

Pecyn Dogfen Gyhoeddus



Swyddog Cyswllt:
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At: Cyng Rita Johnson (Cadeirydd)

Y Cynghorwyr: Glyn Banks, Marion Bateman, Chris Bithell, Clive Carver, Bob Connah, Jean Davies, Rob Davies, Ian Dunbar, David Healey, Joe Johnson, Ted Palmer, Mike Peers, Michelle Perfect, Neville Phillips, Paul Shotton, Ian Smith, David Williams, David Wisinger ac Arnold Woolley
(+ 1 swydd wag ar y Grŵp Annibynnol)

25 Ionawr 2018

Annwyl Gynghorydd,

Fe'ch gwahoddir i fynychu cyfarfod Pwyllgor y Cyfansoddiad a Gwasanaethau Democrataidd a fydd yn cael ei gynnal am 2.00 pm Dydd Mercher, 31ain Ionawr, 2018 yn Siambr y Cyngor, Neuadd y Sir, Yr Wyddgrug CH7 6NA i ystyried yr eitemau canlynol

*** Nodwch leoliad y cyfarfod**

R H A G L E N

1 YMDDIHEURIADAU

Pwrpas: I dderbyn unrhyw ymddiheuriadau.

2 DATGAN CYSYLLTIAD (GAN GYNNWYS DATGANIADAU CHWIPIO)

Pwrpas: I dderbyn unrhyw ddatganiad o gysylltiad a chynghori'r Aelodau yn unol a hynny.

3 COFNODION (Tudalennau 3 - 8)

Pwrpas: I gadarnhau, fel cofnod cywir gofnodion y cyfarfod ar 25 Hydref 2017.

4 RHEOLAU GWEITHDREFNAU ARIANNOL (Tudalennau 9 - 84)

Pwrpas: Darparu Rheolau Gweithdrefnau Ariannol wedi'u diweddarau i'r Pwyllgor i'w hargymell i'r Cyngor Sir.

5 **LLYWODRAETHU CORFFORAETHOL** (Tudalennau 85 - 118)

Pwrpas: Derbyn y Cod Llywodraethu Corfforaethol diwygiedig i'w gynnwys yng Nghyfansoddiad y Cyngor.

6 **ADRODDIAD AR Y BROSES GYFLWYNO** (Tudalennau 119 - 122)

Pwrpas: I ddarparu'r wybodaeth ddiweddaraf i'r Pwyllgor ynglŷn â'r Broses Gyflwyno a chymryd rhan.

7 **AROLWG AMSER CYFARFODYDD** (Tudalennau 123 - 128)

Pwrpas: I alluogi Aelodau'r Pwyllgor i fynegi eu barn ynghylch amser cyfarfodydd.

8 **PROSES Y GYLLIDEB** (Tudalennau 129 - 132)

Pwrpas: I amlinellu ymgynghoriad y Cyngor ynghylch y gyllideb i'r Pwyllgor Trosolwg a Chraffu.

9 **DARPARU FFOAU I AELODAU** (Tudalennau 133 - 142)

Pwrpas: I ystyried arolwg diweddar o Awdurdodau yng Nghymru ynglŷn â darparu ffonau i Aelodau a phenderfyniad Panel Annibynnol Cymru ar Gydabyddiaeth Ariannol.

Yn gywir



Robert Robins
Rheolwr Gwasanaethau Democraidd

Eitem ar gyfer y Rhaglen 3

PWYLLGOR Y CYFANSODDIAD A GWASANAETHAU DEMOCRATAIDD. 25 HYDREF 2017

Cofnodion cyfarfod Pwyllgor Trosolwg a Chraffu Gofal Cymdeithasol ac Iechyd Cyngor Sir y Fflint a gynhaliwyd yn Ystafell Bwyllgora Delyn, Neuadd y Sir, yr Wyddgrug, ddydd Mercher 25 Hydref 2017.

YN BRESENNOL: Y Cynghorydd Rita Johnson (Cadeirydd)

Y Cynghorwyr: Glyn Banks, Marion Bateman, Chris Bithell, Clive Carver, Bob Connah, Jean Davies, Rob Davies, Ian Dunbar, David Healey, Ted Palmer, Mike Peers, Michelle Perfect, Neville Phillips, Paul Shotton, David Williams, David Wisinger ac Arnold Woolley

DIRPRWYON: Y Cynghorydd: Dave Hughes (ar ran Ian Smith)

YMDDIHEURIADAU: Y Cynghorydd Joe Johnson

HEFYD YN BRESENNOL: Y Cynghorwyr: Patrick Heesom a Christine Jones

A HEFYD YN BRESENNOL: Prif Swyddog (Llywodraethu); Rheolwr Gwasanaethau Democrataidd; a Swyddog Cefnogi Gwasanaethau Democrataidd.

6. **DATGAN CYSYLLTIAD**

Ni dderbyniwyd dim.

7. **COFNODION**

Cyflwynwyd cofnodion y cyfarfod a gynhaliwyd ar 21 Mehefin 2017.

PENDERFYNWYD:

Cymeradwyo'r cofnodion fel cofnod cywir a bod y Cadeirydd yn eu llofnodi.

8. **ADRODDIAD SEFYDLU**

Cyflwynodd y Rheolwr Gwasanaethau Democrataidd adroddiad ar ddatblygiad y rhaglen sefydlu Aelodau yn dilyn yr etholiadau.

Yn dilyn adborth cadarnhaol ar y sesiynau sefydlu generig ar gyfer Aelodau newydd a rhai sy'n dychwelyd, roedd rhaglen ddrafft o friffiau Datblygu Aelodau wedi eu paratoi i ddarparu sgiliau a gwybodaeth benodol i Aelodau a oedd eu hangen i gyflawni eu swyddi. Roedd y rhaglen yn destun adolygiad parhaus, er enghraifft, roedd gweithdai ychwanegol ar y Polisi Cludiant a Chytundeb Twf Gogledd Cymru wedi eu trefnu ar gyfer mis Tachwedd mewn ymateb i geisiadau Aelodau. Roedd hefyd cyfle i Aelodau newydd fynd i ddigwyddiad rhanbarthol a gynhaliwyd gan Gymdeithas Llywodraeth Leol Cymru.

Croesawodd y Cynghorydd Chris Bithell yr ymagwedd tuag at y rhaglen sefydlu a oedd yn ceisio cynnwys cymaint o Aelodau a phosibl. Gofynnodd am fanylion ar y nifer a oedd yn bresennol yn y sesiynau sefydlu a sawl unigolyn nad oedd yn bresennol o gwbl, yn arbennig Aelodau newydd. Cadarnhaodd y Rheolwr Gwasanaethau Democrataidd fod Aelodau newydd wedi bod yn bresennol mewn o leiaf un sesiwn sefydlu. Cytunodd i ddarparu gwybodaeth mewn adroddiad i'r cyfarfod nesaf gan gynnwys manylion fesul slot amser, fel y gofynnwyd gan y Cynghorydd Glyn Banks.

Mewn ymateb i sylwadau gan y Cynghorydd Arnold Woolley, eglurwyd fod hyfforddiant Trosolwg a Chraffu wedi ei roi i bob un o'r pwyllgorau unigol hynny ac roedd hefyd wedi'i gynnwys yn y sesiwn gyflwyno Materion Cyfansoddiadol.

Holodd y Cynghorydd Mike Peers a ddylid dwyn ymlaen y sesiynau datblygu ar Ddeddf Cenedlaethau'r Dyfodol (Cymru) 2015, gan fod y testun wedi'i godi gan Swyddfa Archwilio Cymru (SAC) fel maes i ganolbwyntio'n benodol arno yn ystod grwpiau trafod diweddar. Byddai'r Rheolwr Gwasanaethau Democrataidd yn gofyn am eglurhad gan nad oedd hyn wedi ei nodi'n flaenoriaeth gan SAC.

Pwysleisiodd y Cynghorydd Bithell bwysigrwydd sicrhau fod pob Aelod a swyddog yn deall eu cyfrifoldebau ar ddiogelu a chyfeiriodd at y sesiynau i'w darparu cyn cyfarfodydd y pwyllgorau Trosolwg a Craffu ac Archwilio. Eglurwyd fod y sesiynau'n agored i bob Aelod ac y byddai'r rhai nad oedd yn gallu bod yn bresennol yn cael cyfle i gymryd rhan mewn sesiwn ar y diwedd.

PENDERFYNWYD:

- a) Bod y Pwyllgor yn nodi'r rhaglen sefydlu Aelodau a gynhaliwyd ar ôl yr etholiadau; a
- b) Bod y Pwyllgor yn cefnogi'r ymagwedd tuag at Ddatblygu Aelodau am weddill blwyddyn y cyngor, fel y nodwyd yn Atodiad A yr adroddiad.

9. AROLWG AELODAU AR AMSEROEDD CYFARFOD

Cyflwynodd y Rheolwr Gwasanaethau Democrataidd adroddiad ar ymgynghori ag Aelodau ar amseroedd cyfarfod pwyllgorau, ynghyd â'r ffurflen arolwg arfaethedig. Amlinellodd yr ymagwedd arfaethedig i wahodd Aelodau etholedig ac wedi eu cyfethol i roi eu barn ar amseroedd a dyddiau a ffafriwyd, gan gynnwys y dewis o gyfarfodydd gyda'r nos.

Cyfeiriodd y Cynghorydd Chris Bithell at y goblygiadau posibl o ran cost o gynnal cyfarfodydd gyda'r nos ac awgrymodd y byddai cyfarfodydd gyda'r hwyr rhwng 5-7pm yn ddewis arall mwy cost effeithiol. Cytunodd y Rheolwr Gwasanaethau Democrataidd gynnwys y dewis hwn ar yr arolwg gan y gallai helpu osgoi gwrthdaro gyda chyfarfodydd Cynghorau Tref/ Cymuned. Cytunodd hefyd y dylid dangos y slot amser 9am a 10am fel dewisiadau ar wahân, ar gais y Cynghorydd Clive Carver.

O ran cyfarfodydd gyda'r hwyr, codwyd pwyntiau gan y Cynghorydd Marion Bateman a Neville Phillips ar y goblygiadau o ran trefniadau gwaith staff a'r posibilrwydd o wrthdaro gyda chyfarfodydd Llywodraethwr Ysgol.

Dywedodd y Cynghorydd Mike Peers mai dim ond aelodau pwyllgorau unigol ddylai gael pleidleisio ar amseroedd y cyfarfodydd hynny. Eglurodd y Prif Swyddog y byddai unrhyw drefniadau newydd yn berthnasol i gyfarfodydd drwy gydol tymor cyfan y Cyngor presennol, ond yn ystod y cyfnod hwnnw gallai aelodau newid. Nododd hefyd y gallai Aelod sy'n dymuno bod ar bwyllgor penodol fethu a gwneud hynny oherwydd y trefniadau presennol.

Gan gefnogi'r ymgynghoriad ehangach, nododd y Cynghorydd Bithell fod Aelodau eraill yn aml yn mynd i gyfarfodydd Trosolwg a Chraffu i arsylwi.

Cynigiodd y Cynghorydd Peers y dylid gofyn i Aelodau bleidleisio ar y pwyllgorau roeddynt yn gwasanaethu arnynt yn unig, gan gynnwys dirprwyon lle'r oedd rhai. Eiliwyd hyn gan y Cynghorydd Arnold Woolley. O'i roi i bleidlais, cytunwyd ar y gwelliant.

Fel dewis arall yn hytrach na'r arolwg, cynigiodd y Cynghorydd David Williams y dylai Aelodau o bob pwyllgor bleidleisio ar y trefniadau roeddynt yn eu ffafrio ar gyfer y pwyllgor hwnnw ar ddechrau bob blwyddyn. Cafodd wybod fod y Pwyllgor Trosolwg a Chraffu Gofal Cymdeithasol ac Iechyd wedi defnyddio'r dull hwn o'r blaen drwy gytuno ar gymysgedd o gyfarfodydd bore a phnawn i annog presenoldeb.

Yna rhoddodd y Pwyllgor ystyriaeth i gynnig y Cynghorydd Williams i ymgynghori â phwyllgorau unigol ar eu dewisiadau. Eiliwyd hyn gan y Cynghorydd Woolley a chafodd ei gefnogi gan y Pwyllgor.

Rhoddodd y Prif Swyddog eglurhad y byddai eitem yn cael ei threfnu ar gyfer pob pwyllgor i ystyried patrwm cyfarfodydd a holi a oedd yr aelodau (gan gynnwys dirprwyon) yn dymuno pleidleisio ar bapur neu'n electronig. Yn ogystal, byddai pob Aelod yn cymryd rhan mewn arolwg ar batrwm cyfarfod y Cyngor llawn.

Eglurwyd y byddai canlyniadau'r arolwg yn cael eu hadrodd yn ôl i'r Pwyllgor a bod angen amser i ymgorffori unrhyw newidiadau i Amserlen y Cyfarfodydd ar gyfer 2018/19 cyn i'r Cyngor llawn eu hystyried ar 1 Mai 2018.

PENDERFYNWYD:

- (a) Dylid gofyn i Aelodau bleidleisio ar y trefniadau ar gyfer y pwyllgorau roeddynt yn gwasanaethu arnynt yn unig, gan gynnwys dirprwyon lle'r oedd rhai; a
- (b) Dylid trefnu eitem ar gyfer pob pwyllgor i ystyried sut roeddynt yn dymuno pleidleisio ar y patrwm cyfarfodydd roeddynt yn ei ffafrio.

10. RHANNU GWYBODAETH YN Y CYNGOR

Cyflwynodd y Prif Swyddog (Llywodraethu) adroddiad ar adolygiad arfaethedig o reolau o fewn y Cyfansoddiad ar rannu gwybodaeth. Y nod oedd rhoi eglurhad o ba lefelau o wybodaeth y gellid ei rhannu y tu mewn i'r Cyngor i ddiwallu anghenion Aelodau ac i gydymffurfio â deddfwriaeth.

Yr ymagwedd a argymhellwyd oedd sefydlu gweithgor trawsbleidiol dan arweiniad Is-Gadeirydd y Pwyllgor (yn absenoldeb y Cadeirydd) gyda chynrychiolaeth gan Aelodau'r Cabinet ar gyfer Gwasanaethau Cymdeithasol, Tai ac Addysg, sef y deiliaid portffolio sy'n ymdrin â'r data mwyaf sensitif.

Croesawyd yr adolygiad arfaethedig gan Aelodau a oedd yn cydnabod pwysigrwydd diogelu yn erbyn peryglon rhannu gwybodaeth.

Cadarnhaodd y Prif Swyddog y byddai'n mynd i gyfarfodydd i roi cyngor i'r gweithgor, ynghyd â swyddogion perthnasol eraill. Argymhellodd fod y gweithgor yn mabwysiadu ymagwedd fesul cam i ganiatáu ystyriaeth fanwl a dealltwriaeth o'r testun. Yna byddai'r rheolau'n cael eu rhannu ar gyfer ymgynghori cyn ceisio eu mabwysiadu gan y Cyngor ym mis Mai 2018. Cytunodd i gysylltu ag Arweinwyr Grwpiau ar yr aelodau ar y gweithgor.

PENDERFYNWYD:

- (a) Dylid sefydlu gweithgor i ail ysgrifennu'r rheolau i swyddogion ac Aelodau sydd wedi eu cynnwys yn y Cyfansoddiad ar sut y caiff gwybodaeth ei rhannu y tu mewn i'r Cyngor;
- (b) Dylai'r gweithgor gynnwys hyd at 8 aelod gan gynnwys Cadeirydd neu Is-Gadeirydd y Pwyllgor, Aelodau Cabinet dros Addysg, Tai a Gwasanaethau Cymdeithasol (y mae eu portffolios yn ymdrin â'r data personol mwyaf sensitif) ac 1 aelod o bob un o'r grwpiau gwleidyddol eraill; a
- (c) Dylid gofyn i'r gweithgor adrodd i Bwyllgor y Cyfansoddiad a Gwasanaethau Democrataidd mewn pryd i wneud argymhellion i Gyfarfod Blynyddol y Cyngor ym mis Mai 2018.

11. ADRODDIAD BLYNYDDOL TROSOLWG A CHRAFFU

Cyflwynodd y Rheolwr Gwasanaethau Democrataidd Adroddiad Blynyddol Trosolwg a Chraffu drafft ar gyfer 2016/17 i'w ystyried. Dosbarthodd ragair a awgrymwyd ar gyfer yr adroddiad, fel teyrnged i'r diweddar Gynghorydd Ron Hampson fel y Cadeirydd pwyllgor a wasanaethodd am y cyfnod hiraf, a siaradodd Aelodau o'i blaid.

Yn dilyn awgrymiadau gan y Cynghorydd Mike Peers, cytunwyd i ymgorffori rhagymadrodd yn yr adroddiad yn rhoi manylion ynglŷn â sut y gellir cyflwyno eitem i'r pwyllgorau Trosolwg a Chraffu. Yn yr adran ar gyfarfodydd galw i mewn, byddai cyfeiriad at gynnwys y bleidlais bwyllgor ar y dewisiadau oedd ar gael.

Yn Atodiad 1 yr adroddiad, cwestiynodd y Cynghorydd Chris Bithell gywirdeb rhai o'r dyddiadau aelodaeth y cytunodd y Rheolwr Gwasanaethau Democrataidd eu diwygio yn unol â hynny.

PENDERFYNWYD:

- (a) Cynnwys y rhagair a awgrymwyd yn yr Adroddiad Blynyddol; a

- (b) Bod y Pwyllgor, yn amodol ar y diwygiadau a gynigiwyd gan y Cynghorwyr Bithell a Peers, yn rhoi cymeradwyaeth i gyflwyno'r adroddiad i'r Cyngor yn y cyfarfod nesaf.

12. AELODAU O'R CYHOEDD A'R WASG YN BRESENNOL

Nid oedd unrhyw aelodau o'r cyhoedd na'r wasg yn bresennol.

(Dechreuodd y cyfarfod am 2pm a daeth i ben am 3.15pm)

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Y Cadeirydd

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 4



CONSTITUTION AND DEMOCRATIC SERVICES COMMITTEE

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| Date of Meeting | Wednesday, 31 January 2018 |
| Report Subject | Financial Procedure Rules |
| Cabinet Member | Leader of the Council and Cabinet Member for Finance |
| Report Author | Corporate Finance Manager |
| Type of Report | Operational |

EXECUTIVE SUMMARY

The purpose of the report is to provide Constitution Committee with the proposed updated Financial Procedure Rules (FPR's) for comment and endorsement prior to approval at County Council On 1 March 2018.

The FPR's were considered and endorsed by Audit Committee on 22 November 2017.

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

RECOMMENDATIONS

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| 1 | That Constitution Committee endorse the updated Financial Procedure Rules and recommend they are submitted to Council for approval. |
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REPORT DETAILS

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| 1.00 | EXPLAINING THE FINANCIAL PROCEDURE RULES (FPR'S) |
| 1.01 | Section 151 of the Local Government Act 1972 and the Accounts and Audit (Wales) Regulations require the Council to make arrangements for the proper administration of its financial affairs. |
| 1.02 | The FPR's state that: 'The Chief Finance Officer is the Officer responsible |

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| | for the interpretation of these Procedure Rules, responsible for ensuring that they remain appropriate to the Council's activities. An annual review will take place and each individual rule will be reviewed at least every two years. The outcome of each review will be reported to Council, along with any recommendations for changes. Should there be any urgent changes required; these will be recommended to Council between annual reviews. |
| 1.03 | The FPR's have been fully reviewed in 2017 and minor changes made to reflect updated procedures and service delivery methods. |
| 1.04 | The proposed changes have been prepared in consultation with the relevant service managers and the Chief Officer Team. |
| 1.05 | <p>The main changes to the following sections are:</p> <p>3.2 Budgets and Medium Term Planning – changes to reflect the status of Medium Term Financial Strategy</p> <p>3.3 Budgetary Control – refers to the responsibilities of Chief Officers and Collaborative Planning</p> <p>3.3.2 Virement amount changed from £75,000 to £100,000</p> <p>4.5 Treasury Management – to ensure compliance with current legislation</p> <p>4.6 Imprest Accounts – changed to tighten controls</p> <p>5.3 Ordering of Goods and Services – reflects P2P</p> <p>5.4 Payments to employees and members – reviewed to ensure controls are relevant</p> <p>5.5 Taxation – reviewed to ensure current VAT legislation and practice followed</p> <p>5.6 Trading Accounts and Business Units – refers to services provided via an Alternative Delivery Model where specific Financial Regulations will be incorporated into individual models.</p> |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | The implementation of these rules ensures robust, consistent financial processes across the Authority. |

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| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | Chief Officer Team |

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| 4.00 | RISK MANAGEMENT |
| 4.01 | The Financial Procedure Rules form part of the management of risk of financial mismanagement. |

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| 5.00 | APPENDICES |
| 5.01 | Appendix A – Copy of the updated Financial Procedure Rules Appendix B – Summary of Financial Procedure Rules Appendix C – Glossary of Terms |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | Flintshire County Council - Constitution Contact Officer: Gary Ferguson Telephone: 01352 702271 Email: gary.ferguson@flintshire.gov.uk |

| | |
|-------------|--------------------------|
| 7.00 | GLOSSARY OF TERMS |
| 7.01 | See Appendix C |

Mae'r dudalen hon yn wag yn bwrpasol

Flintshire County Council

Financial Procedure Rules

Revised 2017

Contents

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

1. Status of Financial Regulations

1.1 What are Financial Procedure Rules?

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

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

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

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

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

In addition, the Council holds the following statutory posts:

The Head of Paid Service is the Chief Executive

The Chief Finance Officer is the Corporate Finance Manager

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

The Monitoring Officer is the Chief Officer (Governance)

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

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

1.2 Why are they important?

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

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

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

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

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

1.3 Who do Financial Procedures apply to?

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

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

1.3.3. These Financial Procedures shall apply in relation to any partnership for which the Council is the accountable body, unless the Council expressly agrees otherwise. Where services are provided via an 'Alternative Delivery Model', specific financial procedures will be incorporated into the individual models.

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

1.4 Who is responsible for ensuring that they are applied?

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

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

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

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

2. Financial Management – General Roles and Responsibilities

The Role of the Full Council

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

2.2 The Role of the Cabinet

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

2.3 The Role of the Chief Finance Officer

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

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

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

- a) The proper administration of the Council's financial affairs.
- b) Setting and monitoring compliance with financial management standards.
- c) Advising on the corporate financial position and on the key financial controls necessary to secure sound financial management.

- d) Advising on all matters which affect, or potentially affect, the finances or financial administration of the Council.
- e) Providing financial information.
- f) Making recommendations to the Cabinet and Council for the preparation of the revenue budget and capital programme.
- g) Preparing the approved revenue budget and capital programme.
- h) Treasury management.

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

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

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

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

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

Section 114 of the 1988 Act also requires:

- The Chief Finance Officer to nominate a properly qualified member of staff to deputise should he or she is unable to perform the duties under Section 114 personally, due to absence or illness.
- The Council to provide the Chief Finance Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.

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

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

2.4 The Role of Chief Officers

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

2.4.2 Chief Officers are responsible for:

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

3. Financial Planning

3.1 Strategic Planning

Why is this important?

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

Key Controls

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

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

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

3.2 Budgets and Medium Term Planning

Why is this important?

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

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

The MTFS uses detailed intelligence led forecasting to estimate available resources, investment needs linked to the Authority's Council Plan and priorities, demand and externally led cost pressures and opportunities for efficiencies / savings for both revenue services and the capital programme over the medium term. The MTFS enables the gap between forecast funding levels and resource requirements to be identified over the medium term.

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

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

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

3.3 Budgeting

3.3.1 Revenue Budget

Why is this important?

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

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

Key Controls

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

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

Responsibilities of the Chief Finance Officer

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

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

Responsibilities of the Chief Officers

- a) To maintain budgetary control within their departments and ensure that all income and expenditure are properly recorded and accounted for.
- b) To ensure that an accountable budget manager is identified for each area of income and expenditure under the control of the Chief Officer. As a general principle, budget responsibility should be aligned as closely as possible to the decision making that commits expenditure
- c) Ensure that Managers and all staff understand their financial responsibilities.
- d) Ensure that budget managers follow the monthly budget monitoring procedures when using Collaborative Planning (CP) system.

- e) To prepare annual service plans linked to the Council Plan identifying any budgetary implications for inclusion in the Medium Term Financial Plan for Member consideration.
- f) To ensure that spending remains within the service's overall cash limit, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast. Variances in excess of £50k should be reported with an explanation to the Chief Finance Officer.
- g) Prepare budget action plans where a significant overspend is forecast. The action plan should identify how expenditure will be brought back into line with budget, either by taking corrective action, or through the proposed use of compensating savings elsewhere in their budget.
- h) Report areas of forecast under spend, along with the implications for future years, for corporate consideration of where any available resources should be re-allocated. The use of budget savings other than in accordance with the approved budget is not permitted without Cabinet approval.
- i) Consult with the Chief Finance Officer and seek advice on further action to be taken before any commitments are incurred, where these are not covered by the Council's approved budget.
- j) Report significant variations from budget to the Chief Finance Officer, who will report the position and any budget actions plans in the overall budget monitoring report to Cabinet. In certain circumstances it may be that the significance of the variance requires a separate report to Cabinet for consideration or approval. The report will outline the reasons for the projected variance, the implications for future years' budgets, along with the budget action plan to bring expenditure in line with the budget.
- k) Budget action plans will be monitored by the relevant Chief Officer who will notify the Chief Finance Officer should it emerge that a budget action plan will fail to prevent an overspend. The Chief Finance Officer will report the position to Cabinet.
- l) In exceptional cases submit reports to the Cabinet and to the Authority, in consultation with Chief Finance Officer, where a Chief Officer is unable to balance expenditure and resources within existing approved budgets under his or her control, requesting a supplementary budget allocation for the current financial year only.
- m) Nothing in the Financial Procedure Rules shall prevent expenditure being incurred which is essential to meet any immediate needs arising from an emergency, including any expenditure under Section 155 of the Local Government and Housing Act 1989 (Emergency Financial Assistance Scheme, formerly known as the "Belwin" scheme). Such action shall only be taken after consultation with the Chief Finance Officer, and any such

expenditure must be reported retrospectively to the Cabinet, and the funding for such expenditure must be agreed as soon as possible.

- n) To ensure compliance with the scheme of virement.

3.3.2 Budget Virements/Accounting Adjustments

Why is this important?

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

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

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

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

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

Formal Virements in excess of £100,000 (this includes cumulative amounts over £100,000) should be submitted to Cabinet for Approval.

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

Overall control of budget transfers is undertaken within the Strategy, Accounting and Systems team which tracks the movements as part of the budget monitoring process

and also ensures that any virements that change the purpose of the funding are subject to the relevant approval.

The Corporate Finance Manager as Section 151 officer for the Council has a legal responsibility to ensure the proper management of the Councils financial affairs and is content that the rules and procedures in place governing the virement of budget are adequate.

Key Controls

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

Responsibilities of the Chief Finance Officer

- a) Ensure that budget virements in excess of £100,000 (cumulative) are submitted to Cabinet for approval.
- b) Where there are policy implications for the Council ensure that Cabinet approval is obtained where it is proposed to vire between budgets of different Cabinet Portfolio holders or vire between budgets managed by different Chief Officers.
- c) Where there are implications to the policy framework submit a joint report with the relevant Chief Officer.

Responsibilities of the Chief Officers

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

3.4 Capital Programmes

Why is this important?

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

Key Controls

The key controls for capital programmes are:

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

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

- a) To comply with guidance concerning capital schemes and controls issued by the Chief Finance Officer
- b) To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Chief Finance Officer.
- c) To prepare regular reports reviewing the capital programme provisions for their services

- d) To ensure that adequate records are maintained for all capital contracts
- e) To proceed with projects only when there is adequate provision in the capital programme and with the agreement of the Chief Finance Officer, where required.
- f) To ensure that credit agreements such as leasing agreements are not entered into without the agreement of the Chief Finance Officer (via the Treasury Management Team) and if applicable approval of the scheme through the capital programme.
- g) To ensure that for the purchase of all items which are not brand new that a Hire Purchase Information (HPI) check has been undertaken to ensure that there is no outstanding finance.

3.5 Maintenance of Reserves

Why is this important?

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

Key Controls

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

The Councils Reserves protocol must be adhered to by all officers to ensure the controls governing reserves are followed.

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

To ensure that resources are used only for the purposes for which they were intended. To ensure the Reserves Protocol is followed.

4. Risk Management and Control of Resources

4.1 Risk Management

Why is this important?

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

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

Key Controls

The key controls for risk management are:

- Procedures are in place to identify, assess, prevent or contain material known risks
- A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.
- Managers know that they are responsible for managing relevant risk and are provided with relevant information
- Provision is made for losses that might result from the risks that remain
- Procedures are in place to investigate claims within required timescales
- Acceptable levels of risk are determined and insured against where appropriate
- Business Continuity Plans are in place.

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

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

4.2 Internal Controls

Why is this important?

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

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

- The Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.

- Compliance with all applicable statutes and procedure rules, and other relevant statements of best practice.

Key Controls

The key controls and objectives for internal control systems are:

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

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

- a) To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.
- b) To be responsible for having in place procedures to ensure that established controls are being adhered to and for evaluating their effectiveness. Chief Officers are required to periodically assess their systems of internal control to ensure that they are adequate to manage the risks associated with the service. They are also required to undertake such reviews when material changes are to be made either to structures or to working practices. This requirement applies equally to those arrangements in which the Authority has a partnership relationship with a third party.
- c) Assess, at least once a year, the effectiveness of the systems of internal control, in line with current Accounts & Audit (Wales) Regulations.
- d) Provide appropriate information to the Corporate Governance Working Group to enable the Annual Governance Statement to be included within the financial statements, as required.

- e) Review existing controls in the light of changes affecting the Authority and establish and implement new controls as necessary. Also remove controls that are unnecessary or not cost or risk effective – for example, because of duplication.
- f) Ensure that staff have a clear understanding of all procedures, and of the consequences of lack of control.

4.3 Audit Requirements – Internal Audit

Why is this important?

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

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

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

Key Controls

The key controls for internal audit are:

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

Responsibilities of the Chief Finance Officer

To ensure that an effective Internal Audit function is resourced and maintained. Under Section 151 the local authority should 'make arrangements for the proper administration of their financial affairs'. Proper administration includes compliance with the statutory requirements for accounting and internal audit.

Responsibilities of the Chief Officers

Chief Officers will:

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

- (i) Ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Internal Audit Manager prior to implementation, to ensure that control issues are fully considered and complied with.

4.4 Security of Assets

Why is this important?

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

Key Controls

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

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

Responsibilities of the Chief Finance Officer

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

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

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

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

Responsibilities of the Chief Officers

- a) Ensure that records and assets are properly maintained and securely held.
- b) The corporate property function resides within the Organisational Change Portfolio, with property records maintained by Valuation and Estates Services in conjunction with Legal.
- c) The Chief Officer Governance, in consultation with the Chief Officer for Organisational Change, shall maintain a register of:
 - All lands and properties owned by the Authority (with the exception of dwellings provided under the Housing Acts) in a form agreed with the Chief Finance Officer, recording the holding Committee, purpose for which held, location, extent, plan reference, purchase details, particulars of all interests, tenancies granted and rents receivable.
 - All lands and properties leased to the Authority in a form agreed with the Chief Finance Officer, recording the holding Committee, purpose for which held, location, extent, plan reference and lease rental payment details.
- d) The Chief Officers (Planning and Environment and Organisational Change) will arrange for the valuation of assets for accounting purposes to meet requirements specified by the Chief Finance Officer and, in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* (CIPFA/LASAAC).
- e) The Legal Services Manager shall have custody of all title deeds and will put in place secure arrangements for this.
- f) The Chief Officer Community & Enterprise shall maintain a record of all dwellings provided under the Housing Acts in a form agreed with the Chief Finance Officer.
- g) Chief Officers shall be responsible for maintaining proper security and confidentiality of all financial and related information in the Chief Officer's possession including complying with the requirements of the Authority's Information Security Policy, Data Protection Act, (General Data Protection Regulation – May 2018 GDPR) the Computer Misuse Act and any subsequent legislation.

h) Chief Officers must ensure that:

- All staff are aware of their responsibilities with regard to safeguarding the Authority's assets and the protection and confidentiality of information, whether held in manual or computerised records, including the requirements of the Data Protection Act (GDPR May 2018) and software copyright legislation.
- All staff are aware of their responsibilities with regard to safeguarding the security of the Authority's computer systems, including maintaining restricted access to the information held on them and compliance with the Authority's computer, portable storage media acceptable usage, e-mail and internet security policies.
- Arrangements are in place for the proper security and safe custody of all buildings, vehicles, equipment, furniture, stock, stores and other assets under their control.
- Lessees and other prospective occupiers of authority land or buildings are not allowed to take possession or enter the land or building until a lease or legal agreement, in a form approved by the Chief Officer Governance in consultation with the Chief Finance Officer, has been established as appropriate.
- Where land or buildings are surplus to requirements, a recommendation for sale is the subject of a report by the Chief Officer, or where action is taken under delegated powers this is reported to the Cabinet.
- Each Chief Officer maintains a register of assets with a value of over £500 which are moveable or desirable assets. The register should list the asset, location recorded, and that they are appropriately marked and insured.
- Cash holdings on premises are kept to a minimum and shall not exceed such limit as the Chief Finance Officer may prescribe, and that the arrangements for such cash holdings have been agreed with Internal Audit. Each Chief Officer must, in consultation with the Chief Finance Officer ensure safe and efficient cover for cash in transit.
- Keys to safes and similar receptacles are carried in the possession of those responsible at all times; loss of any such keys must be reported to the Chief Finance Officer as soon as possible. All official keys of buildings, alarms and secure places shall be securely maintained at all times using a designated key tagging system by the individual responsible for their custody. If not held on the person of the individual responsible for their custody, they should be held under secure arrangements. The loss of any such keys shall be reported to the Chief Finance Officer immediately.
- Assets are only used in the course of the Authority's business, unless the Chief Officer concerned has given permission, in writing, for personal use by an employee.

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

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

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

4.5 Treasury Management

Why is this important?

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

Key Controls

That the authority's borrowing and investments comply with the CIPFA Code: Treasury Management in Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2011 Edition), Welsh Government (WG) guidance on local authority investments and the authority's Treasury Management Strategy.

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

Responsibilities of the Chief Finance Officer

- a) Ensure that the Authority has an annual Treasury Management Strategy which fulfils the Council's legal obligation under the Local Government Act 2003 and to have regard to both the CIPFA code and the WG guidance.
- b) The Chief Finance Officer will operate bank accounts as are considered necessary. Opening or closing any bank account shall require the approval of the Chief Finance Officer. Heads of Service will follow the instructions on banking issued by the Chief Finance Officer.
- c) The Chief Finance Officer will act as the Authority's registrar of stocks, bonds and mortgages and maintain records of all borrowing of money by the Authority.

Responsibilities of the Chief Officers

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

4.6 Imprest Accounts

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

Ensure that a business case is submitted to the Chief Finance Officer for any new Imprest Account. Payments shall be limited to minor items of expenditure up to a general individual limit of £50.

Ensure that employees operating an imprest account:

- (a) Obtain and retain receipts/invoices and vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained in order to ensure the correct recovery of VAT as per Her Majesty's Revenue and Customs (HMRC) regulations.
- (b) Ensure reimbursement claims are signed by the claimant and one authorising signatory. Imprest controllers must ensure that two authorising signatories are obtained where there are no valid receipts/invoices to support the expenditure.
- (c) Make adequate arrangements for the safe custody of the account.
- (d) Produce upon demand by the Chief Finance Officer cash and all receipts/invoices and vouchers to the total value of the imprest amount.
- (e) Record transactions promptly.
- (f) Reconcile and balance the account at least monthly irrespective of the frequency of reimbursement claims. Reconciliation sheets are to be signed by the imprest holder and two authorising signatories and placed on file.
- (g) The Imprest holder shall not allow the account to become overdrawn. It shall be a standing instruction to the Authority's bankers or approved agency that the amount of any overdrawn balance on a Petty Cash Imprest holder's bank account be reported to the Chief Finance Officer.
- (h) Provide the Chief Finance Officer with a certificate of the value of the imprest account/float at the date requested by the Chief Finance Officer.
- (i) Ensure that the imprest is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made.
- (j) Ensure that payments are never made to individuals, contractors, consultants, casual staff or self-employed persons. The exceptions are where incentive bonus payments are made to service users in Social Services Day Opportunities and payments are made to residents from deputyship monies. Payments can be made from petty cash and then coded appropriately to the correct budget. In the case of deputyship, this is then reclaimed from personal monies.

- (k) Where emergency loans are made to service users, Officers will comply with the Monitoring and Recovery of Loans Procedure.
- (l) On leaving the Authority's employment or otherwise ceasing to be entitled to hold or be a signatory for an imprest account inform the Chief Finance Officer so that arrangements can be made to close the account or transfer to another authorised Officer.

4.7 Staffing

Why is this important?

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

Key Controls

The key controls for staffing are:

- a) An appropriate workforce strategy and policy exists in which staffing requirements and budget allocations are matched
- b) Procedures are in place for forecasting staffing requirements and cost
- c) Controls are implemented that ensure that staff time is used efficiently and to the benefit of the authority
- d) Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy

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

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

The Senior Manager (HR & OD) will act as an advisor to a Chief Officer on Human Resources (HR) policies.

Chief Officers will:

- (a) Ensure that budget provision exists for all existing and new employees.
- (b) Monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.

- (c) Ensure that the staffing budgets are not exceeded without due authority and that they are managed to enable the agreed level of service to be provided.
- (d) When reporting to the Cabinet or Authority on any matter which has, or is liable to have, staffing / HR implications, the Chief Officer shall, in consultation with the Chief Finance Officer and the Senior Manager (HR & OD), incorporate into the report both the staffing / HR and financial implications of the matter under discussion.
- (e) Maintain a register of interests, in which any hospitality or gifts accepted, must be recorded:
 - In compliance with the Flintshire County Authority Code of Conduct for Local Government Employees, no employee of the Authority shall accept any fee, gift or reward which is intended as, or might be construed as, an inducement to influence that employee in the execution of that employee's duties.
 - The offer of any such fee, gift or reward shall be reported immediately by the employee concerned to the appropriate Chief Officer, and shall be recorded in the register of gifts and hospitality.

The Senior Manager (HR & OD) will ensure that this policy will be reflected in the HR Policies and other policies, as relevant, of the Authority.

5. Financial Systems and Procedures

5.1 General

Why is this important?

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

Key Controls

The key controls for systems and procedures are:

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

Responsibilities of the Chief Finance Officer

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

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

Responsibilities of the Chief Officers

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

- c) To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original documents and vice versa is maintained
- d) To incorporate appropriate controls to ensure where relevant that all input is genuine, complete, accurate, timely and not previously processed. All processing is carried out in an accurate, complete and timely manner and output from the system is complete, accurate and timely.
- e) To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice
- f) To ensure there is a documented and tested disaster recovery plan to allow for information system processing to resume quickly in the event of an interruption
- g) To ensure that systems are documented and staff trained in operations.
- h) To consult with the Chief Finance Officer before changing any existing system or introducing new systems
- i) To establish a scheme of delegation identifying officers authorised to act upon the Chief Officer's behalf in respect of payments, income collection and placing orders, including variations and showing the limits of their authority.
- j) To supply lists of authorised officers, with specimen signatures and delegated limits to the Chief Finance Officer and any subsequent variations
- k) To ensure that where appropriate, computer systems are registered in accordance with current data protection legislation and that staff are aware of their responsibilities under the legislation. The law around data protection is changing, the General Data Protection Regulation (GDPR) will apply in the UK from 25th May 2018 and will replace the current Data Protection Act (DPA).

5.2 Income and Expenditure

Why is this important?

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

Key Controls

The key controls for income are:

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

should be separated from that of identifying the amount due and for reconciling the amount due to the amount received.

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

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

- a) To comply with the Income Generation Policy which has been established to support the provision of setting the Council's fees and charges and annual increases.
- b) Where possible income should be obtained in advance of supplying goods or services to improve the Council's cash flow, to avoid the time and cost of administering debts, and to reduce the risk of non-collection, particularly for low value items.
- c) No Sundry debt invoices with a value of less than £40, with the exception of invoices relating to peppercorn rents, licenses or leases in connection with the occupation of council land or property shall be raised without the approval of the Chief Finance Officer.
- d) To separate the responsibility for identifying amounts due and the responsibility for collection
- e) To initiate appropriate debt recovery procedures in accordance with the Corporate Debt policy
- f) To issue official receipts or to maintain other documentation for income collection
- g) To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- h) To lock away all income to safeguard against loss or theft and to ensure the security of cash handling
- i) To ensure that income is paid fully and promptly into the appropriate authority bank account in the form in which it is received
- j) To ensure income is not used to cash personal cheques or other payments
- k) To supply the Chief Finance Officer with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Chief Finance Officer to record correctly the sums due to the authority and to ensure accounts are sent out promptly. If possible all invoices should be raised within 5 working days of the provision of goods or services or at the earliest opportunity.

- l) Have a responsibility to assist the Chief Finance Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.
- m) To recommend to the Chief Finance Officer all debts to be written off and keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled except by full payment or by it being subject to formal writing off.
- n) Ensure that levels of cash held on the premises do not exceed approved limits.
- o) Keep a record of every transfer of cash between employees of the Council. The receiving officer must sign for the transfer and the transferor must retain a copy. Every transfer of cash shall be made direct by hand and not through the internal or external post (unless by prior approval from the Chief Finance Officer).
- p) To obtain the approval of the Chief Finance Officer when writing off debts in excess of the approved limit and the approval of Cabinet where required.

5.3 Ordering and paying for work, goods and services

Why is this important?

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

General

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

Official orders must be submitted in advance via the Purchase to Pay system (P2P). No retrospective orders should be placed. Official orders must be issued for all work, goods or services to be supplied to the authority except for petty cash purchases or other exceptions specified by the Chief Finance Officer.

Each order must conform to the guidelines approved by the full authority on central purchasing and the standardisation of supplies and materials. Standard terms and conditions must not be varied without the prior approval of the Chief Finance Officer.

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

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

Key Controls

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

- a) All goods and services are ordered only by appropriate persons and are correctly recorded
- b) All goods and services shall be ordered in accordance with the authority's contract procedure rules
- c) All orders are submitted via Purchase to Pay (P2P) and placed in advance of the relevant work, goods services or works being supplied.
- d) Goods and services received are checked to ensure they are in accordance with the order. Goods should not be received by the person who placed the order
- e) Payments are not made unless goods have been received by the authority to the correct price, quantity and quality standards
- f) All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
- g) All appropriate evidence of transaction and payment documents are retained and stored for the defined period in accordance with the document retention schedule.
- h) All expenditure, including VAT, is accurately recorded against the right budget and any exceptions corrected.
- i) The effect of electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

Responsibilities of the Chief Finance Officer

- a) To ensure that all the authority's financial systems and procedures are sound and properly administered.
- b) All procurement activities (ordering or goods, services and works) will be undertaken on the Council's approved Purchase to Pay (P2P) system.
- c) To approve any changes to existing financial systems and to approve any new systems before they are introduced
- d) To approve the form of official orders and associated terms and conditions

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

Responsibilities of the Chief Officers

- a) To ensure that upfront electronic orders using the Purchase to Pay (P2P) system are placed for all goods and services other than petty cash purchases and any other exemptions specified by the Chief Finance Officer.
- b) To ensure that orders are only used for goods and services provided to the Portfolio. Individuals must not order goods or services for their private use
- c) To ensure that only those staff authorised by the Chief Officer approve orders and to maintain an up to date list of such authorised staff including specimen signatures identifying in each case the limits of their authority. The list should be reviewed annually. Names of authorising Officers together and details of the limits of their authority shall be forwarded to the Chief Finance Officer and any subsequent amendments incorporated into the P2P system
- d) The authoriser of the order should be satisfied that the goods and services ordered are appropriate and that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the authority's approach to procurements. Value for money should always be achieved.
- e) To ensure that all expenditure, including VAT, is accurately recorded against the correct budget head and any exceptions are corrected. If it is deemed that a budget amount has been incorrectly allocated, a Chief Officer will request a journal adjustment. Under no circumstances will the expenditure be incorrectly coded in order to match the expenditure with an incorrect budget allocation.

- f) Each Chief Officer shall be responsible for all orders issued from, or on behalf of, his or her Portfolio. Where one Chief Officer places an order on behalf of another, that Chief Officer shall obtain the latter's consent in advance.
- g) To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should where possible be carried out by a different officer from the person who authorised the order.
- h) To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment confirming:
- Receipt of goods or services
 - That the invoice has not been previously paid
 - That expenditure has been properly incurred and is within budget provision
 - That prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
 - Correct accounting treatment of tax
 - That discounts have been taken where available
 - That appropriate entries will be made in accounting records
- f) To ensure that two authorised members of staff are involved in the ordering, receiving and payment process and appropriate segregation of duties are maintained at each stage.
- g) To ensure that the Portfolio maintains and reviews periodically a list of staff approved to authorise the invoices. Names of authorising officers together with specimen signatures and details of the limits of their authority shall be forwarded to the Chief Finance Officer
- h) To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice
- i) To encourage suppliers of goods and services to receive payments by the most economical means for the authority. Payments made by direct debit must have the prior approval of the Chief Finance Officer.
- j) To ensure that the directorate obtains the best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality with regard to best value principles and contract procedure rules
- k) To ensure that loans, leasing or rental arrangements are not entered into without prior agreements from the Chief Finance Officer.
- l) To notify the Chief Finance Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer.

- m) To notify the Chief Finance Officer immediately of any expenditure incurred as a result of statute/court order where there is no budgetary provision
- n) To ensure that all appropriate payment records are retained and stored for the defined period in accordance with the document retention schedule.

5.4 Payments to employees and members

Why is this important?

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

Key Controls

The key controls for payments to employees and members are:

- a) Proper authorisation procedures are in place and that there are corporate timetables in relation to starters, leavers and variations to pay.
- b) Frequent reconciliation of payroll expenditure against approved budget and bank account.
- c) All appropriate payroll documents are retained and stored for the defined period in accordance with the retention schedule.
- d) Compliance with HMRC and other statutory regulations.
- e) All claims for payment of financial loss, attendance, travelling, subsistence and car allowances and other incidental expenses paid for by the claimant, shall be completed and signed by the claimant in a form approved by the Corporate Finance Manager or Senior Manager, HR & OD as appropriate.
- f) The off-payroll (IR35) working rules are in place to ensure that where an individual would have been an employee if they were providing their services directly, their payments are processed via payroll.

Responsibilities of the Corporate Finance Manager

The Corporate Finance Manager or Senior Manager, HR & OD as appropriate will:

- a) Arrange and control secure and reliable payment of salaries, pensions, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.
- b) Record and make arrangements for the accurate and timely payment to all appropriate statutory and non statutory bodies including Pay as you Earn (PAYE), pensions and other payroll deductions.
- c) Make arrangements for payment of all travel and subsistence claims or financial loss allowance.
- d) Make arrangements for paying Members' under the Members Allowances Scheme and the Members Travel and Subsistence Scheme, which will be maintained by the Corporate Finance Manager or Senior Manager, HR & OD as appropriate.
- e) Ensure that there are adequate arrangements for administering pension scheme matters on a day-to-day basis.
- f) Maintain a list of all officers who are approved to authorise any payroll related records as notified by the relevant Chief Officer. This shall be reviewed on a regular basis. Chief Officers must communicate any changes as soon as they are known.
- g) Implement pay agreements as soon as possible after their notification from the appropriate body and process increments. Arrangements for funding such awards will be determined each year as part of the budgetary process.
- h) Retain for each employee, a copy of contracts and terms and engagements together with sufficient information to identify service, salary scale and current amount payable and absences from duty (apart from approved leave).

Responsibilities of the Chief Officers

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

- b) To ensure that claims are submitted to the Corporate Finance Manager or Senior Manager, HR & OD as appropriate for payment within the specified timescale. Ensure appointments are made in accordance with the Procedure Rules of the Council and approved establishments, grades, scale of pay and that adequate budget provision is available.
- c) Notify the Corporate Finance Manager or Senior Manager, HR & OD as appropriate of all appointments, terminations (resignations, dismissals) or variations (secondments, transfers, absences from duty through sickness or other reasons apart from approved leave, changes in remuneration, other than normal increments and pay awards and agreements of general application) which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Corporate Finance Manager or Senior Manager, HR & OD as appropriate.
- d) Ensure that adequate and effective systems and procedures are operated in a form approved by the Senior Manager, HR & OD, so that payments are only authorised to bona fide employees:
- Payments are only made where there is a valid entitlement.
 - Conditions and contracts of employment are correctly applied.
 - Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- e) Provide information necessary to maintain records of service for pensions, income tax, national insurance or other statutory obligations.
- f) Ensure that payroll transactions are processed only through the payroll system. Chief Officers should give careful consideration to the employment status of individuals employed on a self-employed, consultant or subcontract basis. HMRC applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Senior Manager, HR & OD.
- g) Ensure that the Senior Manager, HR & OD is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- h) In conjunction with the Senior Manager, HR & OD, maintain an up to date establishment structure and adhere to the Establishment Control Maintenance Process.
- i) The Senior Manager, HR & OD will be responsible for recovering payroll overpayments where the employee continues to have employment with the Council and where the overpayment is £750 or less. A repayment schedule, ensuring repayment is made within the same financial year as the overpayment, will be formally agreed with the employee.

- j) For all payroll overpayments in excess of £750, irrespective of employment status, recovery of the overpayment will be the responsibility of Debt Recovery, ensuring that such overpayments are included within the Council's total debt.
- k) All pay documents shall be, in a manner prescribed by the Senior Manager, HR & OD, certified manually by or on behalf of the appropriate Chief Officer. The names of Officers authorised to certify such documents shall be agreed with, and notified in writing to the Senior Manager, HR & OD by each Chief Officer, who shall provide the Corporate Finance Manager with the specimen signature and initials of each such authorised Officer and any amendments on the occasion they arise.
- l) Chief Officers and the Senior Manager, HR & OD will ensure that all appropriate payroll documents are retained and stored, as required, by the Senior Manager, HR & OD.
- m) No cheque made payable to a Member or Employee will be cashed by the Council, unless it is under a scheme approved by the Corporate Finance Manager and is presented by the person named on the cheque, and duly endorsed.
- n) Members and employees will submit claims for travel and subsistence on a monthly and comply with the Mileage and Expenses Policy. Mileage and Expense claims over three months old will only be paid once a satisfactory written explanation of the late submission has been provided from the relevant Service Manager to the Senior Manager – HR and OD.
- o) Timesheets, Employee Self Service and other documents which are used to generate payment of salaries or other employee related expenses must be on official forms or via authorised electronic inputs. Chief Officers are responsible for ensuring that they are certified by an authorised Certifying Officer.

5.5 Taxation

Why is this important?

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

Key Controls

The key controls for taxation are:

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

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

Responsibilities of the Chief Finance Officer

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

h) The Chief Finance Officer or Senior Manger HR & OD as appropriate may require from any employee of the Council such information as is necessary for fulfilment of their obligation under this Financial Procedure Rule.

Responsibilities of the Chief Officers

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

5.6 Trading Accounts and Business Units

Why is this important?

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

Where services are provided via an 'Alternative Delivery Model' (separate legal entities), specific financial procedures will be incorporated into the individual models.

Responsibilities of the Chief Finance Officer

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

Responsibilities of the Chief Officers

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

6. External Arrangements

6.1 Partnerships

Why is this important?

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

Key Controls

The key controls for authority partners are:

- a) If appropriate to be aware of their responsibilities under the authority's financial regulations and contract standing orders

- b) To ensure that risk management processes are in place to identify and assess all known risks
- c) To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise
- d) To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences
- e) To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution

General

- a) Both the Council and the Cabinet are responsible for approving delegations, including frameworks for partnerships and joint ventures. The Cabinet is the focus for forming partnerships and joint ventures with other local public, private, voluntary and community sector organisations to address local needs.
- b) Both the Council and the Cabinet can delegate functions – including those relating to partnerships – to Officers. These are set out in the Scheme of Delegation that forms part of the Council’s Constitution. Where functions are delegated the Officers remain accountable for them to the Council and the Cabinet as appropriate.
- c) The Head of Paid Service or other nominated Officers will represent the Council on partnerships and external bodies, in accordance with decisions of the Council/Cabinet or otherwise as authorised by the Head of Paid Service

Responsibilities of the Chief Finance Officer

- a) Be responsible for (with the Monitoring Officer) for encouraging the same high standards of conduct (with regard to financial administration and other matters, respectively) in partnerships and joint ventures that apply throughout the Council insofar as the constitutions of respective organisations permit them to do so.
- b) Ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are appropriate. He or she, in consultation with the Monitoring Officer, must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies, ensuring that the risks have been fully appraised before agreements are entered into.
- c) Advise on the key elements of funding a project, including:
 - An options appraisal scheme for financial viability.
 - Risk appraisal and management.

- Resourcing, including taxation and pension issues.
 - Audit, security and control requirements.
 - Carry-forward arrangements.
- d) Ensure that the accounting arrangements are appropriate.

Responsibilities of the Chief Officers

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

6.2 External Funding including Grants

Why is this important?

External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the authority. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers.

Key Controls

The key controls for external funding are:

- a) To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- b) To ensure that funds are acquired only to meet the priorities approved in the policy framework by the full council.
- c) To ensure that any match funding requirements are given due consideration prior to entering into long term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Chief Finance Officer

- (a) Ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- (b) Ensure that all grant income and associated information is logged on the Corporate Grants Database and adhere to the requirements of the Grant Manual.
- (c) Ensure that audit requirements are met.
- (d) Ensure that match funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Chief Officers

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

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

Other Funds

Why is this important?

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

Key Controls

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

General

The School Fund Regulations, 2013 must be followed for the operation of all school funds in Flintshire Schools and ensure that funds are only used for the purpose that they are intended for as per the regulations.

Responsibilities of the Chief Finance Officer

Prepare the note to be entered into the Statement of Accounts

Responsibilities of the Chief Officers

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

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

Protection of Clients Assets

Why is this important?

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

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

Key Controls

Responsibilities of the Chief Officers

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

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

Mae'r dudalen hon yn wag yn bwrpasol

Flintshire County Council

Financial Procedure Rules – Summary

1. What are Financial Procedure Rules?

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

Why are they important?

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

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

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

2. Financial Management – Roles and Responsibilities

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

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

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

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

3. Financial Planning

3.1 Strategic Plans

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

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

3.2 Budgeting

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

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

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

3.3 Budget Virements

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

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

All formal virements must be authorised and budget virements in excess of £100,000 (this includes cumulative amounts over £100,000) should be submitted to Cabinet for approval.

3.4 Capital Programmes

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

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

3.5 Maintenance of Reserves

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

4. Risk Management and Control of Resources

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

4.1 Internal Controls

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

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

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

4.2 Internal Audit

The requirement of internal audit is set out by the Accounts and Audit (Wales) regulations 2005. Internal auditing is an independent, objective assurance and consulting activity

designed to add value and improve the Authority's operations. It evaluates and improves the effectiveness of risk management, control and governance processes.

All Staff will ensure that:

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

4.3 Security of Assets

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

- Resources are used only for the purposes of the authority and are properly accounted for.
- Resources are available for use when required.
- Resources no longer required are disposed of in accordance with the law and the regulations of the Authority so as to maximise benefits.
- An asset register is maintained, assets are recorded when acquired and the record is updated as changes occur with respect to the location and condition of the asset.
- All staff are aware of their responsibilities with regard to safeguarding the Authority's assets and information including the requirements of the Data Protection Act and software copyright legislation. The law around data protection is changing, the GDPR will apply from May 2018.
- All staff are aware of their responsibilities with regard to safeguarding the security of the Authority's computer systems, including maintaining restricted access to the information held on them and the compliance with the authority's computer and internet security policies.

4.4 Treasury Management

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

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

4.5 Imprest Accounts

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

- Obtain and retain receipts/invoices and vouchers to support each payment from the imprest account and record each transaction promptly. Where appropriate an official receipted VAT invoice must be obtained.
- Ensure reimbursement claims are signed by the claimant and one authorising signatory.
- Make adequate arrangements for the safe custody of the account and reconcile and balance the account at least monthly irrespective of the frequency of reimbursement claims. The account should not become overdrawn.
- Provide the Chief Finance Officer with a certificate of the value of the imprest account/float at the date requested.
- Ensure that the imprest is not used to cash personal cheques or make personal loans.
- Ensure that no payments are made to individuals, contractors, consultants, casual staff or self-employed persons. The exceptions are where incentive bonus payments are made to service users in Social Services Day Opportunities and payments are made to residents from deputyship monies.
- Ensure that if emergency loans are made to service users that the Monitoring and Recovery of Loans Procedure is adhered to.
- On leaving the Authority's employment or otherwise ceasing to be entitled to hold or be a signatory for an imprest account inform the Chief Finance Officer so that arrangements can be made to close the account or transfer to another Officer

4.6 Staffing

Managers will ensure that:

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

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

5. Financial Systems and Procedures

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

- Accounting records are properly maintained and held securely
- Vouchers and documents with financial implications are not destroyed except in accordance with arrangements approved by the Chief Finance Officer
- A complete management trail, allowing financial transactions to be traced from the accounting records to the original documents and vice versa is maintained
- Processing is carried out in an accurate, complete and timely manner and output from the system is complete, accurate and timely.
- The organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice
- There is a documented and tested disaster recovery plan to allow for information system processing to resume quickly in the event of an interruption
- Systems are documented and staff trained in operations.
- There is a scheme of delegation identifying officers authorised to act upon the Chief Officer's behalf in respect of payments, income collection and placing orders, including variations and showing the limits of their authority.
- A list of authorised officers is supplied, with specimen signatures and delegated limits to the Chief Finance Officer and any subsequent variations
- Where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation. The law around data protection is changing, the General Data Protection Regulation (GDPR) will apply in the UK from May 2018.

5.1 Income

The key controls for income are:

- All income due to the Authority is identified and charged correctly, in accordance with the approved charging policy which is regularly reviewed.
- All income is collected from the correct person at the right time.
- All money received by an employee on behalf of the authority is paid without delay into the Authority's bank account and properly recorded. The responsibility for cash collection should be separated from that of identifying the amount due and for reconciling the amount due to the amount received.
- Where possible income should be obtained in advance of supplying goods or services to improve the Council's cash flow, to avoid the time and cost of administering debts, and to reduce the risk of non-collection, particularly for low value items.
- No invoices with a value of less than £40, with the exception of invoices relating to peppercorn rents, licenses or leases in connection with the occupation of council land or property shall be raised.
- Effective action is taken to pursue non-payment within defined timescales.
- Formal approval for debt write-off is obtained.
- Appropriate write-off action is taken within defined timescales.

- Appropriate accounting adjustments are made following write-off action.
- All appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule.
- Officers involved in the collection of income should make themselves aware of the Council's Money Laundering Policy and report suspected cases to the Chief Finance Officer.

5.2 Ordering and paying for work, goods and services

The key controls are:

- Every officer and member of the authority has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the authority in accordance with the appropriate codes of conduct.
- Official orders must be submitted via the Purchase to Pay (P2P) system and no orders should be raised retrospectively.
- Official orders must be issued for all work, goods or services to be supplied to the authority except petty cash purchases or other exceptions specified by the Chief Finance Officer.
- Each order must conform to the guidelines approved by the full authority on central purchasing and the standardisation of supplies and materials. Standard terms and conditions must not be varied with the prior approval of the Chief Finance Officer.
- Apart from petty cash, schools own bank accounts and other payments in advance accounts, the normal method of payment from the authority shall be by cheque or other instrument or approved method drawn on the Authority's bank account. The use of direct debit shall require the prior agreement of the Chief Finance Officer.
- Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of authority contracts.

5.3 Payments to employees and members

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

The key controls for payments to employees and members are:

- Proper authorisation procedures are in place and that there are corporate timetables in relation to starter, leavers and variations
- Frequent reconciliation of payroll expenditure against approved budget and bank account
- All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule
- That Inland Revenue regulations are complied with
- All claims for payment of financial loss, attendance, travelling, subsistence and car allowances, and other incidental expenses paid for by the claimant, shall be completed and signed by the claimant in a form approved by the Chief Finance Officer or Senior Manager (People and Resources) as appropriate. With the introduction of the iTrent system, employees will be able to submit expenses via Employee Self Service. Managers will authorise expenses via the iTrent system.
- The off-payroll (IR35) working rules are in place to ensure that where an individual would have been an employee if they were providing their services directly, their payments are processed via payroll.

5.4 Taxation

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

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

6. External Arrangements

6.1 Partnerships

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

The key controls for authority partners are:

- If appropriate to be aware of their responsibilities under the authority's financial regulations and contract standing orders.
- To ensure that risk management processes are in place to identify and assess all known risks.
- To ensure that project appraisal processes are in place to assess the viability of the project 'in terms of resources, staffing and expertise.
- To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences.
- To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

Where services are provided via an 'Alternative Delivery Model' (separate legal entities) specific financial procedures will be incorporated into the individual models.

6.2 External Funding

External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the authority.

The key controls for external funding are:

- To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- To ensure that funds are acquired only to meet the priorities approved in the policy framework by the full council.
- To ensure that any match funding requirements are given due consideration prior to entering into long term agreements and that future revenue budgets reflect these requirements.

6.3 Other Funds

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

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

6.4 Protection of Clients Assets

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

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

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

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

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

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

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

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

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

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

Eitem ar gyfer y Rhaglen 5



CONSTITUTION AND DEMOCRATIC SERVICES COMMITTEE

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| Date of Meeting | 31 st January 2018 |
| Report Subject | Annual Review of the Code of Corporate Governance |
| Portfolio Holder | Leader of the Council |
| Report Author | Chief Executive |

EXECUTIVE SUMMARY

The Code of Corporate Governance forms part of the Constitution. It is reviewed and updated annually to ensure it is up to date and complies with all relevant legislation and other requirements.

It sets the standard against which the Council assesses itself to inform the Annual Governance Statement and has been endorsed by the Audit Committee at its meeting on 24 January.

RECOMMENDATIONS

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| 1. | The Committee to endorse the updated Code of Corporate Governance for adoption as part of the Council's Constitution. |
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REPORT DETAILS

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| 1.00 | EXPLAINING THE REVIEW OF THE CODE OF CORPORATE GOVERNANCE |
| 1.01 | <p>The Corporate Governance Working Group (CGWG) has two main roles:- the annual review of the Code of Corporate Governance; and the preparation of the Annual Governance Statement (AGS).</p> <p>Under both roles the Group prepares the draft documentation for consideration by the Chief Executive, Monitoring Officer and Section 151 Officer prior to consideration by the Audit Committee. The membership of this officer working group is shown in Appendix 1.</p> |

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| 1.02 | <p>The Council's Code of Corporate Governance forms part of the Constitution and applies to all parts of the Council's business. Members and employees of the Council in carrying out its business must conduct themselves in accordance with the high standards expected.</p> <p>The Code draws from work and guidance by the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) and their joint document entitled 'Delivering Good Governance in Local Government: Guidance Notes for Welsh Authorities 2016'.</p> |
| 1.03 | <p>The relationship between the CIPFA /SOLACE guidance, the Code of Corporate Governance, the Annual Governance Statement, Council Plan and the Audit Committee's responsibilities for these and risk management, is shown in the diagram below.</p> |
| 1.04 | <p>The CIPFA/SOLACE Guidance note for Welsh Authorities was received in December 2016 following revision to take account of Welsh legislation and Wales only policies in particular the Well-being of Future Generations (Wales) Act 2015.</p> <p>The CIPFA/SOLACE Framework is intended to assist authorities in ensuring that:</p> <ul style="list-style-type: none"> • resources are directed in accordance with agreed policy and according to priorities; • there is sound and inclusive decision making; and • there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities. <p>As a result of the revised Guidance note, the Code of Corporate Governance was significantly revised last year. The format was also simplified and modernised with an increased use of hyperlinks.</p> |

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| | <p>The updating and formatting review of the code was initially carried out by the Corporate Governance Working Group followed by consultation with the Chief Executive, Monitoring Officer and Section 151 Officer.</p> <p>The revised code can be seen at Appendix 2.</p> |
| 1.05 | <p>The principles for the code (taken from the Framework) are as follows:</p> <p>A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the law</p> <p>B - Ensuring openness and comprehensive stakeholder engagement</p> <p>C – Defining outcomes in terms of sustainable economic, social and environmental benefits</p> <p>D – Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it</p> <p>F - Managing risks and performance through robust internal control and strong public financial management</p> <p>G - Implementing good practices in transparency, reporting and audit to deliver effective accountability.</p> |
| 1.06 | <p>The revised principles of the Code have been used in self assessments to Chief Officers and Overview and Scrutiny Committee chairs to help inform the preparation of the Annual Governance Statement.</p> |

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| 2.0 | RESOURCE IMPLICATIONS |
| 2.01 | None as a direct result of this report. |

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| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | With the Corporate Governance Working Group, Chief Executive, Monitoring Officer, section 151 Officer and senior officers where appropriate. |
| 3.02 | Consideration by the Audit Committee in advance of the preparation of the Annual Governance Statement. |

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| 4.00 | RISK MANAGEMENT |
| 4.01 | <p>The main risk is in not updating the Code, meaning it does not reflect the Systems’ in place or meet the requirements.</p> <p>Similarly, in order to comply with requirements, the AGS needs to be</p> |

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| | <p>prepared each year with input from members and officers, including an annual review of the effectiveness of governance.</p> <p>Both these risks are addressed through the adopted processes and approach each year, which reflect new or additional best practice and guidance.</p> |
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| 5.00 | APPENDICES |
| 5.01 | <p>Appendix 1: Compilation of Officer Working Group</p> <p>Appendix 2: Code of Corporate Governance</p> |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | <p>Contact Officer: Karen Armstrong, Corporate Business and Communications Executive Officer Telephone: 01352 702740 E-mail: karen.armstrong@flintshire.gov.uk</p> |

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| 7.00 | GLOSSARY OF TERMS |
| 7.01 | <p>(1) Corporate Governance: the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> |

Corporate Governance Working Group Membership

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| Karen Armstrong (Chair) | Corporate Business and Communications Executive Officer |
| Joanne Hayes | Corporate Business and Communications Support Officer |
| Lisa Brownbill | Internal Audit Manager |
| Sue Ridings | Accountant |
| Robert Robins | Democratic Services Manager |
| Mandy Humphries | IT Services Business Manager |
| Sharon Carney | Senior Manager, Human Resources & Organisational Development |

January 2018

Mae'r dudalen hon yn wag yn bwrpasol

CIPFA/SOLACE Delivering Good Governance in Local Government Framework

Flintshire County Council – Code of Corporate Governance 2017

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| Section | Core Principles | Page |
|---------|--|------|
| A | Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law | 2 |
| B | Ensuring openness and comprehensive stakeholder engagement | 6 |
| C | Defining outcomes in terms of sustainable economic, social and environmental benefits | 9 |
| D | Determining the interventions necessary to optimise the achievements of the intended outcomes | 12 |
| E | Developing the entity's capacity, including the capability of its leadership and the individuals within it | 15 |
| F | Managing risks and performance through robust internal control and strong financial management | 19 |
| G | Implementing good practices in transparency, reporting and audit to deliver effective accountability | 25 |
| | Assurance Statement | 28 |

The Council is the Administering Authority for the Clwyd Pension Fund (the Pension Fund). The governance arrangements detailed in this Annual Governance Statement apply equally to the Council's responsibilities to the Pension Fund.

There are further specific requirements for the Pension Fund which are:

- The Statement of Investment Principles;
- Funding Strategy Statement;
- A full Actuarial Valuation to be carried out every third year.

A. Core principle: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Behaving with integrity

1. Ensuring members and employees behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation.
2. Ensuring members take the lead in establishing specific values for the organisation and its employees and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)
3. Leading by example and using these standard operating principles or values as a framework for decision making and other actions.
4. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies/processes such as which are reviewed on a regular basis to ensure that they are operating effectively.

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- The Council's Constitution contains the general principles for the Council's governance arrangements and the Monitoring Officer monitors and reviews its operation to ensure that the aims and principles are given full effect and kept relevant. Sections 19-23 of the Constitution have the Codes of Conduct and Protocols which Members and Officers (employees) have agreed to comply with. The Council requires members, whether they are elected or co-opted, to sign and to be bound by our Code of Conduct. Collectively, these codes and protocols reflect the Nolan Principles and translate them into behaviours that support the principles. This information can be found in the [Constitution](#):
 - *Code of Conduct for Members* (1,2,3,& 4)
 - *The Flintshire Standard which contains a Local Resolution Procedure for complaints about member behaviour* (1,2,3 & 4)
 - *Protocol for members in their dealings with contractors, developers and other third parties.* (1,3 & 4)
 - *Protocol on Member/ Officer relations* (1,2,3 & 4)
 - *Officers' Code of Conduct* (1,3 & 4)
- The Council operates an effective elections protocol, ensuring high standards are upheld during election periods. (1)
- Employees are also bound by a policy of 'politically restricted posts'. This policy ensures that all qualifying employees comply with any statutory restrictions on their political activities. (1)
- The Council has an appraisal system for employees which is based on the Council's [Behavioural Competency Framework](#) (3) and links to the Council's objectives set out in the [Council Plan](#). There are also [Diversity and Equality](#) and [Dignity at Work](#) policies. (1,2,3 & 4)
- The Council has an [Anti-fraud and Corruption Strategy](#), [Fraud Response Plan](#) and a [Whistleblowing Policy](#) which are reviewed and updated

periodically. (1,2, 3, & 4)

Demonstrating strong commitment to ethical values

5. Seeking to establish, monitor and maintain the organisation's ethical standards and performance
6. Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's operation
7. Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values
8. Ensuring the external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation

- The Council's reputation and standing are important, and the Council's commitment to the rule of law and ethical values is expressed in: 'Gorau Tarian Cyfiawnder' (The Best Shield is Justice) which is the motto on the Council's coat of arms. The Council observes the seven principles of public life (Nolan principles) which are selflessness, integrity, objectivity, accountability, openness, honesty and leadership [Striking the Balance - Upholding the Seven Principles of Public Life in Regulation](#)
- The Council's commitment to these principles is shown in the codes and policies below which is found in the [Constitution](#):
 - *Code of Conduct for Members* (5,6)
 - *The Flintshire Standard* which contains a *Local Resolution Procedure for complaints about member behaviour* (5,6)
 - *Protocol for members in their dealings with contractors, developers and other third parties.* (5,6)
 - *Protocol on Member/ Officer relations* (5,6)
 - *Officers' Code of Conduct* (5,6)
- The Constitution contains comprehensive Contract and Financial Procedure Rules governing the procurement process to be adopted in conducting the Council's business, they are available on the website. [The Contract Procedure Rules](#) were reviewed in 2016 and [Financial Procedure Rules](#) (FPRs) are reviewed every two years. The latest review of FPRs was undertaken in November 2017.(7)
- The Council's [Procurement Strategy](#) enables the delivery of cost effective goods and services and ensures that the contribution of the Council's procurement activity on the local economy, especially social enterprise is improved. (7)
- The Contract Procedure Rules ensure that obligations under the [Wellbeing of Future Generations \(Wales\) Act 2015](#) as well as the Public Sector Equality Duty under the [Equality Act 2010](#) are complied with. (8)
- The Council has adopted a set of Community Benefits ([link required](#)) to underpin procurement, grants and community-related activity. (8)

Respecting the rule of law

9. Ensuring members and employees demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.
10. Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.
11. Striving to optimise the use the Council's full powers available for the benefit of its citizens, its communities and other stakeholders.
12. Dealing with breaches of legal and regulatory provisions effectively.
13. Ensuring corruption and misuse of power are dealt with effectively.

- The Council's Chief Officer (Governance) is the Monitoring Officer and Senior Information Risk Officer (SIRO) (9,10,11,12,13)
- The Internal Audit function within the Governance Portfolio reports regularly to the Audit Committee. Membership of the Audit committee includes an independent lay member. (9,11,12,13)
- The Council has a Standards Committee comprising nine members, five of whom are independent of the Council, three are county councillors and the other represents community councils. The committee promotes and maintains high standards of conduct by councillors and co-opted members. (9,10,11,12,13)
- The Council's relationship with the Wales Audit Office and other regulatory bodies remains strong. (11)
- The Council has a robust Overview & Scrutiny function which consists of six committees which each have 15 elected members and dedicated officer support. (9,10,11) The committees are:
 - Community & Enterprise;
 - Corporate Resources;
 - Education & Youth, which has five statutory co-opted members;
 - Environment;
 - Organisational Change; and
 - Social & Healthcare
- If the Council fail to address or resolve customer complaints to the complainant's satisfaction, they have recourse to the Public Services Ombudsman for Wales, whose contact details are published on the Council's website. (9,10,12,13)
- The Council is answerable to other regulatory/statutory bodies, examples include Information Commissioner's Office and the Equality and Human Rights Commission, plus the four Welsh Commissioners for Welsh Language, Future Generations, Children and Older People. (9, 11,12)

- In addition to its open culture, the Council has a clear Whistleblowing Policy for those who wish to report malpractice. This policy is also promoted to contractors with the council.

A. Core principle: Ensuring openness and comprehensive stakeholder engagement

Ensuring openness and comprehensive stakeholder engagement

Openness

14. Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.
15. Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping decisions confidential should be provided.
16. Provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.
17. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action.

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- The Council uses the website, its intranet and its partner and partnership networks to continually demonstrate its commitment to openness. (14)
- Most reports are considered in public and in the cases where this is not the case, the Committee has resolved to exclude the press and public after the Monitoring Officer or Deputy Monitoring Officer have decided there is a proper legal basis for doing so. The Council's Overview and Scrutiny Committees produce an [annual report](#) on their work which is considered by the Council. The committee agenda & minutes held on the Council's website provides a record of the Council decision making and supporting information. Audit committee receive a report all open actions within Portfolios which is a public document. (15)
- The report author provides a summary of the main features of the report, which identifies how the recommendations have been arrived at. The executive summary assists in terms of presenting the report. Meetings of the full Council and the Planning Committee are now web-cast and minutes of other meetings are drafted to provide the reader with the 'sense' of the meeting, leading to the decisions made which are reflected in the resolutions recorded. All committee papers, excluding part two items, are available within the public domain. (16)
- Consultation and engagement with customers and communities takes place on a number of different levels: representative democracy through elected members, structured engagement through for example the County Forum meetings (with Town and Community Councils), formal needs assessments through strategic partnerships, surveys and feedback mechanisms such as workshops and roadshows. The methods used are selected according to requirements, audience and coverage. The feedback received helps to shape and develop how the Council does things and assists decision makers in understanding the impacts on communities. (17)
- The Council has [Core Principles for Public Engagement and Consultation](#), a [Compliments, Concerns and Complaints](#) feedback arrangement and a [Customer Services Strategy](#) (17)

- The Council's consultation and engagement practices are varied in both scale and method depending upon the nature of the subject area. They can range from a voluntary household survey on a variety of council issues to a detailed statutory engagement process such as those undertaken for school reviews and social service changes. (17)

Engaging comprehensively with institutional stakeholders

18. Effectively engaging with stakeholders to ensure that the purpose, objective and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.
19. Developing formal and informal partnerships to allow for resources to be used more effectively and outcomes achieved more effectively.
20. Ensuring that partnerships are based on trust, a shared commitments to change, a culture that promotes and accepts challenge among partners; and that the added value of partnership working is explicit.

- The Council has channels of communication with all sections of the community and other stakeholders and puts in place proper monitoring arrangements to ensure they operate effectively (18)
The Council has many ways of communicating with its citizens and stakeholders, including: -
 - The e-magazine 'Your Council'
 - Website
 - Social Media
 - Publications and leaflets
 - Events
 - Established links and regular meetings with local interest groups/forums
 - Invitations to members of the public to submit issues they consider should be considered by Overview and Scrutiny Committees
 - Consultation on the budget process with local stakeholders (residents and businesses) to help shape its budget proposals and encourage community involvement.
- The Council has formal and informal collaborative arrangements with other institutional stakeholders to allow for resources to be used more effectively and outcomes achieved more effectively. The statutorily based [Public Services Board](#) is one of many collaboration partnerships across agencies; other collaborations revolve around regional services e.g. education (GwE) and Social Services Commissioning Hub. Other strategic partnerships include the Voluntary Sector Compact, People are Safe Board, Youth Justice Executive Board, Health, Wellbeing and Independence Board, the Part 9 Board, Regional Safeguarding Board and the North Wales Economic Ambition Board. The Council also holds quarterly meetings with the Town and Community Councils as the County Forum for common issues to be discussed and to raise awareness of council developments. (19)
- The Public Services Board has undertaken a well-being assessment of the Flintshire communities. This has informed a draft Well-being Plan which, once adopted in May 2018 will be the Plan which is being used by partners across the County to develop priorities and projects to

improve well-being.(19)

- Whenever a new partnership is created, care is taken to ensure that its legal status is clear, that it has appropriate terms of reference and that representatives are aware of the extent to which they can bind the Council. The Cabinet has set and agreed a protocol for the governance of partnership working including the full involvement of appropriate Overview and Scrutiny Committees and the Audit Committee. [Partnership self-assessments](#) include assessing the behaviour, performance, value for money and procedures of partnership arrangements. (20)

Engaging stakeholders effectively, including individual citizens and service users

21. Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.
22. Ensuring communication methods are effective and that members and employees are clear about their roles with regard to community engagement.
23. Encouraging, collecting and evaluating the views and experiences of citizens, service users and organisations of different backgrounds including reference to future needs.
24. Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.
25. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.
26. Taking account of the interests of future generations of tax payers and services users.

- The Council has a consultation and engagement framework and guidelines/policy document plus adoption of a set of core consultation and engagement principles based on nationally identified best practice. (21,23,24)
- Communication methods are continually being reviewed to adapt to changing technologies and their impact. Members and employees have clear roles of accountability; members through their representative democracy and employees through more structured assessments, surveys and other ongoing impact and evidence gathering conversations such as those in Social Services. (22)
- The Council takes into account the impact and consequences of decisions on all members of the community through integrated assessment planning; especially with regard to budget planning and alternative delivery models. (25)
- The Council makes prudent judgements about the use of resources in line with the Wellbeing of Future Generations Act. (26)

B. Core principle: Defining outcomes in terms of sustainable economic, social and environmental benefits

Defining outcomes in terms of sustainable economic, social and environmental benefits

Defining outcomes

27. Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.
28. Specifying the intended impact on, or changes for, stakeholders including individual citizens and service users. It could be immediately or over the course of a year or longer.
29. Delivering defined outcomes on a sustainable basis within the resources that will be available.
30. Identifying and managing risks to the achievement of outcomes.
31. Managing expectations effectively with regard to determining priorities and making the best use of the resources available.

- The County Council's [Council Plan 2017-23](#) is available on the Council's website. The Council Plan has been reset to reflect the new administrative period. (27, 28)
- The Council sets a number of priorities for itself as an individual partner. Priorities for the 2017/18 Council Plan are: Supportive Council, Ambitious Council, Learning Council, Green Council, Connected Council and Serving Council. Each priority has a statement of outcome, achievement targets (both as performance measures and milestones) and rationale for the selected priority. All priorities are reviewed annually in terms of impact of particular changes. (27, 28)
- The Council has a resilient approach to Business Planning for sustainable services including efficiency planning to meet reductions in national funding and increases in local demands and pressures. The Council's [Medium Term Financial Strategy](#) – summary 2016/17 describes the Council's approach to maintaining valued services within the financial constraints. (29)
- The Council's [Medium Term Financial Strategy](#) and [Capital Strategy and Asset Management Plan 2016 – 2020](#) outline the resources that are available to deliver outcomes. (29)
- Additionally the Council has set a series of 'Resilience Statements' for each portfolio which provides a measured assessment of the resilience of each service area. (29, 31)
- Risk management is integral to the Council's delivery of objectives, statutory duties, project and change programmes and partnership delivery. It is considered during development and monitoring of all the Council's priorities, projects and Portfolio Business Plans. Strategic risks within the Council Plan are monitored quarterly and reported to Cabinet, Overview and Scrutiny Committees. The Audit Committee receives a half

yearly report on these risks. Programme Boards monitor all Business Plan risks. ([Risk Management Policy and Strategy](#)) (30)

- The Council's Portfolio Business Plan Programme measures efficiencies, reviews impact (acceptability and deliverability) with more in-depth impact assessments being undertaken where appropriate. (31)
- In addition the Council is supported by a number of corporate strategies which provide a clear framework for the management of Council resources and support council change and transition. These strategies are: the [Medium Term Financial Strategy](#), the [Capital Strategy and Asset Management Plan](#), the [Digital Strategy](#), the [Customer Services Strategy](#) and [People Strategy](#). (31)

Sustainable economic, social and environmental benefits

32. Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.
33. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently whether there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints.
34. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.
35. Ensuring fair access to services.

- The Council is working towards the Well-being of Future Generations (WBFG) principles of sustainability which include economic, social, environmental and cultural impacts within all of its objectives and obligations. (32,33)
- The Council's budget setting policy and approach is one which seeks to protect and sustain for the longer term valuable public services.(32,33)
- The Council has an updated, standard report format and supporting guidance. Report authors are expected to identify any risks, impacts and mitigations within a section of the report "Key Risks and Mitigation". This must include a paragraph in the main body of the report to confirm that an Equality and Welsh Language Impact Assessment (EWLIA) to comply with the Equality Act 2010 Public Sector Equality Duties and Welsh Language Standards has been carried out. If an EWLIA has not been completed, authors are required to state the reasons why one was not needed. (32)
- Reports must also consider any implications under the [Wellbeing of Future Generations \(Wales\) Act 2015](#). This places a sustainable development and wellbeing duty on public bodies, together with the need to measure performance towards those wellbeing goals and objectives. (32,33 and 34)
- The annual Capital programme is linked to the [Capital Strategy and Asset Management Plan 2016 – 2020](#) and is available on the website. (32,33)

- The Strategy is in three parts, Statutory/Regulatory, Retained Assets and Investments. The Investment section is for new schemes arising from Portfolio Business Plans and the Council Plan based on sound business cases. (32)
- Equality and Welsh Language Impact Assessments are undertaken as part of a wider Integrated Impact Assessment process and published in relation to policy and business decisions as well as setting the budget. These have been reviewed to integrate all requirements of the WBFG (34,35)

C. Core principle: Determining the interventions necessary to optimise the achievements of the intended outcomes

Determining the interventions necessary to optimise the achievement of the intended outcomes

Determining interventions

36. Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.
37. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.

- Discussions between Members and employees on the information needs of members to support decision making can take place in a number of ways: formally at a committee meeting, Task & Finish group or workshop, or informally at a briefing. (36) Examples can be found within the [Committee System](#)- particularly when considering Business Plan efficiency proposals and quarterly performance reports.
- During discussions at committees, additional information can be requested. This is with agreement of the timescales: (36) examples can be found in [committee minutes](#).
- Report authors are required to indicate what consultation was required, undertaken and the results. Section B provides further details. Report guidance is within the template and the report guidance. (37) [Guidance Notes](#).

Planning interventions

38. Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.
 39. Engaging with internal and external stakeholders in determining how services and other interventions can best be delivered.
 40. Considering and monitoring risks facing each partner when working collaboratively including shared risks.
 41. Ensuring arrangements are flexible/agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.
 42. Establishing appropriate local performance indicators (as well as statutory or other national performance indicators) as part of the planning process in order to assess how the performance of services is to be measured.
 43. Ensuring capacity exists to generate the information required to review service quality regularly.
 44. Preparing budgets in accordance with organisational objectives, strategies and the medium term financial strategy.
 45. Informing medium and long term resources planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.
- The Council's Schedule of Meetings for the ensuing municipal year is considered at the Annual Meeting of Council which is held each May.

The Forward Work Programme for Council, Cabinet and Committees is considered at each meeting of the Cabinet. Each of the six Overview & Scrutiny committees reconsiders its forward work programme at each ordinary meeting. This ensures that it stays relevant to committee needs. (38,39)

- Business planning and objective planning and monitoring are contained within quarterly and Council Plan reporting. (38)
- An integral part of business planning is understanding and taking action against risks related to the business. The Council's risk management processes are embedded and include, operational, project, strategic, and collaborative partnerships risks. A corporate risk management model as described in the Risk Management Strategy and Policy supports these arrangements. The Council's strategic risks are included within the Council Plan which is embedded within the portfolio business planning processes. This is supplemented by external review and inspection. (38)
- The Council's consultation and [engagement framework and guidelines/policy document policy](#) provides guidance regarding internal and external stakeholder involvement. In addition co-production is being used as a methodology (especially in Social Services) to involve users in the commissioning of services. (39)
- The Council has a range of partnerships working at different levels. [Risk management](#) is an important and essential consideration for all partnerships that the Council lead on. This can be demonstrated by the partnership self-assessment that the Strategic Partnerships undertake on a bi-annual basis to determine risks/challenges for each of the partners and the partnership itself. (40)
- Reviews of shared risks are undertaken at the various partnership boards. (40)
- A regular reviews of plans is undertaken at strategic levels during quarterly monitoring. The Council's Programme Boards also review efficiency plans on a monthly basis. (41)
- In setting direction and prioritising resources the Council sets performance targets against each priority and monitors them through the use of National Key Performance Indicators (KPI's) set by the Welsh Government and the local government family, and local indicators set by the Council. Performance indicators are the 'success measures' for the Council and viewed publicly by Government, regulators and the public. (42)
- The CAMMS system (performance, risk and project management system) assists with the capacity requirements both at portfolio level and corporately to review service quality. The Council also engages with a range of benchmarking groups such as the Association for Public Service Excellence (APSE), CLAW etc. to review service quality and productivity. (42)
- Reports include detailed performance results and highlight areas where corrective action is necessary (43)
- Budgets are prepared in accordance with organisational objectives, strategies and the Medium Term Financial Strategy (MTFS) (44)

- The [MTFS](#) and annual budget setting process aims to ensure that planning decisions are informed by realistic estimates of expenditure and revenue (45)

Optimising achievement of intended outcomes

46. Ensuring the medium term financial strategy integrates and balances off service priorities, affordability and other resource constraints.
47. Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
48. Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
49. Ensuring the achievement of 'social value' or 'community benefits' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community... over and above the direct purchasing of goods, services and outcomes"

- [The Medium Term Financial Strategy](#) (MTFS) and annual budget setting process integrates priorities with resource constraints. The MTFS is in two parts. The first forecasts the resources the Council is likely to have over the next three years. The second part [Meeting the Financial Challenge](#) sets out plans and solutions for managing with reducing resources over this three year period. (46,47)
- The annual budgeting process and Portfolio business plans take into account the medium and long term priorities from the MTFS aligned with the resources made available to the Council. (46,47,48)
- [The Procurement Strategy](#) and [Contract Procedure Rules](#) ensure that adequate emphasis is placed on 'community benefit'. (49)
- The Council has adopted a set of Community Benefits ([link required](#)) to underpin procurement, grants and community-related activity. (49)

D. Core principle: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Developing the entity's capacity

50. Reviewing operations, performance and, use of assets on a regular basis to ensure their continuing effectiveness.
51. Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently.
52. Recognising the benefits of partnerships and collaborative working where added value can be achieved.
53. Developing and maintaining an effective workforce plan to enhance strategic allocation of resources.

- The Annual Performance Report provides detailed information of the Council's plans and their desired impacts. (50,51)
- The Annual Performance Report provides a general performance and progress profile as to how the Council is improving the level of efficiency and effectiveness of its services in line with its Council Plan. (50,51)
- The Council's Capital Strategy and Asset Management Plan as agreed by County Council in January 2016 also provides a longer term (10 year) view which is to be reviewed on a periodic basis. (50,51)
- The Council's People, Digital and Customer Strategies are reviewed and developed as part of Portfolio planning and monitoring. (50)
- The Council engages with a range of benchmarking groups such as the Association of Public Service Excellence; Consortium of Local Authorities in Wales; CIPFA etc. to review service quality and productivity. (51)
- The Wales Audit Office review the Council's performance and value for money arrangements through their Improvement Assessment work and report their findings in various letters and their Annual Improvement Report. (51,52)
- The benefits of collaborative working with partners can be seen through the work of the Flintshire Public Services Board and its predecessor the Local Service Board. Flintshire is the lead on the North Wales Residual Waste Treatment Project, having recognised that the scale and cost was beyond the capacity of a single local authority acting alone. The value of partnership and collaborative working is recognised by the Council as something that helps sustain services and provides added value to programmes such as intervention and prevention, where one partner acting alone cannot effect the change that is needed. (52)
- The Council's [People Strategy](#) has been considered and endorsed by the Cabinet and the Corporate Resources Overview & Scrutiny Committee. (53)

- Employee capacity and assurance methodologies to support change management have been developed by the Council using such techniques as transition plan management, workforce succession plans and service resilience and efficiency statements. (53)

Developing the capability of the entity's leadership and other individuals

54. Developing protocols to ensure that elected and appointed leaders negotiate their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.
55. Publishing a statement that specifies the types of decisions delegated to the executive and those reserved for the collective decision making of the Council.
56. Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the Council in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
57. Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks.
58. Ensuring employees have access to appropriate induction tailored to their role with ongoing training and development matching individual and organisational requirements is available and encouraged.
59. Ensuring members and employee have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to continuously update their knowledge.
60. Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses.
61. Ensuring that there are structures in place to encourage public participation
62. Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
63. Holding employees to account through regular performance reviews which take account of training and development needs.
64. Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

- The Council has adopted a Constitution, last reviewed May 2016, which includes a Delegation Scheme which identifies those decisions reserved to the County Council for decision, those local choice issues which are decided by the County Council, those decisions which will be taken by the Cabinet or its individual members, and those which are delegated to Chief Officers and senior officers. Local choice issues are reviewed at the Council's Annual Meeting. In this respect, the basic principle on which these rules are established is that the full Council sets the strategic direction through the adoption of policies and the budget, the Cabinet takes major decisions within the overall policy and budget framework and helps to develop new policies and officers take the day to day decisions within the policy and budget framework. The Delegation Scheme is subject to frequent review. (54,55)

- The Constitution sets out clearly the role of the Leader and Cabinet and in particular makes it clear that they are responsible for providing effective strategic leadership to the Council and for ensuring that the Council successfully discharges its overall responsibilities for the activities of the organisation as a whole. It also ensures through Financial Procedure Rules and the Scheme of Delegated Powers that there is effective control over the day to day conduct of the Council's business by requiring Member approval for decisions outside defined parameters. (56)
- The Council's Constitution includes the names and a description of the portfolios held by the Leader and other Members of the Cabinet. Their respective roles have been agreed and documented. Role descriptions are in place for all chairs and vice-chairs of Overview and Scrutiny Committees, regulatory committees and Members of Overview and Scrutiny Committees are similarly documented.(57)
- Following the implementation of the new senior management structure in 2012, the Council is in a better position to respond successfully to changes in legal and policy demands. (57)
- Managers are responsible for ensuring all new employees have an induction. There is a generic induction checklist which is completed in addition to a service specific induction. The generic induction session is provided to groups of new employees and includes modules on customer care and governance. (58)
- Following County Council elections a Member induction programme is devised and delivered. The Council ensures that Members have the skills required to undertake their roles and that those skills are developed on a continuing basis to improve performance through: (59)
 - Development and training programmes, including those provided by professional organisations.
 - Member induction training.
 - A mentoring system for Members.
 - An annual Member Development Programme.
 - The Council's Member Development Strategy.
 - Training on the Members' Code of Conduct.
 - Specific training for Members on planning, licensing, audit and risk management.
- Section 11 and Appendix 1 of the Council's Constitution details the roles of the Head of Paid Services, Monitoring Officer and Chief Finance Officer (S151 Officer) and Statutory Head of Democratic Services. Job descriptions are also in place for all senior officers of the Council and the senior management structure is kept under review to ensure its continued appropriateness.
- For employees there is a competency based appraisal framework in place that is used to monitor and measure performance, competency, delivery of objectives within the services and any training and personal development needs. Succession planning is a key to manage the future skills and knowledge. Availability of coaching and mentoring. (59)
- The development of action plans as a response to issues raised by the Council's regulators, the emphasis which is placed on keeping Members informed and involved with new developments through workshops and the use of officer appraisals are all indicative of the Council's commitment

to being a 'learning organisation' (60)

- The Council holds annual public consultation meetings on budget proposals, in addition to having a compliments and complaints scheme and statutory protocols for public engagement in Overview & Scrutiny (61)
- The Council welcomes peer reviews of both governance arrangements and service delivery to improve the effectiveness of leadership. (62)
- The Council ensures that career structures are in place for all employees and encourages participation and development through: (62,63)
 - development of a Corporate Performance Management framework
 - development of a People Strategy
 - periodic restructuring of the Council's senior management
 - annual competency based appraisals and continuous professional development
- The Council ensures that employees have the skills required to undertake their roles and that those skills are developed on a continuing basis to improve performance through: (63)
 - Employee appraisal as part of a performance management system which also identifies training and development needs and how these will be met
 - Induction training
 - Talent management
 - The development of leadership and management behavioural competencies
 - Development and training programmes, including those provided by professional organisations
 - Management Development Programme
 - Senior Management Academi
- All HR policies and Health and Wellbeing Policies are available on the internal Infonet. These include Manager support toolkits; Occupational Health support; development/revision of policies e.g. Drug and Alcohol abuse / Domestic abuse. The Council has also introduced an Employee Assistance Programme, 'Carefirst', which provides support 24 hours a day, 365 days of the year. (64)

E. Core principle: Managing risks and performance through robust internal control and strong financial management

Managing risks through performance through robust internal control and strong public financial management

Managing risk

65. Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
66. Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
67. Ensuring that responsibilities for managing individual risks are clearly allocated.

- A refreshed approach to risk management, approved by the Audit Committee in June 2015, incorporates: (65)
 - Enhanced descriptions of risk including an explanation of the impact if the ‘risk’ were to be realised and become the ‘issue’ to be dealt with.
 - A more sophisticated risk matrix, moving from a 3 x 3 matrix to a 6 x 4 matrix for likelihood and impact; allowing more options to show how the risk is increasing or decreasing dependent on the success of mitigating actions and influence of external conditions.
 - Clearer guidance for escalating and reviewing/reporting risk; the more the significant the risk, the more frequently it is reviewed.
 - An improved format to capture both new and emerging risks and also allow for a risk to be ‘closed’ once it has been mitigated or realised as an issue being dealt with.
 - The reporting of ‘risk’ more prominently within Council reports
- Operational risks are captured and monitored through supporting plans and strategies within their operational areas and through project/programme boards as appropriate. Partnership and project risks are captured by and reported to the appropriate boards. (65,66)
- The Council identifies and evaluates its strategic risks in relation to the priorities within the Council Plan. These form the basis of the Council’s strategic risk register. Accountability for risk ownership is clearly recorded within the CAMMS system for all strategic risks. Portfolio Business Plan risk owners are also clearly identified on the risk trackers. Strategic risks are reported on a quarterly basis to Cabinet and the relevant Overview and Scrutiny Committees as part of the Council Plan Monitoring Reports. Accountability for operational risks are detailed within individual service plans with clear escalation procedures in place to escalate from an operational to strategic risk. Additionally, Audit Committee receives a report twice yearly which includes a strategic risk summary/overview and seeks assurance on actions taken to reduce risks. (66,67)

Managing performance

68. Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.

69. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.
70. Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the Council's performance and that of any organisation for which it is responsible.
71. Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.
72. Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).

- Portfolio business efficiency plans focus on service reform through reduced operating costs, modernisation and improvement. Portfolio business plans and the associated efficiency tracking is being scheduled to be automated via the CAMMS Performance Management system. Post implementation review and learning is undertaken at project level and also on a more collective basis by the Chief Officer team. (68)
- Integrated impact assessments to review financial, social and environmental implications, risks and mitigations have been developed by the Council to bring a co-ordinated and considered model of transparency to aid decision-making. (69)
- The Council has six Overview & Scrutiny committees (Community & Enterprise; Corporate Resources; Education & Youth; Environment; Organisational Change and Social & Healthcare), which are politically balanced and comprise 15 elected members each. Each acts as a critical friend, providing constructive challenge in order to contribute to continuous service improvement. The terms of the committees were redrawn with effect from the 2015 Annual meeting of Council, following an extensive review of the committee structure. The role of Overview & Scrutiny is to:
 - hold the Cabinet to account,
 - assist in improving and developing Council policies,
 - monitor service delivery; and
 - Contribute to improving the local community.

This role is discharged both through consultation by the Cabinet and Chief Officers and also through the 'calling in' of Cabinet decisions by the six functional Overview & Scrutiny Committees. Each of those Committees engages in performance monitoring and management through the consideration of appropriate items such as performance objectives and indicator outturns, risk identification and mitigation. The work programmes of Overview & Scrutiny are updated and published on a regular basis. The involvement of the Overview & Scrutiny committees in Improvement and Performance is a key function, with reports being made to each of the committees on at least a quarterly basis. Members also sit on Programme Boards where progress and outcomes against service delivery plans is monitored. (70,71)

- The agendas and minutes of meetings are published on the Council's website and the Overview & Scrutiny Annual Report is published each autumn. (70,71)

- The Councils budget monitoring process and reports ensure that there is consistency between specification stages and budgets and post implementation reporting in financial statements, formal budget monitoring reports are reported to Members monthly at both Cabinet and the Corporate Resources Overview & Scrutiny Committee.(72)

Robust internal control

73. Aligning the risk management strategy and policies on internal control with achieving the Council's objectives.
74. Evaluating and monitoring the Council's risk management and internal control on a regular basis.
75. Ensuring effective counter-fraud and anti-corruption arrangements are in place.
76. Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
77. Ensuring an audit committee or equivalent group or function which is independent of the executive provides a further source of effective assurance arrangements for managing risk and maintain an effective control environment and that its recommendations are listened to and acted upon.

- The Council's Risk Management Strategy and Policy plus other internal controls (financial, legal, workforce) align to the efficient and effective delivery of the Council's objectives in the Council Plan and those of the portfolio Business Plans, other portfolio strategic plans and individual service plans.(73)
- The Risk Management Strategy and Policy is reviewed and endorsed by the Audit Committee; its outcomes and effectiveness being reviewed at least half yearly through the strategic risk reports. In addition Internal Audit undertakes regular specific reviews of the effectiveness of the Risk Management Strategy
- Compliance with the Code of Practice on Managing Risk of Fraud and Corruption (CIPFA 2014) is assessed at each revision, non-compliance is identified and actions are taken to ensure compliance in line with [Corporate Anti-Fraud and Corruption Strategy](#). (75)
- The Internal Audit service is provided in accordance with the Public Sector Internal Audit Standards (PSIAS) and in accordance with the CIPFA Statement on the Role of the Head of Internal Audit. Internal Audit 'generally conforms' with the PSIAS requirements according to a self-assessment and external assessment in 2016/17, which means that the relevant structures, policies and procedures of the department, as well as the processes by which they are applied, comply with the requirements of the Standards and of the Code of Ethics in all material respects. (76)
- The Council has an Audit Committee consisting of seven politically balanced Members and a lay member. The Chair and Vice Chair are chosen by the Committee itself from amongst the opposition group(s), non-aligned Councillors, or lay member. It meets on a regular basis and is advised by the Council's Internal Audit Manager, and is normally attended by representatives of the Council's external auditors. All Members receive training and it is a requirement that only trained substitutes are allowed. The Audit Committee is further supported in the discharge of its functions

by:-

- Having appropriate arrangements in place for delivery of an adequate and effective Internal Audit function and ensuring adequate reporting arrangements to safeguard its independence.
- An up to date risk based Internal Audit Plan.
- Systematic risk assessments in all areas of the Council's activities; both at a strategic level supporting the Council's improvement priorities and at an operational Chief Officer level. (77)

Managing Data

78. Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to ensure the security of personal data used.
79. Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.
80. Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.

- The Data Management Framework and procedures are available to all employees via the Council's internal Infonet. (78)
- Data Protection is within the remit of the Information Governance Manager. Under the revised General Data Protection Regulation (GDPR), there is a statutory Data Protection Officer position that must be independent and report directly to the Chief Executive. The responsibilities of the Data Protection Officer have been allocated to the Information Governance Manager and Internal Audit, the role has been split to ensure independent scrutiny. Additional resource has been allocated to support the implementation of GDPR and good progress is being made towards the implementation in May 2018.(78)
- Data protection policies and procedures are available on the website: (78)
<http://www.flintshire.gov.uk/en/Resident/Data-Protection-and-Freedom-of-Information/Data-Protection.aspx>
<http://www.flintshire.gov.uk/en/Resident/Contact-Us/Privacy-Notice.aspx>
- There is a template for Data Processing Agreements and all Managers are required to send completed versions to the Information Governance Team to be held centrally. (78)
- The Council is signed up to the Wales Accord for Sharing Personal Information (WASPI). All Information Sharing Protocols (ISP's) must be approved in line with the WASPI requirements. A log of all ISP's is held internally but is also available on the WASPI website
<http://www.waspi.org/> (79)
- To comply with Data validation procedures all new IT systems must be assessed against the IT Technical Specification, this includes Data

Validation. Suppliers will respond as compliant, partial compliant or non-compliant. Individual Service Managers will then decide whether to proceed based on the Supplier's response. (78,79,80)

- The Council is subject to an annual independent security assessment in order to connect to the Public Sector Network (PSN). (78)
- The quality and accuracy of data is checked in a number of ways: performance data is produced through the CAMMS system (internal controls and rules are prescribed by the Council) and also quality checked to ensure 'sense' and readability. Additionally, external checks are made by other bodies such as Wales Audit Office and Local Government Data Unit to ensure compliance with guidance. (80)

Strong public financial management

81. Ensuring the Council's financial management supports both long term achievement of outcomes and short-term financial and operational performance.
82. Ensuring well-developed financial management is integrated at all organisational levels of planning and control, including management of financial risks and controls.

- The Council has a [Medium Term Financial Strategy](#) which is published on the web site. (81)
- The strategy is in two parts, the first part forecasts the resources the Council is likely to have over the next three years and part two sets out the plans and solutions to managing with reducing resources.(81)
- Business efficiency plans are one of three parts of the Council's Medium Term Financial Strategy focusing on service reform through reduced operating costs, modernisation and improvement. (82)
- The Council's process for setting its annual revenue budget and capital programme is set out in the Budget and Policy Framework Procedure Rules in Part 4 of the Constitution. When the Council sets its budget, elected members take account of the level of risk and uncertainty regarding its budgetary estimates in the context of the prevailing economy, public services' climate and the demand for services. (82)
- The Council operates a scheme of delegated budgets supported by the Corporate Finance team which consists of central and service based finance teams supporting budget managers. Revenue budget monitoring reports, including full year forecasts, are reported to the Cabinet and the Corporate Resources Overview and Scrutiny Committee on a monthly basis. Capital Programme monitoring reports are reported to the Cabinet and the Corporate Resources Overview and Scrutiny Committee on a quarterly basis. In both instances, these reports identify reasons for variances and set out any corrective action that is proposed. (82)
- The Council has adopted the Chartered Institute of Public Finance Accountants (CIPFA) Treasury Management in the Public Services: Code

of Practice. Treasury Management is conducted in accordance with the Council's Treasury Management Policy and Strategy Statement and Treasury Management Practices which are both reviewed annually. All borrowing and long term financing is made in accordance with CIPFA's Prudential Code. Treasury Management update reports are made to the Audit Committee, Cabinet and Council on a quarterly basis. (82)

- Wales Audit Office have issued the Council's [Financial Resilience Report](#) (published end Nov. 2017) (82)
- The Council has established an internal set of performance indicators for the Medium Term Financial Strategy; a selection of which are set and monitored within the Council Plan (82)

F. Core principle: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Implementing good practices in transparency, reporting and audit to deliver effective accountability

Implementing good practice in transparency

83. Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
84. Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny whilst not being too onerous for the Council to provide and for users to understand.

- The Council puts as much information as possible on the Council's website, in both English and Welsh. The report format has been revised to make reports simpler and shorter, with a glossary of technical terms now included. Report guidance for report authors has also been refreshed. The [Council's publication scheme](#) under the Freedom of Information Act 2000 is available on the website, so that public and stakeholders can see what information is readily accessible. (83,84)
- Easy read versions of strategies and public documents are made where possible for publication on the website. (83,84)

Implementing good practices in reporting

85. Reporting at least annually on performance, value for money and the stewardship of its resources.
 86. Ensuring members and senior management own the results.
 87. Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement).
 88. Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.
 89. Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.
- The Council publishes its [Annual Performance Report](#) and [Statement of Accounts](#) on the website. (85)

- The Statement of the Authority's Responsibilities for the Statement of Accounts is signed by the Chair of the County Council and the Chief Finance Officer. (86)
- The Council produces this annual Code of Corporate Governance and a Governance Statement which are produced in accordance with CIPFA/Solace principles. (87)
- An Annual Governance Statement is presented to Audit Committee and Council for approval every year. Once approved the Statement is signed by the Leader of the Council and the Chief Executive. The statement explains how the Council has complied with the Code of Corporate Governance, and met the requirements of the Accounts and Audit (Wales) (Amendment) Regulations 2014. The Code of Corporate Governance and the Annual Governance Statement are published on the Council's website. (87)
- If applicable, an appropriate accounting framework would be applied to jointly managed or shared services. (88)
- An audited and signed Statement of Accounts is published on an annual basis to reflect a true and fair view of the Council's financial position, as judged by the Council's external auditor (currently Wales Audit Office). Contained within the Statement of Accounts is a statement of responsibilities which confirms: - (89)
 - Compliance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain.
 - The Council manages its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
 - Suitable accounting policies have been selected and consistently applied.
 - Judgements and estimates made are reasonable and prudent.
 - Reasonable steps have been taken to prevent and detect fraud and other irregularities.
 - Proper accounting records have been kept and are up to date.

Assurance and effective accountability

90. Ensuring that recommendations for corrective action made by external audit are acted upon.
91. Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to the Council's governance arrangements and recommendations are acted upon.
92. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.
93. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement
94. Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

- External arrangements for regulation and assurance are provided by a number of statutorily appointed bodies principally the Wales Audit Office

(WAO), Estyn and the Care and Social Services Inspectorate Wales (CSSIW).The Council has a well-established practice of dealing with findings from the external regulatory bodies through referral to committees, formal responses and tracking, and open publication of regulatory reports in committee papers (with availability on the website). An annual summary report is presented to the Audit Committee showing all regulatory reports, their findings, the Council's response and where they were reported to. (90) In addition to external regulation by statutorily appointed bodies the Council welcomes peer challenge from local government and the public services family e.g. Welsh Local Government peer review of Finance. (92)

- The Council also undertakes regular self-assessments of its services through service review approaches and business efficiency planning. External validation of these assessments is also welcomed via benchmarking and commissioned assessments. (92)
- The Internal Audit service is provided in accordance with the Public Sector Internal Audit Standards (PSIAS) and in accordance with the CIPFA Statement on the Role of the Head of Internal Audit. Internal Audit 'generally conforms' with the PSIAS requirements according to a self-assessment and external assessments in 2016/17 which means that the relevant structures, policies and procedures of the department, as well as the processes by which they are applied, comply with the requirements of the Standards and of the Code of Ethics in all material respects. (91)
- Following the review of the Overview & Scrutiny committee structure in 2014/15, an Organisational Change Overview & Scrutiny Committee is now in place. With a move towards alternative delivery models (ADM) for service provision, together with Community Asset Transfers (CAT) of major facilities such as Connah's Quay Swimming Pool and Holywell Leisure Centre, the Committee provides the supportive capacity and capability to deal with such new approaches. The committee is involved in the developmental stage of major work areas - something which has not been done previously. Members were reminded of the new approach to working style in the report to the Organisational Change Overview & Scrutiny Committee in November 2015 – [The role of the committee in supporting Organisational change](#). (93/94)

Assurance Statements

I am satisfied that there are effective governance arrangements in place, including a sound system of internal control, throughout the year ended 31st March 2017 and that this is ongoing.

| Signed | Position | Date |
|--------|----------------------------|------|
| | Chief Executive | |
| | Section 151 Officer | |
| | Chief Officer - Governance | |
| | | |

Tudalen 118

Eitem ar gyfer y Rhaglen 6

CONSTITUTION & DEMOCRATIC SERVICES COMMITTEE

| | |
|------------------------|--|
| Date of Meeting | Wednesday, 31 January 2018 |
| Report Subject | Induction Process |
| Cabinet Member | Cabinet Member for Corporate Management & Assets |
| Report Author | Democratic Services Manager |
| Type of Report | Operational |

EXECUTIVE SUMMARY

The Induction programme which was conducted after the May 2017 County Council Elections was open to all Members but primarily focussed on providing new Members with the skills and knowledge to enable them to be effective County Councillors.

This report indicates the topics covered and attendances for the generic topics and the Overview & Scrutiny committees (O&SCs). Where Members have been unable to attend, some informal sessions have been held on a one to one basis.

Following the Induction programme, we have offered a number of Member development briefings and workshops and will continue to do so.

RECOMMENDATIONS

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| 1 | That the Induction Progress report be noted. |
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REPORT DETAILS

| 1.00 | EXPLAINING THE INDUCTION PROCESS REPORT |
|------|---|
| 1.01 | <p>The design of the 2017 Member Induction programme had benefitted from feedback after the 2012 elections. Thus for 2017, the number of topics was reduced, as was the duration of induction sessions, from three to two hours as they had previously been.</p> |
| 1.02 | <p>Each session was delivered in three slots: morning, afternoon and evening, to give both new and returning Members the opportunity to attend. Where possible, one of the three sessions was in the following week, recognising that newly elected members may have had prearranged commitments.</p> |
| 1.03 | <p>The core part of the programme consisted of the following generic topics; attendance is shown for the new Members, but some returning Members also attended.</p> <p>Introduction to Council (Attendance 16/20).</p> <p>Safety First for Councillors (Code of Conduct and Ethics; Data Protection; Freedom of Information; Use of Social Media and Health and Safety) (Attendance 16/20).</p> <p>Strategic Finance & Resources (Attendance 11/20).</p> <p>Constitutional Matters (including participation at meetings) (Attendance 10/20).</p> <p>Planning for non-Planning members (Attendance 7/20)</p> |
| 1.04 | <p>The second part of the programme was on specific skills and knowledge.</p> <p>Planning Committee Member training (All members of the Planning committee must attend 75% of Planning training within a two year period which commenced on 18th May 2017)</p> <p>Audit committee training (All members of the audit committee and any substitutes must have attended training)</p> <p>Clwyd Pension fund Committee training.</p> <p>Community & Enterprise O&SC (Attendance 12/15).</p> <p>Corporate Resources O&SC (Attendance 12/15).</p> <p>Education & Youth O&SC (Attendance 12/20).</p> <p>Environment O&SC (Attendance 11/15).</p> |

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| | <p>Organisational Change (Attendance 13/15).</p> <p>Social & Health O&SC (Attendance 13/15).</p> <p>Constitution & Democratic Services Committee (Attendance 19/21).</p> |
| 1.05 | <p>Following the induction programme, we have offered a number of member development briefings and workshops, as detailed below:</p> <p>Medium Term Financial strategy (Two workshops in July and September).</p> <p>Budget and North Wales Economic Growth Bid (Two workshops back to back in November).</p> <p>Preferred strategy for the Local Development Plan workshop (2 sessions).</p> <p>Rota visits and dementia friendly training workshops (2 sessions).</p> <p>Operational Transport briefing.</p> <p>Treasury Management briefing.</p> |
| 1.06 | <p>Twelve of the new Members attended the Welsh Local Government Association Induction session for new members which was held in Llandudno junction at the beginning of November.</p> |
| 1.07 | <p>Use has also been made of the half hour immediately before meetings to provide short briefings on specific committee related topics, such as Contaminated land (Environment O&SC), Food Safety (Environment O&SC) and How the Housing Revenue Account Works (Community & Enterprise O&SC).</p> |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | <p>Providing development sessions which are linked to Members coming in for other meetings is intended to be as 'time effective' as possible, both for Members and officers. Where possible, development is being provided by the council's own officers, supplemented by external specialists as required.</p> |

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| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | <p>Cabinet Member.</p> |

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| 4.00 | RISK MANAGEMENT |
| 4.01 | The Member Induction Programme was designed to mitigate risk by providing councillors with the knowledge and skills to carry out their roles effectively; it is intended that the Member Development Programme will maintain and build on those skills. |

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| 5.00 | APPENDICES |
| 5.01 | None. |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | Member Induction reports made to the Democratic services committee during 2016/17 Contact Officer: Robert Robins, Democratic Services Manager Telephone: 01352 702320 E-mail: robert.robins@flintshire.gov.uk |

| | |
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| 7.00 | GLOSSARY OF TERMS |
| 7.01 | Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them. Welsh Local Government Association (WLGA): body which represents the interests of the 22 Welsh local authorities together with the three national park authorities and the three Fire & Rescue Authorities. |

Eitem ar gyfer y Rhaglen 7

CONSTITUTION & DEMOCRATIC SERVICES COMMITTEE

| | |
|------------------------|--|
| Date of Meeting | Wednesday, 31 st January 2018 |
| Report Subject | Timing of Meetings Survey |
| Cabinet Member | Cabinet Member for Corporate Management and Assets |
| Report Author | Democratic Services Manager |
| Type of Report | Operational |

EXECUTIVE SUMMARY

At the meeting of this committee on 25th October, it was agreed that each committee should be asked to express a preference for when its meetings are held. During the autumn an item has been put onto the agenda of most committees.

The results show that the current meeting arrangements are preferred. Subject to the agree of the Constitution & Democratic Services, the current schedule of meetings will be used as the model for the 2018/19 schedule for approval at the Annual Meeting on 1st May 2018.

RECOMMENDATIONS

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| 1 | That the draft Schedule of Meetings for 2018/19 be prepared on the current pattern of meetings. |
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REPORT DETAILS

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|-------------|---|--------|------|--------|--------|-----------------|------------------------|------------------|------------------------|------------------|
| 1.00 | EXPLAINING THE TIMING OF MEETINGS SURVEY | | | | | | | | | |
| 1.01 | At the Annual Meeting of Council, on Thursday 18 th May, the Schedule of Meetings for the current municipal year was considered and approved. This was based on the previous year's Schedule. It was recognised that the 'new' Council should make its own decision on when meetings should be held, and it was agreed that a survey of Members would be conducted after the August recess. | | | | | | | | | |
| 1.02 | At the meeting of this committee on 25 th October, rather than use a survey form, it was agreed that each committee should be asked to express a preference as to when it meets. This was done during the Forward Work Programme item. <table border="1" data-bbox="320 819 1385 976"> <tr> <td>9.30am</td> <td>10am</td> <td>1.30pm</td> <td>2pm</td> <td>4.30pm</td> <td>6.00pm</td> <td>Alternate am/pm</td> <td>Rotate 10am/2pm/4.30pm</td> <td>Rotate am/pm/6pm</td> </tr> </table> | 9.30am | 10am | 1.30pm | 2pm | 4.30pm | 6.00pm | Alternate am/pm | Rotate 10am/2pm/4.30pm | Rotate am/pm/6pm |
| 9.30am | 10am | 1.30pm | 2pm | 4.30pm | 6.00pm | Alternate am/pm | Rotate 10am/2pm/4.30pm | Rotate am/pm/6pm | | |
| 1.03 | Each of the committees consulted (Audit, Cabinet and the six Overview & Scrutiny Committees) resolved to continue with their current meeting arrangements. Planning Strategy Group were also consulted and agreed that the current meeting arrangements for the Planning Committee should prevail. | | | | | | | | | |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | The holding of evening meetings would increase costs as it would be necessary to keep County Hall, or other buildings where formal meetings are held open later than the current 7pm close. |

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| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | This report is being published as part of a consultation process. |

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| 4.00 | RISK MANAGEMENT |
| 4.01 | It has previously been acknowledged that expanding the range of meeting times may encourage a more diverse range of candidates to stand for election. Our conducting a survey fulfils our responsibility under the WLGA Member Development Charter to seek Members' views on when we hold our meetings. Should the Welsh Ministers decide to issue guidance to local |

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| | <p>authorities under section 6 of the Local Government (Wales) Measure 2011 in the near future, Flintshire would be able to use the result of the survey as evidence of appropriate consultation having already been carried out. There is also a concern that our holding meetings in the evening may cause problems to current Members because of clashes with community and town council meetings and other community based responsibilities as well as home life.</p> |
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| 5.00 | APPENDICES |
| 5.01 | Meetings Preference Tracker. |

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|-------------|---|
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | <p>Report of the Democratic Services Manager on Timing of Meetings Survey at Constitution & Democratic Services Committee 25th October 2017 and resultant minute.</p> <p>Contact Officer: Robert Robins, Democratic Services Manager Telephone: 01352 702320 E-mail: Robert.robins@flintshire.gov.uk</p> |

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|-------------|--|
| 7.00 | GLOSSARY OF TERMS |
| 7.01 | <p>Municipal Year: the 'council year' which runs from one Annual Meeting to the next. The current municipal year started on 18th May 2017 and finishes on 30th April 2018. The 2018 Annual meeting will be at 11.00 on Tuesday, 1st May.</p> <p>Welsh Local Government Association (WLGA): body which represents the interests of the 22 Welsh local authorities together with the three National Park Authorities and the three Fire & Rescue Authorities.</p> |

Mae'r dudalen hon yn wag yn bwrpasol

Meetings Preference tracker

| Meeting | Date consulted | Decision | Comments | Result |
|------------------------------|---------------------------|---|--|-------------|
| Community & Enterprise O&SC | 15 th November | Wednesdays at 10am | | Status quo |
| Corporate Resources O&SC | 16 th November | Thursdays at 10am | Evening meetings would allow more people who are in employment to attend | Status quo |
| Social & Health O&SC | 16 th November | Alternating Thursday morning and afternoon, as at present | | Status quo |
| Audit | 22 nd November | Wednesdays at 10am | Wider discussion needed on flexibility of meetings to accommodate Members' commitments. Rotational meetings were only supported by 2 Members of the committee. | Status quo |
| Education & Youth O&SC | 23 rd November | Thursdays at 2pm | | Status quo |
| Organisational Change O&SC | 27 th November | Mondays 10am and 2pm | | Status quo |
| Clwyd Pension Fund Committee | 29 th November | Wednesdays at 10 and 2pm | | Status quo |
| Environment O&SC | 12 th December | Tuesdays at 10am | | Status quo |
| Cabinet | 21 st November | Tuesdays 9.30 | | Status quo. |

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 8

CONSTITUTION & DEMOCRATIC SERVICES COMMITTEE

| | |
|------------------------|--|
| Date of Meeting | Wednesday, 31 st January 2018 |
| Report Subject | Budget Process |
| Cabinet Member | Corporate Management & Assets |
| Report Author | Democratic Services Manager |
| Type of Report | Operational |

EXECUTIVE SUMMARY

At the All Member meeting of the Corporate Resources Overview & Scrutiny Committee on 6th December 2017, it was resolved 'That a report reviewing the process for the setting of the annual budget process be prepared for the Constitution & Democratic Services committee'.

This report details the approach used for the 2018/19 Budget Process. It acknowledges that the wording in the Constitution was drafted for simpler times.

The Council's statutory officers are satisfied that the current phased approach has met constitutional requirements for consultation.

As it would be inefficient to review the Budget process whilst it was ongoing, it is suggested that, on completion of the 2018/19 budget, the process be reviewed. This review should include how to encourage contributions from Overview & Scrutiny (O&S) and ensure that our process meets Member's expectations for meaningful participation. That review would produce a Budget Consultation protocol.

RECOMMENDATIONS

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| 1 | That the Committee is assured by the process being used for consultation and scrutiny of the 2018/19 Council Budget. |
| 2 | That a further report, reviewing the 2018/19 Budget process and including a draft Budget Consultation protocol, be prepared for a future meeting of the Committee, |
| 3 | That the next meeting of the Committee be moved to April. |

REPORT DETAILS

| 1.00 | EXPLAINING THE BUDGET CONSULTATION PROCESS |
|-------|---|
| 1.01 | Budget consultation is covered by Section 16 of the Constitution: <i>Budget and Policy Framework Procedure Rules</i> . Proposals are published, the Overview & Scrutiny Chairs notified and there must be a minimum of 4 weeks for consultation. |
| 1.02 | Over the years, a number of different approaches to budget consultation have been used. We used to consider all budget proposals in one go. This was resource intensive for Cabinet and Overview & Scrutiny Members and senior officers. Some O&S Members heard the same presentation several times: this is not efficient. |
| 1.03 | All Members have a role in the budget process, which is now more important than ever. For the 2018/19 budget, Member engagement and consultation commenced in July, continued throughout the autumn and is still ongoing. The phased approach gives more opportunity for preparation and implementation of the non-controversial proposals, and is more efficient. |
| 1.04 | <p>Following the two very well attended all Member workshops in July and September, the Budget for 2018/19 was developed in three stages:</p> <p>Stage One - Portfolio Business Plan proposals endorsed by Cabinet were reviewed by the respective Overview and Scrutiny Committee throughout October. Council approved the Council Fund Budget 2018/19 Stage One report on 14th November 2017.</p> <p>Stage Two - Secondary Options were developed for consideration through November and December: an All Member Corporate Resources Overview & Scrutiny Committee on 6th December and Council on 12th December 2017 noted the <i>Financial Forecast & Stage Two of the Budget</i> report.</p> <p>Stage Three - Final Balancing options considered through January and February for the Council to be able to approve a balanced budget to meet its statutory duty.</p> <p>Specific budget items were considered at Environment Overview & Scrutiny on 16th January (car parking charges) and Education & Youth Overview & Scrutiny Committee on 18th January (school budgets)</p> <p>30th January 2018. Council – Budget process update report and Planning for Closing Stage 3.</p> |
| 1.05. | <p>This process is still ongoing: the remaining stages are:</p> <p>20th February 2018. Cabinet- Budget setting recommendations to be made to Council.</p> <p>20th February 2018. Council – Budget setting for 2018/19.</p> |

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|------|---|
| | 1 st March 2018 Council – Council Tax for 2018/19 setting. |
| 1.06 | During the current budget process, to ensure that decisions are being made with all the relevant information, we have used a detailed draft resolution from the special All Member meeting of Corporate Resources Overview & Scrutiny Committee on 6 th December. This was presented at the meeting of Cabinet on 12 th December and subsequently circulated at Council that afternoon. As part of any review, we need to formalise this approach for future use. |
| 1.07 | In reviewing budget consultation, we need to ensure that the rules in the Constitution reflect how we do things now. This would be through a new Budget Consultation protocol. |
| 1.08 | The Budget Protocol should set out principles for : <ul style="list-style-type: none"> • feeding back from an O&S committee to Cabinet; • feedback directly from an O&S committee to Council; • ensuring that all Members receive all of the information which they need to make decisions in a timely fashion; • ensuring that Members are given opportunities to ask for further information; • how everything should be brought together at the end of the process in reporting to Council to set the overall budget; • whether the use of call-in should be limited to non-budget items, especially where a consultation item has already been to an Overview & Scrutiny committee. |
| 1.09 | We need all Members of the Council to contribute their own ideas for promoting transparency in and engagement with the budget process. |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | None directly from this information report. |

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| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | Cabinet Member and statutory officers. |

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| 4.00 | RISK MANAGEMENT |
| 4.01 | The report provides assurance as to the appropriateness of the 2018/19 Budget Process. |

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| 5.00 | APPENDICES |
| 5.01 | None. |

| | |
|-------------|---|
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | <p>None other than published material.</p> <p>Contact Officer: Robert Robins, Democratic Services Manager. Telephone: 01352 702320 E-mail: robert.robins@flintshire.gov.uk</p> |

| | |
|-------------|--|
| 7.00 | GLOSSARY OF TERMS |
| 7.01 | <p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. It includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to the Council for a given period, and sets out plans for how best to deploy those resources to meet our priorities, duties and obligations.</p> |

Eitem ar gyfer y Rhaglen 9

CONSTITUTION & DEMOCRATIC SERVICES COMMITTEE

| | |
|------------------------|--|
| Date of Meeting | Wednesday 31 st January 2018 |
| Report Subject | Provision of telephones to Members |
| Cabinet Member | Cabinet Member for Corporate Management & Assets |
| Report Author | Democratic Services Manager |
| Type of Report | Operational |

EXECUTIVE SUMMARY

The Independent Remuneration Panel for Wales (IRPW) have included a determination in their last three Annual Reports that local authorities should provide phones for their members. When this determination was introduced in the 2016 Draft, the decision at Council (20th October 2015) was to oppose this determination on cost grounds.

In September 2017, during a periodic visit to Flintshire, the IRPW representatives pointed out to the Council's statutory officers that technically, Flintshire is not compliant with determination 6 because the Council does not provide telephones for Members.

We surveyed the 22 Welsh County and County Borough Councils on their phone provision. The results show that Flintshire is not alone in being non-compliant with the determination: only around a third of respondents make some sort of telephone provision for their members.

Members will be asked whether the officers should investigate providing phones to Members, whether that be through the payment of an additional allowance, the provision of a mobile phone or payment for their home landline.

RECOMMENDATIONS

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| 1 | That the Committee consider and comment on the report. |
| 2 | That the Committee consider whether the officers should investigate the provision of a phone allowance, landline payment or mobile phone to all Members. |

REPORT DETAILS

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|-------------|--|
| 1.00 | REVIEWING THE PROVISION OF MOBILE PHONES TO ELECTED MEMBERS |
| 1.01 | The Independent Remuneration Panel for Wales (IRPW) have included a determination in their last three Annual Reports that local authorities should provide phones for their members. When this determination was introduced in the 2016 Draft, the decision at Council (20 th October 2015) was to oppose this determination on cost grounds. |
| 1.02 | Determination 6 reads as follows: <i>The Panel has determined that each authority, through its Democratic Services Committee, must ensure that all its members are given as much support as is necessary to enable them to fulfil their duties effectively. All elected members should be provided with adequate telephone, email and internet facilities giving electronic access to appropriate information.</i> |
| 1.03 | In September 2017, during a periodic visit to Flintshire, the IRPW representatives pointed out to the Council's statutory officers that technically, Flintshire is not compliant with determination 6. It was pointed out that Flintshire provides Members with I pads but had had opposed the provision of phones to each Member on cost grounds in 2015, following consideration of the IRPW's draft annual report at Council. Since then, financial constraints upon all local authorities had become considerably harder. The additional cost of phone provision, whether that be through the payment of an additional allowance, the provision of a mobile phone or payment for their home landline, at a time when the Council is fighting to preserve services would be hard to bear and directly challenge initiatives across the board to reduce costs. |
| 1.04 | To argue against determination 6 from a position of strength, a survey was conducted amongst the other 21 principal councils in Wales. This is attached as appendix A. It shows that Flintshire is not alone in non-compliance – only around a third of councils appear to make some form of provision. |
| 1.05 | It is appreciated that the IRPW have concerns that the means or lack thereof should not be a barrier to people wishing to stand for public office, hence their making determination 6. |
| 1.06 | It is known that Members already have their own home landlines and that the majority have their own mobile phone packages. Many would not want to carry two phones, if a mobile was provided by the Council. Members may feel that the payment of an additional allowance at a time of financial constraint would be both inappropriate and potentially damaging. Members would, of course, be free to refuse any offer of a phone. |

| | |
|-------------|--|
| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | The provision of phones or an additional allowance to elected Members is likely to have significant cost implications and attract adverse publicity no matter how competitively this initiative could be costed. |
| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | This report is being published as part of consultation with Members. |
| 4.00 | RISK MANAGEMENT |
| 4.01 | If Flintshire, as with many other local authorities, does not provide mobile phones to all its elected members then it is technically non-compliant with IRPW determination 6. |
| 4.02 | If Flintshire was to provide an additional allowance, fund landlines or mobile phones to Members then there will be an increased cost and the risk of adverse publicity and a weakening of the Council's robust arguments for cost reductions as a response to financial constraint. |
| 5.00 | APPENDICES |
| 5.01 | Telephone Payments to Elected Members across Welsh Local Authorities. |
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | Annual Report of the Independent Remuneration Panel for Wales 2018 Contact Officer: Robert Robins, Democratic Services Manager Telephone: 01352 702320 E-mail: robert.robins@flintshire.gov.uk |
| 7.00 | GLOSSARY OF TERMS |
| 7.01 | IRPW – Independent Remuneration Panel for Wales is the independent body established by the Welsh Government to determine the level of Local Authority payments to Members. Determinations - the decisions which the IRPW makes. |

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Telephone Payments to Elected Members across Welsh Local Authorities.

Analysis

IRPW Determination 6 says *All elected members should be provided with adequate telephone, email and internet facilities giving electronic access to appropriate information.*

On the basis of that, none of the Welsh Authorities appear to be in complete compliance. There are degrees of compliance.

- Phone line provision: Caerphilly and Merthyr Tydfil, but Monmouthshire provide ‘lap top or tablet device with softphone functionality and skype calling’.
- Home IT : Caerphilly
- Mobiles to All Members: Conwy & Powys
- Payments to all Members :Carmarthenshire (£20 per month/£240 per year) Pembrokeshire (£500 per year) Swansea (£15 per month for broadband - £180 per year and £10 per month for telephones - £120 per year, total £300 per year)

On the basis of the above, eight Authorities (Caerphilly, Carmarthenshire, Conwy, Merthyr, Monmouthshire, Pembrokeshire, Powys and Swansea) appear to have phone provision covered in terms of mobiles, line provision or telephone payments.

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| Authority | Number of members | Line provision | Home IT | Mobile | Payment | 4G Ipad/Lap top | Details of provision |
|-------------------|-------------------|----------------|-------------|----------------------|-------------|-----------------|---|
| Blaenau Gwent CBC | 42 | No response | No response | No response | No response | No response | No response |
| Bridgend CBC | 54 | No. | No | Cabinet members only | No | No | Only provide mobile telephones for Cabinet members. There is currently no mobile telephone provision for other members but this is being reviewed in light of the IRPW visit. |
| Caerphilly CBC | 73 | Yes if | Yes | Cabinet members and | No | No | Provide all members with home IT equipment and |

| Authority | Number of members | Line provision | Home IT | Mobile | Payment | 4G Ipad/Lap top | Details of provision |
|-----------------|-------------------|----------------|-------------|---|---|---------------------------------------|--|
| | | required | | Leader of the Opposition | | | will install a dedicated broadband line – if they wish. Also provide mobile phones to all Cabinet and Leader of Opposition Group. They also have dedicated access to computers and phones at our offices in their Group rooms |
| Cardiff | 75 | No response | No response | No response | No response | No response | No response |
| Carmarthenshire | 74 | No | No | Cabinet members | £20 per month communication allowance to all members | | Offer a communication allowance of £20 per month, but have not made specific reference to telephone costs being included (we mention broadband) Mobile phones provided to the 10 Executive Board members |
| Ceredigion | 42 | No | No | No | Considering £10 month allowance for telephone and broadband | All members offered 4G Ipad or laptop | Provide wifi in all our buildings and all are offered a choice of a laptop or a 4G Enabled iPad. £10/mth opt-in allowance for telephone and broadband being considered |
| Conwy CBC | 59 | No | No | Yes | No | No | Provide all Members with a smart phone, but a small number) opt to have the basic handset. Some have recently opted to use BYOD (Bring Your Own Device) rather than have a Council mobile and a personal mobile – this allows the Councillor to pick up their council e-mails on their personal devices. |
| Denbighshire CC | 47 | No | No | No | No | 4G Ipads | Provide wifi and 4G enabled iPads (plus the usual members' room facilities) |
| Flintshire CC | 70 | No | No | Cabinet members and some committee chairs | No | No | Mobile phones provided to Cabinet members and committee chairs on request |
| Gwynedd Council | 75 | No | No | Leader only | No but see end | No | Do not make an annual lump sum payment to Members for use of their phones Do not provide all Members mobile phones |

| Authority | Number of members | Line provision | Home IT | Mobile | Payment | 4G Ipad/Lap top | Details of provision |
|---------------------|-------------------|----------------|---------|--|-------------|--|--|
| | | | | | column | | - only the Leader.) All members can receive their emails / calendar on their personal phones if they wish. There is a cost involved with this provision, which the Council meets. |
| Isle of Anglesey CC | 30 | No | No | Leader only | No | No | Only provide a phone to the Leader |
| Merthyr Tydfil CBC | 33 | Yes | No | No | No | Yes | At the beginning of the 2012-2017 term, Merthyr Tydfil installed a landline into each Cllrs' home to give them wifi access and to allow them to use the telephone line. Only 5 of them used the line. All the others preferred to continue using their own landlines that they had been using for years and which they also used through their campaign, because they said the constituents knew that number. iPads with 4G were purchased this term and as this meant that the wifi was no longer needed, we chose to remove the telephone lines because they weren't being used. Now revisiting telephone provision |
| Monmouthshire CC | 43 | No | No | A laptop or tablet device that has softphone functionality and skype calling | No | Laptop or tablet device that has softphone functionality and skype calling | Don't make any provision for landlines or mobile phones. However all members are provided with a laptop or tablet device that has softphone functionality and skype calling. This means that they are able to make telephone calls without incurring any personal expense. |
| Neath Port Talbot | 64 | No | No | No | No | No | Our monitoring officer consistently makes the point that IRPW are operating outside of the powers that they have been given. |
| Newport City | 50 | No | No | No response | No response | No response | No response |

| Authority | Number of members | Line provision | Home IT | Mobile | Payment | 4G Ipad/Lap top | Details of provision |
|---------------------------|-------------------|----------------|-------------|---|--|-----------------|---|
| Council | | response | response | | | | |
| Pembrokeshire CC | 60 | No | No | No | £500 pa each member | No | Provide an annual payment of £500 (additional to Member's salary) to cover all IT / office expenses |
| Powys CC | 73 | No | No | Yes | Used to pay for broadband, but recently stopped | No | Do not make any payments to Members for use of their phones. Used to repay broadband costs to those who bothered to claim which in the end were a very small number. The Council recently decided to stop those payments as everyone generally has broadband nowadays. Since May has also offered mobile phones to all members and a large number have taken this up. |
| Rhondda Cynon Taff | 75 | No | No | Cabinet members only | No | No | Don't pay anything towards Members phones. Cabinet Members are provided with mobile phones. |
| Swansea City | 72 | No | No | Mobile phone allowance of £25 per month but this is only paid to the Cabinet Members x 10, Leader of the Largest Opposition Group and the Presiding Member (Chair of Council) | Offer a monthly amount to Cllrs & Co-opted Members to fund Broadband £15 and Telephone £10 | No | Offer a monthly amount to Cllrs & Co-opted Members to fund Broadband £15 and Telephone £10. The amounts are less for a Co-opted member. In order for this amount to be paid they must produce a bill on an annual basis. Also pay a mobile phone allowance of £25 per month but this is only paid to the Cabinet Members x 10, Leader of the Largest Opposition Group and the Presiding Member (Chair of Council). Again for this to be paid, they must produce a bill on an annual basis. |
| Torfaen CBC | 44 | No response | No response | No response | No response | No response | No response |
| Vale of Glamorgan Council | 47 | No | No | All members | No | Yes | All Elected Members have been provided with mobile 'smart' phones under the terms / tariffs (voice and data) of the Council's corporate mobile phone contract. They have also been provided |

| Authority | Number of members | Line provision | Home IT | Mobile | Payment | 4G Ipad/Lap top | Details of provision |
|-------------|-------------------|----------------|---------|--------|---------|-----------------|--|
| | | | | | | | with Windows 10 tablet devices with Wi-Fi and 4G connectivity to allow remote connection to ICT services whilst away from the home / office and have also received 'Aruba' devices which provide home Wi-Fi hotspots to allow a no-cost connection to ICT services whilst working from home. |
| Wrexham CBC | 52 | No | No | No | No | No | Do not provide telephones an allowance for telephones or broadband. |

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