

Date of issue: Tuesday, 3 October 2017

<b>MEETING:</b>	<b>AUDIT AND CORPORATE GOVERNANCE COMMITTEE</b> (Councillors Chaudhry (Chair), Chohan (Vice Chair), Brooker, Amarpreet Dhaliwal, Sadiq, Swindlehurst and Usmani)  <b>CO-OPTED INDEPENDENT MEMBERS:</b> Ronald Roberts, Alan Sunderland and Iqbal Zafar  <b>PARISH COUNCIL MEMBERS:</b> Parish Councillor Raymond Jackson (Colnbrook with Poyle) Parish Councillor Harjinder Gahir (Wexham Court)  <b>INDEPENDENT PERSON</b> Dr Louis Lee
<b>DATE AND TIME:</b>	WEDNESDAY, 11TH OCTOBER, 2017 AT 6.30 PM
<b>VENUE:</b>	VENUS SUITE 2, ST MARTINS PLACE, 51 BATH ROAD, SLOUGH, BERKSHIRE, SL1 3UF
<b>DEMOCRATIC SERVICES OFFICER:</b> (for all enquiries)	SHABANA KAUSER 01753 787503

NOTICE OF MEETING

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



**ROGER PARKIN**  
Interim Chief Executive

**AGENDA**  
**ITEM**

**REPORT TITLE**

**PAGE**

**WARD**

**AGENDA**

**PART I**

Apologies for absence.

1. Declarations of Interest

*All Members who believe they have a Disclosable Pecuniary or other Pecuniary or non pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 3 paragraphs 3.25 – 3.27 of the Councillors' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 3.28 of the Code.*

*The Chair will ask Members to confirm that they do not have a declarable interest. All Members making a declaration will be required to complete a Declaration of Interests at Meetings form detailing the nature of their interest.*

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**Press and Public**

You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before the Committee considers any items in the Part II agenda. Please contact the Democratic Services Officer shown above for further details.

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**Audit and Corporate Governance Committee – Meeting held on Wednesday, 26th July, 2017.**

**Present:-** Councillors Chaudhry (Chair), Chohan (Vice-Chair), Brooker, Sadiq (from 6.43pm), Swindlehurst and Usmani

Co-opted Independent Members: Mr Roberts, Mr Sunderland and Mr Zafar

Parish Council Member: Parish Councillor Jackson (Colnbrook with Poyle)

Independent Person: Dr Lee (observer)

**Apologies for Absence:-** Councillor Amarpreet Dhaliwal and Parish Councillor Gahir

**PART 1**

**1. Declarations of Interest**

No interests were declared.

**2. Minutes of the Last Meeting held on 16th March 2017**

**Resolved –** That the minutes of the meeting held on 16th March 2017 be approved as a correct record, subject to clarification under Minute 32 that all *material* misstatements in the financial statements had been corrected.

**3. Audit and Corporate Governance Committee - Terms of Reference**

The Democratic Services Officer outlined the Terms of Reference within which the Committee operated. The Committee had decision making responsibilities for the approval of the financial statements and the Annual Governance Statement.

The process for appointing a Standards and Determination Sub-Committee was explained and it was noted that the Sub-Committee would be convened, when required, from membership of the Audit and Corporate Governance Committee and therefore did not have a fixed membership.

**Resolved –** That the Terms of Reference be noted.

**4. Annual Governance Statement 2016/17**

The Assistant Director Finance & Audit summarised the key aspects of the Annual Governance Statement (AGS) 2016/17 and it was clarified that the Committee was being asked to approve the document. It was a requirement

to produce the AGS to provide assurance that the organisation was well governed and had the policies and controls in place to ensure public services were well delivered and public money was spent wisely.

The AGS detailed the actions that had been taken through the year to address the issues reported in the 2015/16 AGS, including children's safeguarding outcomes, contract management and risk management; and the significant control issues identified by internal audit throughout the year. These included business continuity, information governance, voids management, fixed penalty notice enforcement and voluntary sector commissioning. Members reviewed the progress that had been made in response to the weaknesses identified. It was agreed that the Committee would be provided with a brief update on the progress of the action taken on voluntary sector commissioning.

Members commented on the number of the Council's main policies and procedures, including several contained within the Constitution, that were either in need of or currently subject to review. It was confirmed that several governance and employment related policies were being reviewed and those to be contained in the Constitution would be all be considered by the Member Panel on the Constitution before being recommended to full Council for approval. The Corporate Management Team had also identified other policies and strategies for the relevant directorates to update.

*(Councillor Sadiq joined the meeting)*

In response to a question, it was confirmed that the Whistleblowing Policy had been recently reviewed. The new Confidential Reporting Code had been approved by Council on 18<sup>th</sup> May 2017 and was in operation. Any specific matters to be raised should be reported directly to the relevant officer as set out in the code, usually the Monitoring Officer. There was a lengthy discussion about the departures of senior officers, complaints, investigations and related governance matters. Members sought assurance that the Council was dealing effectively with any complaints and ongoing investigations to conclude matters as soon as possible; either had the right policies and procedures on HR and complaints issues in place, or was actively updating them where required; and was learning the lessons at all levels. Concerns were also raised about the apparent delay in starting the recruitment process for a permanent Chief Executive, the cost of recent settlement agreements and the increased costs of the current Monitoring Officer arrangements. The Assistant Director and the Monitoring Officer responded to each of the points raised and explained that the circumstances of each case varied and were often complex, meaning that it was not unusual to take some time to fully resolve them.

In view of the general concerns raised by several Members of the Committee it was agreed that a report be provided to the next meeting that included further information on the number and status of recent and current whistleblowing complaints and investigations, noting the requirements to maintain the confidentiality of individual cases. Following a number of

settlement agreements with senior managers in recent times, a report was also requested on the number of such agreements, robustness of HR policies and the approach being taken to learn the lessons.

At the conclusion of the discussion, it was agreed to approve the Annual Governance Statement 2016/17 and receive regular reports at future meetings on the progress of the action plan.

**Resolved –**

- (a) That the Annual Governance Statement 2016/17 be approved.
- (b) That a standing item be added to future agendas to update the Committee on the progress being made on action plans for areas of improvement and significant control issues in the Annual Governance Statement.
- (c) That the Committee receive reports to the next meeting on the position regarding whistleblowing, investigations and settlement agreements.

**5. Internal Audit Update Quarter 1 2017/18**

The Head of Internal Audit introduced a report that updated Members on the progress against the 2016/17 Internal Audit Plan and for the first quarter of 2017/18.

It was noted that 18 reports from the 2016/17 plan had been finalised since the last meeting of the Committee of which 1 (Fixed Penalty Enforcement) received a 'no' assurance opinion and 6 (Governance, Health & Safety, General Ledger, Creditors, Adult Safeguarding and Voluntary Sector Commissioning) received only 'partial' assurance opinions. The high and medium recommendations for these audits were set out in the appendices to the report and were discussed by the Committee. Four reports had been finalised from the 2017/18 plan and a further two were in draft. The rate of finalising reports continued to improve, and the Head of Internal Audit commented that the position was the best it had been in recent years.

Members discussed the tracking process for internal audit recommendations and asked whether the Council was more effectively implementing and monitoring recommendations. The Internal Auditors commented that there were still occasions when the expected progress had not been made when areas were re-audited, however, there was now more rigour from management in responding to reports and internal audit was being used more proactively to address identified issues. Members asked about the accountability mechanisms in place where management actions were not implemented and it was noted that processes had improved and the profile of responding to recommendations had been raised across the Council, including with increased reporting to the Corporate Management Team.

The Committee discussed the Fixed Penalty Enforcement audit for which a 'no assurance' opinion had been provided. All of the high and medium priority recommendations were due to have been implemented by 31<sup>st</sup> July 2017 and Members sought assurance that management was addressing the issues raised. The Assistant Director Finance and Audit highlighted that the Management Update elsewhere on the agenda indicated that 6 of the 8 actions had been completed with 2 overdue. The re-audit had been delayed to November 2017 at the request of management given that the initial report had been finalised relatively recently. After discussion about the information provided in the Internal Audit Progress Report, it was requested that future reports include details of the high priority recommendations not completed beyond their due date.

The Committee received updates on a number of specific issues raised in the report including the audit into Governance – Transparency Code Compliance and Members emphasised the importance of ensuring the Council was meeting all of the requirements for openness and transparency. The Assistant Director responded that a significant amount of work had been done to comply with the Transparency Code which included publication of expenditure above £500, the contracts register and details of grants to the voluntary, community and social enterprise organisations.

At the conclusion of the discussion, the Internal Audit Update for the first quarter of the year was noted.

**Resolved** – That details of the Internal Audit Update Quarter 1 2017/18 be noted.

## **6. Audit and Risk Management Update Quarter 1 2017/18**

The Assistant Director Finance & Audit introduced a report that updated the Committee on the progress of finalising draft Internal Audit reports, implementing Internal Audit recommendations, the Council's risk register and latest counter fraud activity.

The tracking of internal audit recommendations continued to show that the improved processes and focus was leading to a higher proportion of actions being completed than in the past. The lack of progress on completing actions on the Information Governance audit was raised, and the Assistant Director explained that this was primarily because progress was reliant on a single member of staff who had been off work for some period of time. It was hoped that progress would be made and reflected in future reports. The Committee's concerns about a small number of services being over-reliant on a single member of staff were noted. In principle when progress was deemed to be too slow, it was intended that the service managers responsible for implementing recommendations attend the Committee to explain the position.

The Council's risk register was updated following the purchase of a new risk management system from RSM. However, the presentation of the reports from the new system was still being refined and it would be provided to the



Committee at the next meeting. Following a request from the Chair, it was agreed that the Corporate Risk Register be a standing item on all future agendas. The success of the counter-fraud team was noted and welcomed. A query was raised about the financial benefit to the Council from Right to Buy receipts, the notional figures in Appendix 2 was stated as £778,000, and it was agreed that the Committee would be provided with further information.

At the conclusion of the discussion, the report was noted.

**Resolved –**

- (a) That details of the Audit and Risk management Update Quarter 1 2017/18 be noted.
- (b) That the Corporate Risk Register be a standing item on future Committee agendas.

**7. Annual Internal Audit Report 2016/17**

The Committee considered the Annual Internal Audit Report 2016-17 that set out the Head of Internal Audit's opinion on the overall adequacy and effectiveness of the organisations risk management, control and governance processes for the 12 months ended 31<sup>st</sup> March 2017.

The Head of Internal Audit had issued a qualified opinion, which was duly reflected in the Annual Governance Statement, in that there were "...weaknesses in the framework of governance, risk management and control such that it could be, or could become, inadequate and ineffective". The specific areas of weakness where either no or partial assurance had been provided following audits were noted. Members discussed the key areas of weakness, which included business continuity, information governance and risk management, and asked for assurance that the Council was taking the necessary action to address identified weaknesses. It was responded that action had been taken such as an increase in the amount of advisory work by RSM on the key areas of risk and the additional support to risk management processes.

The Committee discussed the implementation of internal audit management actions, as set out in paragraph 2.2 of the report, and concern was expressed about the figure that on 25% had been implemented. The Assistant Director commented that these actions primarily related to audits from the 2015/16 plan and these had since been picked up with regular reports on outstanding high priority action to the Committee. Other issues raised included the monitoring of the SPACE contract for which the outcomes framework was due to be finalised.

The Committee noted the Annual Internal Audit Report for 2016/17.

**Resolved –** That details of the Annual Internal Audit Report 2016/17 be noted.

**8. Audit Plan 2016/17**

The Engagement Lead for the External Auditor, BDO, introduced the Audit Plan for the year ended 31<sup>st</sup> March 2017 which set out the key issues and processes for the audit of the financial statements 2016-17. The report had been issued on 18<sup>th</sup> April 2017 but had not been available for the previous meeting of the Committee.

It was noted that following an initial review of the draft financial statements, the materiality had been revised down from £7,800,000 to £6,700,000. The key audits risks were reviewed, which included management override, revenue recognition, pension liability assumptions, schools transactions, group accounts, changes to the payroll system and valuation of non-current assets.

The 2015/16 use of resources conclusion had been qualified due to the significant weaknesses in children's social care services and it was possible that a qualified conclusion may be given for 2016/17 unless sufficient evidence of improvement could be provided. A Member pointed out that the services had been transferred to Slough Children's Services Trust by Ministerial Direction and the Council had limited ability to influence service improvements, which meant it was potentially unfair to penalise the Council for a service outside of its control. The Auditor commented that the 2015/16 conclusion was largely based on the risks of transfer and a conclusion for 2016/17 would focus on the monitoring of the contract and Key Performance Indicators. Members asked a number of other questions about the nature of schools transactions, the preparation of the draft financial statements and the level of fees, to which the External Auditor responded.

At the conclusion of the discussion, the Audit Plan was noted.

**Resolved –** That the Audit Plan for the year ended 31 March 2017 be noted.

**9. Grant Claims and Returns Certification 2015/16**

The Engagement Lead for BDO introduced a report that summarised the main issues arising from the certification of grant claims and returns for the financial year ended 31<sup>st</sup> March 2016.

The main area of claim was housing benefit subsidy which had a value of £75,491,382. Whilst a qualified opinion had been given, the Auditor stated that this was not unusual, and the variance of £5,328 was considered to be very low for such a major claim. The Committee discussed how the auditors and officers worked together to implement the action plan.

At the conclusion of the discussion, the report was noted.

**Resolved –** That the report on Grant Claims and Returns Certification be noted.

**10. Planning Letter 2017/18**

The Engagement Lead for BDO introduced the Planning Letter for 2017/18 that set out the proposed fees and programme of work for the 2017/18 financial year. It was noted that the fee was set at the scale level and the planning assumption was for no significant issues that would increase the level of work and therefore the fee.

A Member pointed out an apparent discrepancy between the 2016/17 Audit Fees of £152,858 on page 142 of the agenda in the Fee Letter and £153,483 on page 115 in the report on Audit Plan for 2016/17. The External Auditor would clarify the fee for 2016/17. The report was then noted.

**Resolved –** That the report be noted.

**11. Date of Next Meeting**

The date of the next meeting was confirmed as 21<sup>st</sup> September 2017.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.08 pm)

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit and Governance Committee **DATE:** 11<sup>th</sup> October 2017

**CONTACT OFFICER:** Linda Walker, Interim Monitoring Officer  
01753 875022

**WARD(S):** All

**PART I**  
**FOR INFORMATION**

**SCHEDULE OF ACTIVITY – WHISTLEBLOWING COMPLAINTS**

**1. Purpose of Report**

This report updates members of the Audit and Governance Committee on the activity undertaken by the Council's Interim Monitoring Officer in relation to complaints received under the Confidential Whistleblowing Code.

**2. Recommendation(s)/Proposed Action**

The Committee is requested to note the report.

**3. Slough Joint Wellbeing Strategy Priorities**

The delivery of the Joint Wellbeing Strategy priorities is dependent on the highest possible standards of openness, honesty and accountability. This is underpinned by the Confidential Whistleblowing Code.

**4. Other Implications**

(a) Financial

There are no financial implications of this report.

(b) Human Rights Act and Other Legal Implications

Whistleblowing law is located in the Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998).

(c) Equalities Impact Assessment

It is important to ensure measures taken under whistleblowing procedures do not impact disproportionately on any group. The Monitoring Officer retains a detailed list of subject complaints and carries out a periodic audit check to ensure that application of the procedures is equitable across specific groups of members having regard to race, gender or political group.

## 5. Supporting Information

- 5.1 The Audit and Governance Committee at its meeting on 26<sup>th</sup> July 2017 requested a report on the number and status of recent and current whistleblowing complaints and investigations (noting the requirements to maintain confidentiality of individual cases). This report is prepared in response to this request and further reports will be presented bi-annually.
- 5.2 The Confidential Whistleblowing Code was reviewed by the Interim Monitoring Officer and the new Code was inserted into the Constitution in May 2017. 'Whistleblowing' is the term used when an employee passes on information concerning wrongdoing. The Council's Whistleblowing Code also applies to members of the public.
- 5.3 The Code aims to encourage people to use the process with confidence so that legitimate concerns can be raised and addressed by the Authority so that these standards can be improved within the organisation.

5.4

<b>Ref</b>	<b>Complaint</b>	<b>Subject Matter</b>	<b>Action</b>	<b>Outcome</b>
2017/A	Member of Staff	Alleged treatment by line manager and other staff members.	Internal investigation	Content of complaint fell within grievance procedure. Matter referred to HR and closed.
2017/B	Anonymous	Allegations about conduct of Officer of Council.	Internal investigation	No evidence found to substantiate allegation. Matter closed.
2017/C	Member of Staff	Allegations about Council's recruitment policy, officer conduct and financial irregularities.	External investigation	No evidence found to substantiate allegations. Matter closed.
2017/D	Member of the public	Allegations of nepotism, financial irregularities and misuse of position.	External investigation	No evidence found to substantiate allegations. Matter closed.

**6. Conclusion**

Four Whistleblowing Complaints have been received this year. They have all been investigated and the allegations have not been upheld. All four matters have been closed.

**7. Background Papers**

None.

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit and Governance Committee **DATE:** 11<sup>th</sup> October 2017

**CONTACT OFFICER:** Linda Walker, Interim Monitoring Officer  
01753 875022

**WARD(S):** All

**PART I**  
**FOR INFORMATION**

**SCHEDULE OF ACTIVITY – CODE OF CONDUCT**

**1. Purpose of Report**

This report updates members of the Audit and Governance Committee on the activity undertaken by the Council's Interim Monitoring Officer in relation to complaints received under the Councillors' Code of Conduct.

**2. Recommendation(s)/Proposed Action**

The Committee is requested to note the report.

**3. Slough Joint Wellbeing Strategy Priorities**

The delivery of the Joint Wellbeing Strategy priorities is dependent on good governance arrangements being in place in order that the Council has a transparent and accountable process for effective decision-making. This is underpinned by the Code of Conduct, which forms the bedrock of the conduct regime for Members in ensuring ethical behaviour and governance of the highest order is maintained.

**4. Other Implications**

(a) Financial

There are no financial implications of this report.

(b) Human Rights Act and Other Legal Implications

The Council is under a statutory duty to adopt a code of conduct maintain a register of members' interests.

(c) Equalities Impact Assessment

It is important to ensure measures taken under the standards regime do not impact disproportionately on any group. The Monitoring Officer retains a detailed list of subject Members and carries out a periodic audit check to ensure that application of the regime is equitable across specific groups of members having regard to race, gender or political group.

## 5. Supporting Information

5.1 In its approved complaints process, the Council has agreed arrangements to delegate to the Monitoring Officer the initial decision on whether a complaint requires formal investigation after, as the Monitoring Officer may deem appropriate, consultation with the Independent Person. In appropriate cases the Monitoring Officer may seek to resolve the complaint informally without the need for a formal investigation. When a complaint is referred for investigation, the Investigating Officer's report will be reviewed by the Monitoring Officer, who will either send it for determination to a Standards Determination Sub-Committee set up for the purpose, or decide that no further action is required.

5.2 The following table contains a summary of the complaints received from September 2016 to date:

Ref	Subject Member – Borough / Parish	Complainant	Area of Code	Action	Outcome
2016/A	Borough Councillor	Former Parish Councillor (Wexham Parish Council)	2.3 – bringing office into disrepute  2.8 – be accountable for use of expenses, services etc from the public purse	Informal investigation	No breach of code found, matter closed.
2016/B	Borough Councillor	Member of the Public	2.3 – bringing office into disrepute  2.4 - failure of duty to promote high standards	Informal investigation	No breach of code found, matter closed
2016/C	Borough Councillor(s)	Borough Councillor	2.2 – Duty to uphold the law	Informal investigation	Inconclusive evidence. Members spoken to regarding future conduct. Matter closed
2017/A	Borough Councillor	Parish Councillor Colnbrook with Poyle Parish Council	2.3 – bringing office into disrepute  2.4 – failure of duty to	Informal investigation	Inconclusive evidence. Member concerned spoken to regarding future conduct.

			promote high standards		Complainant still pursuing matter.
2017/B	Parish Councillor	Parish Councillor Colnbrook with Poyle Parish Council	2.3 – bringing office into disrepute  2.4 - failure of duty to promote high standards	Informal investigation	Conduct discussed at Parish meeting by MO representative. Future conduct and further support for the PC on-going.
2017/C	Parish Councillor (Wexham Parish Council)	Various Parish Councillors/ general conduct of Parish Council	2.4 duty to promote high standards	Informal investigation	No breaches found, matter closed.
2017/D	3 Borough Councillors	Borough Councillor	2.3 Damage to reputation	Informal investigation	On-going
2017/E	Borough Councillor	Member of staff	2.1 Treat others with respect.  2.4 Failure to of duty to promote high standards  2.10 Members to ensure all contact with Council Officers to be through a Director/ Assistant Director/ Third Tier Officer	Informal investigation	Breach of code. Apology given. Matter closed.
2017/F	Borough Councillors	Member of the Public	2.7 Act in accordance with public trust and public interest.	Informal investigation	No breach found. Matter closed.

**6. Conclusion**

The Committee will note that there have been three complaints within the last six months. This is a reduction from the previous period. Within this period members have received training on the Code of Conduct. Further training will be arranged when the revised Code of Conduct is agreed by Full Council. The new Code appears as Agenda Item

**7. Background Papers**

None.

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit & Corporate Governance Committee    **DATE:** 11<sup>th</sup> October 2017

**CONTACT OFFICER:** Linda Walker, Interim Monitoring Officer  
01753 875022  
Catherine Meek, Head of Democratic Services  
01753 875011

**WARD(S):**            All

**PART I**  
**FOR DECISION**

**REVISED COUNCILLORS' CODE OF CONDUCT**

1.    **Purpose of Report**

1.1    As part of the ongoing review of the Ethical Framework the Interim Monitoring Officer has taken the opportunity to review the Councillors' Code of Conduct.

1.3    The revised Code was submitted to the Member Panel on the Constitution on 12th September 2017 and the Panel's recommendations are set out at paragraph 4.5 for the Committee's consideration prior to submission to Council for approval.

2.    **Recommendation to Council**

The Panel is asked to consider the revised Councillors' Code of Conduct (Appendix 1) and recommend accordingly.

3.    **Other Implications**

(a) **Financial**

None

(b) **Human Rights Act and Other Legal Implications**

The Localism Act 2011 places the Council under a statutory duty to establish an ethical framework:

- Under section 27(2) it must adopt a code of conduct dealing with the conduct that is expected of members and co-opted members when they are acting in that capacity,
- Under section 29 (1) the Monitoring Officer must establish and maintain a members' register of interests,
- Under Section 28 (6) it must have in place arrangements under which allegations of breach of the code can be investigated and decisions made upon the allegations,

- Under section 28(7) the arrangements put in place must include provision for the appointment of at least one Independent Person whose views are to be sought and taken into account by the Council before it makes its decision on allegations which have been investigated and whose views upon an allegation may be sought by the Council at any other time and may be sought by a member who is the subject of an allegation.

#### 4. **Supporting Information**

- 4.1 The Council has a statutory duty to promote and maintain high standards of conduct for its elected and co-opted members. The Localism Act 2011 made fundamental changes to the system of regulation of standards of conduct for elected and co-opted Councillors and for Parish Councils.
- 4.2 The Council adopted a new Members' Code of Conduct in 2012. The Monitoring Officer has taken the opportunity to review the existing code of conduct in the light of experience with a particular focus on clarity, simplified guidance and practical examples of implementation.
- 4.3 A copy of the Code of Conduct with suggested amendments is attached at Appendix 1. A copy of the existing Code is attached at Appendix 2 for ease of reference.

#### **Consideration by Member Panel on the Constitution**

- 4.4 The Panel considered the revised Code of Conduct at its meeting on 12<sup>th</sup> September 2017. The interim Monitoring Officer sought the views of the Panel to assist in the development of the proposals prior to submission to this Committee and Council.
- 4.5 The Panel agreed welcomed the revised Code and requested that the Nolan Principles be moved to the front of the Code and that the Interim Monitoring Officer:
- Consider amending the Dispensations section to include information on Members' obligations as Trustees
  - Consider adding additional examples of interests (possibly as an Appendix).
- 4.6 The Interim Monitoring Officer does not consider it appropriate to include information on obligations of Councillors as Trustees in the Code of Conduct document. Guidance has already been provided to Members and further training will be provided in the next few weeks.
- 4.7 The Interim Monitoring Officer will go through the specific changes at the meeting and seek the Committee's views on the Panel's recommendations.

#### 5. **Appendices Attached**

Appendix 1- Proposed (amended) Councillors' Code of Conduct  
Appendix 2 - Existing Councillors' Code of Conduct

#### 6. **Background Papers**

None.

# Appendix 1

## Part 5.1 Councillors' Code of Conduct [Amended Version]

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#### Introduction

#### Part 1 Rules of Conduct

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Section Two	General Obligation
Section Three	Relationship with others

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#### Part 3 Investigation & Determination of Complaints

### APPENDICES

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2. Disclosable Pecuniary Interests - Definition and Guidance
3. Declaration of Interests - Flow Chart
4. Code of Conduct for Members - Declaration of Interests at Meetings Form
5. Declaration of Receipt/Offer of Gifts or Hospitality
6. Request for a Dispensation
7. Members Complaints Assessment Criteria

# INTRODUCTION

## Purpose of the Code

The Localism Act 2011 requires this Council to promote and maintain high standards of conduct by its Members and Co-opted Members. In discharging its duty, the Council is required to adopt a Code of Conduct which sets out the conduct expected of its Councillors.

The Council's Code of Conduct is divided into 2 sections:

1. the Rules of Conduct
2. the Complaints process

The purpose of this Code of Conduct is to assist all Members in the discharge of their obligations to the Council, to their constituents and to the public at large by:

- (a) establishing the standards and principles of conduct expected of all Members in undertaking their duties.
- (b) ensuring public confidence in the standards expected of all Members and in the commitment of the Council to upholding the Code through an open and transparent process.

## Parish Councils

Each Parish Council is also required to adopt a Code of Conduct. If you wish to inspect a Parish Council's Code of Conduct, you should inspect any website operated by the Parish Council or request the parish clerk to allow you to inspect the Parish Council's Code of Conduct



## **PART 1: RULES OF CONDUCT**

The code applies to Members and co opted Members of Slough Borough Council when they are acting in that capacity.

This means that it applies whenever you (a) conduct the business of the Council (including the business of your office as an elected Councillor or co opted Member); (b) act, claim to act or give the impression you are acting as a representative of the Council.

### **SECTION 1 – OVERARCHING PRINCIPLES**

This code is intended to be consistent with Nolan’s Seven Principles of Public Life and should be read in the light of those principles. These are set out below.

#### **Nolan’s Seven Principles of Public Life**

##### **Principle 1. Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

##### **Principle 2. Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

##### **Principle 3. Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

##### **Principle 4. Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

##### **Principle 5. Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

##### **Principle 6. Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

## **Principle 7. Leadership**

Holders of public office should promote and support these principles by leadership and example.

## **SECTION 2 – GENERAL OBLIGATIONS**

When acting in your role as Member of the Council, you must ensure that you conduct yourself in such a manner that complies with the Seven Principles of Public Life. These Principles will be taken into account when considering the investigation and determination of any allegations of breaches of the rules of conduct.

- 2.1 You must treat others with respect, including Council officers and other elected Members.
- 2.2 You must not bully any person (including specifically any Council employee) and you must not intimidate or improperly influence, or attempt to intimidate or improperly influence, any person who is involved in any complaint about any alleged breach of this Code of Conduct.
- 2.3 You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Council.
- 2.4 You must not conduct yourself in a manner which could reasonably be regarded as bringing the Council, or your office as a Member of the Council, into disrepute.
- 2.5 You must not use or attempt to use your position as a Member improperly to confer on or secure for yourself or any other person any advantage or disadvantage.
- 2.6 You have a duty to uphold the law including the general law against discrimination
- 2.7 When using or authorising the use by others of the resources of the Council, you must act in accordance with the Council's reasonable requirements (as set out in such protocol as it may adopt from time to time for these purposes) and must ensure they are not used for party political purposes.
- 2.8 You must not prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
- 2.9 You must not disclose information which is given to you in confidence, or information which you believe or ought reasonably to be aware is of a confidential nature, unless:
  - (a) You have the consent of a person authorised to give it; or
  - (b) You are required by law to do so; or
  - (c) The disclosure is made to a third party for the purpose of obtaining professional advice, provided that the third party agrees not to disclose the information to any other person; or

- (d) The disclosure is reasonable and in the public interest and made in good faith.

## SECTION 3 – RELATIONSHIP WITH OTHERS

- 3.1 Members must ensure that all contact with Council Officers will be through a Director/Assistant Director/Third Tier Officer in the first instance. A distinction is made between contacts with junior staff as part of day to day enquires and Council business and contact by Members where contentious or political issues may arise.

<b>Examples of day to day contact with Junior Officers.</b>	<b>Examples of Matters that should be addressed at Director/Assistant Director/Third Tier</b>
Requests for information on timescales of applications e.g. planning applications, licensing, housing allocation	Specific complaints about not granting planning consent. Complaints about the application of eligibility criteria for housing
Requests for routine information on a case or issue on behalf of a resident, i.e. who is dealing with a case or issues when is it likely to be resolved	Application of threshold or entitlement to Adult Social Care Services.
Requests for information on how processes work and how services are run.	Suggestions for improving services. Observations on service efficiency and effectiveness.

## SECTION 4 – INTERESTS

### 4.1 Registration of interests

You must register in the Council's Register of Members Interests information about your registerable personal interests. In this Code of Conduct 'your registerable personal interests' means:

- (a) any Disclosable Pecuniary Interest as set out in Appendix 2; or
- (b) any other interest held by you as set out in Appendix 2

You must register information about your registerable personal interests by giving written notice to the Monitoring Officer, who maintains the Register, within 28 days of:

- your appointment as a Member of the Council; and
- any change taking place in your registerable personal interests.

Note: Failure without reasonable excuse to register a Disclosable Pecuniary Interest is a criminal offence under section 34 Localism Act 2011 as well as being a breach of this code.

#### **4.2 Sensitive interests**

Where you think that disclosure of the details of any of your registerable personal interests could lead to you, or a person connected with you, being subject to violence or intimidation, the Monitoring Officer may at your request make a note on the Register that you have a personal interest, details of which are withheld.

#### **4.3 Other interests**

You have a “non-disclosable pecuniary interest or non-pecuniary interest” in an item of business of your authority where –

- a decision in relation to that business might reasonably be regarded as affecting the wellbeing or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority’s administrative area, or
- it relates to or is likely to affect any of the interests listed in the Table in Appendix 2 of this Code, but in respect of a member of your family (other than a “relevant person”) or a person with whom you have a close association and that interest is not a disclosable pecuniary interest or non-pecuniary interest in that item, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent.

#### **4.4 Declaration of Members Interests**

All Members are required to disclose as appropriate any personal and personal prejudicial interests in matters that arise at meetings which might influence their judgement or which could be perceived (by a reasonable member of the public) to do so. Members should declare:

- (i) Relevant personal direct and indirect pecuniary interests;
- (ii) Relevant direct and indirect pecuniary interests of close family members of which Members could reasonably be expected to be aware; and
- (iii) Relevant personal non-pecuniary interests, including those which arise from membership of clubs and other organisations.

- (iv) Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority.
- (v) Any body exercising a function of a public nature, directed to charitable purposes or whose principal purpose includes the influence of public opinion or policy.
- (vi) Your wellbeing or financial position or the wellbeing or financial position of a member of your family with whom you have a close association.

The personal interest becomes **prejudicial** if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice your judgement of the public interest. A Member's DPIs are always prejudicial.

A Member must observe the restrictions the Council places on their involvement in matters where they have a pecuniary or non pecuniary interest as defined by the Council.

#### **4.5 Interests arising in relation to Overview and Scrutiny Committee and its Panels**

Members have a prejudicial interest in any business before an Overview and Scrutiny Committee of the Council (or Panel) where

- (a) that business relates to a decision made (whether implemented or not) or action taken by the Council's Cabinet or another committee, sub-committee, joint committee or joint sub-committee; and
- (b) at the time the decision was made or action was taken, you were a Member of the Cabinet, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

In such a case, provided the public have a right to speak at such a meeting, as a Member you are able to make any representations or answer any questions once you have declared the nature of the interest you have. You must then withdraw from the room.

#### **4.6 Action following declaration**

If you are acting as a decision maker at a meeting where you have an interest in the matter being discussed or that arises during the course of the meeting you need to consider if your interest is a Disclosable Pecuniary Interest.

If it is

- (a) you must withdraw from the room where the meeting considering the business is being held, unless a written dispensation has been granted
- (b) you are not permitted to participate in any discussion of a matter that relates to your DPI at the meeting

- (c) you are not permitted to participate in any vote on the matter where you have a DPI

In the case of any other Pecuniary or Non Pecuniary Interest, the Committee Member will need to consider whether a member of the public with knowledge of the relevant facts would reasonably regard the interest as so significant that it is likely to prejudice your judgement of the public interest. If you believe this to be the case or you are advised that this is the case then that Member must:-

- (a) disclose the existence and nature of the interest at the meeting;
- (b) withdraw from the room or chamber where the meeting considering the business is being held.

However, provided the public have a right to speak at such a meeting the Member is able to make representations or answer any questions when the nature of the interest has been declared. The Member must then withdraw from the room.

See Appendix 3 for the Declaration of Interests Flow Chart and Appendix 4 for the Declaration of Receipt of Gifts or Hospitality.

#### **4.7 Dispensations from the restriction from participating voting in meetings**

This provision applies to a situation where a Member or Members have an interest, which prevents them from taking part in a decision but they feel they ought to be able to participate or that it is necessary to allow them to participate in the interests of proper decision making, as explained below.

One or more Members may apply for a dispensation from the requirement not to participate in or vote in respect of a matter at a meeting by written request to the Monitoring Officer, so that they are able to participate in respect of that matter at the meeting.

The Monitoring Officer (or in his/her absence the Deputy Monitoring Officer) may agree the dispensation on behalf of the Council, where s/he considers, after having had regard to all relevant circumstances such as follows:

- (a) that without the dispensation the number of persons prohibited by section 31(4) of the Act from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business,
- (b) that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business,
  - i. that granting the dispensation would be in the interests of persons living in the Council's area,
  - ii. that without the dispensation each Member of the Cabinet would be prohibited by section 31(4) of the Act from participating in any particular

business to be transacted by the Cabinet, or

iii. that it is otherwise appropriate to grant a dispensation.

If granted the dispensation will be granted by the Monitoring Officer in writing and citing the ground or grounds on which it is agreed and it will be published on the Council's website within 7 days of the decision.

The dispensation must be for a fixed time not exceeding a period beyond the next Council elections and will normally cover only a specific matter or meeting.

A general dispensation is granted to all Members to be present, speak and vote where they would otherwise have a DPI on the grounds that it is appropriate to grant a dispensation to allow all Members to participate fully in the following matters:

- (a) Housing: where the Member (or spouse or partner) holds a tenancy or lease with the Council as long as the matter does not only relate to the Member's particular tenancy or lease\*.
- (b) School meals or school transport and travelling expenses where the Member is a parent or guardian of a child in full time education, or is a parent governor of a school, provided that the matter does not only relate to the particular school which the child attends.
- (c) Housing Benefit: where the Member (or spouse or partner) directly receives housing benefit in relation to their own circumstances.
- (d) Allowances, travelling expenses, payments or indemnity for Members (this is included for the avoidance of doubt even though they are not a DPI)
- (e) Setting the Council Tax or a Precept; and
- (f) Decisions in relation to Council Tax Benefit.

\* Any general housing related dispensations afforded to Members will not negate the need for Members to declare a personal or prejudicial interest; particularly where the Member or spouse holds a tenancy or lease with the Council and a matter requiring a decision may/will impact their own Council tenancy.

For example, in cases where the matter particularly affected their local neighbourhood and was considered to affect their own tenancy more than other people in the authority's area, the Member should consider whether it is appropriate to participate in the decision making process.

For the avoidance of doubt and to ensure adherence to the Member Code of Conduct, Members should seek guidance from the Council's Monitoring Officer.

It is recommended that the general dispensation applies until the next election (May 2018) and that the Council considers granting general dispensations annually at its annual meeting.

Dispensations for Council Tax relate to Members' DPIs, and do not affect a Member's obligation under Section 106 of the Local Government Finance Act 1992 to declare and not vote if they are two months or more in arrears with their Council Tax when voting on setting the Council's budget.

The Council can grant a dispensation to enable Members to participate in certain circumstances and the Monitoring Officer is authorised to determine written requests for a dispensation. A form to request a dispensation is attached at Appendix 6.

#### **4.8 Gifts and Hospitality**

You must within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with a value in excess of £25 which you have accepted as a Member from any person or body other than the borough Council.

The Monitoring Officer will place the notification on the public register of gifts and hospitality.

#### **4.9 Updating the Register of Interests**

You must within 28 days of becoming aware of any new disclosable pecuniary interest or change to any disclosable pecuniary interest already registered provide written notification to the Monitoring Officer via an amendment form obtainable from Democratic Services.

#### **4.10 Predetermination and Bias**

A Member is not taken to have had, or to have appeared to have had, a closed mind when making/acting as a decision maker, merely because

- (i) they had previously done anything that directly or indirectly indicated what view, they as decision maker would or might take in relation to a matter and
- (ii) the matter was relevant to the decision being taken.

When making a decision, Members must consider the matter before them, with an open mind and on the facts before the meeting at which the decision is to be taken.

Where a Member has been involved in campaigning in a political role on an issue, provided this does **not** impact on a Member's personal and/or professional life, a Member is not be prohibited from participating in a decision in their political role as Member.

Members must not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence their performance of their official duties.

Members who sit as Committee Members need to be aware that when they have an interest in the matter being discussed or being decided, the role as a decision maker is subject to extra scrutiny.

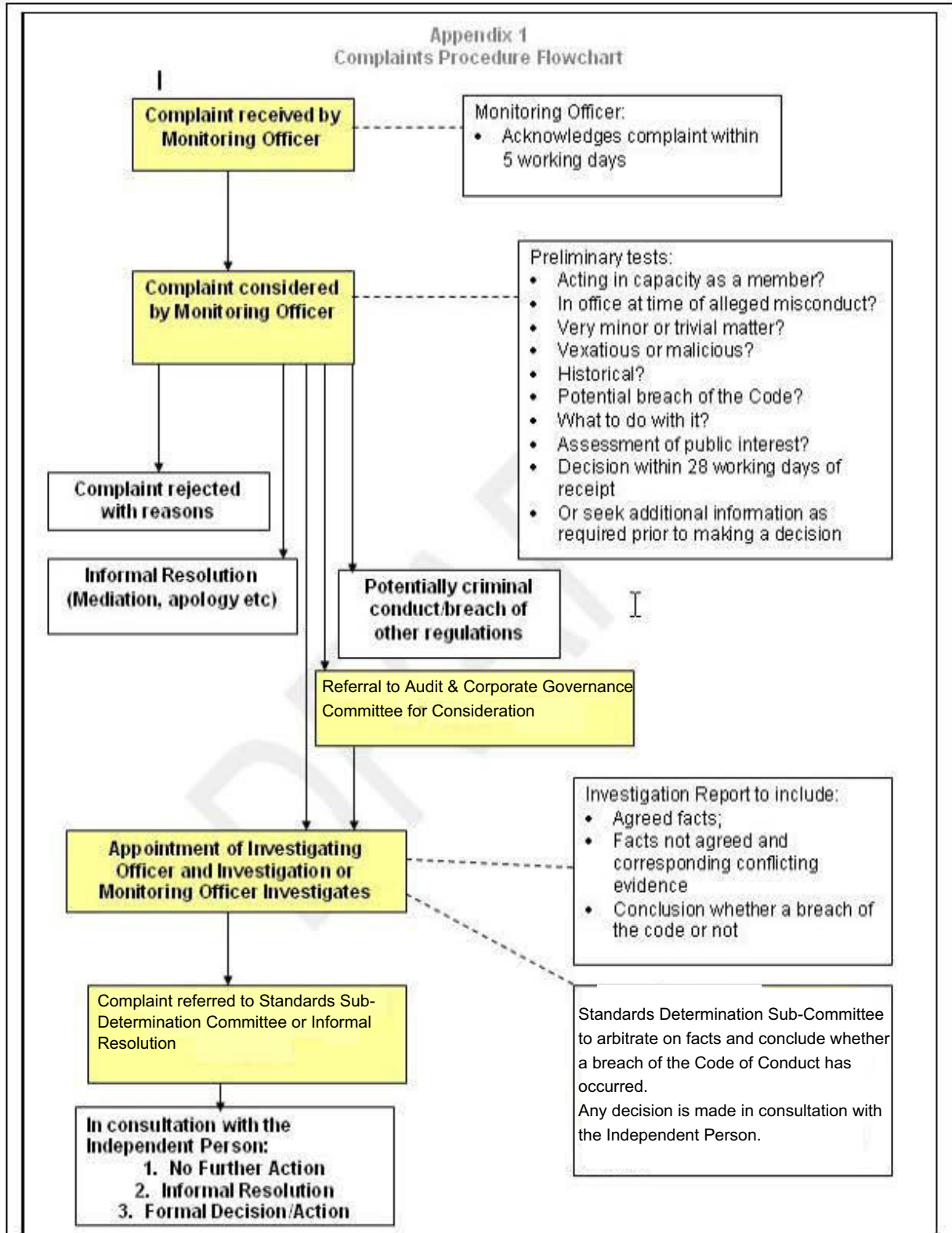


Members who are not Committee Members, but are attending a Committee to speak, also need to be aware that if they have an interest in the matter they are speaking on, their role as an interested Member is also subject to extra scrutiny.

Members should seek advice in advance of a meeting when a matter is known or should reasonably have been known to involve an interest affecting a Committee Member and complete the Declaration of Interests at Meetings Form. Guidance on predetermination is set out at Appendix 6 to the Code.

## PART 2: THE COMPLAINTS PROCESS

Complaints against Members process is set out in the flow chart below



## **Appeals**

There is no right of appeal against a decision of the Monitoring Officer or of the Standards Determination Sub Committee to the Council.

## **Independent Person**

The Independent Person is invited to attend all meetings of the Sub Committee and his/her views are sought and taken into consideration before the Sub Committee takes any decision on whether the Member's conduct constitutes a failure to comply with the Code of Conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct.

## GLOSSARY

In this Code the following words will have the following meanings:—

<b>“Authority”</b>	means Slough Borough Council
<b>“Council”</b>	means Slough Borough Council
<b>“Parish Council”</b>	means the following Parish Councils:  Britwell Parish Council,  Colnbrook with Poyle Parish Council,  <i>Wexham Court Parish Council</i>
<b>“Code of Conduct”</b>	section 1 part 1 of the Code of Conduct also referred to as the “Rules”.
<b>“Code of Conduct Protocol”</b>	means the document entitled
<b>“Independent Person”</b>	The Independent Person is a person who complies with the requirements section 28 Localism Act 2011.
<b>“Meeting”</b>	means any meeting of— (a) The authority; (b) The executive of the authority; (c) Any of the authority’s or its executive’s committees, sub-committees, joint committees, joint sub-committees, or area committees;  Whether or not the press and public are excluded from the meeting in question by virtue of a resolution of Members
<b>“Member”</b>	means a co-opted Member or an appointed Member of Slough Borough Council
<b>“Co-opted Member”</b>	means a co-opted Member of Slough Borough Council
<b>“Subject Member”</b>	means a Member who is the subject of a complaint for a breach of the Councillors Code of Conduct
<b>“Sensitive Information”</b>	means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person connected to you may be subject to violence or intimidation.
<b>“7 Principles”</b>	means the general principles of conduct identified by the Committee on Standards in Public Life in its First Report, namely: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, Leadership.

## DISCLOSABLE PECUNIARY INTERESTS DEFINITION AND GUIDANCE NOTES

The Localism Act 2011 provides that this will cover the interests not just of the Member, but also his/her spouse, civil partner or person with whom he/she lives as if they were spouses or civil partners, in so far as the Member is aware of his/her partner's interests.

These notes give general guidance on what items Members should include on the disclosable pecuniary interests form. The onus is on the individual Member to make their own judgement about making a declaration and they should not rely on direction from an officer, though if in doubt they can seek advice.

Disclosable Pecuniary Interest	Guidance
<p><b>Employment, office, trade, profession or vocation</b> Any employment, office, trade, profession or vocation carried on for profit or gain.</p>	<p>You should show every employment, office, trade, profession or vocation that you and your spouse/partner receive remuneration for other than simply repayment of expenses – a good example is what you would have to declare for income tax purposes.</p> <p>Give a short description of the activity concerned; for example 'Computer Operator' or 'Accountant'.</p> <p>Where you hold an office, give the name of the person or body which appointed you. In case of a public office, this will be the authority which pays you.</p>
<p><b>Sponsorship</b> Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred in carrying out duties as a Member or towards election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>	<p>You should declare the name of any person or body who has made any payments to you towards your expenses as a Councillor or towards your election expenses. You do not need to declare the amounts of any payments, only the name of the person or body making them.</p> <p>It refers to payment of election expenses by a third party – you do not need to declare if you pay your election expenses yourself. This would usually mean a political party at election time.</p>

<p><b>Contracts</b> Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority –</p> <p>(a) Under which goods or services are to be provided or works are to be executed; and (b) Which has not been fully discharged.</p>	<p>You should list any contract made between yourself or your spouse/partner or a body in which either of you have a beneficial interest and Slough Borough Council (or an organisation contracted to carry out business on its behalf):-</p> <p>(a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.</p>
<p><b>Land</b> Any beneficial interest in land which is within the area of the relevant authority.</p>	<p>You should include any land and buildings in the area of the Borough in which you or your spouse/partner have a beneficial interest. You should give the address or a brief description to identify it.</p> <p>If you live in the Borough you should include your home under this heading whether as owner or lessee.</p> <p>You should also include any property from which you receive rent, or of which you are the mortgagee.</p> <p>The Monitoring Officer has also advised that any land in the Borough area in the ownership of a charity or organisation of which you or your spouse/partner are a trustee should also be included in this section.</p> <p>“Land” also includes any buildings or parts of buildings.</p>
<p><b>Licences</b> Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.</p>	<p>You should include land in the area of the Borough which you or your spouse/partner have a right to occupy, but neither own nor have tenancy of. You should give the address or a brief description to identify it.</p> <p>“Land” includes any buildings or parts of buildings.</p>
<p><b>Corporate Tenancies</b> Any tenancy where (to your knowledge) –</p> <p>(a) The landlord is the relevant authority; and (b) The tenant is a body in which the relevant person has a beneficial interest.</p>	

**Securities**

Any beneficial interest in securities of a body where –

(a) That body (to your knowledge) has a place of business or land in the area of the relevant authority; and

(b) Either –

(i) The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

(ii) If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class

You should list the names of any companies, industrial and provident societies, co-operative societies, or other bodies corporate that (to your knowledge) are active in the Borough and in which you or your spouse/partner have a substantial interest. You do not need to show the extent of your interest.

You have a substantial interest if you own shares or other securities in the company with a nominal value of more than £25,000 or more than 1/100th of the issued share or securities. If there are several classes of shares or securities, the fraction of 1/100th applies to any of these classes.

The company or body corporate is active in the Borough if it has land or a place of business in the Borough.

## **Pecuniary and Non Pecuniary Information to be registered**

<b><u>Membership of other bodies</u></b>
a. Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the Council.
b. Any body exercising functions of a public nature of which you are a member or in a position of general control or management.
c. Any body directed to charitable purposes of which you are a member or in a position of general control or management.
d. Any body one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.



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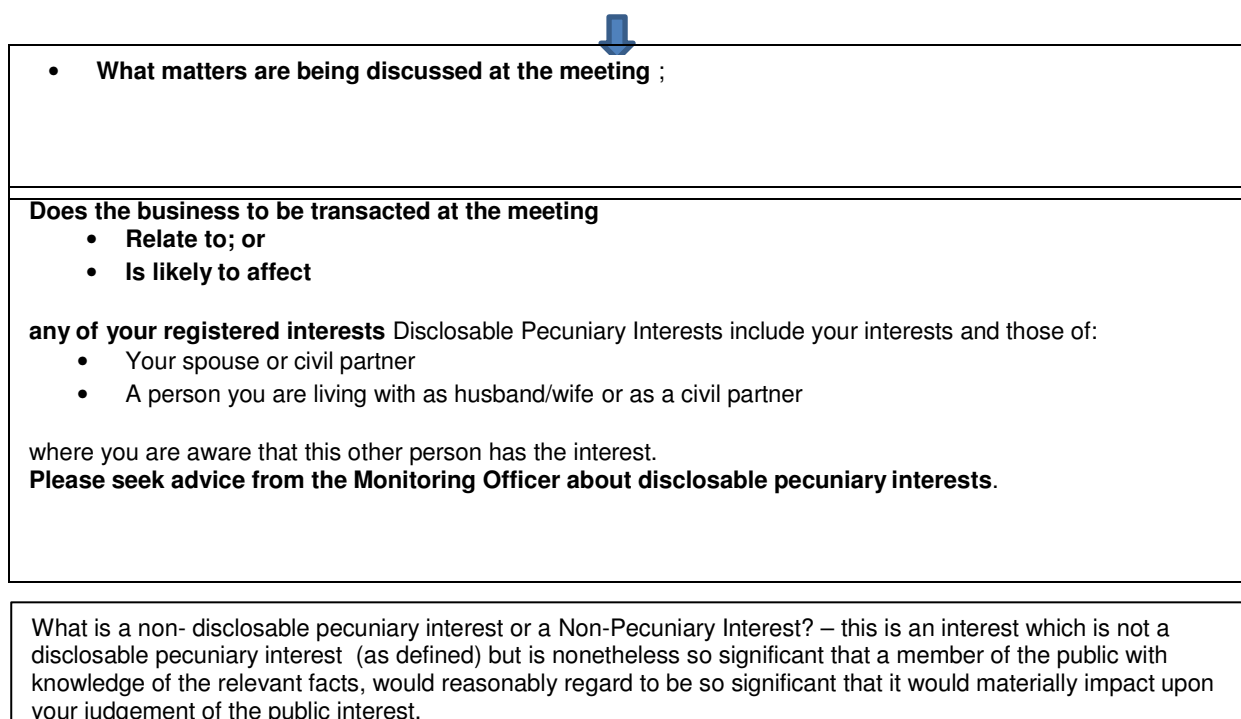
## Declaring Interests Flowchart, Questions to ask yourself

Breaching those parts identified as a disclosable pecuniary interest is potentially a criminal offence

### Helpful Reminders for Members

- Is your register of interests up to date?
- In particular, have you declared to the Monitoring Officer all disclosable pecuniary interests?
- Have you checked the register to ensure that they have been recorded correctly?

## When should you declare an interest at a meeting?



### DPI

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting.



If the interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register.



### Non-DPI

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature. You should declare the interest and decide whether you can properly speak and remain in the meeting or should not participate further..

not participate further..

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- Not participate, or participate further, in any discussion of the matter at a meeting;
  - Not participate in any vote or further vote taken at the meeting; and
  - Leave the room while the item is being considered/ voted upon
- If you are a Cabinet Member they may make arrangements for the matter to be dealt with by a third person but take no further step

## CODE OF CONDUCT FOR MEMBERS DECLARATION OF INTERESTS AT MEETINGS

This form should be completed by Members who declare an interest at any meeting of the Authority, the Executive of the Authority, or any of the Authority's or its Executive's Committees, Sub-Committees Joint Committees or Area Committees.

Name of Member .....

Meeting :..... Date: .....

Agenda Item: ..... Time: .....

Type of Interest declared (Please tick as appropriate)

**Personal Interest**

A Member with a personal interest in any matter may remain, speak and vote when the matter is considered.

**Personal/Prejudicial Interest**

*A Member with a Prejudicial Interest must:-*

- withdraw from the room where the meeting is being held wherever it becomes apparent that the matter is being considered at that meeting.
- not seek improperly to influence a decision about the matter.

***[Unless you are at a meeting where members of the public have a right to address the meeting in which case Members have the same rights as an ordinary member of the public but must take not part or have any role in the decision making process.]***

Note: A Member's Disclosable Pecuniary Interests are always prejudicial.

Nature/Detail of Interest

.....  
 .....  
 .....  
 .....  
 .....

Action to be taken following declaration (*tick as appropriate*)

Withdraw from meeting

Remain and speak

Remain and speak and vote

Signed: ..... Date: .....

*This form, once completed, will be available for inspection, on request during office hours, by any Member of the Council or member of the public.*

To: The Monitoring Officer

## DECLARATION OF RECEIPT/OFFER OF GIFTS OR HOSPITALITY

Name of Member	
What was the gift or hospitality?	
What is your best estimate of its market value or cost?	
Who provided it?	
When and where did you receive it?	
Did you accept it and were there any special circumstances justifying acceptance of this gift or hospitality?	
Signed	Date

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## REQUEST FOR A DISPENSATION

Request to Monitoring Officer

Please complete the following details and give as much information as possible (you can attach additional sheets of paper, if required).

1. **Please summarise the matter to which your interest relates**
  
2. **What is the nature of your interest?**
  
3. **For which meeting(s) or period are you seeking a dispensation?**
  
4. **Please set out in detail the reason(s) why you consider you should be granted a dispensation.**

	Name	Signature	Date

**When completed, this form should be sent to the Monitoring Officer**



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## **MEMBERS COMPLAINTS ASSESSMENT CRITERIA**

### **Complaints which would not normally be referred for investigation**

1. The complaint is not considered sufficiently serious to warrant investigation; or
2. The complaint appears to be simply motivated by malice or is “tit-for-tat”; or
3. The complaint appears to be politically motivated; or
4. It appears that there can be no breach of the Code of Conduct; for example, that it relates to the Councillor’s private life or is about dissatisfaction with a Council decision; or
5. It is about someone who is no longer a Councillor
6. There is insufficient information available for a referral; or
7. The complaint has not been received within 3 months of the alleged misconduct unless there are exceptional circumstances e.g. allegation of bullying, harassment etc.
8. The matter occurred so long ago that it would be difficult for a fair investigation to be carried out; or
9. The same, or similar, complaint has already been investigated and there is nothing further to be gained by seeking the sanctions available to the Audit & Corporate Governance Committee; or
10. It is an anonymous complaint, unless it includes sufficient documentary evidence to show a significant breach of the Code of Conduct.
11. Where the Member complained of has apologised and/or admitted making an error and the matter would not warrant a more serious sanction

### **Complaints which may be referred to the Audit & Corporate Governance Committee**

1. It is serious enough, if proven, to justify the range of actions available to the Standards Determination Sub-Committee; or
2. There are individual acts of minor misconduct which appear to be a part of a continuing pattern of behaviour that is unreasonably disrupting the business of the Council and there is no other avenue left to deal with it other than by way of an investigation.
3. When the complaint comes from a senior officer of the Council, such as the Chief Executive or the Monitoring Officer and it would be difficult for the Monitoring Officer to investigate; or
4. The complaint is about a high profile Member such as the Leader of the Council and it would be difficult for the Monitoring Officer to investigate.
5. Such other complaints as the Monitoring Officer considers it would not be appropriate for him to investigate.

## APPENDIX 2

### Part 5.1 Councillors' Code of Conduct [EXISTING]

#### CONTENTS

##### Introduction

##### Part 1 Rules of Conduct

Section One	Overarching Principles
Section Two	Relationship with others
Section Three	Interests
Section Four	Management of Information

##### Part 2 The Complaints Process

##### Part 3 Investigation & Determination of Complaints

#### APPENDICES

1. Glossary
2. What All Members should know - Flowchart
3. Disclosable Pecuniary Interests - Definition and Guidance
4. Declaration of Interests - Flow Chart
5. Code of Conduct for Members - Declaration of Interests at Meetings Form
6. Declaration of Receipt/Offer of Gifts or Hospitality
7. Predetermination / Predisposition - Guidance
8. Request for a Dispensation
9. Members Complaints Procedure - Flowchart
10. Members Complaints Assessment Criteria

# INTRODUCTION

## Purpose of the Code

The Localism Act 2011 requires this Council to promote and maintain high standards of conduct by its Members and Co-opted Members. In discharging its duty, the Council is required to adopt a Code of Conduct which sets out the conduct expected of its Councillors.

The Council's Code of Conduct is divided into 3 sections:

1. the Rules of Conduct
2. the Complaints process
3. the Investigation & Determination of complaints

The purpose of this Code of Conduct is to assist all Members in the discharge of their obligations to the Council, to their constituents and to the public at large by:

- (a) establishing the standards and principles of conduct expected of all Members in undertaking their duties;
- (b) ensuring public confidence in the standards expected of all Members and in the commitment of the Council to upholding the Code through an open and transparent process

## Who does the Code apply to:

Any reference to "member" in this Code is taken to apply to Members & Co-opted Members of Slough Borough.

## What does the Code apply to:

The Code applies to a Member's conduct which relates in any way to their membership of the Council. The Code does not seek to regulate the conduct of Members in their purely private and personal lives or in the conduct of their wider public lives unless such conduct significantly damages the reputation and integrity of the Council as a whole or of its Members generally.

## Parish Councils

Each parish council is also required to adopt a Code of Conduct. If you wish to inspect a Parish Council's Code of Conduct, you should inspect any website operated by the parish council or request the parish clerk to allow you to inspect the parish council's Code of Conduct.

## **PART 1: RULES OF CONDUCT**

This Code applies to all Members of Slough Borough Council, including co-opted members.

It is a Member's responsibility to comply with the provisions of the Code of Conduct and to follow any advice given to them on the interpretation or application of this Code.

### **SECTION 1 – OVERARCHING PRINCIPLES**

As a Member of the Council:

- 1.1 It is your responsibility to comply with the provisions of Slough Borough Council's Councillors Code of Conduct.
- 1.2 You must comply with this Code whenever you -
  - (a) conduct the business of the Council or
  - (b) you are acting as a representative of the Council,
- 1.3 Where you act as a representative of the Council--
  - (a) for another relevant authority, you must, when acting for that other authority, comply with that other body's Code of Conduct; or
  - (b) on any other body, you must, when acting for that other body, comply with your Council's code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

#### **General Principles of Conduct**

- 1.4 When acting in your role as a Member of the Council, you must ensure that you conduct yourself in such a manner that complies with the Seven Principles of Public Life (referred to in the Code as the "7 Principles"). These general principles of conduct were identified by the Committee on Standards in Public Life in its First Report (and subsequently updated in its 14<sup>th</sup> Report). These principles will be taken into account when considering the investigation and determination of any allegations of breaches of the Rules of Conduct.
- 1.5 A breach of any of the 7 Principles will be seen as breach of the Rules of Conduct.

## 1.6 The Seven Principles of Public Life are:

### ***Preamble***

The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education and social services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

### ***Principle 1. Selflessness***

Holders of public office should act solely in terms of the public interest.

### ***Principle 2. Integrity***

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.

### ***Principle 3. Objectivity***

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

### ***Principle 4. Accountability***

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

### ***Principle 5. Openness***

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

### ***Principle 6. Honesty***

Holders of public office should be truthful.

### ***Principle 7. Leadership***

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support principles and be willing to challenge poor behaviour wherever it occurs.

### **Key points**

**Do ensure, that when you are acting in the capacity as a Member, you abide by the Council's Code of Conduct.**

**Do remember that it is Member's responsibility to comply of the Code.**

## SECTION 2 – RELATIONSHIP WITH OTHERS

- 2.1 Members must treat others with respect.
- 2.2 Members have a duty to uphold the law, including the general law against discrimination.
- 2.3 Members shall never undertake any action which would cause significant damage to the reputation and integrity of the Council as a whole, or of its Members generally.
- 2.4 Members must not undertake any act or omission that would undermine the Council's duty to promote and maintain high standards of conduct of members.
- 2.5 When reaching decisions on any matter, Members must have regard to any relevant advice provided to them by the Council's Chief Finance Officer and or the Monitoring Officer.
- 2.6 It is contrary to law for a Member to accept a bribe to influence his or her conduct as a Member, including any fee, compensation or reward in kind, in connection with the promotion of, or opposition to, any, Motion, or other matter submitted, or intended to be submitted to the Council.
- 2.7 Members should act on all occasions in accordance with the public trust placed in them. They should always behave with probity and integrity, including in their use of public resources. Members shall base their conduct on a consideration of the public interest, avoid conflict between personal interest and the public interest and resolve any conflict between the two, at once, and in favour of the public interest.
- 2.8 Members are personally responsible and accountable for ensuring that their use of any expenses, allowances, facilities and services provided from the public purse is applied for the support or in assistance of the carrying of their duties as Members.
- 2.9 Members must not use their position as a Councillor to exert influence on relations with Council Officers or attempt to undermine the independence or impartiality of Council Officers when such Officers are acting in the course of their duties. This includes attendance at Individual/Case Management meetings whereby the presence of a member may affect impartiality, professional decision making and risk assessment.
- 2.10 Members must ensure that all contact with Council Officers will be through a Director/ Assistant Director/Third Tier Officer in the first instance. A distinction is made between contacts with junior staff as part of day to day enquires and council business and contact by members where contentious or political issues may arise.

<b>Examples of day to day contact with Junior Officers.</b>	<b>Examples of Matters that should be addressed at Director/ Assistant Director/Third Tier</b>
Requests for information on timescales of applications e.g. planning applications, licensing, housing allocation	Specific complaints about not granting planning consent. Complaints about the application of eligibility criteria for housing
Requests for routine information on a case or issue on behalf of a resident, ie who is dealing with a case or issues when is it likely to be resolved	Application of threshold or entitlement to Adult Social care Services.
Requests for information on how processes work and how services are run.	Suggestions for improving services. Observations on service efficiency and effectiveness.

## Use of Council Resources

- 2.11 When using or authorizing the use by others of Council resources, Members must ensure that they:
- (a) not use or attempt to use their position as a Member improperly to confer on or secure for themselves or any other person, an advantage or disadvantage; and
  - (b) when using or authorising the use by others of the resources of the Council-
    - i. act in accordance with the Council’s reasonable requirements;
    - ii. ensure that such resources are not used improperly for political purposes (including party political purposes); and
  - (c) have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.
- 2.12 A member must, if he or she becomes aware of any conduct by another member which he or she reasonably believes involves a failure to comply with the Council’s Code of Conduct, speak to the Council’s Monitoring Officer who can advise as to how the matter can be resolved. In doing so the Monitoring Officer can decide that the Member informal resolution route is the most suitable route.

### Key Points

- Do** respect the impartiality and integrity of the Council’s Officers.
- Do** follow the advice given by Statutory Officers
- Do not** bully, intimidate or attempt to intimidate others.



## SECTION 3 – INTERESTS

### General

- 3.1 As a public figure, a Member's public role may, at times, overlap with their personal and/or professional life and interests, however when performing a public role as a Member, you must,
- (a) act solely in terms of the public interest and
  - (b) not act in a manner to gain financial or other material benefits for yourself, your family, your friends, your employer or in relation to your business interests.
- 3.2 Members shall fulfil conscientiously the requirements in respect of the registration and declaration of interests.
- 3.3 Members shall always be open and frank in drawing attention to any relevant interest in any proceeding of the Council or its Committees, and in any communications with Members, public officials or public office holders. Members are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office as Councillors/Co-opted Members. Interests must be recorded and be capable of audit.

### Registering and declaring interests

- 3.4 You must, within 28 days of this Code being adopted or applied by the Council or taking office as a member or co-opted member (whichever is the later), notify the monitoring officer of any disclosable pecuniary interest (DPI) as defined by regulations made by the Secretary of State, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.
- 3.5 In addition, you must, within 28 days of taking office as a member or co-opted member, notify the monitoring officer of other pecuniary or non-pecuniary interests as set out in Appendix 3 to the Code as the Council has decided that these should be included in the Register. (See Appendix 3 to the Code for the definition of a DPI, guidance to Members on completion of the DPI interests form and those other interests to be registered).
- 3.6 If as a Member you have either a DPI, any other pecuniary interest or a non-pecuniary interest, you have an interest in any business to be considered at a meeting of the Council you must disclose the existence and nature of that interest at the meeting, whether or not such interest is registered on your Register of Interests.
- 3.7 Following any disclosure of an interest not on the authority's register you must notify the monitoring officer of the interest within 28 days beginning with the date of disclosure.

## Declaration of Members Interests

- 3.8 All Members required to disclose as appropriate any personal and personal prejudicial interests in matters that arise at meetings which might influence their judgement or which could be perceived (by a reasonable member of the public) to do so. Members should declare:
- (i) relevant personal direct and indirect pecuniary interests;
  - (ii) relevant direct and indirect pecuniary interests of close family members of which Members could reasonably be expected to be aware; and
  - (iii) relevant personal non-pecuniary interests, including those which arise from membership of clubs and other organisations.
  - (iv) Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority.
  - (v) Any body exercising a function of a public nature, directed to charitable purposes or whose principal purpose includes the influence of public opinion or policy.
  - (vi) Your well being or financial position or the well being or financial position of a member of your family with whom you have a close association.
- 3.9 The Personal interest becomes **prejudicial** if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice your judgement of the public interest. A Member's DPIs are always prejudicial.
- 3.10 A Member must observe the restrictions the Council places on your involvement in matters where you have a pecuniary or non pecuniary interest as defined by the Council.

## Disclosure of Sensitive Interests

- 3.11 Sensitive Interests arise when a Member and the Monitoring Officer consider that the disclosure of the details of the interest could lead to the Member or person connected with the Member being subject to violence or intimidation. The Monitoring Officer will ensure all recorded interests that are of a sensitive nature are recorded in a manner that do not disclose the details of such an interest
- 3.12 Where a Member has an interest in any business of the Council which would be disclosable but the details of the interest are not registered in the Council's published Register of Members Interests because they are classed as Sensitive Interests a Member need not disclose the nature of the interest to the meeting.
- 3.13 A Member must, within 28 days of becoming aware of any change of circumstances which means that information excluded on the grounds of being sensitive is no longer sensitive information, notify the Council's monitoring officer.

## **Disclosure and participation at Meetings General Principles**

- 3.14 At a meeting where a Member is being asked to make a relevant decision, or is speaking, a Member must not compromise any of the 7 Principles when arriving at or making such a decision.
- 3.15 Members should declare any personal and/or professional interests relating to their public duties and must take steps to resolve any conflicts arising in a way that protects the public interest.
- 3.16 A declaration of an interest made at any meeting relating specifically to a particular issue under consideration shall be recorded. The declaration shall appear in the minutes of the meeting and will be published on the Council's website.

## **Interests arising in relation to overview and scrutiny committee and its Panels**

- 3.17 Members have a prejudicial interest in any business before an Overview and Scrutiny Committee of the Council (or Panel) where-
- (a) that business relates to a decision made (whether implemented or not) or action taken by the Council's Cabinet or another committee, sub-committee, joint committee or joint sub-committee; and
  - (b) at the time the decision was made or action was taken, you were a member of the Cabinet, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.
- 3.18 In such a case, provided the Public have a right to speak at such a meeting, as a Member you are able to make any representations or answer any questions once you have declared the nature of the interest you have. You must then withdraw from the room.

## **Predetermination and Bias**

- 3.19 A Member is not taken to have had, or to have appeared to have had, a closed mind when making/acting as a decision maker, merely because
- (i) they had previously done anything that directly or indirectly indicated what view, they as decision maker would or might take in relation to a matter and
  - (ii) the matter was relevant to the decision being taken.

When making a decision, Members must consider the matter before them, with an open mind and on the facts before the meeting at which the decision is to be taken.

- 3.20 Where a Member has been involved in campaigning in a political role on an issue, provided this does **not** impact on a Member's personal and/or professional life, a Member is not be prohibited from participating in a decision in their political role as Member.

- 3.21 Members must not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence their performance of their official duties.
- 3.22 Members who sit as Committee Members need to be aware that when they have an interest in the matter being discussed or being decided, the role as a decision maker is subject to extra scrutiny.
- 3.23 Members who are not Committee Members, but are attending a Committee to speak, also need to be aware that if they have an interest in the matter they are speaking on, their role as an interested member is also subject to extra scrutiny.
- 3.24 Members should seek advice in advance of a meeting when a matter is known or should reasonably have been known to involve an interest affecting a Committee Member and complete the Declaration of Interests at Meetings Form. Guidance on Predetermination is set out at Appendix 7 to the Code.

### **Action following declaration**

- 3.25 If you are acting as a decision maker at a meeting where you have an Interest in the matter being discussed or that arises during the course of the meeting you need to consider if your interest is a Disclosable Pecuniary Interest.
- 3.26 If it is
- (a) you must withdraw from the room where the meeting considering the business, is being held, unless a written dispensation has been granted.
  - (b) you are not permitted to participate in any discussion of a matter that relates to your DPI at the meeting,
  - (c) you are not permitted to participate in any vote on the matter where you have a DPI.
- 3.27 In the case of any other Pecuniary or Non Pecuniary Interest, the Committee Member will need to consider whether a member of the public with knowledge of the relevant facts would reasonably regard the interest as so significant that it is likely to prejudice your judgement of the public interest. If you believe this to be the case or you are advised that this is the case then that Member must:-
- (a) disclose the existence and nature of the interest at the meeting
  - (b) withdraw from the room or chamber where the meeting considering the business is being held.
- 3.28 However, provided the public have a right to speak at such a meeting the Member is able to make representations or answer any questions when the nature of the interest has been declared. The Member must then withdraw from the room.

## Other decision making

- 3.29 Certain types of decisions, including those relating to a permission, licence, consent or registration for a Member, their friends, family members, employer or their business interests, are so closely tied to their personal and/or professional life that their ability to make a decision in an impartial manner in their role as a Member may be called into question and in turn could raise issues about the validity or veracity of the decision of the Council. In such situation Members have the same rights as an ordinary member of the public but must take not part or have any role in the decision making process.

## Dispensations

- 3.30 A general dispensation is granted to all Members to be present, speak and vote where they would otherwise have a DPI on the grounds that it is appropriate to grant a dispensation to allow all Members to participate fully in the following matters:

- (a) Housing: where the member (or spouse or partner) holds a tenancy or lease with the Council as long as the matter does not only relate to the member's particular tenancy or lease\*.
- (b) school meals or school transport and travelling expenses where the member is a parent or guardian of a child in full time education, or is a parent governor of a school, provided that the matter does not only relate to the particular school which the child attends;
- (c) Housing Benefit: where the member (or spouse or partner) directly receives housing benefit in relation to their own circumstances
- (d) Allowances, travelling expenses, payments or indemnity for members; [looked as though it could be one payment to one]
- (e) Setting the Council Tax or a Precept; and
- (f) Decisions in relation to Council Tax Benefit.

\*Any general housing related dispensations afforded to members will not negate the need for members to declare a personal or prejudicial interest; particularly where the member or spouse holds a tenancy or lease with the Council and a matter requiring a decision may/will impact their own Council tenancy.

For example in cases where the matter particularly affected their local neighbourhood and was considered to affect their own tenancy more than other people in the Authority's area, the Member should consider whether it is appropriate to participate in the decision making process.

- 3.31 For the avoidance of doubt and to ensure adherence to the member code of conduct, members should seek guidance from the Council's Monitoring Officer.
- 3.32 Members' allowances are included in this general dispensation for the avoidance of doubt and for completeness even though they are not a DPI.

- 3.33 It is recommended that the general dispensation applies until the next election (May 2018) and that the Council considers granting general dispensations annually at its annual meeting.
- 3.34 Dispensations for Council Tax relate to Members' DPIs, and do not affect a Member's obligation under Section 106 of the Local Government Finance Act 1992 to declare and not vote if they are two months or more in arrears with their Council Tax when voting on setting the Council's budget.
- 3.35 The Council can grant a dispensation to enable Members to participate in certain circumstances and the Monitoring Officer is authorised to determine written requests for a dispensation. A form to request a dispensation is attached at Appendix 8.

### **Gifts and Hospitality**

- 3.36 Members should exercise the utmost care in relation to hospitality or gifts received in their role as a Member as there could be a real or perceived conflict with their membership of the Council. Members should declare any disclosable gift or hospitality to the Monitoring Officer using the form provided and these declarations will be included in a register maintained by the Monitoring Officer that is open to public inspection.
- 3.37 The following gifts and types of hospitality do not need to be disclosed/registered:
- civic hospitality provided by another public authority
  - modest refreshment in connection with any meeting
  - tickets for sporting, cultural and entertainment events which are sponsored by the Council
  - a modest alcoholic or soft drink on the occasion of an accidental social meeting
  - small gifts of low intrinsic value below £25 and modest souvenir gifts with a value below £25 from another public authority given on the occasion of a visit by or to that Authority.
- 3.38 A Member should never accept any gift or hospitality as an inducement or reward for anything, if acceptance might be open to misinterpretation or which puts the Member under an improper obligation. A Member should never solicit a gift or hospitality.
- 3.39 Where it is impracticable to return any unsolicited gift, or the return would cause offence, the Member must, as soon as practicable after the receipt of the gift notify the Monitoring Officer in writing (form attached) and pass the gift to the Mayor's Executive Officer for donation to a charity raffle as appropriate.
- 3.40 Even if the value of an unsolicited gift or hospitality is less than £25, if the Member is concerned that its acceptance might be misinterpreted, the Member may make a voluntary declaration in the same manner to ensure that there is nothing secret or underhand about the gift or hospitality.
- 3.41 A Member must immediately report to the Monitoring Officer any circumstances where an inappropriate gift or hospitality has been offered to you.

### **Updating the Register of Interests**

- 3.42 You must within 28 days of becoming aware of any new disclosable pecuniary interest or change to any disclosable pecuniary interest already registered provide written notification to the Monitoring Officer via an amendment form obtainable from Democratic Services.

**Do** seek advice if you are unsure whether to make a declaration  
**Do** be aware of the definitions of interest  
**Do** make all decisions on merit  
**Do** keep your register of interests up to date  
**Do not** place yourself in situations where your honesty and integrity maybe questioned  
**Do not** use your position improperly for personal gain or to advantage family, friends or close associates.

## SECTION 4 – MANAGEMENT OF INFORMATION

- 4.1 Information which Members receive in confidence in the course of their duties as Members should be used only in connection with those duties. Such information must never be used for the purpose of financial gain.
- 4.2 Members must not disclose information given to them in confidence by anyone, or information acquired by them which is believed, or ought reasonably to be believed to be confidential nature. Members can only do so if:
  - (a) they have the express consent of the person authorised to give it;
  - (b) they are required by law to do so (Members must ensure they seek the advice of the Council’s Monitoring Officer in this regard before any disclosure);
  - (c) the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person;
  - (d) they have sought the consent of the Monitoring Officer prior to its release; or
- 4.3 Members must not prevent another person from gaining access to information to which that person is entitled by law.
- 4.4 Members must ensure that they do not improperly use knowledge gained solely as a result of your role as a Member for the advancement of yourself, your friends, your family members, your employer or your business interests.
- 4.5 Members must ensure that that do not misuse information gained in the course of their public service for personal gain or for political purpose, nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, businesses or other organisations.

**Do not** disclose information given to you in confidence by anyone.



## PART 2: THE COMPLAINTS PROCESS

- 5.1 This Part of the Code of Conduct sets out how the Council will deal with allegations of a failure to comply with the Council's Code of Conduct.
- 5.2 The Monitoring Officer may investigate a specific matter relating to a Member's adherence to the Rules of Conduct under the Code or a complaint made against a member for breach of the Council's Code of Conduct. Members shall cooperate, at all stages, with any such investigation by or under the authority of the Council. No Member shall lobby a member of the Audit & Corporate Governance Committee in a manner calculated or intended to influence its consideration of an alleged breach of this Code.

### Complaints against Members

- 5.3 All complaints against members must be in writing and on the Council's prescribed form. The Council will not normally investigate anonymous complaints, unless there is a clear public interest in doing so.
- 5.4 The "Member's Complaint's Procedure Flowchart" , contained at Appendix 5, sets out the process the Monitoring Officer will follow in relation to complaints against members.
- 5.5 The Monitoring Officer will consider complaints according to the Code of Conduct's "Member's Complaint Assessment Criteria" contained at Appendix of the Code. **Whilst complainants must be confident that complaints are taken seriously and dealt with appropriately, deciding to investigate a complaint or to take further action will cost both public money and officers' and members' time. This is an important consideration where the complaint is relatively minor.**
- 5.6 The Monitoring Officer will acknowledge receipt of a complaint within 5 working days of receiving it. The Subject Member will be advised that a complaint has been made but will not be advised of the contents of the complaint nor of the Complainant's details.
- 5.7 The Monitoring Officer will determine every complaint received and, may after as the Monitoring Officer may deem appropriate consultation with the Independent Person, take a decision as to whether it merits formal investigation. This decision will normally be taken within 14 days of receipt of a complaint. Where the Monitoring Officer has taken a decision, he will inform the Complainant and the Subject Member of his decision and the reasons for that decision.
- 5.8 In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally, without the need for a formal investigation. The Monitoring Officer will take account of this in deciding whether the complaint merits formal investigation.
- 5.9 If the complaint identifies criminal conduct or breach of other regulation by any person, the Monitoring Officer has the power to call in the Police and other regulatory agencies.

## **PART 3: INVESTIGATION & DETERMINATION OF COMPLAINTS**

- 6.1 If the Monitoring Officer decides that a complaint merits formal investigation, he will appoint an Investigating Officer to investigate the complaint that has been referred on for investigation.
- 6.2 The Investigating Officer would normally write to the Subject Member.
- 6.3 The Subject Member will be provided with a copy of the complaint. The Subject Member will be requested to provide any relevant information the Investigating Officer needs to investigate the Complaint.
- 6.4 In exceptional cases, where it is appropriate to keep the identity of the Complainant confidential or disclosure of details of the complaint to the Subject Member might prejudice the investigation, the Monitoring Officer withhold the Complainant's details or delay notifying the Subject Member until the investigation has progressed sufficiently.
- 6.5 At the end of his/her investigation, the Investigating Officer will produce a draft report. This draft will be sent in confidence to the Complainant and the Subject Member, to give them an opportunity to identify any matter in that draft report which is either factually incorrect or which may require further consideration. Having received and taken account of any comments on the Draft Report, the Investigating Officer will send the Final Report to the Monitoring Officer.
- 6.6 The Monitoring Officer will review the Investigating Officer's report and, if he is satisfied that the Investigating Officer's report is sufficient, the Monitoring Officer will write to the Subject Member and the Complainant notifying them of either :
- (a) he is satisfied that no further action is required, and provide them both a copy of the Investigating Officer's final report, or
  - (b) following review of the Investigating Officer's report that either the complaint will be
    - (i) sent for determination before a Standards Determination Sub Committee or,
    - (ii) after consulting the Independent Person, seek a local resolution.

### **Local Resolution**

- 6.7 The Monitoring Officer may consider that the matter can reasonably be resolved without the need for a hearing. In such a case, he/she will consult with the Independent Person and the Complainant and seek to agree fair resolution which also helps to ensure higher standards of conduct for the future. Such resolution may include the Subject Member accepting that his/her conduct was unacceptable and offering an apology, and/or other remedial action by the Council. If the Subject Member complies with the suggested resolution, the Monitoring Officer will report the matter to the Audit & Corporate Governance Committee for information, but will take no further action.

## **Process for the Determination of Complaints**

- 6.8 If the Monitoring Officer considers that local resolution is not appropriate, then the Monitoring Officer will convene a Standards Determination Sub Committee to determine the complaint. It will conduct a hearing which will decide whether the member has failed to comply with the Code of Conduct and if so, whether to take any action in respect of the member.
- 6.9 The set up and structure of the Standards Determination Sub-Committee is provided for by the Council's Constitution
- 6.10 The Monitoring Officer will conduct a "pre-hearing process", requiring the member to give his/her response to the Investigating Officer's report, in order to identify what is likely to be agreed and what is likely to be in contention at the hearing, and may issue directions as to the manner in which the hearing will be conducted.

## **Conduct of a Sub Committee hearing**

- 6.11 The Monitoring Officer will present the Investigating Officer's report to the Sub Committee.
- 6.12 The Investigating Officer will present his/her report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the Subject Member has failed to comply with the Code of Conduct. The Subject Member will then have an opportunity to give his/her evidence, to call witnesses and to make representations to the Sub Committee as to why he/she considers that he/she did not fail to comply with the Code of Conduct.
- 6.13 If the Sub Committee, with the benefit of any advice from the Independent Person, concludes
- (a) that the Subject Member did not fail to comply with the Code of Conduct, then they can dismiss the complaint
  - (b) that the Subject Member did fail to comply with the Code of Conduct, the Chair will inform the Subject Member of this finding and the Sub Committee will then consider what action, if any, the Sub Committee should take as a result of the Subject Member's failure to comply with the Code of Conduct. In doing this, the Sub Committee will give the Subject Member an opportunity to make representations to the Sub Committee and will consult the Independent Person, but will then decide what action, if any, to take in respect of the matter.
- 6.14 The Council has delegated to the Sub Committee powers to take action in respect of individual members as may be necessary to promote and maintain high standards of conduct. Accordingly the Sub Committee may authorise the Monitoring Officer to –
- (a) Publish any findings in respect of the Subject Member's conduct;
  - (b) Report the findings to the Audit & Corporate Governance Committee for information;

- (c) Recommend to the Subject Member's Group Leader (or in the case of ungrouped members, recommend to Council or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council;
  - (d) Recommend to the Leader of the Council that the Subject Member be removed from the Cabinet, or removed from particular Portfolio responsibilities;
  - (e) Arrange training for the Subject Member;
  - (f) Remove from all outside appointments to which the Subject Member has been appointed or nominated by the Council;
  - (g) Withdraw facilities provided to the member by the Council, such as a computer, website and/or email and Internet access; or
  - (h) Exclude the Subject Member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings.
- 6.15 The Sub Committee has no power to suspend or disqualify the Sub Member or to withdraw members' or special responsibility allowances.
- 6.16 At the end of the hearing, the Chairman will state the decision of the Sub Committee as to whether the member failed to comply with the Code of Conduct and as to any actions which the Sub Committee resolves to take.
- 6.17 The Monitoring Officer will issue a decision notice, in consultation with the Chairman of the Sub Committee. The decision notice will be sent to the Complainant and the Subject Member. Thereafter a summary of the decision may be available for public inspection and the decision will be reported to the next convenient meeting of the Audit & Corporate Governance Committee.

### **Appeals**

- 6.18 There is no right of appeal against a decision of the Monitoring Officer or of the Standards Determination Sub Committee to the Council.

### **Independent Person**

- 6.19 The Independent Person is invited to attend all meetings of the Sub Committee and his/her views are sought and taken into consideration before the Sub Committee takes any decision on whether the member's conduct constitutes a failure to comply with the Code of Conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct.

### **Revision of these arrangements**

- 6.20 In the interests of fairness, the Monitoring Officer may vary any of these arrangements as appropriate. The Chair of the Standards Determination Sub Committee may depart from the arrangements where he/she considers that it is expedient to do so in order to secure the effective and fair consideration of any matter.

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## GLOSSARY

In this Code the following words will have the following meanings:—

<b>“Authority”</b>	means Slough Borough Council
<b>“Council”</b>	means Slough Borough Council
<b>“Parish Council”</b>	means the following Parish Councils:  Britwell Parish Council,  Colnbrook with Poyle Parish Council,  <i>Wexham Court Parish Council</i>
<b>“Code of Conduct”</b>	section 1 part 1 of the Code of Conduct also referred to as the “Rules”.
<b>“Code of Conduct Protocol”</b>	means the document entitled
<b>“Independent Person”</b>	The Independent Person is a person who complies with the requirements section 28 Localism Act 2011.
<b>“Meeting”</b>	means any meeting of— (a) the authority; (b) the executive of the authority; (c) any of the authority’s or its executive’s committees, sub-committees, joint committees, joint sub-committees, or area committees;  whether or not the press and public are excluded from the meeting in question by virtue of a resolution of members
<b>“Member”</b>	means a co-opted member or an appointed member of Slough Borough Council
<b>“Co-opted Member”</b>	means a co-opted member of Slough Borough Council
<b>“Subject Member”</b>	means a Member who is the subject of a complaint for a breach of the Councillors Code of Conduct
<b>“Sensitive Information”</b>	means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person connected to you may be subject to violence or intimidation.
<b>“7 Principles”</b>	means the general principles of conduct identified by the Committee on Standards in Public Life in its First Report, namely : Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, Leadership

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**WHAT ALL MEMBERS SHOULD KNOW**

**Members CODE OF CONDUCT**

- Relationship with Others
- Management of information (access to confidentiality)
- Objectivity and Impartiality
- Guidance on representing members of public and involvement in casework (including Members' involvement in Housing and Council Tax Benefits Work)

**WHAT YOU NEED TO KNOW ATTENDING COUNCIL MEETINGS**

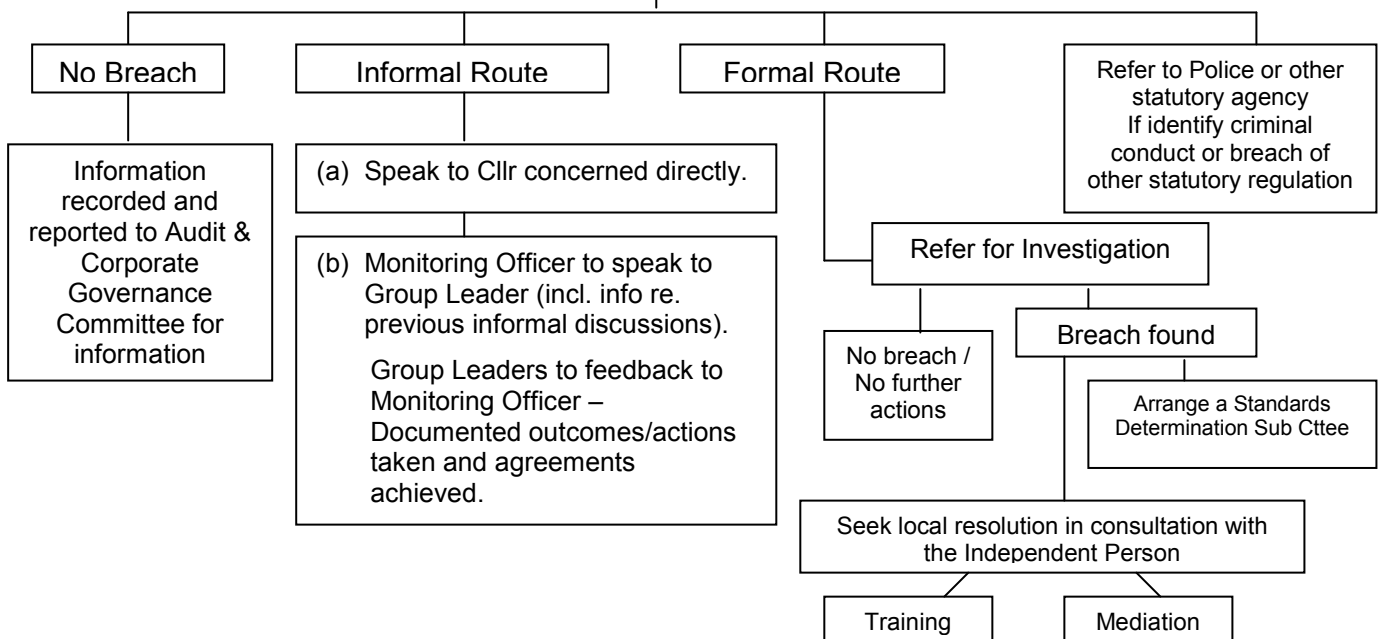
Declarations of Interest

**What Members on Licensing and Planning should know**

- Licensing Code of Conduct
- Planning Code of Conduct

**WHAT HAPPENS IF YOU BREACH THE CODE**

Assessment of Complaint – Monitoring Officer in consultation with Independent person





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## DISCLOSABLE PECUNIARY INTERESTS DEFINITION AND GUIDANCE NOTES

The Localism Act 2011 provides that this will cover the interests not just of the member, but also his/her spouse, civil partner or person with whom he/she lives as if they were spouses or civil partners, in so far as the member is aware of his/her partner's interests.

These notes give general guidance on what items Members should include on the disclosable pecuniary interests form. The onus is on the individual member to make their own judgement about making a declaration and they should not rely on direction from an officer, though if in doubt they can seek advice.

Disclosable Pecuniary Interest	Guidance
<p><b>Employment, office, trade, profession or vocation</b> Any employment, office, trade, profession or vocation carried on for profit or gain.</p>	<p>You should show every employment, office, trade, profession or vocation that you and your spouse/partner receive remuneration for other than simply repayment of expenses – a good example is what you would have to declare for income tax purposes.</p> <p>Give a short description of the activity concerned; for example 'Computer Operator' or 'Accountant'.</p> <p>Where you hold an office, give the name of the person or body which appointed you. In case of a public office, this will be the authority which pays you.</p>
<p><b>Sponsorship</b> Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred in carrying out duties as a member or towards election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>	<p>You should declare the name of any person or body who has made any payments to you towards your expenses as a councillor or towards your election expenses. You do not need to declare the amounts of any payments, only the name of the person or body making them.</p> <p>It refers to payment of election expenses by a third party – you do not need to declare if you pay your election expenses yourself. This would usually mean a political party at election time.</p>
<p><b>Contracts</b> Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority –</p>	<p>You should list any contract made between yourself or your spouse/partner or a body in which either of you have a beneficial interest and Slough Borough Council (or an organisation contracted to carry out business on its behalf):-</p>

<p>(a) Under which goods or services are to be provided or works are to be executed; and  (b) Which has not been fully discharged.</p>	<p>(a) under which goods or services are to be provided or works are to be executed; and  (b) which has not been fully discharged.</p>
<p><b>Land</b>  Any beneficial interest in land which is within the area of the relevant authority.</p>	<p>You should include any land and buildings in the area of the Borough in which you or your spouse/partner have a beneficial interest. You should give the address or a brief description to identify it.</p> <p>If you live in the Borough you should include your home under this heading whether as owner or lessee.</p> <p>You should also include any property from which you receive rent, or of which you are the mortgagee.</p> <p>The Monitoring Officer has also advised that any land in the Borough area in the ownership of a charity or organisation of which you or your spouse/partner are a trustee should also be included in this section.</p> <p>“Land” also includes any buildings or parts of buildings.</p>
<p><b>Licences</b>  Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.</p>	<p>You should include land in the area of the Borough which you or your spouse/partner have a right to occupy, but neither own nor have tenancy of. You should give the address or a brief description to identify it.</p> <p>“Land” includes any buildings or parts of buildings.</p>
<p><b>Corporate Tenancies</b>  Any tenancy where (to your knowledge) –  (a) The landlord is the relevant authority; and  (b) The tenant is a body in which the relevant person has a beneficial interest.</p>	
<p><b>Securities</b>  Any beneficial interest in securities of a body where –  (a) That body (to your knowledge) has a place of business or land in the area of the relevant authority; and</p>	<p>You should list the names of any companies, industrial and provident societies, co-operative societies, or other bodies corporate that (to your knowledge) are active in the Borough and in which you or your spouse/partner have a substantial interest. You do not need to show the extent of your interest.</p>

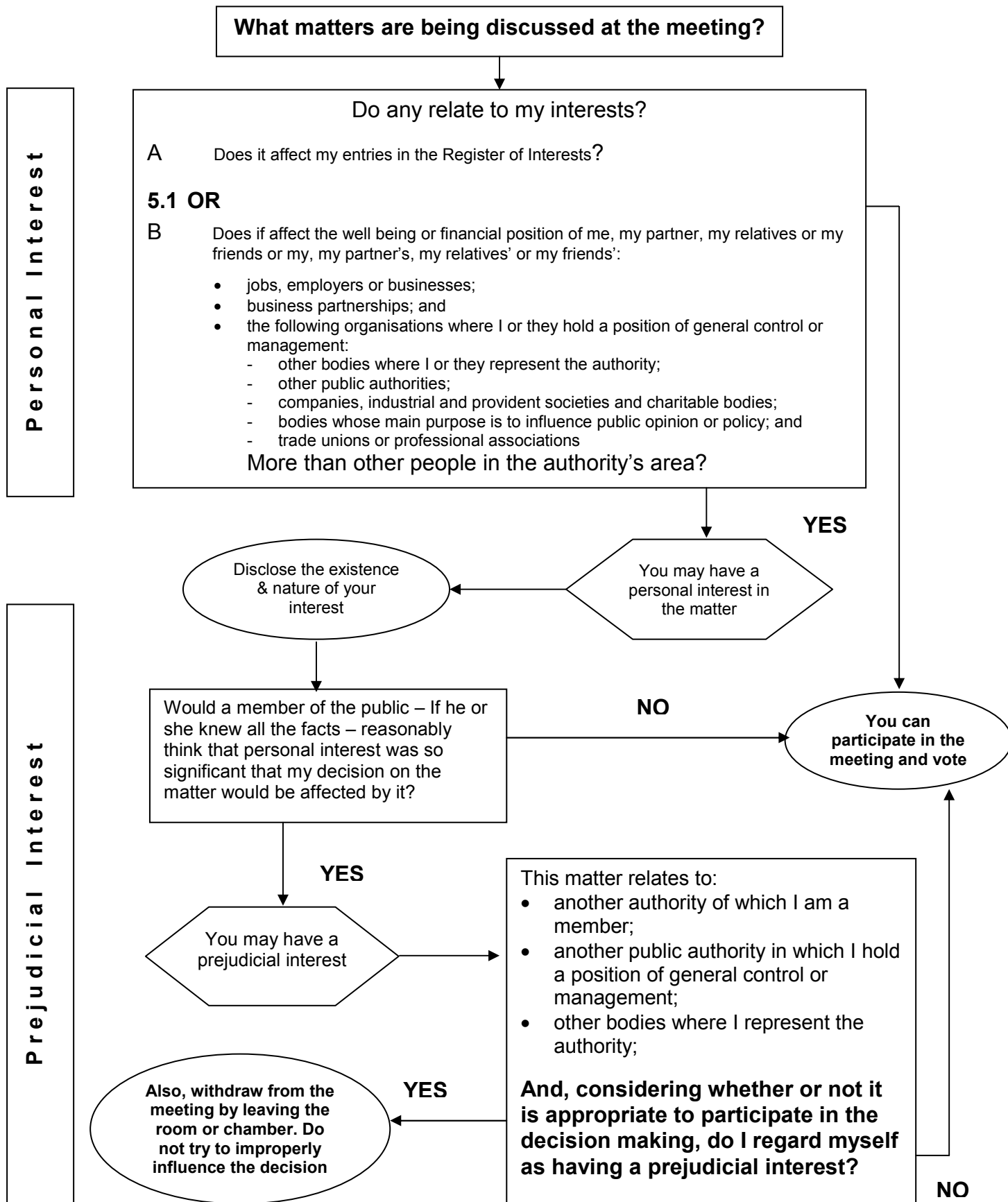
<p>(b) Either –</p> <p>(i) The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class</p>	<p>You have a substantial interest if you own shares or other securities in the company with a nominal value of more than £25,000 or more than 1/100th of the issued share or securities. If there are several classes of shares or securities, the fraction of 1/100th applies to any of these classes.</p> <p>The company or body corporate is active in the Borough if it has land or a place of business in the Borough.</p>
---	--

**Pecuniary and Non Pecuniary Information to be registered**

<p><b><u>Membership of other bodies</u></b></p>	
<p>a. Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the Council.</p>	
<p>b. Any body exercising functions of a public nature of which you are a member or in a position of general control or management.</p>	
<p>c. Any body directed to charitable purposes of which you are a member or in a position of general control or management.</p>	
<p>d. Any body one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.</p>	

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# DECLARING INTERESTS FLOWCHART QUESTIONS TO ASK YOURSELF



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**CODE OF CONDUCT FOR MEMBERS  
DECLARATION OF INTERESTS AT MEETINGS**

This form should be completed by Members who declare an interest at any meeting of the Authority, the Executive of the Authority, or any of the Authority's or its Executive's Committees, Sub-Committees Joint Committees or Area Committees.

Name of Member .....

Meeting :..... Date: .....

Agenda Item: ..... Time: .....

Type of Interest declared (Please tick as appropriate)

**Personal Interest**

A Member with a personal interest in any matter may remain, speak and vote when the matter is considered.

**Personal/Prejudicial Interest**

*A Member with a Prejudicial Interest must:-*

- withdraw from the room where the meeting is being held wherever it becomes apparent that the matter is being considered at that meeting.
- not seek improperly to influence a decision about the matter.

***[Unless you are at a meeting where members of the public have a right to address the meeting in which case Members have the same rights as an ordinary member of the public but must take not part or have any role in the decision making process.]***

Note: A Member's Disclosable Pecuniary Interests are always prejudicial.

Nature/Detail of Interest

.....  
 .....  
 .....  
 .....  
 .....

Action to be taken following declaration (*tick as appropriate*)

Withdraw from meeting

Remain and speak

Remain and speak and vote

Signed: ..... Date: .....

*This form, once completed, will be available for inspection, on request during office hours, by any Member of the Council or member of the public.*



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To: The Monitoring Officer

## DECLARATION OF RECEIPT/OFFER OF GIFTS OR HOSPITALITY

Name of Member	
What was the gift or hospitality?	
What is your best estimate of its market value or cost?	
Who provided it?	
When and where did you receive it?	
Did you accept it and were there any special circumstances justifying acceptance of this gift or hospitality?	
Signed	Date

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## PREDETERMINATION/PREDISPOSITION - GUIDANCE

The Council often has to make controversial decisions that affect people adversely and this can place individual members in a difficult position. They are expected to represent the interests of their constituents and political party and have strong views but it is also a well established legal principle that members who make these decisions must not be biased nor must they have pre-determined the outcome of the decision. This is especially so in “quasi judicial” decisions in planning and licensing committees. This Note seeks to provide guidance on what is legally permissible and when members may participate in decisions. It should be read alongside the Code of Conduct.

### Predisposition

Predisposition is lawful. Members may have strong views on a proposed decision, and may have expressed those views in public, and still participate in a decision. This will include political views and manifesto commitments. The key issue is that the member ensures that their predisposition does not prevent them from consideration of all the other factors that are relevant to a decision, such as committee reports, supporting documents and the views of objectors. In other words, the member retains an “open mind”.

Section 25 of the Localism Act 2011 confirms this position by providing that a decision will not be unlawful because of an allegation of bias or pre-determination “just because” a member has done anything that would indicate what view they may take in relation to a matter relevant to a decision. However, if a member has done something more than indicate a view on a decision, this may be unlawful bias or predetermination so it is important that advice is sought where this may be the case.

### Pre-determination / Bias

Pre-determination and bias are unlawful and can make a decision unlawful. Predetermination means having a “closed mind”. In other words, a member has made his/her mind up on a decision before considering or hearing all the relevant evidence. Bias can also arise from a member’s relationships or interests, as well as their state of mind. The Code of Conduct’s requirement to declare interests and withdraw from meetings prevents most obvious forms of bias, e.g. not deciding your own planning application. However, members may also consider that a “non-pecuniary interest” under the Code also gives rise to a risk of what is called apparent bias. The legal test is: “whether the fair-minded and informed observer, having considered the facts, would conclude that there was a real possibility that the Committee was biased”. A fair minded observer takes an objective and balanced view of the situation but Members who think that they have a relationship or interest that may raise a possibility of bias, should seek advice.

This is a complex area and this note should be read as general guidance only. Members who need advice on individual decisions, should contact the Monitoring Officer.

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## REQUEST FOR A DISPENSATION

Request to Monitoring Officer

Please complete the following details and give as much information as possible (you can attach additional sheets of paper, if required).

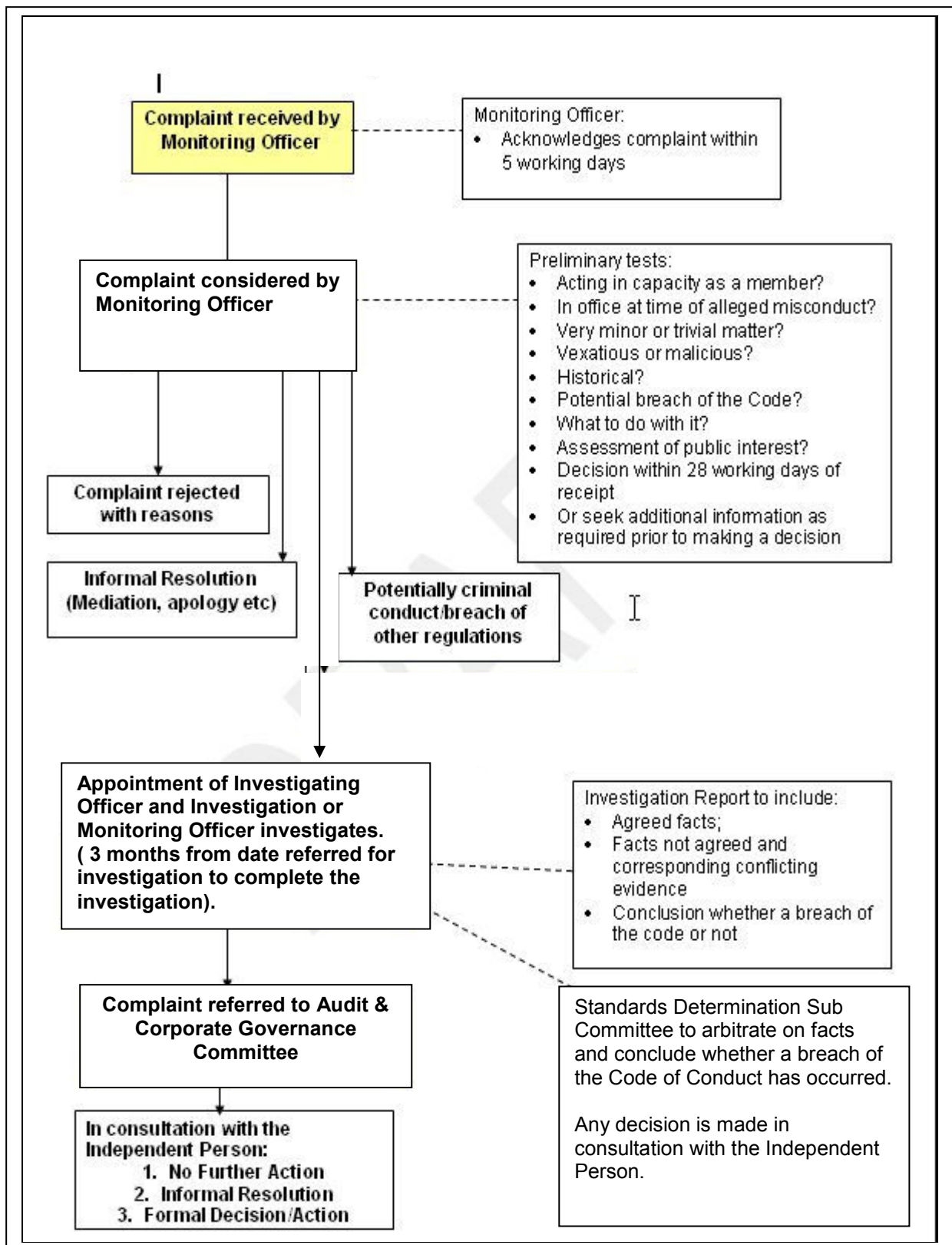
1. **Please summarise the matter to which your interest relates**
  
2. **What is the nature of your interest?**
  
3. **For which meeting(s) or period are you seeking a dispensation?**
  
4. **Please set out in detail the reason(s) why you consider you should be granted a dispensation.**

	Name	Signature	Date

**When completed, this form should be sent to the Monitoring Officer**

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# MEMBERS COMPLAINTS PROCEDURE FLOWCHART





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## **MEMBERS COMPLAINTS ASSESSMENT CRITERIA**

### **Complaints which would not normally be referred for investigation**

1. The complaint is not considered sufficiently serious to warrant investigation; or
2. The complaint appears to be simply motivated by malice or is “tit-for-tat”; or
3. The complaint appears to be politically motivated; or
4. It appears that there can be no breach of the Code of Conduct; for example, that it relates to the Councillor’s private life or is about dissatisfaction with a Council decision; or
5. It is about someone who is no longer a Councillor
6. There is insufficient information available for a referral; or
7. The complaint has not been received within 3 months of the alleged misconduct unless there are exceptional circumstances eg allegation of bullying, harassment etc.
8. The matter occurred so long ago that it would be difficult for a fair investigation to be carried out; or
9. The same, or similar, complaint has already been investigated and there is nothing further to be gained by seeking the sanctions available to the Audit & Corporate Governance Committee; or
10. It is an anonymous complaint, unless it includes sufficient documentary evidence to show a significant breach of the Code of Conduct.
11. Where the member complained of has apologised and/or admitted making an error and the matter would not warrant a more serious sanction

### **Complaints which may be referred to the Audit & Corporate Governance Committee**

1. It is serious enough, if proven, to justify the range of actions available to the Standards Determination Sub-Committee; or
2. There are individual acts of minor misconduct which appear to be a part of a continuing pattern of behaviour that is unreasonably disrupting the business of the Council and there is no other avenue left to deal with it other than by way of an investigation.
3. When the complaint comes from a senior officer of the Council, such as the Chief Executive or the Monitoring Officer and it would be difficult for the Monitoring Officer to investigate; or
4. The complaint is about a high profile Member such as the Leader of the Council and it would be difficult for the Monitoring Officer to investigate.
5. Such other complaints as the Monitoring Officer considers it would not be appropriate for him to investigate.

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit and Governance Committee **DATE:** 11<sup>th</sup> October 2017

**CONTACT OFFICER:** Linda Walker, Interim Monitoring Officer  
01753 875022

**WARD(S):** All

**PART I**  
**FOR INFORMATION**

**SETTLEMENT AGREEMENTS**

**1. Purpose of Report**

This report updates members of the Audit and Governance Committee on the number of settlement agreements with senior managers for the past 4 financial years. It also outlines HR policies and the approach being taken to learn lessons.

**2. Recommendation(s)/Proposed Action**

The Committee is requested to note the report.

**3. Slough Joint Wellbeing Strategy Priorities**

The Joint Wellbeing Strategy priorities are taken into account when decisions are made regarding settlement agreements.

**4. Other Implications**

(a) Financial

There are no financial implications of this report.

(b) Human Rights Act and Other Legal Implications

The Council must comply with employment legislation and guidance when entering into any settlement arrangements.

(c) Equalities Impact Assessment

It is important to ensure that settlement arrangements do not impact disproportionately on any group.

**5. Supporting Information**

- 5.1 From time to time the Council may need to make settlement arrangements in relation to members of staff. **Settlement** agreements are legally binding contracts which can be used to end an employment relationship on **agreed** terms. They can also be used to resolve an ongoing workplace dispute, for example, a dispute over holiday pay

The Council does not have one simple procedure as there needs to be flexibility in order to reflect an individual's circumstances and the reason for agreeing a settlement agreement. There are however some common themes. In most cases a 'business case' needs to be prepared. This is done by either the member of staff's line manager or HR. This includes a general justification for the proposal as well as a financial justification. It also includes any lessons learnt from the case. The business case is signed off by the line manager/head of service/ director, HR, Chief Finance Officer and the Chief Executive. If the settlement is over £100,000 then the matter is presented to Full Council.

- 5.2 The table in Appendix 1 sets out the settlement arrangements entered into during the past 4 years, and a comparison with other neighbouring authorities. It can be seen that the number, and value, of settlements at Slough BC has reduced in previous years; and are generally much lower than at neighbouring authorities.
- 5.3 As stated in Paragraph 5.1, on each occasion the Council considers the lessons learnt from a particular case and considers whether there should be any changes to procedures etc.

## **6. Conclusion**

The Committee will note the number of exit packages agreed and the costs of these.

## **7. Background Papers**

The Annual Accounts (2013/14 to 2016/17) at Slough Borough Council, LB Hounslow, LB Hillingdon and Reading BC.

## Appendix 1

Exit package cost band	Slough		Hounslow		Hillingdon		Reading	
	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages
<b>0 – 20,000</b>	22	204	24	200	75	612	66	555
<b>20,001 – 40,000</b>	9	280	16	400	21	607	39	1125
<b>40,001 – 60,000</b>	4	297	4	200	4	220	18	916
<b>60,001 – 80,000</b>	2	127	3	200	6	429	8	574
<b>80,001 – 100,000</b>	2	189	3	300				
<b>100,001 – 150,000</b>	1	149			2	257		
<b>150,001 – 200,000</b>							1	168
<b>200,001 – 250,000</b>								
<b>250,001 – 300,000</b>	1	285						
	<b>41</b>	<b>1,531</b>	<b>50</b>	<b>1,300</b>	<b>108</b>	<b>2,125</b>	<b>132</b>	<b>3,338</b>

2013/2014

2014/2015

Exit package cost band	Slough		Hounslow		Hillingdon		Reading	
	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages
<b>0 – 20,000</b>	10	85	38	300	37	389	22	201
<b>20,001 – 40,000</b>	8	238	15	400	15	426	8	215
<b>40,001 – 60,000</b>	1	49	4	200	4	244	5	212
<b>60,001 – 80,000</b>	2	125	2	100	4	600	1	78
<b>80,001 – 100,000</b>	1	81	1	100			2	184
<b>100,001 – 150,000</b>							1	111
	<b>22</b>	<b>578</b>	<b>60</b>	<b>1,100</b>	<b>60</b>	<b>1,659</b>	<b>39</b>	<b>1,001</b>

2015/2016

Exit package cost band	Slough		Hounslow		Hillingdon		Reading	
	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages
<b>0 – 20,000</b>	7	43	58	600	64	616	30	312
<b>20,001 – 40,000</b>	3	95	39	1100	21	567	6	173
<b>40,001 – 60,000</b>	2	103	10	500	11	611	1	44
<b>60,001 – 80,000</b>			4	300		621	2	139
<b>80,001 – 100,000</b>	2	191			5		1	91
<b>100,001 – 150,000</b>								
	<b>14</b>	<b>432</b>	<b>101</b>	<b>2,500</b>	<b>101</b>	<b>2,415</b>	<b>40</b>	<b>759</b>

2016/2017

Exit package cost band	Slough		Hounslow		Hillingdon		Reading	
	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages
<b>0 – 20,000</b>	19	156	65	600	66	816	35	406
<b>20,001 – 40,000</b>	4	118	40	1100	40	1074	5	162
<b>40,001 – 60,000</b>			2	100	12	590	4	191
<b>60,001 – 80,000</b>	1	65			5	349		
<b>80,001 – 100,000</b>					9	962		
<b>100,001 – 150,000</b>	1	305					1	128
	<b>25</b>	<b>644</b>	<b>107</b>	<b>1,800</b>	<b>132</b>	<b>3,791</b>	<b>45</b>	<b>887</b>

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit & Corporate Governance Committee

**DATE:** 11<sup>th</sup> October 2017

**CONTACT OFFICER:** Neil Wilcox; Assistant Director: Audit & Finance (Section 151 Officer)

**(For all Enquiries)** (01753) 875368

**WARD(S):** All

**PART I**  
**FOR COMMENT & CONSIDERATION**

**INTERNAL AUDIT PROGRESS REPORT – QUARTER 2 2017-2018**

1. **Purpose of Report**

The purpose of this report is to:

- Report to members on the progress of the progress made on the 2017/18 Internal audit plan
- Report to Members on the progress of any remaining audits within the 2016/17 Internal Audit Plan

2. **Recommendation(s)/Proposed Action**

The Committee is requested to comment on and note details of the Internal Audit Progress report.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

3a. **Slough Joint Wellbeing Strategy Priorities –**

The actions contained within the attached reports are designed to improve the governance of the organisation and will contribute to all of the emerging Community Strategy Priorities

**Priorities:**

- *Economy and Skills*
- *Health and Wellbeing*
- *Regeneration and Environment*
- *Housing*
- *Safer Communities*

3b. **Five Year Plan Outcomes**

The actions contained within this report will assist in achieving all of the five year plan outcomes

4. **Other Implications**

(a) **Financial**

There are no financial implications of proposed action

(b) **Risk Management**

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
<i>That Audit &amp; Risk Committee is requested to comment on and note the attached reports</i>	<i>This report concerns risk management across the Council</i>	

(c) **Human Rights Act and Other Legal Implications**

There are no Human Rights Act or other legal implications in this report

(d) **Equalities Impact Assessment**

There is no identified need for an EIA

5. **Supporting Information**

- 5.1 Attached at Appendix 1 is the Quarter 2 Internal Audit update report.
- 5.2 Apart from two follow up reports all 2016/17 have been completed and finalised.
- 5.3 There have been 9 draft audits issued. Of the nine drafts issued 5 have been finalised.
- 5.4 The breakdown of the assurance opinions of the 9 draft audits issued is listed below:
  - 2 Substantial assurance
  - 5 Reasonable assurance
  - 2 Partial assurance
  - 0 No assurance

6. **Comments of Other Committees**

None.

7. **Conclusion**

Members of the Committee are requested to comment on the details of the Internal Audit Update Quarter 2 Progress Report.

8. **Appendices Attached**

Appendix 1 – Quarter 2 Internal Audit Update Report

9. **Background Papers**

None.





## SLOUGH BOROUGH COUNCIL

### Internal Audit Progress Report

For the Audit and Corporate Governance  
Committee meeting on 21<sup>st</sup> September 2017

This report is solely for the use of the persons to whom it is addressed. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.



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2 Summary of progress to date .....	4
3 Other matters .....	7
Appendix A: Key Findings from finalised 2017/18 Internal Audit Work (High and Medium priority management actions only where partial or no assurance reports have been issued) .....	11
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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to our Client on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

# 1 INTRODUCTION

The Internal Audit Plan for 2017/18 was approved by the Audit Committee on 16<sup>th</sup> March 2017. This report provides a summary update on progress against that plan and any remaining audits within the 2016/17 plan as at the 5<sup>th</sup> September 2017.

## 2016/17 Internal Audit Plan

The Council have finalised 2 reports since the previous Audit and Corporate Governance Committee meeting held on 26<sup>th</sup> July 2017. These are in the following areas:

- Payroll
- Debtors Management

Both of these reports received a 'reasonable assurance' opinion. In addition to the above, the following two reports issued as part of the 2016/17 plan currently remain in draft and are in the process of being finalised:

- Follow Up – sponsor is liaising with the Risk and Insurance Officer to complete.
- Follow Up of Financial Controls – sponsor is liaising with the Risk and Insurance Officer to complete.

## 2017/18 Internal Audit Plan

The Council have finalised two 2017/18 reports since the previous Audit and Corporate Governance Committee meeting held on 26<sup>th</sup> July 2017. These are in the following areas:

- Management of Housing Stock
- Gas Servicing

The Management of Housing Stock review delivered a 'partial assurance' opinion. A summary of the review and Medium and High priority management actions, along with implementation dates and owners has been included within Appendix A below.

The Gas Servicing review concluded with a 'reasonable assurance' opinion.

In addition to the above, the following reports have been issued in draft and we are awaiting responses by management before they are finalised, however we recognise that delays with finalising schools related reports have been affected by the summer holiday.

- Chalvey Early Years Centre
- Management of the Pupil Premium
- Special Educational Needs (SEN) Funding
- Neighbourhood Anti-Social Behaviour (ASB) Enforcement
- Follow Up - Q1

The following audits are in varying stages of progress;

- Budgetary Control
- Delayed Transfers of Care
- Amey Contract Management – we have completed the initial fieldwork for this audit, although are awaiting responses to queries raised with Amey to enable the audit to be completed. We have escalated this to the S151 Officer and are meeting with him on the 11 September to agree a way forward.

- New Facilities Contract
- Business Continuity – we are supporting the Council in the production of their business continuity plans.
- Risk Management – we are assisting the Trust in reviewing the Corporate Risk Register
- Data Flow Mapping – we are assisting the Council in the completion of their data flow mapping exercises.


## 2 SUMMARY OF PROGRESS TO DATE

Reports shown in bold have been finalised.

Executive summaries and action plans from any negative assurance reports finalised since the previous meeting are appended to the bottom of this progress report.

### 2017/18 Internal Audit Plan (includes draft opinions)

Assignment area	Timing Per Approved IA Plan	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
						L	M	H
Iqra School	April 2017	Final Report	2 <sup>nd</sup> June 2017	7 <sup>th</sup> June 2017		1	0	0
Lea Nursery School	April 2017	Final Report	2 <sup>nd</sup> June 2017	23 <sup>rd</sup> June 2017		10	3	0
Holy Family Catholic School	April 2017	Final Report	8 <sup>th</sup> June 2017	11 <sup>th</sup> July 2017		4	3	0
Schools Financial Value Standard (SFVS)	May 2017	Final Report	23 <sup>rd</sup> June 2017	3 <sup>rd</sup> July 2017	Advisory	3	3	0
Management of Housing Stock	May 2017	Final Report	23 <sup>rd</sup> June 2017	21 <sup>st</sup> August 2017		2	3	1
Gas Safety	June 2017	Final Report	11 <sup>th</sup> July 2017	21 <sup>st</sup> August 2017		4	3	0
Chalvey Early Years Centre	April 2017	Draft Report	13 <sup>th</sup> July 2017			1	4	0
Management of the Pupil Premium	May 2017	Draft Report	24 <sup>th</sup> July 2017			0	4	0
SEN Funding	June 2017	Draft Report	4 <sup>th</sup> August 2017			2	1	0

Follow Up Q1	June 2017	Draft Report	16 <sup>th</sup> August 2017	Little progress in implementing agreed actions
Neighbourhood ASB Enforcement	June 2017	Draft Report	15 <sup>th</sup> August 2017	
Amey Contract Management	May 2017	In progress		
Budgetary Control	July 2017	In QA		
Educational Welfare Service*	August 2017	Delay requested		
Information Governance*	August 2017	Delay requested to 7 November 2017		
Business Continuity Advisory Support	September 2017	Fieldwork In progress		
	September 2017	Fieldwork In progress		
Delayed Transfers of Care				
	September 2017	Fieldwork In progress		
New Facilities Contract				
Council Tax	September 2017	Commencing 18 September 2017		
Five Year Plan - Performance Reporting	September 2017	Commencing 25 September 2017		
Equal Pay Review / Gender Pay Reporting Gap	September 2017	Scope to be issued		
Data Flow Mapping	September 2017	In progress		
Follow Up Q2	October 2017	Commencing 9 October 2017		
Housing Regulations	October 2017	Commencing 10 October 2017		
Capital Expenditure	October 2017	Commencing 19 October 2017		
Debtors	October 2017	Commencing 30 October 2017		

Rent Accounts	November 2017	Commencing 13 November 2017
Fixed Penalty Enforcement*	November 2017	Commencing 27 November 2017
Creditors	November 2017	Commencing 20 November 2017
Adult Social Care Supervision	November 2017	Commencing 7 November 2017
General Data Protection Regulations Readiness	November 2017	Commencing 4 December 2017
Governance	November 2017	Commencing 27 November 2017
Cash Management & Collection / Treasury Management	December 2017	Commencing 4 December 2017
Assets	December 2017	Commencing 4 December 2017
Follow Up Q3	December 2017	Commencing 4 December 2017
Payroll	December 2017	Commencing 11 December 2017
Business Rates	December 2017	Scope agreed
General Ledger	December 2017	Commencing 18 December 2017
Voids*	January 2018	Commencing 5 January 2018
Follow Up Q4	March 2018	Commencing 29 January 2018
Staff Establishment Changes	March 2018	Commencing 5 March 2018
Annual Governance Statement	March 2018	TBC

\* Please note change from agreed plan, see details below.

## 3 OTHER MATTERS

### 3.1 Changes to the 2017/18 audit plan

Auditable area	Reason for change
Voids	Audit delayed to Q4 (initially agreed to be undertaken in Quarter 2) at the request of the Head of Neighbourhood Services, as a new contractor will be in post from December 1 <sup>st</sup> , and the review would be better placed in January 2018 to provide assurance over the arrangements for voids with the new contractor.
Educational Welfare Service	This audit was initially agreed to be undertaken in Quarter 2, but has been delayed at the request of the Strategic Director, Children, Skills and Learning, as the service has only recently been brought back in house from Mott Macdonald (Cambridge Education).
Fixed Penalty Notices	This audit was due to be undertaken in Quarter 2, but has been delayed at the request of the Head of Neighbourhood Services, as the 2016/17 report was only recently finalised, and Housing are in the process of implementing the actions.
Information Governance	This audit was due to be undertaken in Quarter 2, but has been delayed at the request of the Assistant Director, Finance and Audit, as the Council were still in progress of implementing actions from the previous review in 2016/17.

### 3.2 Impact of our work to date on year end opinion

The assurances given in our audit assignments are included within our Annual Assurance Report. In particular, the Committee should note that any negative assurance opinions ('No Assurance' or 'Partial Assurance' opinions) will need to be noted in the annual report and may result in a qualified or negative annual opinion.

Where we have issued 'no assurance' (red) and 'partial assurance' (amber / red) reports, these opinions will impact our 2017/18 Head of Internal Audit Opinion for the Council. We have issued one final report to date that will impact our year end opinion on Management of Housing Stock (Partial Assurance) and may need to be considered in the Annual Governance Statement although this report in isolation will not lead to a qualified Head of Internal Audit Opinion.

We have continued and will continue to keep the Section 151 Officer, CMT and Audit and Corporate Governance Committee updated over the coming months on the outcome of our remaining 2017/18 work.

We have also agreed a number of areas where negative assurance opinions have been issued in 2016/17, where we can provide further support and advice to the Council to ensure that these weaknesses are addressed in a timely manner. These details are included below.



### 3.3 Added value work

Area of work	How this has added value
Risk Management Support	We are providing the Council with support to embed and re-establish effective risk management processes to aid in the achievement of the Council's objectives. The support is being provided currently.
Business Continuity Support	Following a negative assurance opinion in 2016/17, we have agreed to provide support to the Council in improving its processes in relation to Business Continuity and the scope of the work is currently in progress.
Data Flow Mapping	Following a negative assurance opinion in 2016/17, we are providing the Council with support to map their flows of data, to aid in the Council's management and security of data. A scope of work has been agreed with the Council and work is underway. A number of workshops have been held already with further workshops planned, with the focus of these workshops being to assist the Council in understanding and mapping their data flows.

### 3.4 Information and briefings

The following items were highlighted as part of our information briefings since the last Audit and Corporate Governance Committee in July 2017:

#### Government must help improve quality

The Local Government Association (LGA) has called on the government to 'help councils build a new generation of high quality, genuinely affordable and additional homes, supported by adequate infrastructure and services.' Analysis by the LGA found that the average new home would need to last 2,000 years if the 'sluggish' rate of house building and replacement continues.

#### Shared replacements

Inside Housing reports that the government is considering plans from a group of councils to allow them to spend right to buy receipts on purchasing properties for shared ownership.

#### Homelessness reduction

Marcus Jones, Parliamentary Under Secretary of State (Minister for Local Government) has written to local authority chief executives, confirming the government's intentions for introducing the Homelessness Reduction Act 2017. Mr Jones confirms the government's intention to commence the Act in April 2018, whilst also stating his hope that local authorities have begun their planning processes to ensure the requirements of the Act are implemented. Mr Jones also stated the government's intention to award the allocations of a £61m fund for helping local authorities meet the terms of the Act in winter 2017/18, with allocations announced this autumn.

## Managing property investment

What does the Chartered Institute for Public Finance & Accountancy (CIPFA) think of local authorities managing property investment risk? Chris Brain, Senior Advisor for CIPFA Property has given his view stating that ‘there is nothing wrong with local authorities making property investment acquisitions. It is about taking measured and proportionate risks and never shirking on the right due diligence.’

## Publishing fire information proactively

Elizabeth Denham, Information Commissioner at the Information Commissioner’s Office (ICO) has taken to her blog to encourage the proactive disclosure of fire safety information by public bodies. Writing about the role her organisation and public bodies have in the wake of the Grenfell Tower incident, Ms Denham writes ‘people in parts of the country are looking for reassurance of appropriate fire safety measures to prevent further tragedies elsewhere. Others are looking for essential information to hold organisations to account as well as gaining a fuller understanding of the issues surrounding fire safety and decision-making related to social housing.’

## Benefit cap statistics

The outcomes of the government’s benefits cap have been laid bare for the first time with the publication of household quarterly statistics by the Department for Work and Pensions. Terrie Alafat, Chief Executive of the Chartered Institute for Housing warned that the benefit cap could make homelessness ‘even worse.’

## Housing Infrastructure Fund

The Department for Communities and Local Government has published a guide to the Housing Infrastructure Fund. The £2.3bn fund will be allocated to local authorities on a competitive basis, to be used for infrastructure to support up to 100,000 new homes. The fund is divided into two parts.

- Marginal viability funding: to support housing sites being held back due to the high costs of putting the infrastructure in place and building homes. For such developments, the government will provide the ‘final, or missing, piece of infrastructure funding to get additional sites allocated or exiting sites unblocked quickly.’
- Forward funding: to support a small number of strategic and high impact infrastructure projects. For such developments, the government ‘may put in the first amount of funding, which then gives the market confidence to provide further investment.’

The fund is available from 2017/18 to 2020/21. Information on who can bid for each fund, eligibility, what needs to be demonstrated and the application timeline is provided in the guide.

## Housing advisers

The Local Government Association has developed a housing advisors programme to support local authorities who are looking to innovate in the aim of meeting the housing needs of their communities. The programme funds an independent adviser who will offer bespoke expert support to local authorities undertaking a specific project that works towards delivering homes, reducing homelessness, or generating savings or revenues. The programme is now open for bids from local authorities, who have until 12 September to submit their applications.

## Combined authorities progress

Combined authorities need to show that they can 'drive economic growth and contribute to public sector reform' according to the National Audit Office (NAO). Some of the findings by the NAO research team included:

- evidence that investment, decision-making and oversight is linked to improved local economic outcomes is 'mixed and inconclusive';
- the combined authorities that are in place have a variety of different powers, for instance the most prevalent, Greater Manchester, has absorbed control over a number of offices such as Police and Crime Commissioner, and fire and rescue, whereas others are only focused on transport issues;
- many authorities have been unable to agree deals to form combined authorities; and
- a conclusion that central government should review periodically all frameworks and guidance in place for combined authorities.

## Finance and arrangements beyond 2020

The Local Government Association (LGA) has issued a briefing on local government finance and arrangements beyond the year 2020. The briefing sends a clear message to central government to 'address the overall funding gap of £5.8bn facing local government by the end of the decade,' and continues the calls for full retention of business rates and for extra revenue from this to be 'used to ensure that existing council services are properly funded.'

The LGA has also launched a new campaign entitled 'growing places' which seeks to set out how local government can meet challenges in a 'changing world' and what steps are needed for this challenge to be overcome.

## Safety checks


The aftermath of the Grenfell Tower tragedy continues to be felt across the sector. The government has written to all local authority and housing association chief executives to identify whether any of their new or refurbished buildings have panels with cladding made of a particular type of Aluminium Composite Material. A number of interim measures have been issued for organisations that have buildings clad with hazardous material, including:

- the immediate notification of the fire and rescue services;
- that all measures in the action plan of a fire and risk assessment have been completed;
- engagement with residents to ensure they fully understand emergency fire procedures, particularly the 'stay put' order, with all notices checked to be accurate;
- checking the vicinity of cladding including balconies for combustible materials;
- checking all flat entrance doors and escape corridor doors are fire-resisting; and
- checking smoke control and fire detection systems are operating correctly.

## Secure email guidance

The Local Government Association has published a resource for local authorities to support the use of secure email across the sector. Remarking on the sometimes confusing arrangements in receiving and sending secure information, it is hoped this is new guidance will help councils identify their options by citing examples of councils that have already dealt with the implementation of email systems to meet required standards.

# APPENDIX A: KEY FINDINGS FROM FINALISED 2017/18 INTERNAL AUDIT WORK (HIGH AND MEDIUM PRIORITY MANAGEMENT ACTIONS ONLY WHERE PARTIAL OR NO ASSURANCE REPORTS HAVE BEEN ISSUED)

<b>Management of Housing Stock (4.17/18) – PARTIAL ASSURANCE</b>		<b>2 - Low</b> <b>3 - Medium</b> <b>1 - High</b>
<p>We identified issues which led to the agreement of the following one <b>High</b> and three <b>Medium priority</b> actions:</p> <p><b>Document storage on DIP</b></p> <p>Of a sample of 10 mutual exchanges/transfers selected for review, the documentation could not be located on DIP for four of the cases, while only the application form could be located for two cases. For the remaining four cases, the Deed of Assignment could not be located.</p> <p>There were also issues locating documentation for two of our seven mutual exchange/transfer refusal cases sampled, while documentation could also not be located for three of our nine succession cases.</p> <p>Inability to locate documents on DIP is an issue we have raised previously as part of our Rent Accounts audits undertaken in 2014/15, 2015/16 and 2016/17 in relation to tenancy agreements. We were advised by one of the Tenancy Team Leaders that there was no procedure in place to track the completion of scanning and correct indexing of files by the DIP section. Once scanned and indexed, the DIP section destroys the documentation.</p> <p>However, without such tracking and a requirement for the originator to confirm the documentation has been successfully scanned and indexed prior to being destroyed, there is a risk that key documentation will not be retained, which could have legal implications in the event of a dispute or should the Council wish to take enforcement action. Considering that this is not a new issue for the Council and action does not appear to have been taken to address this, a <b>High priority</b> management action has been agreed in relation to this, and relies on a procedure being developed by Housing and agreed with arvato.</p> <p><b>Tenancy Strategy and Policy 2013-2018</b></p> <p>Although we confirmed it covered in sufficient detail the areas required by the Localism Act 2011, we noted the Tenancy Strategy and Policy still made reference to the Sustainable Community Strategy and the Corporate Plan, which have since been replaced by the Five-Year Plan.</p> <p>Without an up-to-date strategy, there is a risk that the Council's housing stock will not be managed in a way that is in line with the Council's strategic priorities. The availability of the current version, which is not up-to-date, to the general public on the Council's website also poses reputational risks to the Council as a member of the public could question why it refers to the Sustainable Community Strategy and Corporate Plan rather than the Five-Year Plan. A <b>medium</b> priority management action has been agreed to address this.</p> <p><b>Mutual Exchanges/Transfers</b></p> <p>For the four cases we were able to review, although we confirmed these had been processed in line with procedures, we found three of the cases had breached the 42 days' statutory deadline, while for the remaining case, the application form on DIP was missing the signature page and had not been date-stamped so we were unable to assess the timeliness of the decision.</p>		

Where the deadline is missed, the Council cannot refuse the application which impacts the Council's ability to effectively manage its housing stock as the mutual exchange/transfer may not be in the Council's interests. We have agreed a **medium** priority management action in relation to this.

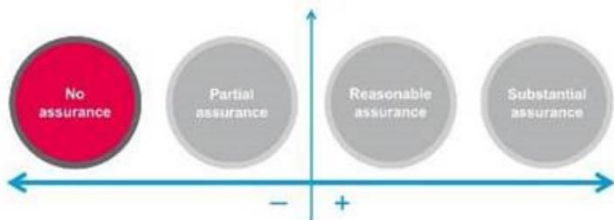
A **medium** priority management action has also been agreed with regards to logging all cases on CSM so these can be tracked and managed in the event of staff absence. Of the 34 mutual exchanges/transfers completed in 2016/17, we found only 16 had a corresponding case logged on CSM. There is an increased risk of non-compliance with the 42 day statutory deadline if staff do not log cases on CSM, as open cases held up by staff absence or where the deadline has been missed or is approaching may not be flagged for action.

Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	<p>The Tenancy Strategy and Policy will be reviewed and updated to ensure it is aligned to the strategic priorities set out within the Five Year Plan.</p> <p>The strategy will then be issued to CMT and Cabinet for approval, and subject to the required consultation.</p> <p>Once finalised, it will be updated on the Council website and then</p>	Medium	31 March 2018	<p>John Griffiths - Head of Neighbourhood Services</p> <p>Colin Moone – Head of Strategic Housing</p>
2	<p>The requirement to log all mutual exchange/transfer cases on CSM will be reinforced to all Neighbourhood Services staff and this will be monitored to ensure compliance</p>	Medium	Immediate	Kamal Lallian – Neighbourhood Business Services Manager
3	<p>A procedure to track the completion of scanning and correct indexing of files by the DIP section will be produced by Housing and agreed with arvato.</p> <p>This will include a requirement for the originator to confirm the documentation has been successfully scanned and indexed prior to being destroyed.</p>	High	31 December 2017	Kamal Lallian - Neighbourhood Business Services Manager
4	<p>The Tenancy Management Policy and Fact Sheet 9 (Mutual Exchange/Transfer) will be updated to include;</p> <ul style="list-style-type: none"> <li>• A requirement to set submission deadlines when requesting information from the tenant or external landlords;</li> <li>• The timescales to be given; and</li> <li>• Refusal as the consequence for missing the deadline.</li> </ul> <p>Once approved, this will then be communicated to relevant staff and implemented to ensure effective management of applications, with compliance will be monitored as a KPI.</p>	Medium	31 March 2018	Tony Turnbull - Neighbourhood Manager

## 2017/18 ASSURANCE OPINIONS

We are constantly developing and evolving the methods used to provide assurance to our clients. As part of this, we have refreshed our opinion levels in line with the graphics below.

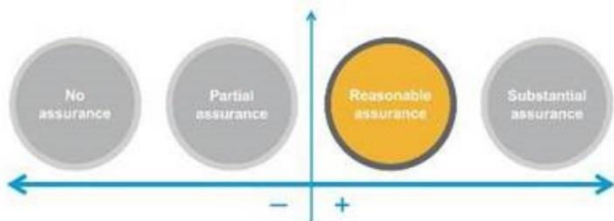
We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Council can take:



Taking account of the issues identified, the Council **cannot take assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the Council can take **partial assurance** that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the Council can take **reasonable assurance** that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the Council can take **substantial assurance** that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.

## FOR FURTHER INFORMATION CONTACT

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit & Corporate Governance Committee

**DATE:** 11<sup>th</sup> October 2017

**CONTACT OFFICER:** Neil Wilcox; Assistant Director, Audit & Finance  
**(For all Enquiries)** (01753) 875368

**WARD(S):** All

**PART I**  
**FOR COMMENT & CONSIDERATION**

**AUDIT & RISK MANAGEMENT UPDATE – QUARTER 2 2017-2018**

1. **Purpose of Report**

The purpose of this report is to:

- Report to members on the progress of finalising draft Internal Audit reports
- Report to members on the progress of the implementation of Internal Audit recommendations
- Note the example Risk Register

2. **Recommendation(s)/Proposed Action**

That Committee Members comment on and note details of the Quarter 2 Audit and Risk Management Update.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

The [Slough Joint Wellbeing Strategy](#) (SJWS) is the document that details the priorities agreed for Slough with partner organisations. The SJWS has been developed using a comprehensive evidence base that includes the Joint Strategic Needs Assessment (JSNA). Both are clearly linked and must be used in conjunction when preparing your report. They have been combined in the Slough Wellbeing Board report template to enable you to provide supporting information highlighting the link between the SJWS and JSNA priorities.

3a. **Slough Joint Wellbeing Strategy Priorities –**

The actions contained within the attached reports are designed to improve the governance of the organisation and will contribute to all of the emerging Community Strategy Priorities

**Priorities:**

- *Economy and Skills*
- *Health and Wellbeing*
- *Regeneration and Environment*
- *Housing*
- *Safer Communities*

### 3b. **Five Year Plan Outcomes**

The actions contained within this report will assist in achieving all of the five year plan outcomes

### 4. **Other Implications**

#### (a) Financial

There are no financial implications of proposed action

#### (b) Risk Management

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
<i>That Audit &amp; Risk Committee is requested to comment on and note the attached reports</i>	<i>This report concerns risk management across the Council</i>	

#### (c) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications in this report

#### (d) Equalities Impact Assessment

There is no identified need for an EIA

### 5. **Supporting Information**

#### 5.1 **Finalising Internal Audit Reports**

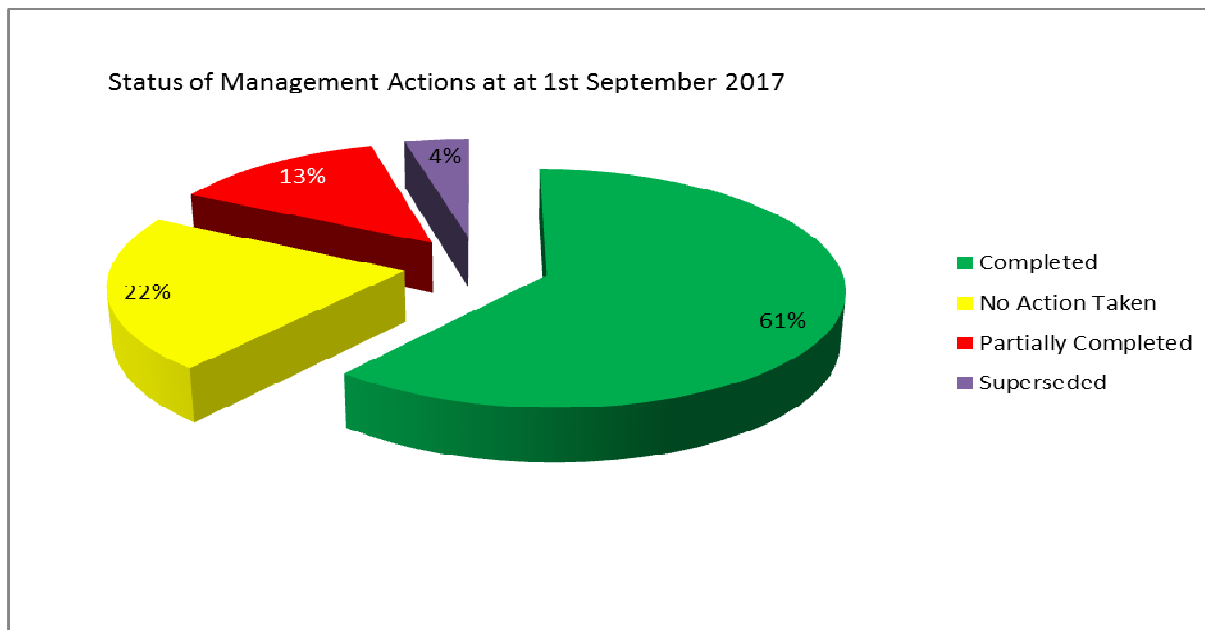
5.1.1 The table below shows those Internal Audits that remain in draft and are yet to be finalised as at 14<sup>th</sup> September 2017

Audit	Audit Plan Year	Audit Sponsor	Assurance Level	Date to be Finalised by	Comments
Management of Pupil Premium	16/17	Cate Duffy	Reasonable Assurance	Early Sept	Waiting for Schools to return
Chalvey Early Years	16/17	Cate Duffy	Reasonable Assurance		No response from Nursery
Special Education Needs Funding	16/17	Cate Duffy	Substantial Assurance	Early Sept	Waiting for Schools to return
Neighbourhood Anti-Social Behaviour Enforcement	16/17	Mike England	Partial Assurance	Early Sept	

#### 5.2 **Monitoring Management Actions**

5.2.1 The Risk and Insurance Officer regularly monitors the progress of the implementation of made following Internal Audit reports. Below is a graph that shows the percentage of recommendations that have either been

implemented, are in progress, no action has been taken, or the recommendation has been superseded.



5.2.2 Attached at Appendix 1 is a table of Internal Audit from the 2015/16, 2016/17 and 2017/18 Audit Plans where actions are overdue or have been completed within since the last Governance report.

5.2.3 The number of implemented recommendations has increased to 61%, up on the 58% report at the previous Audit and Corporate Governance committee.

The number of Management Actions where “No Action” has been taken has reduced from 13% as the last report to 25%

5.2.4 Attached at Appendix 2 is a list of the “High” Recommendation Actions that remain Outstanding past the target date. Currently there are 4 High Actions that are partially complete and 4 where No Action has been taken

5.2.5 At Appendix 3 is a graph that shows the status of Internal Audit management actions by risk rank.

### 5.3 **Corporate Risk Register**

5.3.1 At the last meeting members were advised that the RSM risk management system would be implement throughout the Council and a refreshed risk register would be available from 1<sup>st</sup> September

5.3.2 The RSM system has been installed and is fully functional.

5.3.3 Throughout July 2017 RSM risk consultants interviewed individual senior officers of the Council to discover the strategic risk/issues that are facing the Council

5.3.4 Appendix 4 shows the results of those discussions. The Corporate Risk Register can be displayed in a number of formats.

5.3.5 In early October there is a workshop scheduled where those who participated in the interviews will discern the current control and the future actions to mitigate the risks.

6. **Comments of Other Committees**

There are no comments from other Committees.

7. **Conclusion**

That details of the Audit and Risk Management Update be noted.

8. **Appendices Attached**

Appendix 1 – Status of Internal Audit Management Actions

Appendix 2 – Details of High Rated Recommendations

Appendix 3 – Graph of the Implementation Status by Risk Ranking

Appendix 4 – Draft Risk register

9. **Background Papers**

None

Appendix 1

The Table Below details the status of Management Actions identified in the 2015/16 & 2016/17 Audit Plans

Name of Audit	Quarter 2 2017/18										Audit Sponsor	DOT
	High Level Actions not Completed		Medium Level Actions not Completed		Total of Actions not Completed	Action Completed in the last Quarter	DOT	Audit Sponsor				
	No Progress	Partial	No Progress	Partial								
Adult Safeguarding 11 15 16	0	0	0	1	1	0	0	1	0		↔	Alan Sinclair
Business Continuity Planning Arrangements 1 16 17	0	1	2	0	3	0	0	0	2		←	Mike England
Matrix - Management of Agency Staff 7 15 16	1	1	1	1	4	0	0	0	0		→	Roger Parkin
Budgetary Control and Financial Reporting 10 16 17	0	0	0	0	All Actions Complete	0	0	0	0		←	Neil Wilcox
Information Governance 31617	2	0	10	2	14	0	0	0	1		→	Roger Parkin

Appendix 1

Quarter 2 2017/18									
Name of Audit	High Level Actions not Completed		Medium Level Actions not Completed		Total of Actions not Completed	Action Completed in the last Quarter	DOT	Audit Sponsor	
	No Progress	Partial	No Progress	Partial					
Budget Setting 41617	0	0	01	0	0	1	↑	Neil Wilcox	
School Financial Value Standard 51617	0	0	2	1	2	2	↑	Neil Wilcox	
Voids 61617	0	1	0	0	2	1	↑	Mike England	
Fixed Penalty Notice 91617	0	0	0	1	All Actions Complete	2	↑	Mike England	
Capital Expenditure 121617	0	0	0	0	All Actions Complete	1	↑	Mike England	
Rent Accounts 131617	0	0	2	0	2	0	↕	Neil Wilcox	

Appendix 1

Name of Audit	Quarter 2 2017/18										DOT	Audit Sponsor
	High Level Actions not Completed		Medium Level Actions not Completed		Total of Actions not Completed	Action Completed in the last Quarter	DOT	Audit Sponsor				
	No Progress	Partial	No Progress	Partial								
Transparency Code 151617	0	0	1	1	2						Strategy & Engagement	
Risk Management 171617	0	1	2	1	4	3					Neil Wilcox	
General Ledger 201617	1	0	3	0	4	0					Neil Wilcox	
Health & Safety 211617	0	0	2	3	5	0					Roger Parkin	
Cash handling 201617	0	0	0	1	1	1					Neil Wilcox	
Creditors 261617	0	0	0	2	2	0					Neil Wilcox	

Appendix 1

Quarter 2 2017/18									
Name of Audit	High Level Actions not Completed		Medium Level Actions not Completed		Total of Actions not Completed	Action Completed in the last Quarter	DOT	Audit Sponsor	
	No Progress	Partial	No Progress	Partial					
Asset Register 291617	0	0	1	0	1	1	↑	Neil Wilcox	
Procurement 321617	0	0	0	1	1	1	↑	Neil Wilcox	



**Outstanding High Risk Management Actions**

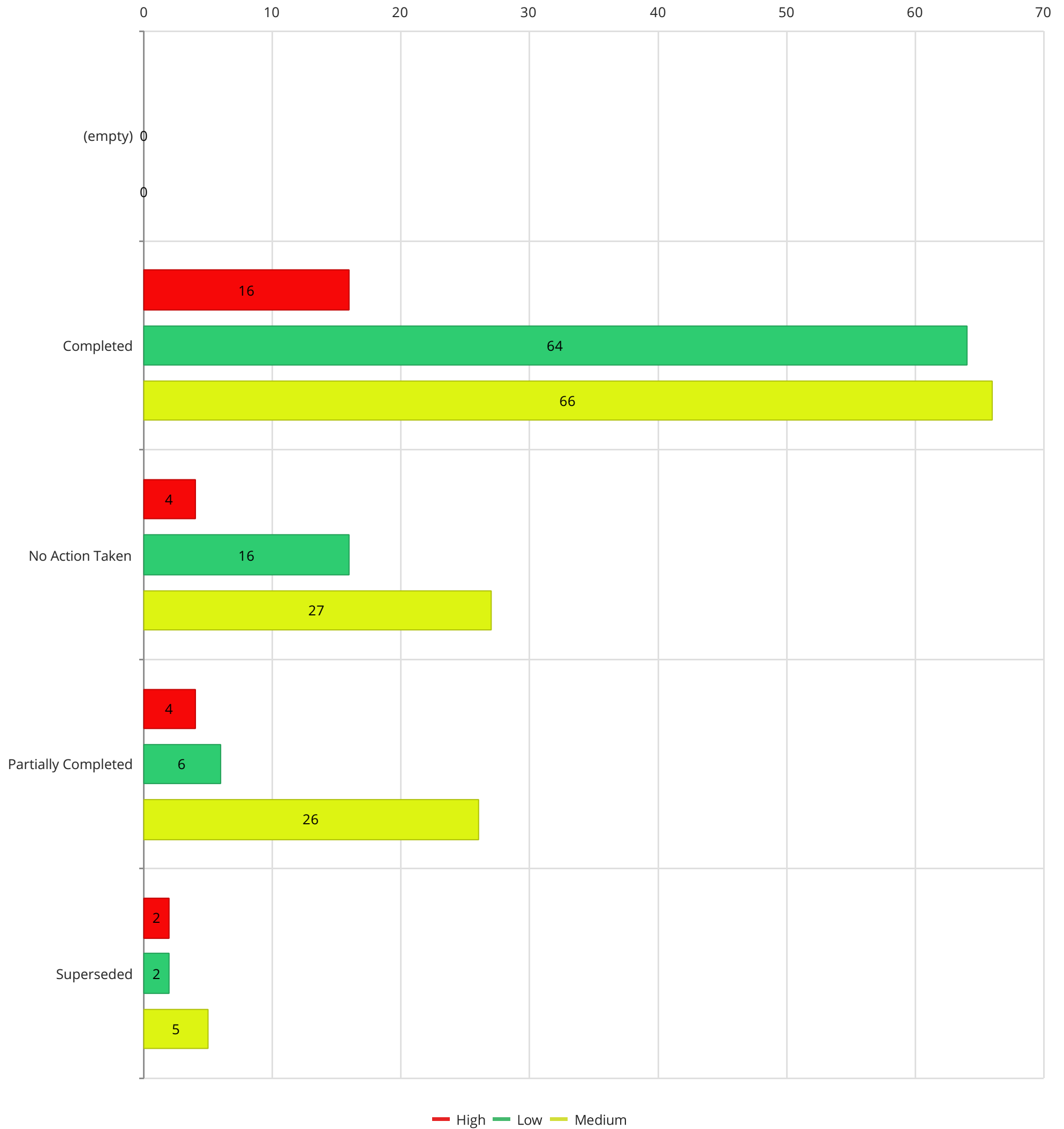
Title	Management Actions	Target Date	Implementation Status	Completion Notes
<b>Person Responsible: John Griffiths</b>				
Voids	A recharge policy and procedure will be developed; and pre-void inspections will be carried out for all properties and re-charges to tenants made, where works are noted as being the tenant's responsibility.	31/03/17	Partially Completed	The Capita issue is with Arvalo and they have it as a work item to configure the cash receipting processes to ensure payments can be made to sub-accounts. Despite regular chasing via Alun Dowling, there is no completion date to this as present. They are aware it is a priority task. As for the Agresso process, this is in place and has been used. Recharges from void inspections can be raised but this would need linking to the void process. It is being built into the void and repairs reporting processes to be adopted by Osborne. Trevor will discuss with Alan Cope and Steven Peach the practicalities of using the Client Contracting Co-ordinators to identify and raise voids recharges costs.
<b>Person Responsible: Simon Pallett</b>				
Information Governance	The Information Governance Policy will be reviewed and updated to ensure it reflects the arrangements and processes within the Council, in line with the HSCIC guidance,  <ul style="list-style-type: none"> <li>• Roles and responsibilities, covering senior IG roles (Caldcott Guardian, SIRO and IG Lead), other key staff roles in relation to IG as well the responsibilities of the wider</li> <li>• The specific resources within the Council to fulfil these roles.</li> <li>• The key policies underpinning the overarching Information Governance</li> <li>• Governance arrangements for overseeing</li> <li>• Processes for delivering training and</li> <li>• Arrangements for reporting, escalating and monitoring IG incidents and breaches.</li> </ul> Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.  The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.	31/03/17	No Action Taken	No Action
Business Continuity & IT Disaster Recovery	Management will ensure that arvalo provide recovery time profiles for key systems as soon as the DR infrastructure has been implemented, which will include the provision of recovery servers.	31/03/17	No Action Taken	Follow audit amended findings
<b>Person Responsible: Phil Brown</b>				
Risk Management	The Council will agree the roll out of Intelx to record directorate level risks with each directorate.  This will include agreement of responsibilities at directorate level to update risks on a regular basis.	30/06/17	Partially Completed	This action is near to completion and once the RSM system is operation throughout the Council this will be done
<b>Person Responsible: Joe Carter</b>				
Business Continuity Planning Arrangements	The Council will establish and maintain a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and  <ul style="list-style-type: none"> <li>• Establishes the context of the assessment and defines the criteria for evaluating the</li> <li>• Takes into account legal and other</li> <li>• Includes systematic analysis and</li> <li>• Defines the required output from the business impact analysis and risk</li> <li>• Specifies the requirements for this information to be kept up-to-date.</li> <li>• Identifying activities that support the</li> <li>• Assessing the impacts over time of not</li> <li>• Setting prioritised timeframes for resuming these activities at a specified minimum acceptable level (RTO - Recovery Time Objective), taking into consideration the time within which the impacts of not resuming them would become unacceptable (MTPD - Maximum Tolerable Period of Disruption); and</li> <li>• Identifying dependencies and supporting resources for these activities, including</li> </ul>	30/09/16	Partially Completed	Partially Complete as per Follow Up audit 04/17
<b>Person Responsible: Roger Parkin</b>				
Matrix Management of Agency Staff	We will ensure that all staff approving new agency workers or approving the extension of existing agency contracts on the Matrix system input relevant notes of checks that have been carried out, for instance:  <ul style="list-style-type: none"> <li>• Whether adequate budget is available for</li> <li>• The post was required urgently out of hours and therefore, there is only</li> <li>• The reason why the contract has been extended.</li> </ul> If this information is not detailed then the approval will be refused.	31/05/16	No Action Taken	No Action
<b>Person Responsible: Frederick Narmh</b>				
Matrix Management of Agency Staff	The Council will formally assign a Contract Manager who will have responsibility for managing the Matrix contract.	31/05/16	Partially Completed	Corporate procurement will continue to manage the Matrix contract on an interim basis till the contract expires. Following the eminent expiry of the Matrix contract in 2016, it is anticipated that HR will actively manage the new service contract with a dedicated resource. HR to assist in Managing this contract that has been extended for a further year.
<b>Person Responsible: Vijay McGuire</b>				
General Ledger	The Council will ensure that the frequency of backups is stated within the contract with Trustmarque and that assurance is received that backups are conducted regularly and disaster recovery arrangements are tested for the ledger.	30/06/17	No Action Taken	cannot complete it without Finance involvement and we have asked for copies of the contract with Trustmarque which are not yet been made available. I have asked again and copied you into the request!  Barry Stratfull will talk to Trustmarque to see who our contract is with and take matters further

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# Audit Actions by Implementaion Status

Bar Chart of Outstanding Audit Actions by Implementation Status

Appendix 3 - Chart of Status of Management Actions



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<b>Report Date</b>	16 Aug 2017
<b>Risk Area</b>	1. Corporate Risks

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
CR 4	Managing the urban regeneration projects such that they deliver a quality product on time and to budget.	TBD	<p><b>Description</b> There are a number of major regeneration projects planned for the town which when completed will attract businesses in the area e.g. the TVU site and the old library. Failure to manage these projects effectively may result in project delays and increase project costs</p> <p><b>Consequence</b> The main impact will be delays in attracting businesses to the area with the consequential loss of income and ability to provide jobs and opportunities for Slough residents. Inadequate governance arrangements will contribute to ineffective decision making and management</p>	15		No	15	TBC <b>Person Responsible:</b>  <b>To be implemented by:</b>			15

# Audit and Corporate Governance Committee

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
CR 2	Ensuring financial sustainability.	TBC	<p><b>Description</b> The revenue support grant is declining whilst the population in the Borough is growing. In addition there is an increasing demand for adult social care which overspent its budget last year. Efficiency savings still need to be made to reduce expenditure, whilst the financial sustainability of the Council in the longer term is reliant on increased levels of income being generated by attracting new businesses to the area. There is limited ability to increase income through an increase in Council Tax or Business rates.</p> <p><b>Consequence</b> Failures or delays in the Slough Urban Regeneration programme is likely to produce an extended period of lower than expected income which will in turn impact the quality of services that can be delivered and result in a failure to meet the corporate objectives</p> <p>Reputational Damage</p>	16	Limited	Yes	8	<p>To be confirmed</p> <p><b>Person Responsible:</b></p> <p><b>To be implemented by:</b></p>			8

## Audit and Corporate Governance Committee

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
CR 1	Recruiting, retaining and stabilising the senior management team.	TBC	<p><b>Description</b> There are currently interim positions at Chief Executive and Resources, Housing and Regeneration Directorate. Two out of seven assistant directors have recently resigned. The Council is undergoing an organisational restructuring, requested by the leaders, and there is a need to recruit into these posts.</p> <p><b>Consequence</b> Failure to stabilise the senior management of the Council will result in reduced effectiveness of leadership and potential inability to achieve the corporate objectives.</p> <p>Reputational Damage</p>	20		No	16	Complete the consultation for the Director and service Lead roles <b>Person Responsible:</b>		Outstanding	8
								<b>To be implemented by:</b> 21 Aug 2017			
								Once consultation is complete implement new structure will need to be implemented <b>Person Responsible:</b>		Outstanding	
								<b>To be implemented by:</b> 02 Oct 2017			

## Audit and Corporate Governance Committee

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
CR 10	Ensuring that the sustainability and transformation partnership (STP) reaches a satisfactory agreement between all the partners.		<p><b>Description</b> There are 13 partners on the Board including acute hospital trusts, community trusts and CCGs, The costs will shift away from health care into the community and social care</p> <p><b>Consequence</b> Failure of sufficient funds to be transferred to the Council to provide the social care will result in the Council not agreeing with the consequential reputational damage or the Council being put under greater financial pressure.</p>	12		No	12	TBC <b>Person Responsible:</b>  <b>To be implemented by:</b>		Outstanding	12
CR 7	Ensuring that the Council has adequate human resources with the skills required to meet their corporate objectives.	TBC	<p><b>Description</b> The Council has relied on a high number of agency staff to carry out its functions because of role vacancies. The organisational restructuring provides the opportunity to recruit staff into roles.</p> <p><b>Consequence</b> Failure to develop the workforce and retain staff will mean that the Council does not have the required skills to meet its corporate objectives.</p>	20		No	20	To Be Decided <b>Person Responsible:</b>  <b>To be implemented by:</b>	Phil Brown	Outstanding	20



**Audit and Corporate Governance Committee**

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
CR 5	Ensuring the Town Centre redevelopment is completed in as short a timescale as possible.	TBC	<p><b>Description</b> The town centre will be redeveloped investors to make it an attractive centre for businesses to operate from and residents to visit. However there will be a period when the town centre will be blighted.</p> <p><b>Consequence</b> Failure to ensure this period is short will mean that businesses and their income will be delayed or they may decide to go elsewhere. We understand this happened in elsewhere</p>	12		No	12	<p>To Be Decided</p> <p><b>Person Responsible:</b></p> <p><b>To be implemented by:</b></p>		Outstanding	12

## Audit and Corporate Governance Committee

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
CR 11	Ensuring the Council's internal control environment is fit for future.	TBC	<p><b>Description</b> Continued changes in personnel / vacancy / service change have resulted in loss of corporate memory and deterioration in the control framework including adherence with policy, systems, process and procedures. This has resulted / continues to result in decisions being made without a firm policy footing, or decisions being made often late or without sufficient due process etc. This is applicable amongst to officers and members.</p> <p><b>Consequence</b> The Council is therefore at greater risk of being challenged or making a poor decision with sub optimal outcomes.</p>	15		No	12	<p>To Be decided</p> <p><b>Person Responsible:</b></p> <p><b>To be implemented by:</b></p>		Outstanding	12

# Audit and Corporate Governance Committee

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
CR 9	Management of the procurement process to ensure that the Council is fully compliant with procurement rules and meets the associated regulations.		<p><b>Description</b> The Council operates a hybrid procurement model which is in between centralised and non-centralised procurement. Hence some procurement is undertaken directly from the Directorates.</p> <p>The procurement process should also comply with the Public Services Social Value Act by having regard to economic, social and environmental well-being with regard to public service contracts.</p> <p><b>Consequence</b> Failure to follow the EU or local rules for procurement opens the Council up to the risk of being challenged by unsuccessful bidders. Hence it is important that procurement officers have adequate training and familiarise themselves with the basic rules.</p>	15		No	9	<p>The Procurement team will undertake monthly monitoring and analysis of expenditure by supplier and by type of expenditure to monitor compliance with the Council and EU procurement thresholds requiring formal contracts to be awarded and to identify any potential efficiencies and savings that could be delivered through consolidation of .</p> <p><b>Person Responsible:</b> Phil Brown</p> <p><b>To be implemented by:</b> 31 Aug 2017</p>		Outstanding	6
					Limited	Yes					

**Audit and Corporate Governance Committee**

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
								The Procurement Strategy will be updated to ensure it is aligned to the strategic priorities set out within the Five Year Plan. The strategy will then be issued to CMT and Cabinet for approval, published on both the Council website and intranet and then reviewed annually <b>Person Responsible:</b> <b>To be implemented by:</b>		Outstanding	

# Audit and Corporate Governance Committee

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
CR 3	Ensuring that the Council meets its statutory service requirements e.g. homeless, re-housing, emergency housing and schools provision.		<p><b>Description</b> The Council has statutory responsibility to provide accommodation for the homeless and adequate housing and schools to meet the local demand. The increasing number of homeless is an emerging risk as the Council is required to find temporary accommodation which will be a high cost.</p> <p>Currently forecasts indicate that there will be an insufficient level of available places in early years as well as an excess demand for places in the secondary school sector within the medium term.</p> <p><b>Consequence</b> The Council owns 7,000 residential properties of mixed age dating back to the 1950s and of mixed condition. Failure to manage these properties would mean a failure to meet one of its corporate objectives.</p> <p>Reputational Damage</p> <p>The Council also has limited space in the Borough in which to build more houses and schools.</p>	20		No	20	<p>Person Responsible:</p> <p>To be implemented by:</p>			

## Audit and Corporate Governance Committee

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
CR 6	Ensuring that the processes for bringing services back in house are efficient and effective in order that there is a smooth transition. Making sure these services operate to the standard expected by the Council. The following services are being brought		<p><b>Description</b> Environmental services and special educational needs have been run by external organisations for the last few years.</p> <p><b>Consequence</b> Failure to understanding how well the services have been managed, their financial situation, the skills of staff and the risks they carry may mean the Council is taking on unwanted liabilities or does not have sufficient capabilities / capacity to ensure successful continuity of services to users once they return to the Council.</p> <p>This coupled with the integration of these services into the Council will create additional pressures on services.</p>	15		No	15	<p>To Be Decided</p> <p><b>Person Responsible:</b></p> <p><b>To be implemented by:</b></p>	Phil Brown	Outstanding	15

## Audit and Corporate Governance Committee

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Assurance Level	Assurance Given	Residual Risk Priority	Action Required	Person Responsible	Action Status	Target Risk Priority
CR 8	Ensuring the effectiveness of resilience plans/ continuity plans for key locations and services.	Phil Brown	<p><b>Description</b> The Council's business continuity plan was last reviewed in 2013. The internal audit report in 2016 would provide no assurance that adequate controls are in place. The BCP has not been tested through desk top or simulation exercises.</p> <p><b>Consequence</b> Failure to have an up to date BCP places the Council at risk of being unable to continue its business should a serious event cause disruption. Senior management do not appear to have appreciated the significance of the risks or given this due attention in the past</p>	24		Yes	12	<p>The Council will establish and maintain a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide level</p> <p><b>Person Responsible:</b></p> <p><b>To be implemented by:</b></p>		Outstanding	6
								<p>A formal programme of business continuity training will be developed and delivered to staff covering, but not limited to; • The roles and contributions of staff to the effectiveness of BCM within the Council</p> <p><b>Person Responsible:</b></p> <p><b>To be implemented by:</b> 31 Dec 2017</p>		Outstanding	

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit & Corporate Governance Committee

**DATE:** 11<sup>th</sup> October 2017

**CONTACT OFFICER:** Neil Wilcox; Assistant Director, Audit & Finance  
**(For all Enquiries)** (01753) 875368

**WARD(S):** All

**PART I**  
**FOR INFORMATION**

**UPDATE OF FINANCIAL PROCEDURE RULES**

1. **Purpose of Report**

The purpose of this report is to present to Members the latest version of the updated Financial Procedure Rules.

2. **Recommendation(s)/Proposed Action**

That the Committee comment on and note details of the report.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

3a. **Slough Joint Wellbeing Strategy Priorities –**

The actions contained within the attached reports are designed to improve the governance of the organisation and will contribute to all of the emerging Community Strategy Priorities

*Priorities:*

- *Economy and Skills*
- *Health and Wellbeing*
- *Regeneration and Environment*
- *Housing*
- *Safer Communities*

3b. **Five Year Plan Outcomes**

The actions contained within this report will assist in achieving all of the five year plan outcomes

4. **Other Implications**

(a) **Financial**

There are no financial implications of proposed action

(b) Risk Management

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
<i>That Audit &amp; Risk Committee is requested to comment on and note the attached reports</i>	<i>This report concerns risk management across the Council</i>	

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications in this report

(d) Equalities Impact Assessment

There is no identified need for an EIA

5. **Supporting Information**

- 5.1 Attached at Appendix 1 is the latest version of the updated Financial Procedure Rules.
- 5.2 It will be necessary to revise the latest version at Appendix 1 to reflect the Senior Management Restructure once it is complete.
- 5.3 Once revised the final version of the updated Financial Procedure Rules will be re-submitted to Members for approval.

6. **Comments of Other Committees**

There are no comments from other Committees.

7. **Conclusion**

Members are requested to consider the updated Financial Procedure Rules.

8. **Appendices Attached**

Appendix 1 – Latest version of the Updated Financial Procedure Rules.

9. **Background Papers**

None

## **Part 4.6 Financial Procedure Rules**

### **1. INTRODUCTION**

- 1.1 In order to conduct itself efficiently, effectively, and in accordance with good corporate governance, the Council must establish appropriate financial procedure rules for all officers and Members to follow in discharging their financial duties.
- 1.2 These Rules outline in broad terms the system of financial administration to operate within the Council at Directorate level. They are complementary to the relevant sections of the Constitution, which seek to prescribe a framework for the effective management of the Council's financial business and to ensure that public accountability and high standards of financial integrity are exercised in the use of public funds. The rules apply to all officers and Members of the Council.
- 1.3 These Financial Procedure Rules are controlled by the Cabinet and are subject to any overriding or general direction by the Council. The Rules provide clarity about the roles and responsibilities of individuals, and the way the day-to-day financial administration and financial controls are exercised.
- 1.4 These Rules shall apply to any activities and services carried out by or on behalf of the Council, except where expressly approved by the Council, in any delegation or agency scheme, agreement or other document made with any other authority, body or person.
- 1.5 External providers (outsourced services, contractors and consultants for example) are managed through the Contract Procedure Rules.
- 1.6 The Section 151 Officer shall make recommendations to Cabinet to keep these Rules up to date and ensure that:
- (a) all Members and Officers are aware of their existence and understand that failure to comply with their requirements or with instructions issued under them will constitute misconduct;
  - (b) all details of amendments and instructions issued under these Rules are circulated promptly;
- 1.7 It shall be the duty of each Strategic Director to ensure that these Rules together with any other instructions issued by the Section 151 Officer are brought to the attention of and followed by their Directorate employees.

### **2. GENERAL**

- 2.1 Subject to any directions and authorisations given by the Council, the Cabinet shall:

- (a) oversee, co-ordinate and control the Council's finances;
  - (b) maintain the Council's Treasury Management Policy Statement having regard to the requirements of the Local Government Act 2003, CIPFA's Prudential Code for Capital Finance and best practice, as set out in the CIPFA Code of Practice for Treasury Management in Local Authorities, with a view to ensuring that the authority's finances continue to be managed on a sound basis;
  - (c) make, keep under review and revise as necessary these Financial Procedure Rules to provide for the proper supervision and control of the finances, accounts, income, expenditure and assets of the Council in conformity with the Constitution and all relevant statutes and best practice.
  - (d) after consultation with the Overview and Scrutiny Committee make any other recommendations to the Council it considers necessary.
- 2.2 The Cabinet, Commissioners, other Committees and Strategic Directors shall be responsible for the observance of the Council's Financial Procedure Rules throughout all functions and financial areas under its control.
- 2.3 The Section 151 Officer must, after consultation with the relevant Director report to the Cabinet any significant non-compliance with the Financial Procedure Rules that come to their attention.

### **3. DEFINITION OF TERMS & RESPONSIBILITIES**

Sound financial planning, management and administration are essential in order to:

- ensure and maintain the effective use of resources to achieve agreed service standards;
- provide complete, accurate and transparent accounts that demonstrate accountability to the public;
- comply with legal and corporate accounting requirements;
- ensure the appropriate use and security of financial and physical assets;
- help the Council provide value for money services and conduct its affair in an efficient, effective and economic manner.

Members and officers of the Council shall carry out their roles in line with the key areas of responsibilities and associated specific financial procedure rules set out below.

#### **3.1 Chief Financial Officer**

The Assistant Director (Finance and Audit) fulfils the statutory responsibilities of the "Chief Finance Officer" (the CFO is also referred to in these Rules as the Section 151 Officer) and shall, for the purposes of Section 151 of the Local Government Act 1972, under the general direction of the Cabinet, be responsible for the proper administration of the Council's financial affairs. This will also include duties under Section 73 of The Local Government Act 1985

and Section 112/114 of The Local Government Finance Act 1988 and Sections 25, 27 and 30 of the Local Government Act 2003.

The Chief Finance Officer has the following specific responsibilities:

- to ensure the co-ordination and integration of service planning, financial planning, asset management, value for money and corporate governance;
- to ensure that the Council's financial arrangements secure the proper stewardship and control of all public funds;
- to provide financial advice, information and support so that resources are managed effectively in delivering the Council's services;
- to set corporate financial management standards and agrees with Directorates detailed procedures to meet these standards;
- to ensure that there is an adequate internal audit and control;
- to approve financial systems or proposals to introduce new processes or systems (including IT systems) to ensure sound financial controls;
- to maintain the Council's principal accounting records and prepares the Council's annual statement of accounts;
- to provide information and financial returns to external bodies;
- to prepare the revenue budget and capital programme;
- treasury management and banking.

### **3.2 Monitoring Officer**

The Officer designated under Part 1, Section 5 of the Local Government and Housing Act 1989 who is responsible for promoting and maintaining high standards of financial conduct throughout the Council and thus provides support to the Audit and Corporate Governance Committee. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the Council and/or the Executive, and for ensuring that procedures for recording and reporting key decisions are operating effectively. (Further details of the powers and responsibilities of the Monitoring Officer are set out at Part 2 of the Constitution.)

### **3.3 Strategic Director**

Strategic Directors are responsible for budget formulation, allocation and management within their respective Directorates. They are also responsible for the overall accountability and control of employees and the security, custody and control of all other resources including vehicles, plant, buildings, materials, furnishings, cash and stores appertaining to their respective Directorates. Strategic Directors shall be responsible for ensuring the whole system of controls, financial and otherwise, set up within the organisation. This will enable reasonable assurance to be provided to the Section 151 Officer that the Council's financial rules of procedure are being complied with. Strategic Directors will report any non-compliance with the Rules to the CFO and Members.

### 3.4 **Service Manager**

Designated by the Council or nominated by a Strategic Director as being charged with managing a particular service, project or activity. Service Managers are responsible through the Directorate line management structure for the financial management of their area. However, such delegation shall not divest the Strategic Director of the responsibility for the effective, efficient and proper delivery of such matters.

### 3.5 **Service Lead for Finance**

The nominated Officer by the Section 151 Officer who is the finance representative responsible for the respective directorate. This is the Deputy s151 officer in the new structure.

### 3.6 **Cost Centre Manager**

Officers who have designated responsibility for overseeing a cost centre budget. Whilst this Officer may have day –to-day responsibility for overseeing the budget and managing the service, the Service Manager bears ultimate responsibility for ensuring the proper management of the Council’s resources within their functional area.

### 3.7 **Responsible Officers**

Officers with financial management responsibilities delegated to them by their Strategic Directors for specific purposes such as approving requisitions, certifying invoices or signing timesheets etc.

### 3.8 **Cost Centre**

The budget held on a unique code for an activity, making up part of a service, and an aggregate of the subjective sub-codes. In this context, “budget” must be taken to be the permission to spend given by Council.

### 3.9 **Budget Head**

The budget held on a unique code combination at subjective analysis level. In this context, “budget” must be taken to be the permission to spend given by Council.

### 3.10 **All Employees**

All employees have a responsibility to follow the Financial Procedure Rules, Contract Procedure Rules, Code of Conduct, and other Council policies, procedures and instructions.

Employees must ensure the Council resources are only used in carrying out the business of the Council and help the Council achieve open and honest administration by supporting approved fraud prevention strategies and avoiding potential conflicts of interest.

Under no circumstances must employees use Council resources or assets for their personal benefit.

Employees must not allow any personal debt owed to the Council to become unmanaged. Personal debt includes, but is not limited to, rent arrears, Council Tax arrears, arrears arising for leaseholder agreements with the Council, employee loan arrears or employee leasing arrangements. Where any such arrears have been accrued prior to employment with the Council and are still outstanding, employees should undertake to clear those arrears within an agreed and reasonable period of time, which shall be determined the S151 Officer or deputy.

All employees have a responsibility to assist the Council's audit processes, to keep accurate and comprehensive records to support the transactions undertaken on the Council's behalf and to report to their Strategic Director any occasions where they believe that Finance Regulations and Rules, Contract Procedure Rules, Council Policies or Directorate instructions are not being followed, or where the resources are at risk.

#### **4. AUDIT & CONTROL ISSUES**

##### **General**

- 4.1 The Section 151 Officer, the Council's Internal Audit Team and the Council's External Auditors shall have the authority to:
- (a) enter any Council premises or land;
  - (b) have access to all assets, records, documents and correspondence and control systems relating to any financial and other transactions of the Council;
  - (c) access records belonging to third parties, such as contractors, when required;
  - (d) require and receive such explanations as are necessary concerning any matter under examination, and
  - (e) require any employee or agent of the Council to produce cash, stores or any other Council property under their control.
  - (f) Report to the Head of Paid Service, the Audit and Corporate Governance Committee or any other officers or members of the council.
- 4.2 All elected members, members of staff and contractors must give 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 during any audit.

##### **Internal Audit**

- 4.3 The Section 151 Officer shall ensure that an effective Internal Audit Team is maintained by the Council. The Head of Audit shall provide assurances on

the adequacy of the internal control system and audit work will be conducted to professional standards in accordance with CIPFA and other relevant guidance. The Head of Audit will report on internal control no less frequently than annually in line with the Accounts and Audit Regulations (2015 and amended 2016).

4.4 The Section 151 Officer shall:

- (a) Approve the strategic and annual audit plans prepared by internal audit, which take account of the characteristics and relative risks of the activities involved.
- (b) Maintain a permanent record of internal audit reports which are available for inspection by Members of the Council.
- (c) Regularly inform the Audit and Corporate Governance Committee of audit reports and corrective action, where appropriate.

4.5 Strategic Directors should consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

4.6 Whenever a matter arising out of any audit activity, or otherwise, comes to the attention of Internal Audit and this reveals, or suggests, the possibility of any irregularity, the Head of Audit shall consult immediately with the Strategic Director of the Directorate concerned, the Section 151 Officer and the Monitoring Officer, to determine the nature of any action to be taken and to effect compliance with these Rules.



## **External Audit**

- 4.7 The Council's External Auditors will be appointed in accordance with the Local Audit and Accountability Act 2014 and their roles and responsibilities are set out in the Act and the [Code of Audit Practice](#) for the audit of local public bodies. Their work covers;
- The financial aspects of the Council's corporate governance arrangements
  - The Council's financial statements
  - a conclusion on the Council's use of resources
  - The Council's preparation of grant claims
- 4.8 The Section 151 Officer shall be responsible for the submission of the Council's accounts to the External Auditor in accordance with the Accounts and Audit Regulations (2015) by the 30<sup>th</sup> June of each year.
- 4.9 The Section 151 Officer shall be responsible for preparing and publishing the accounts for inspection in accordance with the Accounts and Audit Regulations 2015. This will be 3-14 July 2017 for the year of accounts 2016-17 and 1-14 June 2018 for the year of account 2017-18. The section 151 Officer is also responsible for publishing the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the Council, or its delegated committee, to approve the statement of accounts within a timescale determined by legislation.
- 4.10 The section 151 Officer shall work with the external auditor and advise Council, Audit and Corporate Governance Committee and Strategic Directors on their responsibilities in relation to external audit.

## **Risk management**

- 4.11 The Cabinet is responsible for approving the Authority's risk management policy statement and strategy and for reviewing the effectiveness of risk management arrangements. The Section 151 Officer will prepare and promote the Council's Risk Management policy.
- 4.12 The Section 151 Officer will develop an appropriate corporate Risk Management process, in conjunction with Strategic Directors.
- 4.13 Strategic Directors will take responsibility for managing the risks their directorates face, having regard to advice from the Section 151 Officer and other specialist officers as necessary. are responsible for maintaining risk registers in accordance with the Risk Management policy and framework, Strategic Directors will regularly review the risks and report to Cabinet where actions are required.
- 4.14 Strategic Directors will ensure that regular risk assessments and monitoring of risks are carried out within their Directorates. All risks should be identified on a 'likelihood / impact' matrix, where each is assessed in terms of having a low,

medium or high likelihood and severity, by quantifying the financial impact where possible.

### **Financial Irregularities**

- 4.15 Slough will not tolerate fraud and corruption in any aspect of the way it carries out its responsibilities, whether from inside or outside the Council. The Section 151 Officer is responsible for developing and maintaining the Council's Anti-Fraud and Corruption Policy, which is available at Part 5 of the Constitution.
- 4.16 Any employee who becomes aware of any breach of the requirements set out in the Constitution, and more particularly these Rules or of any matter that involves or is thought to involve, any potential financial irregularity shall notify immediately their Strategic Director. The Strategic Director shall consult with the Head of Audit to determine the most appropriate action to be taken. No investigation of potential financial irregularity should take place prior to seeking advice from Internal Audit. Where there is evidence to suggest that a criminal offence may have been committed, it shall be the duty of the Section 151 Officer in consultation with the Chief Executive to refer the matter to the police having taken advice from the Monitoring Officer and the Head of Audit and to inform the relevant Lead Commissioners and Leader of the Council.
- 4.17 It shall be the duty of a Strategic Director to report to the Chief Executive, the Section 151 Officer and the Monitoring Officer when, after proper investigation, if it is determined that the financial sections of the Constitution have not been complied with, or any financial irregularity has occurred. The report shall include details of actions taken and/or proposed. The Chief Executive and the Monitoring Officer will consider whether to report the matter to the Cabinet and the Audit and Corporate Governance Committee or to any other Committee.

### **Whistleblowing**

- 4.18 Slough is committed to the highest possible standards of openness, probity and accountability in the delivery of its services to the people who live and work within the borough. The Council's Whistleblowing Policy provides a safe environment for concern is to be raised confidentially and places an obligation on Council employees to deal with allegations appropriately. The Whistleblowing Policy (see Part 5 of the Constitution) is the responsibility of the Monitoring Officer.

## **5. ACCOUNTING ARRANGEMENTS**

- 5.1 Subject to statutory requirements and to any directions given by the Cabinet, the Section 151 Officer shall determine all the accounting procedures and records of the Council and its officers and be responsible for making judgements and estimates that are reasonable and prudent.

- 5.2 All relevant Members, finance staff and service managers are required to operate within the accounting standards and timetables.
- 5.3 The Section 151 Officer, or nominated lead for finance, will ensure that all claims for funds, including grants, are made by the due date.

### **Annual Statement of Accounts**

- 5.4 The Section 151 Officer is responsible for ensuring that the annual statement of accounts, and accounting policies, are prepared in accordance with the Accounts and Audit Regulations (2015) and the Code of Practice on Local Authority Accounting in the United Kingdom: a Statement of Recommended Practice (CIPFA/LASAAC).
- 5.5 The Section 151 Officer is responsible for the preparation and publication of an Annual Governance Statement (AGS), included as part of the statement of accounts, following an annual review of the Council's systems of internal control, in accordance with proper practices.

### **Accounting Records**

- 5.6 The Section 151 Officer shall be responsible for keeping the principal accounts and financial records of the Council. Directorate financial procedures and records shall be compiled and maintained in accordance with such directions given by the Section 151 Officer in consultation with the Directorate Strategic Director, Leads for Finance and Service Managers. All the Council's transactions, material commitments and contracts and other essential accounting information should be recorded completely, accurately and on a timely basis and reconciliation procedures carried out to ensure transactions are correctly recorded.
- 5.7 The Strategic Directors shall ensure the safe retention of all accounting records, including paid invoices and certificates or media record thereof, for as long as may be statutorily required, currently 7 years for prime records such as invoices and 3 years for budget records.

### **Accounting systems and procedures**

- 5.8 There must be effective protocols for reconstituting accounting records in the event of a system failure.
- 5.9 A Strategic Director, Lead for Finance and/or Service Manager shall consult with and must obtain written permission from the Section 151 Officer before introducing, amending or discontinuing any Directorate system, record or procedure that relates to any area covered in these Financial Procedure Rules. No feeder computer system shall be linked into any corporate financial system without the prior consent or authority of the Section 151 Officer or nominated Officer.

## **Trading Accounts**

- 5.10 The Section 151 Officer, or lead for finance, will advise on the establishment and operation of trading accounts. Each trading account will have defined objectives, including the way in which surpluses or deficits will be dealt with.
- 5.11 The Strategic Directors will observe all statutory requirements in relation to services that maintain trading accounts, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including full recovery of overhead costs, is charged, and to produce suitable information for the statutory disclosure in the final accounts.

## **Directorate financial management arrangements**

- 5.12 The Strategic Directors in determining the allocation of accounting duties within their Directorates shall observe the following principles:
- (a) the duties of providing information regarding sums due to the Council and the calculating, checking and recording of these sums shall be separated as completely as possible from the duty of collecting or disbursing them;
  - (b) employees charged with the duty of examining or checking the accounts of cash transactions shall not themselves be engaged in any of those transactions.

## **6. BUDGETING**

- 6.1 The Section 151 Officer will develop and maintain a Financial Strategy for the Council. This will include an annual revenue budget, a capital strategy and a medium term financial strategy. The procedure leading to the approval by Council of the Capital Programme and Annual Revenue Budget will be determined each year by the Section 151 Officer. The annual revenue budget will include the key income assumptions, service pressures, savings and key reserves. The Section 151 Officer will advise Council on his / her opinion of a minimum level of general reserves for the financial year ahead.
- 6.2 Capital and Revenue Budgets shall be prepared by Strategic Directors in conjunction with the relevant Lead for Finance in accordance with directions and the overall budgetary position as detail by the Section 151 Officer. Budgets shall reflect Council priorities and will include meeting savings targets where applicable.
- 6.3 The Capital and Revenue Budgets will be presented to the Corporate Management Team and subsequently the Cabinet by the Section 151 Officer for agreement, prior to being submitted to the Council for formal approval.
- 6.4 No new revenue, capital or grant aided scheme(s) may be committed without the specific approval of the Cabinet and unless a report including full scheme appraisal has been undertaken. The report on the scheme must include a financial and technical appraisal in the format prescribed by the Strategic Director, Regeneration, Housing and Resources, identifying amongst others, alternative(s) to the proposed bid, resources required for delivery, delivery mechanism and timetable.
- 6.5 Before the report is presented to Members, the Section 151 Officer and the Monitoring Officer must be satisfied all financial and contractual arrangements are in order and all Financial Procedure Rules have been complied with.
- 6.6 Approval of the annual revenue budget and capital programme for the next financial year will confer authority on the Cabinet, Committees, Strategic Directors and Service Managers to incur revenue and capital expenditure.

- 6.7 De minimus level for capitalisation of assets is set at:  
£6,000 for vehicles  
£20,000 for all other expenditure

Related assets may be grouped together to exceed the de-minimus level where individually they would not. For example: wheeled bins or IT hardware

## **7. BUDGETARY CONTROL AND VARIATIONS**

### **Corporate Budgetary Control**

- 7.1 The Section 151 Officer shall report quarterly to Overview and Scrutiny Committee and the Cabinet on the Council's overall financial performance and ensure the Cabinet and other Committees are kept adequately informed of the financial implications of their activities.
- 7.2 The Strategic Directors with the assistance of their Lead for Finance, shall return the monitoring information to Finance each month in accordance with the agreed format and timetable.
- 7.3 The Service Managers shall be responsible for ensuring they supply timely information on monthly expenditure, income and commitments to their Lead for Finance.
- 7.4 All Officers producing reports for elected Members must seek support and advice from their Leads for Finance in assessing the financial implications of any actions recommended. The financial implications of reports must then be cleared with the Section 151 Officer prior to the report being presented to elected Members in accordance with the reporting timetable.

### **Cost Centre Budgetary Control**

- 7.5 The Section 151 Officer shall ensure an effective system of budgetary control is operated throughout all Directorates.
- 7.6 The Strategic Directors and/or Service Managers must nominate a named manager for each cost centre within their Directorate, known as the Cost Centre Manager.
- 7.7 The Strategic Directors are responsible for the economic, efficient and effective use of resources allocated to their Directorate, including identifying opportunities to minimise resource requirements without having a detrimental effect of service delivery.
- 7.8 Service Managers should delegate day to day responsibility for overseeing the budget and managing the service to the Cost Centre Manager, But, they retain the ultimate responsibility for ensuring the proper management of the Council's resources for their service area and are responsible for the economic, efficient and effective use of resources allocated to them.
- 7.9 The Service Managers and Cost Centre Managers will be assisted in their duties by financial management information, support and advice provided by the finance section.
- 7.10 The Service Managers and Cost Centre Managers must not spend more than their annual budget and are expected to take corrective action, if necessary, during the course of the year in order to stay within budget. Unauthorised overspend contrary to the financial rules of procedure may lead to disciplinary action being taken against the cost centre manager or Service Manager.

- 7.11 The Lead for Finance shall co-ordinate the information from Service Managers and submit a regular monitoring report to the Directorate Management Team. Where a monitoring report highlights a projected overspend, the Strategic Director and Service Managers must produce an action plan to contain that overspend.
- 7.12 The Section 151 Officer will determine the rules for considering either carry forward requests or penalties, except for the schools block. Any approved revenue budget unspent at year-end can only be carried forward if approved, initially by the Section 151 Officer.

### **Capital Projects Control**

- 7.13 The Section 151 Officer is responsible for reporting against the capital programme, and determining the definition of “capital”, having regard to government and accounting requirements.
- 7.14 The Capital Strategy Board is responsible for co-ordinating the preparation, review and implementation of the Council’s Capital Strategy and Asset Management Plan. The Group is also responsible for evaluating bids for capital funding and the monitoring of the capital programme including Post Project Evaluations.
- 7.15 To support the management and delivery of the capital programme:
- (a) Directorates, as the owners and sponsors of individual capital projects, hold the ultimate responsibility and accountability for the delivery of individual capital projects. The Regeneration, Housing and Resources Directorate will help and support the delivery of the overall capital programme.
  - (b) The Directorate Lead Officer on the respective capital projects will provide the progress information necessary to enable the Section 151 Officer to present quarterly capital monitoring to the Members, which will include level of committed budget, and any areas of underspend or re-profiling required.

### **Revenue Budget Virement**

- 7.16 Budget provision may be transferred from one budget head to another (known as virement) during the course of the year subject to the following rules:
- (a) the total cost of the proposal is capable of being met from an identified part of that Service Manager’s / Managers’ approved budget(s);
  - (b) the item is not creating new policy or initiatives not identified in approved budgets or service plans;
  - (c) the transfer creates no commitment to recurring expenditure;
  - (d) there should be no virement to or from employee budgets;



and with the authorisation of the following Officers and Members for these categories which are cumulative (ie up to £250,000 within a Directorate subject to the agreement of the relevant Strategic Director):

Amount	Approval	Informed
Up to £100,000 within a Directorate	Strategic Director	
Between £100,000 and £250,000 within a Directorate	Strategic Director and Section 151 Officer / Lead for Finance	Commissioner
Between £250,000 and £500,000 within or between a Directorate	Cabinet	
Up to £250,000 between Directorates	Strategic Director, Section 151 Officer or/and Lead for Finance	Commissioner(s)
Over £500,000	Council, delegated to Cabinet	

7.18 Each virement decision at whatever level needs the written approval of the relevant Officers listed. A virement register must be kept by Finance recording all virements.

7.19 The Strategic Directors must report the cumulative value of virements, by service, as part of the regular cost centre budgetary control, as referred to above.

7.20 The following transfers will not count as Virement for these purposes:

- (a) Transfers of budgets when a whole service transfers from one Directorate to another:
- (b) Income and expenditure budgets related to additional grants not included in the Council's approved budget.
- (c) virements completed as a result of Council decisions as part of the budget approval process
- (d) any transfers in respect of support service overhead allocations

### **Capital Budget Variations**

7.21 Capital schemes may last for more than one financial year so variations need to be considered in terms of both the impact on the scheme as a whole and on the agreed annual programme. The Section 151 Officer, via the approval of the Capital Strategy Board, may authorise a variation(s) to the capital project subject to the overall cost of the scheme (the variation itself, or when added to previous variations) not incurring additional expenditure of more than 10% of the total cost of the scheme or £250,000 whichever is the lower;

A variation(s) which results in the total or annual cost of the scheme exceeding the above financial limits must be reported to the Cabinet; a scheme approved in the capital programme for a future financial year may be brought forward into the current financial year, or a current scheme may be varied, subject to:

- (i) The overall revenue impact of the capital programme in the current financial year remaining the same, and there being no increase to the underlying borrowing requirement
- (ii) Approval by the Capital Strategy Board, the Section 151 Officer, and the respective Commissioner
- (iii) Is reported to Cabinet as part of the next quarterly finance paper

- 7.22 Where completion of a contract is likely to be delayed by more than one eighth of the contract period, the appropriate Strategic Director shall inform the Monitoring Officer and Section 151 Officer and a joint decision as to whether, and for what reason an extension of time is to be granted or a claim for liquidated damages is to be actioned.
- 7.23 Any re-profiling of capital schemes in year will be reported for Cabinet to consider on the basis that the overall revenue cost of the capital programme is not exceeded. Any re-profiling from previous years is for Cabinet to approve on the basis that funds were set aside for these capital programmes in previous years. Any revenue increase to the Capital Programme or the underlying borrowing requirement must be considered by the full Council.
- 7.24 Where a Directorate has overspent on capital schemes in any one year, it will be expected to have balancing underspends to enable the Council to stay within the overall annual capital programme.

## **8. EXPENDITURE**

### **Authorisation and Certification**

- 8.1. The Strategic Directors shall, having had regard to any guidance issued by the Section 151 Officer, determine which officers in their respective Directorates, shall be duly authorised to certify the following:
- (a) Official Requisitions, Orders and Contracts.
  - (b) Invoices, Contract Certificates for Payment and Requests for Cheques.
  - (c) Contract Variation Orders / Architect Instructions.
  - (d) Documents relating to the remuneration and other conditions of employment of employees.
  - (e) Petty Cash and Travelling and Expenses reimbursement claims.
  - (f) Stock Sheets.

- (g) Any other purpose as defined or authorised by the Council or Strategic Director that may arise in relation to financial matters.
- 8.2 The Strategic Directors shall ensure the Section 151 Officer is provided with an up to date composite list of the names and specimen signatures of all the officers so authorised. Approval at Assistant Director level or above is required where agency staff are included on the authorised signatory list. The list shall be held in the format determined by the Section 151 Officer.
- 8.3 Before entering into a contract and/or placing an order, the Responsible Officer must ensure there is an approved budget (capital or revenue) sufficient to meet the cost of the contract as specified by a written estimate of the cost of the goods, services or works and any associated annual expenditure.
- 8.4 The Section 151 Officer will set out appropriate authorisation limits for the authorisation of purchase orders and payments for the organisation.

### **Payment of Accounts**

- 8.5 Apart from petty cash payments from imprest accounts the method of payment of money due from the Council shall be by bank transfer, Purchasing Card or other instrument drawn on the Council's bank account.
- 8.6 Accounts for payment by the Council shall be on the supplier's official printed invoice, or on PDF documentation. Photocopies and faxes are not acceptable under any circumstances. Supplier invoices shall not be made out by officers of the Council unless agreed by the Section 151 Officer. Where accounts are made out by officers they shall accord with the requirements of these Rules and shall bear the signature of at least two duly authorised officers prior to certification for payment.
- 8.7 No officer shall amend or add any item or items to an invoice rendered by a supplier without approval of the Section 151 Officer.
- 8.8 When goods or services ordered though the finance system have been received, the Directorate requisitioning them will input to the system confirmation that they have been received and match the details on the requisition. Payment will then be generated automatically.
- 8.9 In exceptional cases, e.g. for utilities, the Directorate issuing a requisition or an order shall be responsible for the examination, verification and certification of the invoice. Certification of invoices for payment can only be undertaken by Officers authorised to do so under the Council's Scheme of Delegation, or the Strategic Director's delegated powers as per 8.1 and 8.4 above. The certification for payment shall mean that the certifying officer is satisfied that:
- (a) The goods have been received, examined and approved as to quality and quantity, or the work has been done or the service provided satisfactorily and that price is reasonable and in accordance with the contract or order.
  - (b) The expenditure is within the approved budget or covered by special financial provision and is in accordance with the Constitution.

- (c) The proper entries have been made on the copy order and in the inventory, asset register or stores record as appropriate.
  - (d) The account has not previously been certified for payment. Payment must not be made against a faxed or photocopied invoice.
  - (e) A duplicate invoice is appropriate since the original has not previously been certified for payment and can no longer be found.
  - (f) Any available trade or cash discount, adjustment, credit note, returns or packaging, have been claimed and taken into account.
  - (g) In the case of charges for utilities services including gas, electricity, telephone, water or rates any standing charges are correct and that consumption is charged on the most advantageous tariff and is reasonable.
  - (h) Any VAT included on the invoice has been appropriately included and charged at the correct rate.
  - (i) If VAT is charged, that the invoice complies with the requirements of HM Revenues & Customs as per Section 3 of the Council's VAT Manual.
  - (j) The account is arithmetically accurate.
  - (k) The coding to the appropriate revenue budget or capital scheme, including the VAT amount, shown on the invoice is correct. The invoice shall contain the official order number.
- 8.10 The Strategic Directors shall arrange a suitable division of staff duties within their Directorates so that the Officer who inputs details of receipt of goods or services or certifies an invoice for payment shall not, save in exceptional circumstances as agreed with the Section 151 Officer, be the person who either raised the requisition or placed the order.
- 8.11 Accounts for payment shall be submitted to and in the manner and frequency prescribed by the Section 151 Officer.
- 8.12 The Section 151 Officer shall arrange for the prompt payment of all accounts on being satisfied by means of a suitable level of selective checks and enquiries and receiving such information and explanations as may be considered necessary that they have been duly examined and certified and are properly payable by the Council.
- 8.13 The Strategic Directors and Service Managers shall, notify the relevant Directorate Finance Manager of all due but outstanding revenue and capital payments and receipts relating to the previous financial year in accordance with the closure of accounts guidance notes issued by the Section 151 Officer.

#### **Leasing arrangements and PFI/PPP arrangements**

- 8.14 Finance and operating lease arrangements or PFI/PPP arrangements shall only be negotiated on behalf of the Council by the Section 151 Officer or such

other authorised Officer. All such leasing agreements must be signed by the Section 151 Officer or such other Officer mandated by these Rules.

- 8.15 Any Strategic Director considering lease finance or PFI/PPP arrangements as a means of funding the acquisition of an item shall consult with the Section 151 Officer before undertaking any discussions with any lease finance supplier. Arrangements for the supply of items that may be acquired by way of lease finance shall comply with the Constitution and Prudential Indicators.
- 8.16 The Section 151 Officer shall keep all lease or PFI/PPP documentation in safe custody and maintain records of all leases entered into by the Council and retain them for such time as may be required to satisfy statutory requirements.

### **Payment of Salaries and Wages**

- 8.17 The Strategic Director, Customer & Community Services shall make all necessary arrangements, including the issue of guidance and submission timetables, for the preparation and control of all payrolls, and for the payment of all salaries, wages, pensions, compensation or other emoluments to employees, former employees or other persons approved by the Council.
- 8.18 The Strategic Director, Customer & Community Services shall record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- 8.19 The Strategic Director, Customer & Community Services shall ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis.
- 8.20 Each Service Manager or other Responsible Officer shall notify promptly to and within the time limits and in the form prescribed by the Assistant Director, Organisational Development & Human Resources, all matters affecting the payment of salaries, wages or other emoluments of Directorate personnel and in particular:
- (a) Appointments, resignations, dismissals, suspensions, secondments/transfers.
  - (b) Absences from duty for sickness or other reason (including relevant dates) apart from approved leave or training.
  - (c) Changes in remuneration, other than normal increments and pay awards and agreements of general application.
  - (d) Information necessary to maintain records of service for superannuation, income tax and national insurance liability.
- 8.21 The Strategic Directors will ensure adequate and effective systems and procedures are operated, so that:
- (a) Payments are only authorised to bona fide employees.
  - (b) Payments are only made where there is a valid entitlement.

- (c) Conditions and contracts of employment are correctly applied.
  - (d) Employees' names listed on the payroll are checked at regular intervals.
  - (e) Accuracy and completeness is verified.
- 8.22 The Strategic Directors should give careful consideration to the employment status of individuals employed on a self-employed consultant or sub-contract basis. HMRC applies a tight definition for employee status and, in cases of doubt, advice should be sought from the Assistant Director, Organisational Development & Human Resources to ensure compliance with IR35 Rules.
- 8.23 Appointments of all employees shall be made in accordance with the Rules of the Council and approved budgets, grades and rates of pay.
- 8.24 Time sheets, bonus sheets and overtime claims for weekly wages or monthly salaries shall be signed by the claiming employee as being a true record of hours worked for the Council. The relevant Service Managers or other authorised officers shall certify, on being satisfied all Procedure Rules have been complied with, such documents and process them in such a manner as determined by the Strategic Director, Customer & Community Services within such period before the respective pay day.
- 8.25 The Strategic Director, Customer & Community Services shall arrange for such checks and enquiries, and seek such information and explanations as deemed necessary, so as to be satisfied that these documents have been appropriately examined and certified and are otherwise properly payable by the Council.
- 8.26 Payment of salaries or wages shall not be made in advance of the normal payment date except in exceptional cases at the discretion of the section 151 officer and with the support of the relevant Strategic Director or Service Manager.
- 8.27 The Strategic Directors shall refer to the Lead for Human Resources and to the section 151 officer matters relating to the application of salary and wage scales and other conditions of service including any payments in relation to redundancy, early retirement or any other payments associated with an employee's termination of employment, and no commitment in these matters shall be entered into without their joint agreement. The Assistant Director, Organisational Development & Human Resources and s151 officer shall be jointly empowered to automatically apply non-discretionary salary and wage awards, expenses and other allowances approved by the various joint negotiating councils'.
- 8.28 No payments may be made to members of staff other than through the payroll, and payments must be made directly into employees / Members bank account, and should only be made to the person concerned, unless specifically agreed by the Section 151 Officer.



## **Payment to Members for Travel, Subsistence and Allowances**

- 8.29 Claims by Slough Borough Council's Members for payment of travelling, subsistence and other allowances shall be submitted to the Monitoring Officer in the form prescribed by the Strategic Director, Customer & Community Services duly completed and signed as being a true record by the Member. The Monitoring Officer, on being satisfied such claims are properly payable by the Council, shall certify these claims and pass them to the Strategic Director, Customer & Community Services for payment.
- 8.30 Claims submitted more than two months after the expenses were incurred shall be paid only with the express approval of the Monitoring Officer.
- 8.31 The Monitoring Officer shall provide to the Section 151 Officer details of any approved allowances due to Members.
- 8.32 The Section 151 Officer and the Monitoring Officer will consider and determine requests by Members for advance payments of their allowances as provided for in the current Members' Allowances scheme.

## **Payment to Staff for Travel and Subsistence**

- 8.33 Claims by employees' for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted to the Strategic Director, Customer & Community Services, in the appropriate form and supported by receipts, where appropriate, and in the approved timescale. Travel and subsistence claims must not be paid from imprest, petty cash etc.
- 8.34 The claimant must sign to confirm that journeys were carried out on official business, the mileages are correct, the form of transport used was reasonable and any expenses were relevant and properly incurred.
- 8.35 Claims must be counter signed by a Responsible Officer authorised to approve such records. The Responsible Officer shall be satisfied that the journeys made and form of transport used were authorised and that the expenses claimed are reasonable and were necessarily incurred and are properly payable by the Council.
- 8.36 The Assistant Director, Organisational Development & Human Resources shall arrange for such checks or enquiries and seek information and explanations as deemed necessary so as to be satisfied that allowance and expense claims have been appropriately examined and certified and are otherwise properly payable by the Council. The Strategic Director, Customer & Community Services shall process them for payment in such a way as to ensure they are treated correctly for tax, national insurance and VAT purposes.



## **9. COLLECTION OF INCOME AND WRITING OFF BAD DEBTS**

- 9.1 The collection of all money due to the Council shall be under the supervision of the Section 151 Officer who shall ensure adequate arrangements are maintained for:
- (a) The financial organisation and accounting necessary to ensure the proper recording of all sums due to the Council, and
  - (b) The collection, custody, control, disposal and prompt accounting of all cash in all Directorates and establishments of the Council and any bodies acting on the Council's behalf;
  - (c) Securing the safety of any employee whom has a responsibility for receiving and looking after money on behalf of the Council.
- 9.2 The Service Managers shall arrange for accounts to be raised promptly in respect of charges for work done or goods or services supplied and for rendering such accounts to the debtors concerned, along with required supporting documentation. Where appropriate, these accounts shall conform to current VAT Rules and instructions issued by the Section 151 Officer.
- 9.3 The Section 151 Officer shall provide for the setting up and continued maintenance of a periodical income register of all sums regularly due to the Council. Service Managers shall promptly notify the Section 151 Officer of contracts, leases and other agreements and other arrangements entered into which involves the receipt of money by the Council. The Section 151 Officer shall inspect any documents or other evidence in this connection as considered necessary to verify the accuracy of the register.
- 9.4 The format of all receipt forms, books, tickets and any other documents or vouchers or tokens acknowledging on the Council's behalf the receipt of money or money's worth shall be agreed between Service Managers concerned and the Section 151 Officer. Service Managers shall arrange for the ordering, custody and internal issue of such items in a manner approved by the Section 151 Officer.
- 9.5 All moneys received on behalf of the Council shall be banked daily unless otherwise agreed by the Section 151 Officer. All payments shall be made intact. Refunds of overpayments shall be made through the Creditor payments system or, if so authorised by the Section 151 Officer, an imprest account.
- 9.6 In the transport of cash for banking or other purpose the Service Manager, in consultation with the Occupational Health Safety and Welfare Manager and the Head of Audit, shall make arrangements for the safety of Council employees and for the proper security of the cash.
- 9.7 Any Officer or other person authorised to receive money on behalf of the Council shall keep such records as may be prescribed by the Strategic Director, Regeneration, Housing and Resources including an accurate and

chronological account of all receipts and deposits. Monies received shall not be used in any circumstances to cash personal or third party cheques and must be banked without deductions of any kind.

- 9.8 Every transfer of official money from one employee to another shall be evidenced in the records of the Directorates / sections involved by the signature of the receiving employee and retained for such period as may be determined by the Section 151 Officer.
- 9.9 The Service Manager in consultation with the Section 151 Officer shall ensure that proper and secure arrangements are in place for the receipt, opening and discharge of post containing remittances at offices and establishments of the Council. The opening of post shall be in the presence of at least 2 officers. A record shall be kept in such form as may be determined by the Section 151 Officer in which details of the remittances shall be entered. A discharge shall be given when remittances are handed over to a cashier for receipting and banking.
- 9.10 Each Officer or other person who deposits money to the credit of any Council account shall enter on the paying in slip and on the counterfoil or duplicate such particulars as are required by the Strategic Director, Regeneration, Housing and Resources.
- 9.11 Where a sum shown as due on the Council's accounts is found to be overstated an allowance may be recorded in respect to the amount overstated where the Section 151 Officer is satisfied that such an allowance is in order.
- 9.12 No debts shall be recommended for write off until all cost effective measures have been taken to try to recover the debt.
- 9.13 Expenditure which is reliant upon the satisfactory recovery of income should not generally be incurred until the income has been received and banked unless the Section 151 Officer has given prior approval.

#### **Writing off bad debts**

- 9.14 Any individual debt of up to £1,000 may be recommended for write off by the relevant Service Manager and Lead for Finance, and approved by relevant Strategic Director.
- 9.15 Any individual debt of up to £15,000 may be recommended for write off by the relevant Strategic Director or Lead Officer for finance and approved by the Section 151 Officer.
- 9.16 Any individual debt in excess of £15,000 may be recommended for write off by the Section 151 Officer and approved by the Cabinet.

- 9.17 In any one financial year;
- (a) A Strategic Director may not approve write offs of debt totalling more than £15,000 in aggregate.
  - (b) The Section 151 Officer may not approve write offs of debt totalling more than £500,000 in aggregate.
- 9.18 All debt write offs must be regularly reported to the Section 151 Officer who will report the cumulative debt write off figure quarterly to Cabinet.
- 9.19 All write off of losses arising from theft must be agreed by the relevant Section 151 Officer unless the cumulative value involved is in excess of £15,000 then this can only be written off with the approval of the Cabinet.
- 9.20 All debt written off will be charged back to the originating budgets, unless in exceptional circumstances where approval by Section 151 Officer will be sought.

## **10. TAXATION**

- 10.1 The Section 151 Officer is responsible for ensuring the Council is fully compliant with all relevant guidance and statutory responsibilities in relation to all taxation matters.
- 10.2 Strategic Directors are responsible for complying with all guidance and instructions issued by the Section 151 Officer to ensure correct accounting records are maintained in relation to:
- VAT
  - Construction Industry Tax
  - Income Tax
  - National Insurance
- 10.3 The Section 151 Officer is responsible for making tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.
- 10.4 Strategic Directors are responsible for ensuring all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals have demonstrated they are bona fide self-employed or are employed via a recognised staff agency.

## **11. BANKING**

### **Banking Arrangements**

- 11.1 All arrangements with the Council's bankers shall be made by or under arrangements approved by the Section 151 Officer, who shall be authorised to operate such banking accounts as may be considered necessary. If prior

approval is not given, the Council's bankers will report the matter to the Council and disciplinary action is likely.

- 11.2 All banking accounts shall stand in the name of Slough Borough Council and not in the name or designation of any officer. No payment including direct credit/debit or standing order shall be made from the Council's banking accounts unless agreed by the Section 151 Officer.
- 11.3 All cheque and cheque forms but excluding cheques drawn on authorised imprest accounts, shall be ordered only on the authority of the Section 151 Officer who shall be responsible for the safe custody and issue of such forms.
- 11.4 Except in those cases determined by the Section 151 Officer all payments by the Council shall be by crossed cheque endorsed "**a/c payee only.**" Blank cheques should not be signed under any circumstances.
- 11.5 Cheques in excess of £100,000 shall be signed in manuscript by the Section 151 Officer and other such officer duly authorised by the Section 151 Officer. Cheques signed previously by a duly authorised officer or bearing the facsimile signature of the Section 151 Officer which require a second signature must be signed by one of the other duly authorised signatories.
- 11.6 The Section 151 Officer should ensure that similar levels of control operate in respect of electronic funds transfers such as BACS and CHAPS.
- 11.7 The Section 151 Officer shall ensure the Council's banking accounts are reconciled regularly with the Council's accounts.
- 11.8 The Section 151 Officer may arrange overdraft facilities from time to time on behalf of the Council within the limit authorised annually by the Cabinet.
- 11.9 Strategic Directors are responsible for following the instructions on banking issued by the Section 151 Officer.

### **Imprest Accounts**

- 11.10 The Section 151 Officer shall arrange for the maintenance of a central imprest account(s) for the meeting of urgent minor cash payments.
- 11.11 The Section 151 Officer after consultation with respective Strategic Directors may make such advances of cash or postage stamps as considered appropriate to such officers of the Council as may need them for petty cash imprests, change floats, postage imprests, etc.
- 11.12 Petty Cash accounts shall be on an imprest system supported by records in a form agreed by the Section 151 Officer and operated as follows:
  - (a) An account with such supporting documents as may be required shall be submitted to the Section 151 Officer on a monthly basis for examination and reimbursement of expenditure; all reimbursement claims shall be

certified in manuscript by the officer responsible for the imprest account control and the appropriate authorised Officer;

- (b) Payments shall be limited to items of expenditure not exceeding £250
- (c) Cash receipts, other than imprest reimbursements, shall not be paid into any such account but must be paid over to or as directed by the Section 151 Officer in accordance with these Rules.
- (d) Requests to increase imprests must be made to the Lead for Finance.
- (e) All imprest accounts must be accounted for on 31<sup>st</sup> March each year.

11.13 Where an imprest is operated through a bank account the Section 151 Officer shall ensure that suitable arrangements are made with the bank which shall include the requirement that all imprest cheques shall bear the signature of two authorised employees. A record of the names and specimen signatures of such employees shall be deposited with the Section 151 Officer and updated promptly as changes become necessary.

11.14 No personal cheques shall be cashed through nor shall money be borrowed from any imprest account.

11.15 Service Managers' shall ensure that any Officer within their area of responsibility holding petty cash, change or other cash or postage floats shall, on leaving the Council's employment or ceasing to be entitled to hold the imprest or float, repay the unexpended balance to, and submit any accounts and vouchers required by the Section 151 Officer. Imprest funds must never be used to pay salaries, wages or other employee expenses e.g travel & subsistence without the specific approval of the Section 151 Officer due to VAT and taxation concerns.

### **Treasury Management**

11.16 The Council has adopted the key recommendations of CIPFA's Treasury Management in the Public Services and Treasury Management Policy (TMP) will be presented to Cabinet and Council on an annual basis for approval.

11.17 The Cabinet will receive reports on the treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in the TMPs.

11.18 The Council delegates responsibility for the implementation and monitoring of the treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

- 11.21 Strategic Directors will 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 Cabinet, following consultation with the Section 151 Officer.
- 11.22 The Section 151 Officer or nominated Officer shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all borrowing of money by the Council.
- 11.23 The Chief Executive or other duly authorised Officer, in consultation with the Section 151 Officer, shall sign, seal, issue, transfer or reassign as appropriate any mortgage for money advanced to or by the Council. The Section 151 Officer shall produce to the Chief Executive such documentary evidence as may be required of the receipt of value for securities given or secured.

## **Trust Funds**

- 11.24 Trust Funds are held for a variety of purposes including trust schemes administered by the Council (e.g. resulting from a bequest), funds held on trust for others (e.g. vulnerable people such as children in care) or grant funding from government departments. Strategic Directors will arrange for all trust funds to be held, wherever possible, in the name of the Council. All Officers acting as trustees by virtue of their official position shall deposit securities, etc., relating to the trust with the Section 151 Officer, unless the deed otherwise provides.
- 11.25 All Strategic Directors will ensure that the administration of Trust or Private funds includes correct accounts for VAT on donated funds.
- 11.26 All Officers dealing with trust funds must declare an interest and absent themselves from any managerial involvement in any trust or private funds from which they or their family could directly or indirectly benefit.

## **12. ASSETS**

### **Security and Safety of Personnel, Assets and Inventories**

- 12.1 All Strategic Directors and Assistant Directors are responsible for maintaining property security at all times for all information, buildings, stocks, stores, furniture, equipment and cash under their control and shall consult, via the Assistant Director, Assets, Infrastructure and Regeneration, where they consider security is thought to be defective or where they consider special arrangements are needed.
- 12.2 Appropriate controls for all assets shall be identified by the risk assessment processes and by referring to security standards and procedures. Arrangements shall be agreed as above.

- 12.3 Maximum limits for cash holdings shall be identified by the risk assessments process and agreed with the Section 151 Officer or nominated officer and shall not be exceeded without permission.
- 12.4 Key holders for safes and similar security receptacles are to be agreed by each Assistant Director in conjunction with the Lead Officer for finance. The loss of keys shall be reported immediately using the security incident reporting procedures.
- 12.5 The Council's Data Protection Officer shall be responsible for ensuring proper security and privacy with regard to information held in all of the Council's computer installations and/or for its use and shall register protected data.
- 12.6 Strategic Directors will ensure controls are in place to ensure that staff do not carry out private work in Council time.
- 12.7 The instrument for affixing the common seal of the Council shall be in the custody of the Monitoring Officer or a duly authorised Officer.
- 12.8 In any premises of the Council to which the public has access, satisfactory arrangements, including a register of items shall be maintained in respect of lost property handed in or reported lost. Items of money and valuables such as jewellery, watches etc., shall be deposited with the Strategic Director, Regeneration, Housing and Resources. Goods so held and not claimed after a period of 3 months may be returned to the finder.
- 12.9 The Assistant Director, Assets, Infrastructure and Regeneration is responsible for maintaining an up to date asset register. The Strategic Directors shall provide information and maintain records as required by this guidance. Any register relating to property, including land, owned by the Council shall record the purpose for which it was originally acquired, its location, area, plan reference, purchase details, current value, subsequent appropriations, particulars or nature of interest, tenancies granted and rents payable.
- 12.10 The Section 151 Officer will ensure assets are valued in accordance with the latest CIPFA Accounting Code of Practice
- 12.11 Strategic Directors will ensure no Council asset is subject to personal use by an employee without proper authority.
- 12.12 The Monitoring Officer shall have custody of all title deeds of property belonging or mortgaged to the Council.
- 12.13 Service Managers shall arrange for a complete check of their Directorate inventories at least once a year. A certified copy of each such inventory shall be supplied to the Assistant Director, Assets, Infrastructure and Regeneration at the end of each financial year. Written explanations of deficiencies or surpluses shall be supplied. Items identified as being in excess of requirements or obsolete shall be dealt with in the manner described in these Rules.

- 12.14 The Council's property including vehicles, plant, equipment, etc. shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purpose.
- 12.15 A loss of any asset of any kind must be reported to the Risk and Insurance Officer.
- 12.16 The management and security of assets, financial or otherwise, of third parties must adhere to these Financial Procedure Rules, all statutory and best practice guidance and any other relevant policies and procedures in operation within the Council for example, the Money Management procedures within the Social Services Financial Procedures.

### **Intellectual Property**

- 12.17 Intellectual property is a broad term that includes inventions and written material. Intellectual property may be created during the work of the Council's staff (e.g. through the preparation of documentation or the development of computer software). By law, that intellectual property belongs to the Council and its rights should be protected. The Assistant Director, Assets, Infrastructure and Regeneration shall issue guidance on the identification and protection of the Council's intellectual property rights.

### **Stocks and Stores**

- 12.18 Strategic Directors shall be responsible for ensuring adequate arrangements exist to provide for the custody and physical control of stocks and stores in their respective Directorates. Except in special circumstances approved by the Section 151 Officer in consultation with the appropriate Service Manager stocks and stores shall not be carried by any Directorate in excess of reasonable requirements as ascertained by experience.
- 12.19 Stocks and stores records shall be kept in such form as may be determined by the Service Manager in consultation with the Section 151 Officer which as a minimum shall show in chronological order receipts, issues and remaining balances of each item. The Section 151 Officer shall maintain financial stores control accounts where appropriate and may prescribe general principles governing issue pricing and levels of stock.
- 12.20 A delivery note shall be obtained in respect of every receipt of goods into stores and must be signed by the person taking delivery at the time. All goods shall be checked as regards quantity and quality in compliance with the order and entered on a goods received note.
- 12.21 Issues of goods from or return of goods to a store shall be supported by a receipt on a stores issued or returned note as appropriate.
- 12.22 Service Managers must ensure that stocktaking of all stores appropriate to their Directorate is undertaken on a programme determined in consultation with the Section 151 Officer such that all items of stores shall be checked at least once in a period of 12 months.



- 12.23 Stock sheets shall be signed by the Officers making the stock check and by the Service Manager or Responsible Officer certifying that the particulars shown therein are correct. A copy of the certified stock sheet must be forwarded to the Section 151 Officer.
- 12.24 Adjustments to stores records to write off deficiencies or to bring surpluses into account shall be made only with the approval of the Section 151 Officer or duly authorised Officer. The Section 151 Officer in consultation with the Service Manager concerned shall arrange for an investigation into the cause or causes in all cases of significant stock deficiencies/surpluses and take appropriate action.

### **Disposals**

- 12.25 The Section 151 Officer, in conjunction with the Assistant Director, Assets, Infrastructure & Regeneration, shall issue guidelines representing best practice for disposal of assets.
- 12.26 Where stocks, stores, furniture and fittings, vehicles, plant and equipment or other assets are certified by a Strategic Director to be excess to requirements or obsolete the Strategic Director may arrange for the disposal in the following way unless directed otherwise by the Council:
- (a) Where the estimated realisable value exceeds £5,000 by competitive tender or
  - (b) Where the estimated realisable value is less than £5,000 in the best possible market and at the best price reasonably obtainable subject to advice and consent of the Section 151 Officer and/or any other relevant Officers.
- 12.27 Strategic Directors will ensure income received for the disposal of an asset is properly banked and coded.

### **Strategic Acquisitions**

- 12.28 The Strategic Acquisition Board (SAB) shall approve acquisitions up to a value of £25m. Before approving any acquisition, the SAB will require confirmation that the acquisition will not increase the Council's ongoing revenue costs, including the cost of borrowing and officer time.
- 12.29 The SAB shall be a subgroup of the Capital Strategy Board and will meet on a monthly basis, chaired by the Strategic Director for Resources, Housing and Regeneration. Standing members of the SAB will include:
- Leader of the Council
  - Commissioner for Neighbourhoods & Renewals
  - Strategic Director Regeneration, Housing & Resources
  - Assistant Director Assets, Infrastructure and Regeneration

- Assistant Director Housing & Environmental Services
- Directorate Finance Manager Customer & Community Services, Regeneration & Housing
- Head of Asset Management

12.30 The appraisal and business case will assess how the strategic acquisition will be financed and will:

- Consider if the investment achieves corporate objectives.
- Confirm that for the acquisition of land the price is reasonable (allowing for a special purchase consideration) and supported by an independent valuation.
- Confirm that for the acquisition of a standing investment the price is reasonable and supported by an independent valuation (reference will be made to previously identified added value opportunities).
- Confirm there is a market requirement.
- Where appropriate, there is secure rental income taking into account risks associated with the security of future payments, including (where appropriate) sensitivity analysis for void periods.
- Identify whole life costs (where appropriate).
- Identify the most appropriate funding source(s) and confirm availability.
- Clarify that the Council's Finance Section has assessed the business case and confirmed a suitable return on investment.

12.31 The financial appraisal will identify all costs and assumed income to assist informed decision making on whether the acquisition is suitable. In the case of revenue generating assets, this will be assessed by comparing the anticipated net income against the rate of return the Council could otherwise expect to achieve on its capital.

12.32 On reaching agreement as to the terms of acquisition, a final report will be prepared for approval by the Strategic Director for Resources, Housing and Regeneration in consultation with the Leader. In all instances the final report must be supported by advice from the Section 151 Officer.

12.33 Where acquisitions have occurred in the previous 6 months, a report prepared by the Head of Asset Management shall be brought to the Cabinet setting out the acquisitions and prices, at least twice per year.

### **13. INSURANCES**

13.1 The Section 151 Officer shall, under the general direction of the Cabinet and in consultation with other Strategic Directors and such Service Managers as necessary, ensure adequate arrangements are maintained to effect and keep under review all necessary insurance cover of the Council and its Officers and for the negotiation of all claims.

13.2 Service Managers shall keep suitable records to ensure the inspection of engineering plant under their respective control, which is normally inspected

by an insurance company, is carried out by the company within the statutorily prescribed periods. In the event of any failure of the company to carry out an inspection within the period the Section 151 Officer shall be notified immediately in writing.

- 13.3 Each Service Manager shall give prompt notification in writing to the Section 151 Officer of:
- (a) All new risks, properties, vehicles, plant and machinery which require to be insured and of any alteration affecting existing insurance cover, and
  - (b) Any fire, loss, liability or damage or any other event likely to lead to a claim upon the Council.
- 13.4 Service Managers shall consult with the Section 151 Officer and as considered appropriate the Monitoring Officer respecting the terms of any indemnity which the Council is requested to give.
- 13.5 Strategic Directors ensure that employees, or anyone covered by the Council'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.
- 13.6 All employees of the Council shall be included in appropriate fidelity guarantee insurance whilst carrying out duties directly connected with their employment as a Council officer.
- 13.7 The Section 151 Officer shall at least once a year make arrangements to provide Service Managers' with details of all insurances in force affecting their Directorates and any consequent variations to these arrangements shall be notified promptly to the Section 151 Officer.

#### **14. GIFTS AND HOSPITALITY**

- 14.1 Staff and elected Members must comply with the Rules contained in Slough Borough Council's Constitution and in particular the relevant Codes of Conduct.

#### **15. THIRD PARTY ARRANGEMENTS AND PARTNERSHIPS**

- 15.1 The s151 officer shall ensure that all External Arrangements, Partnerships, External Funding and Work for Third Parties, shall be undertaken in accordance with all relevant Financial Procedure Rules, appropriate accounting & financial management policies & procedures, effective internal controls and risk assessments.
- 15.2 The Head of Policy, Partnerships & Programmes has issued specific guidance on partnerships (the Slough Partnership Protocol) and for seeking and managing external sources of funding (the Grant Bids and Claims Manual).

- 15.3 As set out within the Slough Partnership Protocol, the Strategic Directors, in consultation with the Head of Policy, Partnerships & Programmes and s151 officer, will ensure that, prior to entering into a partnership arrangement that they adhere to the Slough Partnership Protocol.
- 15.4 The s151 officer must be informed of all funding with external bodies, and that this is received and properly recorded in the Council's accounts.

## **16. CONTRACT PROCEDURE RULES**

### **Introduction**

- 16.1 Procurement is the process by which the Council manages the acquisition of all its supplies, services and works. It includes the identification of need, consideration of options and the actual procurement procedures to obtain Value for Money. The principles of non-discrimination, equal treatment, transparency and proportionality apply to all public contracts.
- 16.2 These Contract Procedure Rules in conjunction with the Procurement Operating Procedures (POP), which are the separate operational guidance for procurement, provide the corporate framework for the procurement of all supplies, services and works for the council and the subsequent management and review of contracts. The rules are designed to ensure that all procurement activity is conducted in line with the principles of good public procurement and the Public Contracts Regulations 2015.

### **Application of Contract Procedure Rules**

- 16.3 These Rules apply to purchases by or on behalf of the Council of works, supplies (goods) and services.
- 16.4 These Rules apply to all contracts including purchase orders, consultancy agreements, concessions and contractual arrangements commissioned or entered into by or on behalf of the Council, except for the specific types of contracts and purchasing methods which are expressly excluded under the Public Procurement Regulations 2006 (amended 2009 and 2015).
- 16.5 These Rules are made in accordance with the requirements of Section 135 of the Local Government Act 1972.
- 16.6 These Rules do not provide guidelines on what is the best way to purchase works, supplies (goods) and services and they seek to set out the minimum requirements to be followed. Further information and guidelines are set out in the Council's POP that can be accessed through the Council's SBCinsite<sup>1</sup> and should be read in conjunction with this document.
- 16.7 In the event where a Governing Body of a Community School, intends to enter into a contract for works, supply of goods or services the Head teacher or such persons as delegated by them must follow these Contract Procedure Rules and consult with the Head of Legal Services over the form and content of the contract proposed to be entered into.
- 16.8 In the event of a declaration of major incident the Council's Major Incident Plan and/or Business Continuity Plan may be invoked. When this becomes necessary the Contract Procedure Rules will be suspended and the Chief

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<sup>1</sup> <http://sbcinsite.ad.slough.gov.uk/831.aspx>

Executive, or an officer nominated by the Chief Executive, is then authorised to incur whatever expenditure is necessary in consultation with the Section 151 officer. A Strategic Director will act in the place of the Chief Executive if they are unavailable.

- 16.9 Any person or a firm appointed as an interim/consultant to supervise or manage a contract on behalf of the Council shall be supplied with a copy of the Council's Financial Procedure Rules and their conditions of appointment shall commit them to compliance to the rules.
- 16.10 Failure to comply with these Rules will be viewed by the Council as a breach of the Officers' Code of Conduct contained within the Constitution (Codes and Protocols) and may be considered a disciplinary matter.

### **Purpose of Contract Procedure Rules**

- 16.11 The purpose of these Rules is to provide a structure within which purchasing decisions are made and implemented. These rules are intended to promote good purchasing practice, public accountability and deter corruption. Any conflict of interest, or connection with a potential supplier, for officers or Members must be declared.
- 16.12 These Rules seek to protect the legal position of the Council in respect of compliance with the law and in its contractual dealings with external suppliers and contractors. They protect the interests of Members, Officers and the Citizens of Slough.
- 16.13 The provisions contained in these Rules are subject to the statutory requirements of both the European Union and the United Kingdom Government. The letting and content of Contracts shall conform to all statutory requirements and be subject to any over-riding directives of the European Union relating to contracts and procurement. This Rule cannot be waived, since a failure to comply with European or national legislation may result in a legal challenge with consequent reputational and financial risk.
- 16.14 In addition, where specific statutory procedures are prescribed for certain types of procurement or contract, then these procedures must be followed at all times. In any case where the Council approves, through a resolution of its Cabinet, to have separate procedure rules for particular types of contract, then such rules (which must be prepared in consultation with the Chief Executive and the Strategic Director and Legal Services) will apply but will be subject to compliance with the EU regulations where appropriate.

### **Tendering – Preliminaries**

- 16.15 It is the responsibility of the Chief Executive, Strategic Directors, and Heads of Service to ensure all purchases of goods, services and works comply with:
- (a) All relevant statutory requirements;
  - (b) The relevant EU Rules and EU Treaty Principles and Directives.

- (c) The Council Constitution including these Financial Procedure Rules and Part 3.6 – Scheme of Delegation to Officers<sup>ii</sup>
- (d) Any code, guidance or conditions approved by the Audit & Corporate Governance Committee and/or the chief Executive and/or the Council to exercise of powers delegated by them.
- (e) Any conditions attached by the Cabinet or the Council to the exercise of powers delegated by them.
- (f) The Corporate Procurement Strategy, Procurement forward plan and Procurement Operating Procedures inclusive of consultancy services.
- (g) Other Council policies and procedures as appropriate.

16.16 In the event of conflict between the above, the EU Rules will take precedence, followed by UK legislation, then (c), (d), (e), (f) and (g) as above.

### Authority

- 16.17 All transactions must fall within the powers delegated to the relevant officer must have been approved by a decision (in accordance with the Council's Constitution) of the Executive, the Council or one of its committees or sub-committees. Officers must be satisfied that there is sufficient budgetary provision (whether from Council or external funds) for the anticipated procurement and any sources of funding are agreed before commencing the procurement.
- 16.18 No contract, agreement or other document shall be signed or sealed unless it gives effect to a decision or resolution (in accordance with the Council's Constitution) of the Cabinet, or one of its committees or sub committees or in accordance with the Scheme of Delegation.

### Tendering - Financial Thresholds & Procedures

- The financial values (exclusive of Value Added Tax) at which processes become mandatory are set out in the table below.
- Reference to Public Contracts Regulations 2015 (OJEC) EC Procurement thresholds<sup>iii</sup>
- Reference to Health Social care and related services to Directive 2014/24/EU of 26<sup>th</sup> February 2014; public service contracts for social and other specific services listed in Annex XIV; procurement threshold of EUR 750,000 – GBP 591,290
- The Council will use an electronic tendering system as the platform to process its tenders and Request for Quotes.

<sup>ii</sup> <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=563&MIId=5272&Ver=4&Info=1>

<sup>iii</sup> <http://www.ojec.com/Thresholds.aspx>

- The Council will comply with the Scheme of Delegation Part 3.6 2b of the constitution.



Total Value	Procedure to be used	Social value to consider	Governance PRB / Cabinet approval	Governance Scheme of Delegation 3.6 2	Contract Terms and Conditions
<b>Under £50,000</b>	<i>Please refer to the Procurement Operating Procedures (POP) for guidance</i>				
1	Less than £1,000	Obtain at least one verbal quote – must be recorded on a pro-forma	Quote preferably from a local/SME supplier.	N/A	Level 1,2,3,4 Purchase order Terms and conditions
2	£1000 - £5,000	Obtain three formal quotations – must be recorded on a pro-forma	At least 1 or 2 Quotes from a local/SME supplier where possible.	N/A	Level 1,2,3,4 Purchase order Terms and conditions.
3	£5,000 - £49,999	Obtain Three formal quotes using the electronic tendering portal & advice from Corporate Procurement	At least 1 or 2 Quote from a local/SME supplier where possible	N/A	Level 1,2,3,4 Slough standard Terms and Conditions for Goods and Services
<b>Over £50,000</b>		<i>Please refer to the Procurement Operating Procedures (POP) for guidance</i>			
4	£50,000 – EU Threshold £172,514 supplies and services  £4,322,012 – works <a href="http://www.ojec.com/Thresholds.aspx">http://www.ojec.com/Thresholds.aspx</a>	Formal tender process using the electronic tendering required. Mandatory for minimum three tenders to be evaluated. Most economically advantageous tender must be selected, achieving Best Value and value for money for Council.  Corporate Procurement must be contacted for guidance and support. Use of e-procurement system is mandatory.	Principles of fair access to public contracts must be followed, ensuring that local, SME and other suppliers have opportunity to compete.	Approval to be sought prior to going to the market and post tender report with recommendation to award. For works over £250,000 - Cabinet approval in April prior to tender. Significant decision to be declared to cabinet on award.	Level 1,2, 3 All Contracts to be sealed  OR Alternative approved by Legal e.g. JCT/NEC 3
5	Over EU Threshold £172,514 supplies and services £4,322,012 – works <a href="http://www.ojec.com/Thresholds.aspx">http://www.ojec.com/Thresholds.aspx</a> £591,290.00 for social care and related services	Formal OJEU tender process required. Advertise in the European Journal and tendered in accordance to the relevant EU procurement directive and procurement regulations.  Most economically advantageous tender must be selected, achieving Best Value and value for money for Council. OR Accessing national framework agreements where permitted and running mini competitions or call offs	Principles of fair access to public contracts must be followed, ensuring that local, SME and other suppliers have opportunity to compete.	Approval to be sought prior to going to the market and post tender report with recommendation to award. For contracts over £250,000 - Cabinet approval in April prior to tender. Significant decision to be declared to cabinet on award.	Level 1 Level 2 up to £250,000 All Contracts to be sealed  OR Alternative approved by Legal e.g. JCT/NEC 3

## **Tendering Advertising – Principles of fair competition.**

- 16.19 An electronic “Invitation to Tender” shall be issued by the Council through the e-tendering portal for all contracts over £49,999 and tenders shall be submitted electronically in accordance with the requirements of the Invitation to Tender.
- 16.20 When advertising contract opportunities, officers must apply the principles of fair competition. These principles set out the rules of the competition and expectations for fair, equal and transparent treatment of Bidders.
- 16.21 All Bidders will be treated in a fair and equitable manner and are subject to the same competition rules and processes.
- 16.22 All tenders over the EU Thresholds must be advertised in the European Journal by way of a public notice and electronically on the SE (South East) Shared Services Portal which is deemed an appropriate vehicle.
- 16.23 For tenders below the OJEU thresholds, Requests for Quotations and Invitations to Tender must be advertised on the SE (South East) Shared Services Portal which is deemed an appropriate vehicle.
- 16.24 All tenders must be advertised and available for download on the SE Shared Services Portal ([www.sesharedservices.org.uk/esourcing](http://www.sesharedservices.org.uk/esourcing)) and on the Council’s web site ([www.slough.gov.uk](http://www.slough.gov.uk)).
- 16.25 All contract opportunities, which are:
- above the EU thresholds; and
  - subject to the full application of EU procurement rules must be advertised by notice in the Official Journal of the European Union (“OJEU notice”) prior to such advertisement appearing on any other advertising medium (such as trade journal etc.).
- 16.26 However under the EU Treaty principles where the contract is of potential cross border interest then it must be publicised to ensure that tenderers from other member states have an opportunity to participate and the process is conducted in a fair and transparent manner.
- 16.27 Where contracts are of a type and value that mean the EU Rules apply to them then there are five main types of EU procedures available. These are open, restricted, competitive dialogue and competitive procedure with negotiation and Innovation partnership procedure. Refer to the Procurement Operating Procedures (POP) for guidance.

## **Tendering - Contract Value & Aggregation**

- 16.28 The contract value shall be the total cost of the supply, service or work to be procured over the contract term. The starting point for calculating the contract value for the purposes of these Contract Procedure Rules is that the contract value shall be the genuine pre-estimate of the value of the entire contract excluding Value Added Tax. This includes all payments to be made, or potentially to be made, under the entirety of the contract and for the whole of the predicted contract period (including proposed extensions, variations and options).
- 16.29 There shall be no artificial splitting or disaggregation of a contract to avoid the application of the provisions of the EU Rules and/or these Contract Procedure Rules.
- 16.30 The EU Rules can cover contracts, which are below the stated EU threshold, where they constitute repeat purchases and/or purchases of a similar type in a specified period. Officers responsible for the procurement should therefore seek advice on the application of the EU Rules where they envisage that they may be required to make such purchases.
- 16.31 Strategic Directors are responsible for ensuring processes are in place to comply with these regulations within their own service areas.

## **Tendering - Principles and Evaluation**

- 16.32 All tendering procedures (including obtaining quotes), from planning to contract award and execution (seal or signature), shall be undertaken in a manner so as to ensure:
- Sufficient time is given to plan and run the process;
  - Equal opportunity and equal treatment;
  - Openness and transparency;
  - Probity, Integrity
  - Outcomes that deliver sustainability, efficiency and cost savings (Where and as appropriate).
- 16.33 Before undertaking any procurement exercise the Officer responsible for the procurement must complete (in writing) the following:
- Sustainability Impact Assessment (as appropriate).
  - Equality Impact Assessment (as appropriate).
- Please refer to the Procurement Operating Procedures for guidance

## **Tendering - Submission and Opening of Tenders**

- 16.34 An electronic “Invitation to Tender” shall be issued by the Council through the e-tendering portal for all contracts over £49,999 and tenders shall be submitted electronically in accordance with the requirements of the Invitation to Tender.

16.35 Where the tender is expected to have a value in excess of £49,999, it is submitted using the Council's e-tendering Portal, the acceptance, opening and evaluation of formal tenders will be carefully controlled through a secure electronic tendering system and will ensure fairness to all bidders. The opening process is managed within the Contracts, Commissioning & Procurement team.

## **Tendering – Evaluations of Quotes and Tenders**

16.36 All quotes and tenders shall be evaluated in accordance with the selection and award criteria notified in advance to those submitting quotes/tenders.

16.37 Tenders subject to the EU Rules shall be evaluated in accordance with the EU Rules. Reference to the Procurement Operating Procedure and advice from Corporate Procurement Services should be sought on the selection and award criteria.

16.38 Tenders must be accepted and evaluated on the basis of "most economically advantageous" tender.

16.39 Where on examination a tender or quotation reveals mathematical errors which affect the tendered or quoted figure in an otherwise successful submission, the sender shall be supplied with the detail of such errors and given the opportunity of confirming or withdrawing the tender or quotation in writing within 7 working days unless otherwise agreed by the Assistant Director, Contracts, Commissioning & Procurement and the Head of Legal Services. If withdrawn, the next submission in competitive order shall be considered and as necessary dealt with in a similar manner.

16.40 For clarity, whole-life costs should be assessed when determining the most economically advantageous tender. In the case of capital works this includes taking into account the revenue impact of capital projects over a reasonable life for the asset (for example a slight increase in capital cost, such as energy management features, will reduce running costs).

16.41 In the case of PFI projects, financial evaluation and acceptance will be on the basis of the agreed financial model and all other relevant documents used during the process to determine the most economically advantageous tender.

16.42 In the event that two or more tenders or quotations provide the same level of quality at the same quoted cost, Best and Final Offers (BAFO) may be sought to determine the successful bid if they are relevant to the contract. Corporate procurement should be contacted prior to issuing a BAFO.

16.43 Evaluation of tenders and quotations must be based on whole life costs, or total cost of ownership, including environmental, social and economic benefits where relevant to the contract. This should be undertaken in accordance with the Procurement Operating Procedure and associated toolkits.

## Tendering - Exceptions

16.44 In the case of the circumstances below, procurement may be deemed to be an exception if proposed by the service Director and approved by the Procurement Review Board (PRB). The relevant paragraph should be quoted when seeking the approval.

- (a) Contracts valued at less than £50,000 for non-Schedule 3 services and £589,148 for those included in Schedule 3 of the Public Contract Regulations (2015).
- (b) Contracts formalising the grant funding of voluntary sector bodies, where the purpose of the contract is to establish the general conditions of grants by the Council.
- (c) For the extension, addition to or maintenance of existing buildings, works, plant or equipment where this can only be done satisfactorily by the original contractor/supplier.
- (d) When carrying out security works where the publication of documents in the tendering process could prejudice the security of the work to be done.
- (e) Where the contract is on behalf of another local authority for which the Council is acting as agent and is so instructed in writing by the principal.
- (f) For the supply of goods required in respect of a contract from another local authority.
- (g) For the performance of work or provision of services where effective competition is prevented by the specialist nature of the work.
- (h) Where goods and services are to be procured by another Local Authority or public body which is acting on behalf of the Council provided the Assistant Director (Procurement and Commercial Services) has confirmed that the procurement is in line with the Public Contracts Regulations (2015) if applicable.
- (i) In accordance with Regulation 32(2)(c) of the Public Contracts Regulations (2015), insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with, and Regulation 32(4) which states that the circumstances invoked to justify extreme urgency must not in any event be attributable to the contracting authority.
- (j) Where the Procurement Review Board agree that selective or competitive Tendering, or use of electronic tendering, is not appropriate, and the procurement remains compliant with the Public Contract Regulations (2015)

16.45 Approval of exceptions by PRB is not required in the following circumstances

- (a) Authorisations for call-off from internally managed Frameworks and Dynamic Purchasing Systems, where approval of their use of has been agreed by PRB, and their use is in accordance with the defined call off arrangements and Rules 16.58 – 16.64 within this document.
- (b) Where urgent steps are necessary for the protection of life, property or to comply with statutory requirements subject to the Chief Executive and Head of Legal Services approval.
- (c) Before a contract is to be completed at auction the limit of authority of the person bidding has been approved in advance.
- (d) When buying land and buildings and interests in land and buildings (Contracts for the sale of land must be disposed of by competitive tender or auction except where the Section 151 Officer and the Head of Legal Services consider that a negotiated agreement will add value to the Council and this is documented and approved by the Cabinet). Officers need to be aware that certain transactions involving the buying of land and buildings may also constitute contracts for works or services subject to the Public Contract Regulations (2015) if such elements are part of the contractual arrangements. Advice should be sought from the Head of Legal Services in such circumstances.
- (e) The engagement of barristers or expert witnesses within or in the contemplation of legal proceedings;
- (f) The engagement of designated artists, performers, productions for public entertainment purposes or items of art for public display;

16.46 The Procurement Review Board consists of the Section 151 Officer, the Head of Legal Services and the Assistant Director (Procurement and Commercial Services).

16.47 Tenders need not be invited in accordance with these Rules where they have been undertaken by or on behalf of any consortium, collaboration or similar body, of which the Council is either a member or is able to access contracts for goods, services or works. Officers should ensure that any contracts let by such a consortium, collaboration or similar body are in accordance with UK and EU procurement directives and regulations.

16.48 Where the Council acts as lead body on a consortium or collaborative arrangement, the procedures for tendering contained within these Rules shall be followed unless those provisions are inconsistent with the method by which tenders are dealt with by the consortium, collaboration or other body concerned and are not detrimental to the Council.

16.49 Where another body is acting on behalf of the Council, the Council is providing funding to another body to undertake a scheme or project or the Council is

provided funding from another organisation, satisfactory processes must be put in place and followed. Advice must be sought from the Strategic Director and Assistant Director Contracts, Commissioning and Procurement and Head of Legal Services.

16.50 Nothing contained in the above exceptions exempts officers from using the Council's internal services. Officers must ensure that the best possible balance of value for money and quality is obtained for the Council.

16.51 For contracts subject to the EU Rules, any waiver or exception from the requirement for competition must meet the conditions set out in the EU Rules in addition to the general requirements above.

### **Engagement of consultants**

16.52 An authorised officer may only appoint external consultants or advisors providing professional or consulting services if such services are not available within the Council or if Council officers providing them do not have the resources to meet the needs of the service.

16.53 Appointment of individual consultants and advisors must be procured through the Council's corporate contract for temporary agency resources where appropriate. Subject to the contract not meeting the service needs, the authorised officer shall comply with the following rules.

(a) If the contract value is under £50,000 then 3 quotes need to be sought and provided. Service Managers must ensure that the quotes are recorded and thereafter retained for till the term of the contract.

(b) If the contract value is over £50,000 then the relevant Assistant Director must demonstrate that a competitive tendering exercise has taken place. The nature of the exercise will be determined by the specific contract value and advice should be sought from Corporate Procurement from the outset.

16.54 In exceptional circumstances (e.g. no one else could possibly provide the service because it is so bespoke) then an Authorised Officer may complete and submit an Exemption Business Case to the Procurement Review Board for approval. An Approval to Recruit Form must be completed. The form can be accessed from the Procurement Team..

## Partnerships

16.55 The Council must comply to these Rules when exploring any proposals for partnership or joint ventures including PFI's

- (a) In relation to the Rules, a joint venture or partnership includes any arrangement involving one or more organisations in addition to the Council through which either a specific project or services within any of the functions of the Council is to be provided, and
- (b) Provides a role for the Council or any of its members or officers in whatever structure is used to deliver the project or services involved (such structures may include, but are not limited to, companies, trusts and management committees).

16.56 Council authorised officers must refer to the Procurement Operating Procedures for guidance on strategic partnerships and PFI projects.

## Consortium Contracts, Framework Agreements and Dynamic Purchasing Systems

16.57 A Framework Agreement is a form of Contract that provides one or more authorities with the opportunity to procure goods, works or services from one or more suppliers either by a call-off procedure or by mini-tender.

16.58 It will operate for a prescribed term with defined terms and conditions for its use. The Framework Agreement must name the owning and joining authorities as well as the selected suppliers. Joining authorities will be required to sign an Access Agreement prior to use of the Framework.

16.59 An officer responsible for the procurement exercise may use Framework agreements, subject to the following conditions and must seek advice from corporate procurement in advance

- the Council is legally entitled to use the Framework agreement;
- the purchases to be made fall properly within the scope of the framework;
- The establishment and operation of the framework agreement is in
- compliance with the Public Contract Regulations (2015) (where they apply) and meets the Council's own requirements.

16.60 A "framework agreement" may include:

- Contractor prequalification lists/select lists;
- Framework arrangements (including those set up by the Government Procurement Service);
- Purchasing arrangements set up by central purchasing bodies and
- commercial organisations;
- Consortium purchasing;
- Collaborative working arrangements;
- Formal agency arrangements;
- E-procurement / purchasing schemes and methods;



- Other similar arrangements.

16.61 Dynamic Purchasing Systems are electronic systems open to an unlimited number of suppliers who meet the qualifying criteria, and can be divided into lots for different services. Operation of the System must be in accordance with Regulation 34 of the Public Contract Regulations (2015), which requires competitive call off from the DPS for individual services or Frameworks. In the case of services listed in Schedule 3 of the Public Contract Regulations call offs may be run under the Light Touch Regime set out in Rule 16.65 below.

16.62 Use of Framework agreements and Dynamic Purchasing Systems must be approved in advance by the Procurement Review Board. Call off from an internally managed Framework or tendering from a Dynamic Purchasing System does not require further PRB approval, subject to the requirements of Rule 16.47a. The £250,000 threshold for reporting to Cabinet still applies.

### **Social & Health Care and Children's Care (and other Schedule 3 Services)**

16.63 Services falling under Schedule 3 of the Public Contract Regulations (2015) are subject to a Light Touch Regime if the value of the contract exceeds £589,148. This means that there is no requirement to follow the standard procurement routes set out in the full Regulations. Light Touch Procurement must, however, follow Regulations 74 to 76, which require that the procurement procedure used shall be "at least sufficient to ensure compliance with the principles of transparency and equal treatment of economic operators". Procurement under the Light Touch Regime must be approved by PRB if it is not a call-off from an internally managed Dynamic Purchasing System.

16.64 The relevant Director has the responsibility of monitoring spend against values set within the terms and conditions of the contracts, Dynamic Purchasing Systems, and Framework Agreements as applicable.

16.65 The relevant Director has the responsibility for monitoring and addressing deviation or out of line situations specifically where the risk is of exceeding PCR thresholds.

### **Prevention of Corruption**

16.66 The public is entitled to demand of Local Government Officers conduct of the highest standard. Public confidence in their integrity would be undermined were the least suspicion, however ill-founded, to arise that they could in any way be influenced by improper motives.

16.67 All procurement activity must be undertaken with regard to high standards of probity and in accordance with the relevant provisions of the ethical framework contained in Part 5 of the Council's Constitution.

## **Entering into a Contract**

16.68 All contracts entered into by the Council must be in writing in a form approved by the Head of Legal Services or their delegated officer. Where a standard form of contract is used, or a standard form is to be amended, the form of contract shall be prepared and/or ratified by Legal Services.

16.69 Legal Services shall retain all relevant contract documents.

16.70 The relevant Head of Service must formally notify Legal Services (or nominated officer) of the award of all contracts with the relevant data for the purpose of it being recorded on the Council electronic Contracts.

16.71 Every contract shall include wherever possible the standard clauses set out in Standard Form of Agreement issued and updated from time to time by the Legal Services.

16.72 As a minimum, all contracts shall include clauses which set out:

- the works, supplies (goods), services, material, matters or things to be carried out or supplied;
- the time within which the contract is to be performed. Quality requirements and/or standards which must be met;
- requirements on the contractor to hold and maintain appropriate insurance;
- what happens in the event that the contractor fails to comply with its contractual obligations (in whole or in part);
- requirements on the contractor to comply with all relevant equalities and health and safety legislation;
- That the Council shall be entitled to cancel the contract and recover losses in the event that the contractor does anything improper to influence the Council to give the contractor any contract or commits an offence under the Bribery Act 2010.
- Requirements, as appropriate, relating to Freedom of Information and Environmental Information, Data Protection, Safeguarding of Vulnerable Groups, and the self-employment status of contractors who are individuals.

All contracts shall include relevant specifications and/or briefs/technical requirements which are prepared taking into account the need for effectiveness of delivery, quality, sustainability and efficiency (as appropriate) and the information set out in the Council's Procurement Operating Procedures guidance document.

## **Limits of councillors' authority in contracts**

16.73 Unless specifically authorised by the Cabinet, a Member shall not:-

- (a) Issue any order relating to work done by or for the Council, or

- (b) Claim any rights to enter or inspect property where the Council has the right or duty to enter or inspect.

16.74 A Member shall not enter, either orally or in writing, into any contract on behalf of the Council.

16.75 A Member shall not negotiate personally on behalf of the Council for the purchase of goods or services or sale of any land, property, plant rights, or commodities or for any lease or tenancy. All such negotiations shall be conducted by an employee authorised by the Council except that, at the request of the Leader or Deputy Leader, a Cabinet Commissioner and, at the request of the Scrutiny and Overview Committee, a Scrutiny Member may attend any personal interview in the course of negotiations.

In matters of special importance, the Cabinet may instruct one or more of its Commissioners together with the employees concerned, to conduct negotiations.

### **Official requisitions and Purchase orders**

16.76 Official requisitions and orders shall be in a form approved by the Section 151 Officer in consultation with the Head of Legal Services. Official requisitions shall be raised in accordance with the delegated authority set up in the finance system (as approved by the Section 151 Officer). Where they continue to be used, official orders shall be signed by a Directorate Head of Service or such other person authorised by the Strategic Director as having authority to approve official orders issued from that Directorate.

16.77 Official requisitions and orders must be issued for all work, goods or services to be supplied to the Council except for,

- a) The continuous supply of utility services
- b) Supplies subject to periodical payments
- c) Petty cash purchases
- d) Where a formal contract required by these Rules provides for an alternative procedure and
- e) Such other exceptions as the Strategic Director, Regeneration, Housing and Resources may approve.

16.78 Requisitions and orders shall be placed only where there is adequate financial provision within the approved revenue budget or capital programme. Cost Centre Managers must maintain a record of expenditure throughout the year and must ensure that orders and/or contracts are not placed which would cause the any budget head to be exceeded. Any special conditions shall be clearly recorded on the requisition and order form.

16.79 Each requisition and order shall indicate clearly the nature and quantity of the work, goods or services required and any contract or agreed prices.

Computer hardware and software and other such IT related goods must only be ordered through the IT Service Desk.

16.80 Purchasing cards can be used as an alternative to placing an order and any such purchases must comply with the detailed guidelines set out in the Council's "P-Card Policy".

16.81 Requisitions and orders should only be used for goods and services provided to the Council. Individuals must not use official requisitions or orders to obtain goods or services for their private use.

## Legal Consideration

- (a) **Indemnities** - No relaxation of full indemnities releasing the Council from all liability whether provided by public liability insurance or other instrument should be allowed unless authorised in writing by the Head of Legal Services and the Section 151 officer or nominated Officer.
- (b) **Risk Assessment & Performance Bond** - Where a contract is estimated to exceed £49,999 in value or amount and is for the execution of works (or for the supply of goods or materials or services by a particular date or series of dates) the relevant Head of Service should consider requiring a performance bond (for an amount equal to 10% of the value of the contract) from the contractor. This is to provide sufficient security for the due performance of the contract. If a performance bond is considered not necessary then the relevant Head of Service must:
- Register a risk in the Council Corporate risk register.
  - Include within the business case for approval from the Procurement Review Board.
- (c) **Sealing** - All contracts above the value of £49,999 shall be sealed subject to Legal services discretion. The affixing of the seal shall be attested and witnessed in writing by the Head of Legal Services, or an Officer duly designated by them in accordance with the delegated powers conferred by the Council. An entry of every sealing of a document shall be made and consecutively numbered in a book to be provided for the purpose and shall be signed by the person attesting the sealing.
- (d) **Signature of Documents:**
- All contracts must be signed by council officers that have authority to sign under the Council's scheme of Delegation to officers within the constitution Part 3.6 section 2.b- procurement delegations<sup>4</sup>.
  - Where any document will be a necessary step in legal proceedings on behalf of the Council it shall, unless any enactment otherwise requires or authorises or the Council shall have given the necessary authority to some other person for the purpose of such proceedings, be signed by the Head of Legal Services.

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<sup>4</sup> <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=563&MId=5272&Ver=4&Info>

- All signed contracts will be uploaded on the electronic contracts database.

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit & Corporate Governance Committee

**DATE:** 11th October 2017

**CONTACT OFFICER:** Neil Wilcox, Assistant Director: Finance & Audit  
(Section 151 Officer)

**(For all Enquiries)** (01753) 875358

**WARD(S):** All

**PART I**  
**FOR COMMENT & CONSIDERATION**

**CORPORATE FRAUD – QUARTER 2 2017/18 UPDATE**

1. **Purpose of Report**

This report updates the Audit & Corporate Governance Committee on the counter fraud activity of the Council for Quarter 2 2017/18.

2. **Recommendation(s)/Proposed Action**

That the activity and outcomes of the Corporate Fraud Team are noted

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

3a. **Slough Joint Wellbeing Strategy Priorities**

The governance of the Council underpins the delivery of all of the Joint Slough Wellbeing Strategy priorities.

3b. **Five Year Plan Outcomes**

The work of Corporate Fraud also reflects the priorities of the Five Year Plan as follows:

- *Our children and young people will have the best start in life and opportunities to give them positive lives.*
- *Our people will become healthier and will manage their own health, care and support needs.*
- *Slough will be an attractive place where people choose to live, work and visit.*
- *Our residents will have access to good quality homes.*
- *Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents*

4. **Other Implications**

(a) **Financial**

There are no financial implications contained in this report

(b) Risk Management

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
<i>That the activity and outcomes of the Corporate Fraud Team are noted</i>	This report addresses the issue of fraud	

(c) Human Rights Act and Other Legal Implications

There are no Human Rights issues contained in this report

(d) Equalities Impact Assessment

There is no need for the completion of an Equalities Impact Assessment

5. **Supporting Information**

5.1 In this quarter The Corporate Fraud Team (CFT) have dealt with 261 enquiries to date from arrange of sources including:

- Police Authorities
- The Council's Legal Section (in relation to Right to Buys)
- Department for Work & Pensions
- referrals from the general public

This is an increase of 44% on the previous quarter

5.2 The increase is in part due to the appointment of our Intelligence Officer who is on hand to speak to people rather than to the automated response previously in place.

5.3 This quarter the Corporate Fraud Team have submitted four prosecutions

One is currently with the Crown Prosecution Service for Housing and Benefit offences. -Person removed from temporary housing and removed from housing register awaiting summons.

Two cases for Housing and Right to Buy (RTB) offences are with HB Public Law (HBPL) and have been allocated Solicitors. -The RTB's are currently suspended and we await charges under The Fraud Act 2006 and or Housing Act which if successful will see the return of property to SBC stock and no payment of £77,800 RTB discount.

The last case is the first prosecution of offences in relation to Council Tax Support and has also been allocated a Solicitor at HBPL.

5.4 The Council's Financial Investigator has six Financial Investigations open.



5.5 3 administrative penalties in relation to Council Tax Support fraud with the financial penalty amount paid in full totalling £824.15 have been collected.

5.6 Confiscation and Compensation payments totalling 6090.73 received.

6. **Comments of Other Committees**

There are no comments from other Committees

7. **Conclusion**

Members are requested to note details of the report.

8. **Background Papers**

None

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**MEMBERS' ATTENDANCE RECORD 2017/18**  
**AUDIT AND CORPORATE GOVERNANCE COMMITTEE**

COUNCILLOR	26/07/17	11/10/17	14/12/17	08/03/18
Brooker	P			
Chaudhry	P			
Chohan	P			
Amarpreet Dhailwal	Ap			
Sadiq	P* (from 6.43pm)			
Swindlehurst	P			
Usmani	P			
<b>CO-OPTED INDEPENDENT MEMBER</b>				
Iqbal Zafar	P			
Ronald Roberts	P			
Alan Sunderland	P			

P = Present for whole meeting  
 Ap = Apologies given  
 P\* = Present for part of meeting  
 Ab = Absent, no apologies given

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