Whistleblowing policy
Capital Programme
Scheme of Virement
Introduction to Local Government Finance
Asset Management Plan and Capital Strategy
VAT handbook
Plymouth Trading Fair Funding Guide
Fair Funding for Schools Scheme
Treasury Management Strategy
Annual audit plan
Anti Fraud and Corruption Policy
Retention and Disposition Schedule
Ordering and paying for the purchase of work, supplies and services
Arrangements for the collection and processing of income and other amount due
Budget Carry Forward Policy

Draft Documents yet to be Approval by Audit Committee

Money Laundering Policy
Capital Programme Governance Document
External Funding/Grants Protocol
Income and Credit Management Policy

Working Practices available on the Financial Management Web Pages

These documents are intended to be a detailed working practice but cannot override any requirements contained within the approved Financial Regulations or its Index of linked Policies

Budget Managers' Role Definition
Procurement and Purchasing Card Arrangements
Creditors User Guide
Working Practices for Purchasing and Creditors
Procedures for Purchasing Goods and Services
Purchasing Manual
Bad Debt Write Off Policy
Debtors Manual
Financial Management and Budgetary Control Training Guide
Close Down Guidance and Timetable
Virement Working Practice
Journal Transfer Working Practice
General Ledger Introductory Guide
Treasury Management Practices

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Governance arrangements for ordering and paying for the purchase of work, supplies and services

Key controls

The key controls for ordering and paying for the purchase of work, supplies and services are to ensure that documented and approved procedures are in place which ensure:

- all goods and services are ordered only by staff authorised to do so and that the details of each order are completely, accurately and promptly recorded in the corporate electronic purchasing system or for internal orders on an appropriate form approved by the Director for Corporate Support;
- all goods and services shall be ordered in accordance with the Council's Standing Orders for the Regulation of Contracts for works, supplies and services, unless they are purchased from approved internal sources within the Council or otherwise approved by the Director for Corporate Support;
- goods and services are checked, and received by the requisitioner on the corporate electronic purchasing system to ensure they are in accordance with the order as recorded, and then authorised by a nominated officer.
- invoices are not authorised for payment, or payment otherwise authorised, unless the goods or services have been received to the correct price, or an amended price, quantity and quality standard. Furthermore invoices must not be amended and submitted for payment as this is contrary to VAT regulations; a suitable credit note to offset the original invoice and/or a replacement invoice must be obtained in order to pay the correct amount. In the case of the latter the original invoice should be destroyed or suitably marked to prevent it being paid.
- all payments are made to the correct person, for the correct amount, on the due date, are properly recorded and are accurately accounted for, irrespective of the method of payment, and with any errors being promptly identified and corrected;
- all appropriate payment records and supporting documentation are retained for the defined period in accordance with the Council's approved policy on document retention.
- all statutory and corporate requirements are met; and
- the progressive impact on existing systems and procedures of the effect of e-business, e-commerce and electronic purchasing arrangements is monitored to ensure that the security and integrity of data is maintained.
- that the specific responsibilities of both Director for Corporate Support and Chief Officers' within these Financial Regulations have been satisfied.

Governance arrangements for the collection and processing of income and other amount due

Key controls

The key control for the collection and processing of income and other amounts due is to ensure that policies and procedures are in place which include:

- all income and other amounts due to the Council are identified and charged completely, accurately and promptly, in accordance with an approved charging policy which is reviewed on an ongoing basis or, at least, on an annual basis;
- all income and other amounts due are collected from the appropriate person completely, accurately and promptly, using the appropriate procedures and the relevant stationery. Invoices raised against a customer must be issued in the individual's name or the name of the organisation or body for whom the supply or service is provided;
- all moneys received by an employee on behalf of the Council are banked within 7 days of receipt into an account specified by the Director for Corporate Support, and completely, accurately and promptly accounted for;
- effective action is taken to pursue non-payment of debts within defined timescales;
- no debit in respect of an account due to the City Council, once correctly established, shall be discharged otherwise than by payment in full, by writing off by the nominated officer as authorised, dependent on the level and category of debt or by resolution of the appropriate Member with Portfolio authorising the writing off of the debt;
- all appropriate income records and supporting documentation are retained for the defined period in accordance with the Council's approved policy on document retention;
- the segregation of duties so as to ensure that no one member of staff is involved in more than one of the processes for the identification of amounts due, the collection of the debt, the reconciliation of the amount due to that received, and the reconciliation of cash received and banked to the relevant bank account; and
- all statutory and corporate guidelines are met.

Financial Regulations Delegation Limits

Note: amendments March 2010 shown in RED

1. Revenue Virements

Limits specified within Financial Regulations

Director (with notification to Director of Corporate Resources)	Up to £50,000
Director of Corporate Resources	Up to £100,000
Cabinet (via budget monitoring report) Over £100	Over £100,000
Head of Service	£10,000 to £25,000
Third Tier Managers	£5,000 to £10,000
Fourth Tier Managers	Up to £5,000

2. Capital Virements

Relevant Director (approved via monthly monitoring and quarterly CDB reports): Individual scheme Programme sub category	Up to £100,000 Up to £500,000
Cabinet via monitoring report	Over £100,00 individual or £500,000 programme sub category

3. Debt Write-off limits

Nominated Recovery Officers	Credit less than £5
Nominated Recovery Officers (Grade E and above)	Up to £100
Nominated Officers (Grade H and above)	Up to £500
Heads of Service and other Nominated Officers of Director of Corporate Resources Management Team- Revenues and General Fund Debt	Up to £5,000
School Principal and/or School Governors – schools debt	Up to £5,000
Head of Service and other Nominated Officer of Director of Community Services for HRA rent debt	Removed
Director of Community Services -HRA rent debt only	Removed
Director of Corporate Resources	Up to £50,000
Director of Corporate Resources or other Nominated Senior Finance Officer	Unlimited in the case of bankruptcy/liquidation/dec'd/no assets/no trace
Portfolio Holder/Cabinet Member for debt (Revenues and General Fund), Portfolio Holder for Children's Services (Schools)	All debt over £50,000 unless covered by above exception

4. Purchase Card Limits

	Maximum transaction limit	Maximum Authorised Card limit
	£	£
Director	1,000	5,000
Head of Service	500	2,500
3rd Tier manager	500	2,500
Head Teacher	500	5,000
Stores Purchase Officer	5,000	50,000
Departmental Nominated Purchase Officer	5,000	10,000
Emergency Planning Officer	10,000	50,000
Senior Officer from Finance Department (for Emergency response purposes)	10,000	50,000

Approval in excess of these limits may be given by Director of Corporate Resources in exceptional cases, for example Lodge Cards.

5. Purchase Order Approval

There are authorisation profiles which have been set and agreed by the Director of Corporate Support and these are fixed within the Purchasing system.

Directors	Above £100,000
Assistant Directors	£50,000 to £100,000
Heads of Service/3 rd Tier Officers	£5,000 to £50,000
4 th Tier Officers and below:*	
Grades H to I	£1000 to £5000
Grades F to G	£0 - £1000

Officers below F Grades will not be able to authorise orders.

*Any exceptions to these parameters will be subject to approval by the Director of Corporate Support (or his nominated deputy).

6. Cash Transactions

Maximum amount of cash to be taken in one payment transaction £9,000

7. Stock Write-off Limits

Stock write-off limits are as per debt write-offs

8. Payments for Loss or Damage or Personal Injury

Maximum amount £1000 to any one payee in any one year.

CITY OF PLYMOUTH

Subject: Strategic Risk Register - Monitoring Report

Committee: Audit Committee

Date: 26th March 2010

Cabinet Member: Cllr Bowyer

CMT Member: Director for Corporate Support

Author: Mike Hocking, Head of Corporate Risk and Insurance

Contact: mike.hocking@plymouth.gov.uk
Tel: 01752 - 304967

Ref: CRM/MJH

Part: I

Executive Summary:

This report provides a summary of the latest formal monitoring exercise completed for the Strategic Risk Register for the period September 2009 to February 2010.

The total number of strategic risks reported remains at 36.

Appendix A to the report provides a traffic light summary showing the current status of each risk, the movement in risk scores compared with previous monitoring periods and explanatory commentary on the key issues for each risk.

Corporate Plan 2009/12:

The Strategic Risk Register includes links to Corporate Plan/CIP objectives – monitoring of control action for strategic risks therefore contributes to the delivery of the Council's core objectives.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

None arising specifically from this report but control measures identified in risk registers could have financial or resource implications.

None arising specifically from this report but community safety and health and safety issues and risks are taken into account in the preparation of risk registers.

Recommendations & Reasons for recommended action:

The Audit Committee is recommended to:

- Note and endorse the current position with regard to the Strategic Risk Register.

Alternative options considered and reasons for recommended action:

Effective risk management processes are an essential element of internal control and as such are an important element of good corporate governance. For this reason alternative options are not applicable.

Background papers:

Plymouth City Council Risk Management Strategy and Policy Statement

Strategic Risk Register and associated working papers

Previous reports on risk management to Audit Committee

Sign off:

Head of Fin	SW	Head of Leg	DS	Head of HR		Head of AM		Head of IT		Head of Strat Proc	
Originating SMT Member : Assistant Director, Democracy and Governance											

**Report of Director for Corporate Support to Audit Committee
26th March 2010**

Strategic Risk Register Monitoring

1. Introduction

- 1.1** The position with regard to the Strategic Risk Register was last reported to this Committee on 25th September 2009 and this report now provides a summary of the latest monitoring exercise covering the position at 28th February 2010.

2. Strategic Risk Register – Monitoring Summary

- 2.1** In accordance with the strategy requirement for twice-yearly monitoring, the latest monitoring exercise was completed in February 2010 with the results discussed and agreed by CMT and Cabinet Planning on 2nd March 2010.
- 2.2** Attached to this report at Appendix A is a traffic-light summary showing the current status of each risk and any movement in risk scores compared with previous monitoring periods together with explanatory commentary on the key issues for each risk.

3. Headline Issues

- 3.1** There has been no change in the total number of strategic risks which remains at 36 with the addition of 5 new risks and the deletion of 5.

New Risks

- **Red Risk 73 – Employee Relations (Row No.5)**
- Risk of litigation and awards relating to employment practises.
- **Red Risk 74 – Social Care - Client Management IT Systems (Row No.6)**
- Concerns with current configuration of CareFirst system for Adults and Children's social care. The Council has begun a 3 year programme of improvement to address both the system and supporting business processes.
- **Amber Risk 72 – Significant pressure on Adult Social Care budget (Row No.9)**
- A programme board has been set up to regularly monitor and review management action plans and details are recorded in bi-monthly performance & financial report.
- **Amber Risk 75 – Tamar Bridge & Torpoint Ferry Toll revision delay or non implementation (Row No. 13)**
- Awaiting decision from Department of Transport to proposal to increase

toll from £1.00 to £1.50. If this decision is delayed or proposal turned down then there is potential financial risk to the authority.

- **Amber Risk 76 – Not getting government funding to build Efford Gypsy site (Row No.27)**
- Discussions with Homes & Communities Agency and project team on any future bidding opportunities.

Deleted Risks

- **Risk 01 – Internal Communication (Row No. 37)**
- No longer considered a strategic risk.
- **Risk 35 – Housing stock transfer options (Row No. 38)**
- Transfer completed 19th November 2010
- **Risk 66 – Strategic plan for redevelopment of North Prospect not being agreed (Row No.39)**
- Plan agreed.
- **Risk 61 – Potential implications of Devon structural review for City Council and delivery of vision for Plymouth (Row No. 40)**
- Decision has been made by the Secretary of State not to pursue a unitary Devon and therefore review is effectively over.
- **Risk 31 – Replacement of HR / Payroll system (Row No. 41)**
- SAP development being monitored via CIP13 – no longer a strategic risk.

- 3.2** The table below shows the movement in the number of red, amber and green risks over the last four monitoring periods:

	Aug 08	Feb 09	Aug 09	Feb 10
Red	4	5	4	6
Amber	17	17	22	21
Green	10	10	10	9
TOTAL	31	32	36	36

- 3.3** The summary at Appendix A gives a more detailed commentary on the key issues affecting each risk as at 28th February 2010.

- 3.4** The headline issues are:-

3.4.1 Risk Scores Unchanged

- **Red Risk 21 – MTFS issues (Row No. 01)**
- Current economic conditions are causing significant budget pressures.

While Revenue resources continue to be actively monitored on a risk basis and prioritised accordingly to ensure that spending plans match resources, the financial pressures facing the Council remain significant.

- **Red Risk 49 – Listing of Civic Centre (Row No. 03)**
 - Undertaking work with English Heritage, final report expected March 2010. Accommodation Strategy completed but subject to on-going review & implementation.
- **Amber Risk 57 – Performance against LAA Targets (Row No. 07)**
 - Executive workshop on improving performance management within the LSP arranged. Bi-monthly corporate reporting of underachieving LAA targets is on-going.
- **Amber Risk 59 – Financial risk associated with contaminated land (Row No. 14)**
 - Risk arising from transfer of land to PCH will remain until there is more information regarding the quality of that land. Installation of a software package to record and prioritise sites is pending.
- **Amber Risk 71 – To outsource the management of the Life Centre and existing leisure facilities (Row No. 15)**
 - Project team appointed and procurement of operator process has commenced.
- **Amber Risk 47 – Concessionary Fares (Row No. 19)**
 - Risk score remains unchanged at 15 however progress has been made in the adoption of a new scheme so the risk is showing a positive direction of travel.

3.4.2 Risk Scores Increased

- **Red Risk 28 – Increase in the number of looked after children and cost pressures on independent placements. Increased from 9 to 20 (Row No. 04)**
 - Increase in referrals of children subject to Child Protection Plan has added to cost and resource pressures.
- **Amber Risk 55 – Failure to deliver waste PFI Procurement for SW Devon Waste Partnership (by 2014). Increased from 15 to 16 (Row No. 10)**
 - Delivery in 2014 is still possible although dependent on successful contractor and planning approval. Recent national planning failures and delays have increased the risk of planning delay and of contract failing to be operational by 2014.
- **Amber Risk 43 – Risk of exceeding Landfill Allowances. Increased from 12 to 16 (Row No. 11)**
 - The Council will remain within allowances for 2009/10, however it is forecast that it will exceed its allowances from 2011/12 onwards and will

need to purchase credits until the new PFI solution is in place which may be delayed beyond 2014 subject to planning and contractor.

- **Amber Risk 68 – Failure to implement new initiatives to increase recycling rate. Increased from 12 to 16 (Row No. 12)**
 - Initiatives are being progressed but economic downturn and funding constraints are slowing the improvement of recycling rates.

3.4.3 Risk Scores Decreased

- **Red Risk 52 – Delivery of Capital Programme. Decreased from 25 to 20 (Row No. 2)**
 - Funding of the capital investment programme continues to be risk assessed and closely monitored with schemes carefully prioritised against resources available. There is a fully funded 5 year Capital Programme however, this risk will remain high as long as uncertainty over future funding continues.
- **Green Risk 50 - Structural condition of properties on North Prospect Estate. Decreased from 16 to 8 (Row No. 33)**
 - HCA are leading a scoping and planning exercise for North Prospect. A funding agreement has been agreed as part of the stock transfer. Risk remains on the register due to uncertainty over future spending review plans on the agreed £44m over 10 years.
- **Green Risk 69 – Contribute and support the development of the Life Centre. Decreased from 10 to 6 (Row No. 34)**
 - Construction contract awarded which mitigates the majority of risks to the authority.

4. Summary and Conclusion

- 4.1** The Council's success in dealing with the risks that it faces can have a major impact on the achievement of key promises, objectives and ultimately, therefore, the level of service to the people of Plymouth.
- 4.2** The movement in risk scores and the consequent changes to the Council's overall strategic risk profile outlined in this latest review provides good evidence of the dynamic nature of the Strategic Risk Register and the maturity of the Council's approach to the identification and management of risk.
- 4.3** The inclusion of risk management considerations is now a key feature in the Council's key corporate processes featuring in the Corporate Plan preparation, Business Planning, Budget Planning and Monitoring and Performance Management.
- 4.4** Risk Management is also now one of the five core management competencies in the new Competency Framework ensuring that the success of managers in managing risk in their area of responsibility is assessed as part of their annual performance appraisal.

4.5 This embedded approach now acts as an effective early warning system for the recording, monitoring and management of risks that threaten the delivery of the Council's strategic objectives and plans.

4.6 The next formal review of the Strategic Register will take place in August 2010.

5. Update of Risk Management Strategy

5.1 Consultation has taken place with key stakeholders on an update to the current corporate Risk Management Strategy and the revised draft is the subject of a separate report to this Committee.

6. Recommendation

The Audit Committee is invited to:

6.1 Note and endorse the current position with regard to the Strategic Risk Register.

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PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TEN - Summary by Risk Rating

Row No.	Risk Ref	Potential Risks Identified	Residual Risk Rating Aug-08	Residual Risk Rating Feb-09	Residual Risk Rating Aug-09	Current Residual Risk Rating Feb-10	Change in Risk Rating	Comments	Lead Officer	Risk Champion
1	21	MTFS issues.	3	5	15	25	—	COMMENTS AUG 09: MTFS re-issued in 2009; funding spending assumptions to be re-modelled in Sept 09. Still a high risk due to likely future settlement from Central Govt. COMMENTS FEB 10: Current economic conditions causing significant budget pressures with reduction in Central Govt. funding confirmed, compounded by reduced income from car parks, commercial rents and treasury investments. In addition there are significant pressures on expenditure from increasing numbers of looked after children and greater demands for services for adults. While Revenue resources continue to be actively monitored on a risk basis and prioritised accordingly to ensure that spending plans match resources, the financial pressures facing the Council remain significant.	Malcolm Coe	Rachel Houden
2	52	Delivery of Capital Programme	4	4	16	20	↗	COMMENTS AUG 09: Undertake another comprehensive review to align smaller number of projects against strategic themes. Security of future funding is a significant risk. COMMENTS FEB 10: The Council has an ambitious growth agenda. However, it is anticipated that Central Govt. Capital Grant funding will reduce whilst RDA and other grants are also reducing. There is also considerable uncertainty around potential capital receipts. Funding of the capital investment programme therefore continues to be risk assessed and closely monitored with schemes carefully prioritised against resources available. Remains a high risk as long as the uncertainty over future funding continues.	Malcolm Coe	Rachel Houden
3	49	Listing of Civic Centre	4	5	20	20	—	COMMENTS AUG 09: Brief is agreed and Avanti Architects now progressing with appraisal. Completion expected October 2009. COMMENTS FEB 10: Draft Brief completed and in discussion.	David Draffan	Maria Smith
4	28	Increase in the of number of looked after children and cost pressures on Independent Placements.	2	3	6	20	↗	COMMENTS AUG 09: Reconfiguration of Foster Care Service to ensure adequate in-house placements. Placement Panel Working Group operating effectively. Baby P and the Southwark Judgement will have an impact on figures 16-17 year olds with accommodation needs will also need to be captured in the figures now as a result of the judgement. COMMENTS FEB 10: Increase in the number of children subject to Child Protection Plan has added to cost pressures for staffing and resources.	Mairead MacNeill	Theresa Brooks
5	73	Employee Relations				20		COMMENTS FEB 10: Risk of litigation and awards relating to employment practises.	Mark Grimley	Sue Kirby
6	74	Social Care - Client Management IT Systems				20		COMMENTS FEB 10: The Council has begun a 3 year programme of improvement to address both the system and supporting business processes. A CareFirst Project Board has been established chaired by the Asst Chief Executive.	Ian Gallin	Phil Brown
7	57	Performance against LAA Targets	3	4	12	16	—	COMMENTS AUG 09: On-going reporting and scrutiny of performance on LAA targets on a bi-monthly basis. 1st quarter 2009/10 reports being completed, final year out-turn due in May/June 2010. Recovery plans in place and subject to review by LSP Theme Groups. COMMENTS FEB 10: Executive group workshop on improving performance management within the LSP arranged. Lead officers to act on underperformance and rectify through action/recovery plans. On-going Corporate reporting of underachieving LAA targets on bi-monthly basis.	Ian Gallin	Jon Stevens

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TEN - Summary by Risk Rating

Row No.	RISK REF	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		CURRENT RESIDUAL RISK RATING Feb-10	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION
			Aug-08	Feb-09	Aug-09	Feb-10	Aug-09	Feb-10					
8	46	Information Governance (compliance with statutory requirements, information sharing, information security)	4	4	16	4	4	16	4	4	16	Neville Cannon	Kevin Priday
9	72	Significant pressure on Adult Social Care budget										Pam Marsden	Phil Brown
10	55	Failure to deliver waste PFI Procurement for SW Devon Waste Partnership (by 2014)	3	5	15	3	5	15	4	4	16	Mark Turner	Maria Smith
11	43	Risk of exceeding Landfill Allowances	4	4	16	4	4	16	4	4	16	Jayne Donovan	Maria Smith
12	68	Failure to implement new initiatives to increase recycling rate, due to budget pressures. Initiatives agreed as part of PFI funding arrangements.				New			4	4	16	Jayne Donovan	Phil Brown
13	75	Tamar Bridge and Torpoint Ferry Toll - revision delay or non implementation							4	4	16	Clive Perkin	Maria Smith

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TEN - Summary by Risk Rating

Row No.	RISK REF	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		CURRENT RESIDUAL RISK RATING Feb-10	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION
			Aug-08	Feb-09	Aug-09	Feb-10	Aug-09	Feb-10	Aug-09	Feb-10					
14	59	Financial Risk associated with contaminated land	4	4	16	4	4	16	3	5	15	—	COMMENTS AUG 09: Delays in identification of the land transferring to POH and delays in the purchase of the required software has resulted in the housing land transfer not taking account of potential contaminated land. Environmental warranties and or risk posed by potential contaminated land transfer to the council will have to be managed by alternative means. Software purchase has now been approved by ICT. No date has been identified for installation. COMMENTS FEB 10: The remediation of contaminated land is managed in proportion to the scale of the potential problem. Risk arising from transfer of land to POH will remain until we have more information re the quality of that land. ICT have written to the ICT supplier to confirm delivery and arrangements for installation.	Jayne Donovan	Phil Brown
15	71	To outsource the management of the Life Centre and existing leisure facilities				New			3	5	15	—	COMMENTS AUG 09: Following soft market testing and issue of the PQQ, significant interest is being shown by all the leading leisure operators. COMMENTS FEB 10: Procurement of operator process commenced. "Bidders Day" held. Documentation to be completed by March 2010.	James Coulton	Phil Brown
16	67	Violent extremism				New			3	5	15	—	COMMENTS AUG 09: A new PREVENT action plan will be developed by end June and any opportunities to access external funding to support further work (eg training) will be taken. COMMENTS FEB 10: This area has been identified in the budget setting process as a pressure, mainly around sustaining and widening current activity.	Peter Aley	Phil Brown
17	60	Economic downturn affecting treasury management.	New			4	5	20	3	5	15	↗	COMMENTS AUG 09: More optimistic that majority of Icelandic investment will be received. Been successful in reducing the risk in the remainder of the investment and borrowing portfolio. COMMENTS FEB 10: Ongoing liaison with Treasury Management advisors to produce a borrowing and investment strategy that balances financial returns whilst also minimising financial risk. Revised Treasury Management Strategy Statement and Investment Strategy 2010/11 approved by Cabinet 9.2.10. DCLG approval for a Capitalisation Direction to enable any losses from Icelandic Bank investments to be spread over 10 - 20 years. Treasury Management Board continues to meet weekly.	Malcolm Coe	Rachel Houlton
18	51	Failure to deliver sustained and accelerated economic and population growth.	3	5	15	3	5	15	3	5	15	—	COMMENTS AUG 09: Risk rating remains the same. Good progress has been made on the key City Centre & University Area Action Plan (Cabinet 28 July; Council 3 August 2009), and some progress in relation to sub regional governance, delivery vehicles and infrastructure planning. However, economic climate is a significant risk to early gains, and the Secretary of State has cut the City's New Growth Point capital grant by about £2.378m which will have implications for the prioritisation of key infrastructure critical to the growth agenda. COMMENTS FEB 10: Progress continues on key control measures. For example City Centre & University AAP Public Examination held Jan 2010; work on LTP3 commenced; Market Recovery Scheme enacted for Jan 2010 - March 2011. However, given current economic conditions the risk rating remains the same.	David Draffan	Maria Smith
19	47	Concessionary Fares	3	5	15	3	5	15	3	5	15	↗	COMMENTS AUG 09: New scheme published - implementation in September 09 will aid delivery within budget. COMMENTS FEB 10: Progress has been made in the adoption of a new scheme based on the DfT RAT. A number of avenues are being pursued to ensure the scheme implemented represents both VFM and continues to deliver the benefits of accessibility and supports individual mobility to the targeted group.	Clive Perkin	Maria Smith

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TEN - Summary by Risk Rating

Row No.	RISK REF	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING Aug-08	RESIDUAL RISK RATING Feb-09	RESIDUAL RISK RATING Aug-09	CURRENT RESIDUAL RISK RATING Feb-10	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION
20	63	Recession deepens and the Market Recovery Action Plan measures do not achieve anticipated development interest	P 1	P 1	P 1	P 1	—	COMMENTS AUG 09: Following submission in Dec 09 of 37 sites, 16 of these were accepted into the Market Recovery Action Plan. Planning have been working up detailed proposals on these. The current position is that 2 sites have planning permission, 2 are the subject of current planning applications, 8 are being assessed and 4 have been withdrawn by the landowners. 474 homes have been approved and over 4,000sq metres of commercial space with a further 442 homes expected on the remaining sites. The economic climate is being monitored and MRAP will be subject to a full review, leading to possible modification and extension into 2010. COMMENTS FEB 10: Market Recovery Action Plan for 2009 has seen planning approvals for 354 residential dwellings, 182 student flats and 7,484m2 of commercial floorspace including 2 hotels and a supermarket. 161 residential units are expected from the current applications with 7 further commercial units. Market recovery measures have been extended in scope and timescale for period to March 2011. Score not changed due to fragility of economic recovery	David Draffan	Maria Smith
21	42	Health & Safety Management.	3 5 15	3 5 15	3 5 15	3 5 15	—	COMMENTS AUG 09: Auditing programme continues to be developed. COMMENTS FEB 10: Auditing programme - other organisational health and safety issues taking priority over implementation of audit programme.	Mark Grimley	Sue Kirby
22	36	Management of Employee Stress	3 5 15	3 5 15	3 5 15	3 5 15	↗	COMMENTS AUG 09: Auditing programme continues to be developed. COMMENTS FEB 10: Stress risk assessments undertaken in relation to over 98% of the Council's workforce (excluding schools) - see above comments re audit programme.	Mark Grimley	Sue Kirby
23	24	Violence to staff/one working.	3 5 15	3 5 15	3 5 15	3 5 15	—	COMMENTS AUG 09: Violence and aggression training needs to be identified in workforce development planning process across the organisation and H & S training delivered around these needs. Project Manager appointed progressing this project. COMMENTS FEB 10: PVP - initial draft policy being developed further and technical solution design being finalised - see above comments re audit programme.	Mark Grimley	Sue Kirby
24	53	Adult Social Care - Supporting more people to live independently (formerly "increasing number of elderly population").	4 4 16	4 4 16	3 4 12	3 4 12	—	COMMENTS AUG 09: Domiciliary contracts in place. Extra Care facility opened in May 2009. Developed Dementia Strategy and refreshed Carers Strategy. COMMENTS FEB 10: We continue to be on track to meet our target as confirmed by our monthly performance monitoring. Care Quality Commission for 2008/9 judged ASC as performing well on all 7 outcomes including outcome 4 "Increased Choice and Control".	Pam Marsden	Phil Brown
25	54	Data Quality Management/Providing inaccurate information	3 5 15	3 5 15	3 4 12	3 4 12	—	COMMENTS AUG 09: Data Quality Action plan has been reviewed to keep up with latest developments. A data sharing agreement for the LSP has been developed. Still working on establishing clear roles, responsibilities and formal training programme for all members of staff. COMMENTS FEB 10: Recommendations from the 2009 Data Quality Audit have been embedded into the Corporate Action Plan. This forms part of the Use of Resources Action Plan for 2009/10. A list of accountable data officers and outcome leads is currently being compiled.	Giles Peritt	Mohamed Muganzi

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TEN - Summary by Risk Rating

Row No.	RISK REF	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING			RESIDUAL RISK RATING			CURRENT RESIDUAL RISK RATING Feb-10	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION
			Aug-08	Feb-09	Aug-09	Feb-09	Aug-09	Feb-10					
			P 1	P 1	P 1	P 1	P 1	P 1					
26	62	Use of Resources Framework	New			3	4	12	3	4	12		
27	76	Not getting government funding to build Efford Gypsy site							3	4	12	Peter Aley	Phil Brown
28	14	Fraud	2	5	10	2	5	10	2	5	10	Malcolm Coe	Mike Hocking
29	08	Business continuity planning in line with Civil Contingencies Act 2004 statutory responsibilities.	2	5	10	2	5	10	2	5	10	Giles Peritt	Scott Senior
30	48	Taxi Licensing Trading Account	4	4	16	3	3	9	3	3	9	Clive Perkin	Phil Brown
31	44	Financial & liability implications of Members & Officers serving on Outside Bodies.	3	3	9	3	3	9	3	3	9	Tim Howes	Rosale Clahane
32	30	Failure of ICT	3	3	9	3	3	9	3	3	9	Neville Cannon	Kevin Priday

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TEN - Summary by Risk Rating

Row No.	RISK REF	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING			RESIDUAL RISK RATING			CURRENT RESIDUAL RISK RATING	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION
			Aug-08	Feb-09	Aug-09	Aug-08	Feb-09	Aug-09					
			P	P	P	P	P	P	P				
33	50	Structural condition of properties on North Prospect Estate	5	5	25	5	5	25	4	16	8	Stuart Palmer	Maria Smith
											COMMENTS AUG 09: Development Agreement to be written and agreed by PCC, PCH and HCA to redevelop over 10 years. Sites (Council and MOD) to be agreed to kick start new homes for re-locating residents where re-development needed. Secured £44m social housing grant. Further £10.9m gap funding to be released via VAT shelter on transfer. COMMENTS FEB 10: HCA leading scoping and mini master planning exercise for North Prospect. Identified as major priority with HCA as part of single investment plan. A funding agreement has been agreed as part of stock transfer but uncertainty over future spending review plans on the agreed £44m over 10 years leaves a residual risk.		
34	69	Contribute and support the development of the Life Centre at Central Park				New			2	5	6	James Coulton	Phil Brown
											COMMENTS AUG 09: Project timeable to plan. Feedback from groups consulted which is positive including national governing bodies. Final draft designs accepted. Planning approval anticipated Aug 2009. Procurement of building contractor on target. Significant interest from suitable experienced national companies. Building tenders expected mid-September 2009. COMMENTS FEB 10: Register updated, as most risks previously highlighted now mitigated with award of construction contract.		
35	33	Building schools for the future (BSF) programme (formerly Schools re-organisation.)	3	3	9	3	3	9	2	3	6	Gareth Simmons	Theresa Brooks
											COMMENTS AUG 09: New Strategy for Change known as "Investment for Children" adopted Dec 2008. COMMENTS FEB 10: BSF Governance established including a political committee and executive.		
36	70	Delivering the transformation of ASC through Putting People First framework				New			2	3	6	Pam Marsden	Phil Brown
											COMMENTS AUG 09: Project plan developed and programme team in place. Champions appointed and plans to deliver are on track. COMMENTS FEB 10: National milestones have been met. Continue to be on track with our transformation programme.		
37	01	Internal communication.	2	3	6	2	3	6	Delete			Richard Longford	Richard Longford
											COMMENTS AUG 09: Communications competencies for managers are being included in the new competency framework. Will be supported by a programme of training for managers. Forms part of CIP 13. Staff survey to be carried out in 2009/10. COMMENTS FEB 10: No longer considered a strategic risk.		
38	35	(PCH) Housing stock transfer options.	4	5	20	4	5	20	4	5	20	Cardie Burgoynes / Andrew Cobb	Maria Smith
											COMMENTS AUG 09: Transfer is still on target to complete in October 2009. Funding agreed for North Prospect. Corporate Impact Project Team evaluating impact of transfer on other services. Still some final decisions to make re land and assets to transfer but mostly complete. COMMENTS FEB 10: Now complete.		
39	66	Strategic plan for redevelopment of North Prospect not being agreed				New			4	4	16	Stuart Palmer	Maria Smith
											COMMENTS AUG 09: A funding package being agreed from the HCA of some £70M. Cabinet report for a range of sites (council and private) and committed sum to be agreed on August 11th. In discussion with PCH and HCA on a Funding Agreement and Procurement Plan for the development and provision of new homes. Final piece of the jigsaw to allow transfer to proceed in October. COMMENTS FEB 10: Now complete.		
40	61	Potential implications of Devon structural review for City Council and delivery of Vision for Plymouth	New			4	4	16	4	4	16	Barry Keel / Jonathan Bell	Maria Smith
											COMMENTS AUG 09: In response to a successful legal challenge by Suffolk Councils, the Devon Structural Review process is currently stalled. Risk rating remains the same for the time being as work continues on putting in place an effective and streamlined framework for sub regional governance to drive the growth agenda. However, the risk score, in all likelihood, will diminish. COMMENTS FEB 10: On 10th February 2010 the Secretary of State decided not to pursue a unitary Devon council but returned to an earlier, previously rejected proposal for unitary Exeter. There will be no change for the rest of Devon and hence the Devon Structural Review process is now effectively over. This item can now be removed from the Strategic Risk Register.		

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TEN - Summary by Risk Rating

Row No.	RISK REF	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		CURRENT RESIDUAL RISK RATING	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION
			Aug-08	Feb-09	Aug-09	Feb-10	Aug-09	Feb-10	Aug-09	Feb-10					
			*P	*P	*P	*P	*P	*P	*P	*P					
41	31	Replacement of HR / Payroll System.	3	5	3	5	3	5	3	5	15	Delete	COMMENTS AUG 09: Project plan and project team implemented and progress monitored by ehr project board and reports to SMT and scrutiny. COMMENTS FEB 10: SAP development monitored via CIP13 - no longer a Strategic risk.	Adam Broome / Mark Grimley	Sue Kirby

* P = Probability Rating (1 = Low, 5 = High)
* I = Impact Rating (1 = Low, 5 = High)
Maximum Score 5 x 5 = 25
NB. Risks scored 12 or above will be the subject of priority monitoring

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CITY OF PLYMOUTH

Subject: Review of Risk Management Strategy

Committee: Audit Committee

Date: 26th March 2010

Cabinet Member: Cllr Ian Bowyer

CMT Member: Director for Corporate Support

Author: Mike Hocking, Head of Corporate Risk and Insurance

Contact: mike.hocking@plymouth.gov.uk
Tel : 01752 - 304967

Ref: RIM/MJH

Part: I

Executive Summary:

The current Risk Management Strategy was last updated in 2007.

This report now proposes the adoption of a revised Strategy and Policy Statement which more fully align the strategy with the role risk management plays in the delivery of key corporate and strategic objectives.

Corporate Plan 2009/12:

A formal strategy for risk management provides a consistent framework for maintaining sound systems of internal control which enables the Council to monitor and review the key risks that may prevent it from achieving its corporate and service objectives.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

None arising specifically from this report.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management etc.

The risk management strategy specifically supports the Council's overall governance arrangements.

Recommendations & Reasons for recommended action:

The Audit Committee is recommended to approve the revised Risk Management Strategy 2010-2012.

Alternative options considered and reasons for recommended action:

Not applicable.

Background papers:

Plymouth City Council Risk Management Strategy and Policy Statement 2007-2009

Sign off:

Head of Fin	S.W.	Head of Leg	D.S.	Head of HR		Head of AM		Head of IT		Head of Strat Proc	
Originating SMT Member : Tim Howes, Asst Director for Democracy and Governance											

**Report of Director for Corporate Support to Audit Committee
26th March 2010**

Review of Risk Management Strategy

1. Introduction

- 1.1** The current Risk Management Strategy was last updated in 2007 to reflect corporate and management restructures.
- 1.2** This report proposes the adoption of a revised Strategy and Policy Statement which more fully align the strategy with the role that risk management now plays in the delivery of key corporate, strategic and business objectives.

2. Background

- 2.1** The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 2.2** In discharging this accountability, Members and senior officers are responsible for putting in place proper arrangements for the governance of the Authority's affairs and stewardship of its resources, including a strategy for risk management.
- 2.3** The corporate Risk Management Strategy acts as the Council's statement of intent with regard to its approach to the management of risk and provides the framework for the embedding of a common approach to the identification, assessment and economic control of risk.

3. Local and National Drivers

- **Business Improvement and Performance Management**
Effective risk management enables the Council to identify, prioritise and manage barriers to the achievement of strategic and service objectives, corporate priorities, targets and business plan actions. It also supports the organisation in taking and managing significant risks to increase confidence in the ability to deliver innovative and challenging projects. Risk management also contributes to improved outcomes through the performance management framework and to continuous improvement.
- **Corporate Governance Framework**
Risk management and assurance are an important element of the overall corporate governance framework for local authorities, requiring a culture of risk management to be embedded within key business processes. The

Accounts and Audit Regulations 2003 (Amended 2006) embody a statutory duty to publish an Annual Governance Statement which evidences the continuous review of the Council's internal control and risk management processes and provides assurance as to their effectiveness.

- **Comprehensive Area Assessment (CAA)**

The Audit Commission's new CAA framework for assessing the performance of local authorities retains the Use of Resources assessment which includes arrangements for risk management within the "Governing the Business" element of the assessment. This requires the Council to demonstrate that it has in place a clear strategy for managing risk and effective arrangements to deliver the strategy, including allocation of appropriate resources.

4. Overview of Risk Management

4.1 Risk management is the process by which the Council seeks to identify, assess and manage key risks which may prevent it from achieving its corporate and service objectives.

4.2 It is not a process that should be completed in isolation but one that should be an integral part of other key management competencies and processes such as performance management, financial management, project management and business planning.

4.3 There are a number of benefits of an effective risk management process:

- Alerts Members and management to the key risks that might prevent the delivery of objectives, plans and projects.
- Contributes to better decision making and the delivery of improved outcomes by providing a basis that ensures that implications are thought through, the impact of decisions initiatives and projects considered and that conflicts are balanced.
- Provides assurance to Members and management on the adequacy of governance arrangements in respect of risk, demonstrating openness and accountability to regulatory bodies and stakeholders.
- Leads to greater risk awareness and an improved control environment that encourages controlled risk-taking which should mean fewer incidents and control failures.

5. Revised Strategy

5.1 An updated strategy has now been produced and has been circulated to the Operational Risk Management Group, the Corporate Management Team, senior managers and the Member Risk Champion, the Cabinet Member for

Governance, for consultation.

5.2 The revisions to the strategy reflect the latest senior management restructure but also incorporate the following main changes;

- Links to the 14 Corporate Improvement Priorities
- Links to the risk management competencies contained in the new Competency Framework
- A new section on the benefits of risk management
- A new section on Partnerships risk management
- Inclusion of Information and Data Quality management as a key, linked business process
- More detail about the framework, risk analysis and treatment

5.2 The resultant document therefore now makes a clearer link to the Council's overall vision and corporate objectives and the role that risk management is expected to play in the delivery of these.

5.3 To demonstrate high-level commitment to the strategy the Executive Summary is endorsed by the Leader of the Council, the Chief Executive and the Director for Corporate Support.

5.4 The Policy Statement and Aims and Objectives, Roles and Responsibilities, the overall framework and the Monitoring Arrangements are dealt with by way of appendices to the main document.

5.5 The proposed revised Strategy is attached to this report.

5.6 Following approval, the revised strategy will be publicised via Staff Room, published on the Council's risk management page of the intranet and distributed to Members and senior managers.,

6. Recommendation

Members of the Audit Committee are recommended to :

6.1 Approve the revised Risk Management Strategy 2010-2012

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PLYMOUTH CITY COUNCIL

Risk Management Strategy 2010-2012

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Executive Summary

In its report *Chance or Choice?*, the Society of Local Authority Chief Executives said, “*If a Council doesn’t have effective risk management then it doesn’t have effective management*”.

High performing organisations consistently demonstrate strengths in leadership, financial management, performance management and risk management.

Risk Management is both a statutory requirement and an indispensable element of corporate governance and good management. As such, its implementation is crucial to the Council and essential to its ability to discharge its various functions; as a partner within the Local Strategic Partnership, a deliverer of public services, a custodian of public funds and a significant employer.

This revised Risk Management Strategy provides a comprehensive framework and process designed to support Members and officers in ensuring that the council is able to discharge its risk management responsibilities fully. The Strategy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that we will implement to manage risk successfully.

Risk Management can be defined as the culture, processes and structures that are key to the effective management of potential opportunities or threats to an organisation in achieving its objectives and delivering services to the community. Risk management is not about being risk averse but, rather, it is about understanding and evaluating risks, whether they are an opportunity or a threat, and making informed decisions about how those threats are then managed, or opportunities fully exploited, in order to maximise the efficiency of our services.

The planned and systematic approach to the identification, analysis and economic control of those risks which threaten the employees, assets, or earning capacity of an organisation will help plan for the right balance between innovation and change and the avoidance of shocks and crises.

The Council will record the significant risks identified as potential threats to the delivery of its objectives within Risk Registers and incorporate mitigation controls within action plans, allocating appropriate resources according to the level of risk exposure and will report findings within the reporting framework of the Council.

This strategy requires elected members and employees alike to assist in, and take responsibility for, the identification, control and reduction of risk and containment of cost in all aspects of their activities and areas of responsibility.

The benefits gained with a Risk Management Framework are improved strategic, operational and financial management, continuity of knowledge, improved compliance and, most importantly, improved customer service delivery and better outcomes for the citizens of Plymouth.

We embrace the management of risk to support the delivery of our vision for the City and to enable the provision of high quality services to the citizens of Plymouth.

Barry Keel
Chief Executive

Cllr Vivien Pengelly
Leader of the Council

Adam Broome
Director for Corporate
Support

Our Vision is ...

To make Plymouth a healthy, wealthy, safe and wise City so that by 2020 it will be one of Europe's finest, most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone.

Pride and self-confidence in taking the Council forward is at the heart of how we will make Plymouth one of the top performing Councils in the Country.

Our vision is for the Council to underpin that pride and self-confidence through ensuring that risk management is embedded in its culture to help successfully deliver its corporate and service objectives.

Risk Management is now generally acknowledged as a key feature of public sector management and is integral to the Corporate Governance Framework. Good Corporate Governance helps reduce risk, stimulate performance, improve access to capital, enhances services, improves leadership and demonstrates transparency and social accountability.

How successful we are as a Council in dealing with the risks we face can have a major impact on the achievement of our key promises, objectives and service delivery to our Community. The Risk Management Strategy will help support and underpin our fourteen Corporate Improvement Priorities:

- CIP 1 Improving Customer Service
- CIP 2 Informing and involving residents
- CIP 3 Helping people to live independently
- CIP 4 Reducing inequalities between communities
- CIP 5 Providing better and more affordable housing
- CIP 6 Providing more and better culture and leisure activities
- CIP 7 Keeping children safe
- CIP 8 Improving skills and educational achievement
- CIP 9 Developing high quality place to learn in
- CIP 10 Disposing of waste and increasing recycling
- CIP 11 Improving access across the city
- CIP 12 Delivering sustainable growth
- CIP 13 Supporting council staff to perform better
- CIP 14 Providing better value for money

In seeking continuous improvement, Risk Management is a framework by which managers can view, manage and respond to risks, both threats and opportunities in a robust, systematic and documented way.

The benefits gained in managing risk are improved strategic, operational and financial management, continuity of knowledge and information management processes, improved compliance and most importantly, improved customer service delivery.

This strategy has been produced to reflect major changes within the Council and Governance expectations nationally within Local Government to ensure the on-going effectiveness of risk management arrangements.

The Risk Management Strategy...

... outlines our commitment to ensuring that Risk Management is at the heart of everything we do.

What is Risk Management?

Risk Management is the culture, processes and structures that are directed towards effective management of potential opportunities and threats to an organisation achieving its objectives.

This Strategy is intended to reaffirm and improve effective Risk Management in Plymouth, comply with good practice and in doing so, effectively manage potential opportunities and threats to the organisation achieving its objectives.

Ensuring that there is an understanding of 'risk' and that the authority adopts a uniform approach to identifying, prioritising and reporting risks should lead to conscious choices over the most appropriate method for dealing with each risk, whether that is by elimination, reduction, transfer or acceptance.

Policy Statement and Aims and Objectives

A clear Policy Statement together with the aims and objectives of the Risk Management Strategy are outlined at Appendix A.

Roles and responsibilities

All Members, managers, employees and partners must understand the nature of risk and accept responsibility for managing those risks associated with their area of activity.

Everyone has a role to play in managing risk and delivering the Risk Management Strategy. Risk Management now forms part of the Council's Competency Framework and will be used to assess the contributions of relevant employees in the organisation.

A full description of roles and responsibilities is shown at Appendix B.

Guidance and assistance

The Corporate Support Directorate, through the Head of Corporate Risk and Insurance, will promote and monitor good practice, provide guidance, support, advice and information and organise training.

Guidance and reference material is listed in Appendix E

Risk Analysis and Monitoring Arrangements

The Corporate Risk Management Group will monitor and manage the delivery of the Risk Management Strategy at a strategic level. The Group's purpose is to effectively embed Risk Management within the ethos of the Council's culture as an integral part of strategic planning, decision-making and its performance management framework. The Group will also be responsible for the development and monitoring of the Strategic Risk Register.

The Operational Risk Management Group, comprising departmental risk champions and under the direction of the Head of Corporate Risk and Insurance, will be responsible for the delivery of this strategy at an operational level and for the development and monitoring of service level Operational Risk Registers.

A full description of risk analysis and monitoring arrangements is shown at Appendix D.

Performance Management

Monitoring, managing and responding to risks are key to the delivery of priorities and services. The Council's Performance Management System will provide a robust monitoring and management framework for identified risks by enabling the recording of risk registers and associated action plans and linking these to the Corporate Plan and Business Plans.

In addition, risk management is included as one of the five key management competencies in the Council's Competency Framework and managers will therefore be assessed on their contribution to the management of risk in their area of responsibility as part of their annual performance appraisal.

Corporate Governance

Risk Management is key to effective corporate governance and the diagram at Appendix C illustrates the central role it plays in relation to other key systems and processes.

Partnerships

In order to deliver a successful partnership risk management must form an integral part of the evaluation process. Partners need to understand what potential risks they may face in achieving the planned objectives and identify these in a partnership risk register. Key decision making processes should be the subject of a risk assessment and where necessary risk management plans to identify timelines, responsible individuals, contingency plans and financial monitoring arrangements need to be agreed confirming what action should be taken should the risks be realised,

All directorates are required to formerly identify and record their major partnerships in accordance with the corporate Code of Practice for Partnerships.

Embedding Risk Management

The risk management strategy is reviewed annually to ensure it remains up to date. The Portfolio Holder for Governance and the Director for Corporate Support jointly champion the process. Each Directorate has an officer appointed as Risk Champion who is trained to advise staff on best practice to ensure that the risk management process is embedded in the Council's business processes, including:

- * strategic and business planning
- * information quality and use
- * financial planning
- * policy making and review
- * performance management
- * project management

Awareness training can be arranged for any member of staff via the Head of Corporate Risk and Insurance

Benefits of Good Risk Management

Integration of risk management into the culture and working practices of the Council and its partnerships has numerous benefits, which include:

- * Protecting and adding value to the Council and its stakeholders by supporting the achievement of the Council's aims and corporate priorities
- * Improved strategic, operational and financial management

- * Contributing to more efficient use/allocation of resources within the Council and its partnerships
- * Keeping the Council within the requirements of the law
- * Mitigation of key threats and taking advantage of key opportunities
- * Protecting and enhancing assets and image
- * Improving decision-making (making the right decisions), planning and prioritisation by comprehensive and structured understanding of activity and volatility
- * Enabling future activity to take place in a consistent and controlled manner
- * Safeguarding of assets
- * Promotion of innovation and change
- * Improved customer service delivery
- * Continuity of knowledge and information management processes
- * Developing and supporting people and the Council's knowledge base
- * Optimising operational efficiency and therefore delivering efficiency gains and value for money
- * Allocating time and management effort to major issues
- * Avoiding nasty surprises, shocks and crises

APPENDIX A**Risk Management Policy Statement and Aims and Objectives**

Plymouth City Council is aware that, as a large organisation, it is exposed to a very wide range of risks and threats to the delivery of key services to the community it serves.

The Council recognises that it has a responsibility to identify, evaluate and manage those risks and it therefore supports a structured approach to risk management through its corporate risk management strategy, the aims and objectives of which are described below:

The aims of the risk management strategy are to:

- Integrate and raise awareness of risk management for all those connected with the delivery of Council services
- Embed risk management as an integral part of strategic, service, information use, financial and project planning and policy making
- Establish a standard systematic approach to risk identification, analysis, control and monitoring and reviewing
- Provide a robust and transparent framework for managing risk and supporting decision making
- Support well thought-through risk taking
- Anticipate and respond to changing external and internal environment
- Embed risk management as an integral part of delivering and aligning successful partnerships

The objectives of the risk management strategy are:

- To embed Risk Management as part of the Council's culture of governance
- To provide and use a robust and systematic framework for identifying, managing and responding to risk
- To provide a robust and transparent track record of managing, communicating and responding to risk

Risk Appetite and Tolerance

Calculated (controlled) risks such as accepting new opportunities or using innovative approaches to service delivery may be taken providing the risk exposure is within the Council's risk tolerance levels, known as its "risk appetite".

The council's levels are defined as:-

Acceptable risks – the risks associated with any proposed actions and decisions need to be clearly identified, evaluated and managed to ensure that risk exposure is acceptable. Particular care is needed in considering any action which could:

- have an adverse effect on the Council's reputation and/or performance
- undermine the independent and objective review of activities
- result in censure or a fine by regulatory bodies
- result in financial loss

Any threat or opportunity that may have a significant potential impact should be closely examined and the risks clearly defined, and referred to the appropriate Director. Where there is both a significant potential impact and a high likelihood of occurrence (a Red Risk), it should also be referred to the Head of Corporate Risk and Insurance.

Risk Treatment

There are four basic ways of treating risk, which are:-

- Treatment - Ensuring effectiveness of existing controls and implementing new controls where considered necessary and cost effective.
- Transfer - Which involves another party bearing or sharing the risk i.e. via insurance
- Tolerate - Where it is not possible to treat or transfer. Consideration needs to be given to how the risk and consequences of such are to be managed should they occur.
- Terminate - Deciding where possible not to continue or proceed with the activity in view of the level of risks involved.

Framework

The Council maintains two different types of Risk Register - Strategic and Operational.

The Strategic Register records medium to long term high level risks and the Operational records those risks affecting the day to day departmental operations

Both registers detail the following:-

- possible consequences of the risks identified, both negative (risks and threats) and positive (opportunities)
- potential impact and likelihood of the risk identified
- existing controls in place to mitigate the risks
- actions planned to mitigate the risks with relevant timescales and the responsible officers

The Strategic Register is owned by the Corporate Management Team in its capacity of the Corporate Risk Management Group and maintained by the Head of Corporate Risk and Insurance and Operational Registers are maintained by the relevant Department's Risk Champion.

Risk Management Strategy – Roles & Responsibilities

Cabinet Planning

- Approve the Council's Risk Management Strategy
- Receive and approve monitoring reports on the Strategic Risk Register and an annual Risk Management report

Corporate Risk Management Group/CMT

- Ensure the Council implements and manages risk effectively through the delivery of the Risk Management Strategy and consider risks affecting delivery of services
- * Appoint a Senior Information Risk Officer (currently the Director of Corporate Support) this role also includes being the Senior Responsible Officer for overseeing the impact on the Council from the use of covert surveillance
- * Ensure risk management is considered by Management Team Agenda on a quarterly basis
- Provide assurance to Cabinet Planning and Audit Committee regarding risk management compliance.
- Be responsible for and monitor the Strategic Risk Register
- Receive and approve Risk Management status reports from the Operational Risk Management Group
- Approve and monitor the progress and effectiveness of the Risk Management Strategy and Operational Risk Management Group
- Support the embedding of Risk Management within the culture of the Council as an integral part of strategic/business planning, decision-making and performance management framework
- Approve risk management monitoring reports to Cabinet Planning and Audit Committee

Lead Member and Officer for Risk Management

- The Portfolio-holder for Governance and the Director for Corporate Support will act as Member and Officer risk champions
- Ensure that the Council manages risk effectively through the development of a robust and comprehensive Risk Management Strategy

Head of Corporate Risk and Insurance

- Support the Council and its departments in the effective development, implementation and review of the risk management strategy
- Share experiences across the Council and partners, promoting, facilitating and overseeing the arrangements for managing and monitoring of risk
- Provide training and guidance in Risk Management
- Support the Corporate Risk Management Group
- Lead and direct the work of the Operational Risk Management Group

Operational Risk Management Group (ORMG)

- Monitor, review and communicate information on operational and strategic risks within their directorate
- * Ensure risk management is embedded within departmental business plans.
- Review cross cutting operational issues
- Report to Corporate Risk Management Group every six months
- Meet six times per year
- * Receive, consider and approve bids for financial assistance towards risk reduction initiatives

Audit Committee

- Provide independent assurance to the Council on the effectiveness of the Council's Risk Management, Internal Control and overall assurance framework

Directors

- Take responsibility for the promotion of the Risk Management Strategy within their areas
- Ensure that Operational Risk Registers are managed, monitored, responded to and communicated effectively in their areas and reported through the Council's Performance Management Framework
- * Ensure that risk management is a key consideration in the delivery of Corporate Improvement Priorities

Managers

- * Identify, evaluate, prioritise and control risks and opportunities facing the Council in achieving its objectives

Risk Champions

- * Attend Operational Risk Management Group meetings
- * Co-ordinate, present and monitor bids against the Risk Management Fund
- * Promote, maintain and monitor risk registers in line with risk management/business planning guidance
- * Promote and advise on the risk management strategy

Employees

- Assess and manage risks effectively in their job and report hazards / risks to their service managers
- Undertake their job within contractual, policy and statutory guidelines
- * Consult with department risk champion as necessary

Internal Audit

- Provide a risk based Audit Plan to monitor the effectiveness of Internal Controls and provide a trigger and action plan for management intervention
- Audit the Risk Management Strategy and processes

Insurance

- Ensure appropriate risk-financing arrangements are in place to mitigate against identified insurable risks
- Work with the Head of Corporate Risk and Insurance to identify and control insurable risks effectively and economically

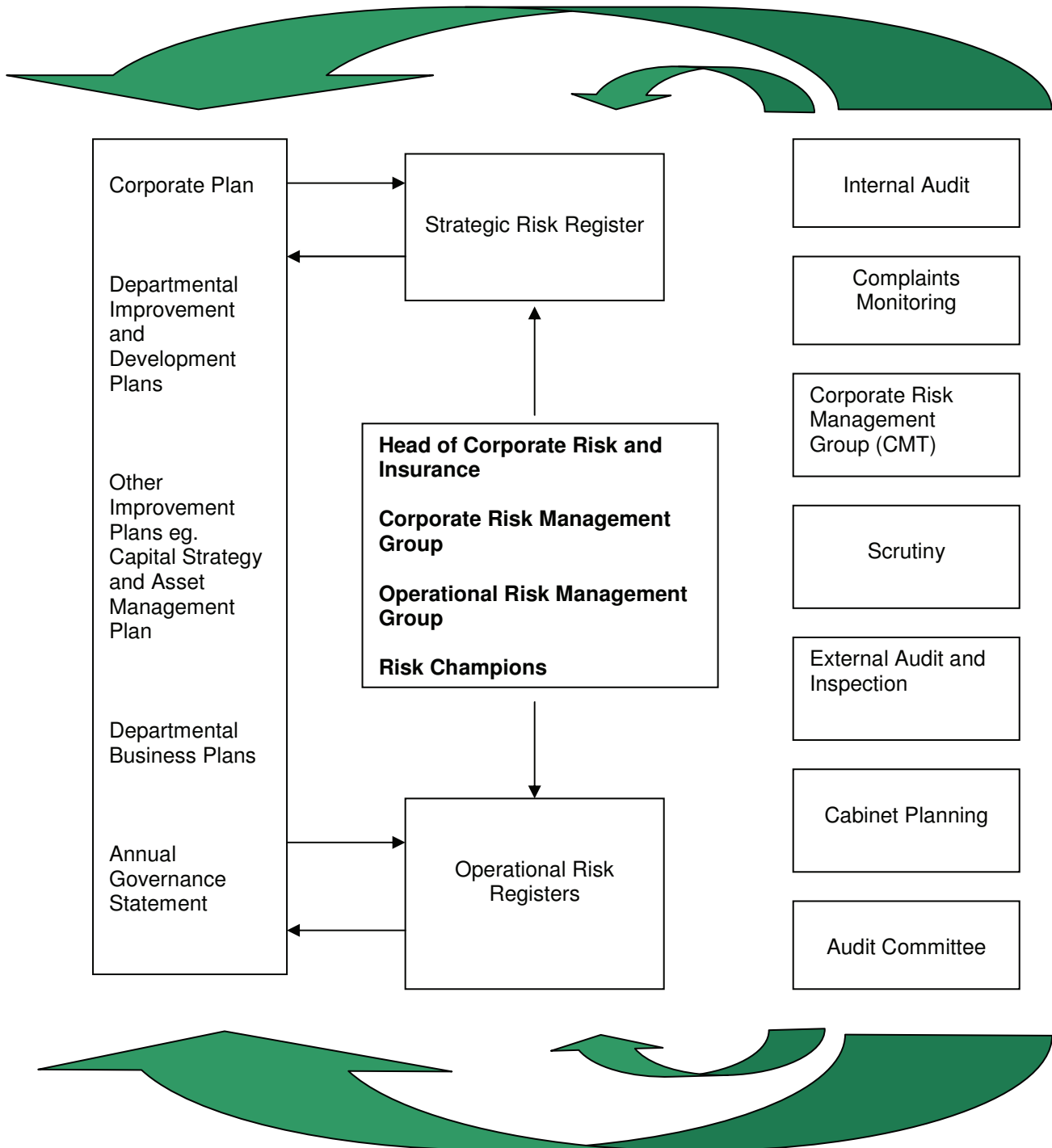
Health & Safety

- * Provide independent health and safety advice to the Operational Risk Management Group
- * Support the Council in managing and monitoring health and safety performance

The Management of Risk

The overall framework for managing risk is illustrated by the following diagram:-

Monitoring and Review process



Risk Analysis

Once risks have been identified they need to be assessed systematically and accurately. The process requires managers to assess the level of risk by considering:-

- The probability of an event occurring – “likelihood”, and
- The potential severity of the consequences should such an event occur – “impact”.

Managers will assess each element of the judgement and determine the score. The tables below give the scores and indicative definitions for each element of the risk ranking process:-

Likelihood		
5	Almost Certain	- Is expected to occur in most circumstances - Will undoubtedly happen, possibly frequently eg. Annually or more frequently - Imminent/near miss
4	Likely	- Will probably occur in many circumstances - Will probably happen, but not a persistent issue eg. Once in 3 years - Has happened in the past
3	Possible	- Could occur in certain circumstances - May happen occasionally, eg. Once in 10 years - Has happened elsewhere
2	Unlikely	- May occur only in exceptional circumstances - Not expected to happen, but is possible eg. Once in 25 years - Not known in this activity
1	Rare	- Is never likely to occur - Very unlikely this will ever happen eg. Once in 100 years

Impact		
Score	Description	Indicative Guidelines
5	Catastrophic	Risks which can have a catastrophic effect on the operation of the Council or service. This may result in critical financial loss, severe service disruption or a severe impact on the public. Examples:- - Unable to function without aid of Government or other external Agency - Inability to fulfil obligations - Medium – Long term damage to service capability - Severe financial loss – supplementary estimate needed which will have a catastrophic impact on the Council's financial plan and resources are unlikely to be available - Death - Adverse national publicity – highly damaging, severe loss of public confidence

		- Litigation certain and difficult to defend - Breaches of law punishable by imprisonment
4	Major	Risks which can have a major effect on the operation of the Council or service. This may result in major financial loss, major service disruption or a significant impact on the public. Examples:- - Significant impact on service objectives - Short – medium term impairment to service capability - Major financial loss – supplementary estimate needed which will have a major impact on the Council's financial plan - Extensive injuries, major permanent harm, long term sick - Major adverse local publicity, major loss of confidence - Litigation likely and may be difficult to defend - Breaches of law punishable by fines or possible imprisonment
3	Moderate	Risks which have a noticeable effect on the services provided. Each one will cause a degree of disruption to service provision and impinge on the budget. Examples:- - Service objectives partially achievable - Short term disruption to service capability - Significant financial loss – supplementary estimate needed which will have an impact on the Council's financial plan - Medical treatment required, semi-permanent harm up to 1 year - Some adverse publicity, needs careful public relations - High potential for complaint, litigation possible - Breaches of law punishable by fines only
2	Minor	Risks where the consequences will not be severe and any associated losses will be minor. As individual occurrences they will have a negligible effect on service provision. However, if action is not taken, then such risks may have a more significant cumulative effect. Examples:- - Minor impact on service objectives - No significant disruption to service capability - Moderate financial loss – can be accommodated at HOS level - First aid treatment, non-permanent harm up to 1 month - Some public embarrassment, no damage to reputation - May result in complaints/litigation - Breaches of regulations/standards
1	Insignificant	Risks where the consequences will not be severe and any associated losses will be relatively small. As individual occurrences they will have a negligible effect on service provision. However, if action is not taken, then such risks may have a more significant cumulative effect. Examples:- - Minimal impact, no service disruption - Negligible impact on service capability - Minimal loss – can be accommodated at SAC level - No obvious harm/injury - Unlikely to cause any adverse publicity, internal only - Breaches of local procedures/standards

The risk ratings for each part of the assessment are then combined to give an overall ranking for each risk. The ratings can then be plotted onto the risk matrix, see below, which assists in determining the risk priority

Risk Rankings						
Likelihood/Probability	Almost Certain >80 %	5	10	15	20	25
	Likely 51 %-80 %	4	8	12	16	20
	Possible 21 %-50 %	3	6	9	12	15
	Unlikely 6 %-20 %	2	4	6	8	10
	Rare <6 %	1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Impact/Severity						
Consider the impact on the following when scoring: - Achievement of strategic priorities - Council's reputation - Health & Safety of employees, residents or service users - Ability to deliver services (in particular key services) - Financial – e.g. budgets, claims, fine & penalties						

Risk Appetite		
HIGH RISK	20 - 25	Must be Managed Down Urgently
MEDIUM RISK	12 – 16	Seek to Influence Medium Term/Monitor
LOW RISK	6 - 10	Acceptable but Continue to Monitor
TOLERABLE RISK	1 – 5	Remove from Register

Monitoring Arrangements for Key Risks

The reason for monitoring key risks is to create an early warning system for any movement in risk – key risks are defined as those which score 12 or above in accordance with the above table. Risks scoring below 12 are considered to be managed effectively and therefore within the Council's "risk appetite". Any risk scored below 6 is considered tolerable and can be removed from the risk register and archived.

Risk Registers are living documents and therefore must be regularly reviewed and amended. The risk management strategy requires risks recorded on the Strategic Risk Register and service level Operational Risk Registers to be monitored every six months by departmental risk champions in consultation with senior managers and lead officers

Monitoring reports are presented for approval to the Corporate Risk Management Group and to Cabinet Planning for Member agreement prior to final ratification by the Audit Committee. All operational red risks are referred to the Scrutiny Commission. Information on all risks is recorded

on the Performance Management System and linked with Corporate and Service objectives and Key Performance indicators as appropriate.

The questions asked during monitoring are:-

1. Is the risk still relevant?
2. Is there any movement in the risk score?
 - Are the controls still in place and operating effectively?
 - Has anything occurred which might change its impact and/or likelihood?
 - Have any significant control failures or weaknesses occurred since the last monitoring exercise?
3. If so, does this indicate whether the risk is increasing or decreasing?
 - If the risk is increasing do I need to devise more controls or think of other ways of mitigating the risk?
 - If the risk is decreasing can I relax some existing controls?
4. Are controls / actions built into appropriate documented action plans?
5. Are there any new or emerging risks?
6. Have any of the existing risks ceased to be an issue (and can therefore be deleted)?

Indicator of Success

The ultimate measure of effective risk management is that the Council has the resilience to deliver its services and core objectives and is able to identify, and take maximum advantage of, the occurrence of positive risk.

A measure of the success of its Risk Management Strategy is to achieve at least a level 3 rating for its Use of Resources Assessment for Internal Control/Risk Management. (KLOE 2.4).

Sources of Reference and Guidance

External Sources:-

Risk Management – A Key to Success, a guide to understanding and managing risk - ALARM

Corporate Governance in Local Government – A Keystone for Community Governance – CIPFA/SOLACE

“Worth the Risk” Improving Risk Management in Local Government – Audit Commission

Management of Risk – A strategic overview – HM Treasury

Managing Information Risk: The Cabinet Office – Security Policy Framework

http://www.cabinetoffice.gov.uk/spf/sp1_grmc.aspx

and

http://www.cabinetoffice.gov.uk/spf/sp4_isa.aspx

Internal Sources:-

Risk Management Page in the Staffroom

Business Planning Guidance Document - Striving for Excellence

Plymouth City Council's Corporate Code of Practice for Partnerships