



Summons to and
Agenda for a
Meeting on
**Thursday, 10th March,
2022**
at **10.15 am** or on the
rising of the **10.00 am**
Honorary Aldermen
County Council
meeting, whichever is
later



DEMOCRATIC SERVICES
SESSIONS HOUSE
MAIDSTONE

Wednesday, 2 March 2022

To: All Members of the County Council

A meeting of the County Council will be held in the Council Chamber, Sessions House, Maidstone, Kent, ME14 1XQ on Thursday, 10th March, 2022 at **10.15 am** to deal with the following business. **The meeting is scheduled to end by 4.30 pm.**

A G E N D A

1. Apologies for Absence
2. Declarations of Disclosable Pecuniary Interests or Other Significant Interests in items on the agenda
3. Minutes of the meeting held on 10 February 2022 and, if in order, to be approved as a correct record

To Follow

4. Corporate Parenting Panel - Minutes for noting **(Pages 1 - 10)**
Minutes of the meetings held on 15 September 2021 and 8 December 2021.
5. Chairman's Announcements
6. Questions
7. Report by Leader of the Council (Oral)
8. Public Health in Kent after COVID: Some early thoughts **(Pages 11 - 12)**
9. Presentation of the Kent Invicta Award to Mr Gurvinder Sandher
10. Signing & Sealing - Constitution Update **(Pages 13 - 18)**

11. Urgent Executive Decisions - Constitution update **(Pages 19 - 22)**
12. Code of Corporate Governance **(Pages 23 - 44)**
13. Financial Regulations **(Pages 45 - 92)**
14. Appointment of External Auditor **(Pages 93 - 94)**
15. Pay Policy Statement **(Pages 95 - 100)**

A handwritten signature in black ink, appearing to read 'B. Watts', with a stylized flourish extending to the right.

Benjamin Watts
General Counsel
03000 416814

CORPORATE PARENTING PANEL – 15 SEPTEMBER 2021

NOTES of a briefing held using Microsoft Teams.

PRESENT: Ann Allen (Chairman), Trudy Dean (Vice-Chairman), Rob Barton, Julianne Bayford, Dan Bride, Tom Byrne, Charmaine Chapman, Gary Cooke, Tony Doran, Sophia Dunstan, Stephen Gray, Kelly Grehan, Sarah Hamilton, Margot McArthur, Dirk Ross, Nancy Sayer, Tracy Scott and Caroline Smith.

ALSO PRESENT: Sue Chandler, Cabinet Member for Integrated Children's Services.

IN ATTENDANCE: Jo Carpenter (Participation and Engagement Manager, Virtual School Kent), Christy Holden (Head of Strategic Commissioning, Children and Young People's Services), Maureen Robinson (Management Information Unit Service Manager), Sarah Skinner (Head of the Regional Adoption Agency), Theresa Grayell (Democratic Services Officer, Clerk) and Gaetano Romagnuolo (Research Officer, Support Clerk)

1. Membership

The Panel noted that Alison Farmer, Head of the Education Psychology Service, had joined the Panel in place of Dr Dan Jones, who had previously filled the post on an interim basis.

2. Apologies and substitutes

Apologies for absence had been received from Alison Farmer, Lesley Game, Shellina Prendergast and Sharon Williams. The Corporate Director, Matt Dunkley, was also unable to attend. There were no substitutes.

3. Chairman's Announcements

1. The Chairman advised that she had recently attended a number of events:

- a fun day with foster carers and their children,
- a 'Challenger' day, which was also very enjoyable. She expressed her hope that Simon Dean, who ran the Challenger project, could be invited to a future meeting of the Panel, and
- a visit to Rochester Cathedral organised by the Young Lives Foundation.

She had also recently met some UASC care leavers and had been pleased to hear they were settling well and enjoying their new life in Kent.

2. She repeated what she had said on many previous occasions, that she was always so pleased to meet Kent's young people and was so proud of the resilience, spirit and energy they showed in the way they approached life and supported each other.

4. Notes of the Panel briefing held on 20 July 2021

These were accepted as a sensible summary of the proceedings. There was nothing arising from them.

5. Performance Scorecard for Children in Care

1. Maureen Robinson introduced the report and highlighted key areas of performance. Sarah Hammond added that, to address the shortfall in completed initial health assessments (IHAs) for UASC, a protocol had been agreed with the Home Office that newly arrived UASC would have a summary health assessment within 14 days of their arrival. This would not cover all areas covered in an IHA but would identify any urgent health needs.
2. The Chairman highlighted the excellent performance of Kent's Children's Services, despite the continued challenges of the pandemic and pressures of UASC numbers. She asked that the Panel's thanks and appreciation be passed on to the staff concerned.
3. Referring to the Panel's previous request for a comparison of Kent's data with the national picture, Maureen explained that the most recent national figures available were for 2019/20, with figures for 2020/21 due to become available in March 2022. Of the 28 measures for which Kent data was collected, 15 were local and 13 were national. Where national data was available, this had been included in the dashboard. There would inevitably be some local variation due to the varying numbers of UASC in different parts of the country.
4. Asked about the shortage of information provided on Education and Health Care Plan (EHCP) assessments, Maureen explained that data on EHCP assessments was collected using the Synergy system, whereas data for children in care services was collected using Liberi, so collation of data was not automatic. However, as there were known to be very few children in care with an EHCP, it was possible to collate the data manually and identify individual cases to assess against data.
5. It was RESOLVED that the performance data set out in the Corporate Parenting Scorecard be noted, with many thanks to Children's Services teams for continued good work through very challenging times.

6. Participation Team Update

1. Jo Carpenter reported that the team had had a very busy summer. Two of the apprentices, Bradley Aves and Alex Gordon, had passed their Level 3 NVQ in Public Sector Service Delivery and two new apprentices were due to join the team shortly. The team had organised a very successful Team Challenger Day, at which all the various Children In Care Councils and groups had come together, and the Panel were shown photographs of young people, their families and staff enjoying the event. Jo thanked Sarah Hammond for her help with the logistics for the event.
2. Tom Byrne and Rob Barton advised that the team had returned to normal communal activities over the summer holidays, that events had been held in a covid-safe way and had all been able to take place outside as the weather had been good.

Groups always found interaction in person so much better as it offered so much more opportunity to interact constructively, which was just not possible in a virtual format. Face to face events also offered a good opportunity for the team to promote their role in supporting children and young people in care. The team had had to add an extra activity day as they had proved so popular. In all, 23 activities had taken place, attended by over 190 young people.

3. Sophia Dunstan advised that, in the October half-term, groups would continue to meet in person and that events planned included a celebration of Black History Month and the work of the County Council's Green Guardians.

4. Charmaine added that she co-chaired the Rainbow staff group, a role which gave her the opportunity to learn about leadership. She was currently working on including LGBTQ information on the Kent Cares Town website. Jo added that it was good to have young people represented on Council staff groups such as Aspire and Rainbow.

5. Asked how young people and their foster carers were able to access information about the team's activities and the opportunity to attend events, Sophia advised that all Kent foster carers were sent fliers for upcoming events, and event information was also shared between the Social Work, Independent Reviewing Officer and CIS teams. Social media was not used to share such information due to concerns about being able to maintain privacy and security.

6. The update was NOTED, with thanks

7. Verbal Update by the Cabinet Member

1. Sue Chandler said she had attended the 'Challenger' day as a spectator and agreed with the Chairman that it had been an excellent event. She then gave verbal updates on the following issues:

Reconnect – this service had organised an excellent programme of summer events, which had received much good feedback from participants. Travel to events had been provided free of charge. Sue thanked the clubs and volunteer groups whose work in hosting events had made the programme possible, including a community interest company which had provided lunches for participants, and also David Adams and his team for putting in place the transport arrangements within a tight timescale. The next round of Reconnect activities would be in the October half-term holiday.

SEND – this was a key area of focus since the publication of Ofsted's written statement. The Children's, Young People and Education Cabinet Committee had received a monitoring report at its meeting on 14 September and much positive work was going on. Kent 'PACT' (Parents and Carers Together) was much involved in work with the SEND agenda.

UASC – Kent was once again accepting newly-arrived UASC after the recent period in which it had had to refuse acceptance as it could not accommodate any more. A Member briefing on the updated situation would take place on 17 September.

2. The verbal updates were NOTED, with thanks.

8. Adoption Partnership South East Performance Update - November 2020 - May 2021, Adoption Partnership South East Business Plan 2021 - 2022 and Adoption Partnership South East Adoption Panel Chairs Report November 2020 - April 2021

1. Caroline Smith introduced the report and advised the Panel that the Regional Adoption Agency (RAA) had gone live in 2020 with Sarah Skinner as its Head and Amy Coombs as Service Manager.

2. Sarah Skinner set out the structure of the RAA and the challenges of taking it live during the pandemic. It had been audited early in 2021 and had been given a 'Good' rating for its governance structure. The RAA had had a busy year with 90 children being placed so far, including 3 inter-agency placements. Interest shown by prospective adopters had remained good, and information events attracted some who chose to become adopters immediately and others who had taken away information to consider the role for the future. Adoption panels were held weekly to avoid delays to the process and the RAA was committed to early-permanence placements (EPPs). Post-adoption support services were very active and had recently been given an increase in resources. Adopted children were included in invitations to participation and engagements events as a matter of course and it was hoped that more would take part in future events.

3. Sarah responded to comments and questions from the Panel, including the following;

- a) the annual report was received well as an excellent picture of the work and progress of the RAA;
- b) asked if, to avoid delays in adoption hearings, courts in the partner authorities of Bexley and Medway would be used as well as Kent courts, Sarah advised that an adoption order would be raised in the area in which the child usually lived, so Bexley children would have their hearings at Bexley courts, Medway children at Medway courts, etc, regardless of where they were proposed to be placed. Courts all across the UK shared the challenge of having a backlog of adoption cases waiting to be heard;
- c) the quality of post-adoption support was welcomed as a way of helping an adoptive family and their new child to feel 'normalised' and to settle down like any other family welcoming a new child;
- d) asked about the support given to birth parents by Barnardo's, Sarah advised that this independent counselling service was well established across all three partner areas of the RAA and offered support to help birth parents to understand and comply with the adoption process and reasons, for example, if their child had been adopted without their consent, and to negotiate and comply with contact arrangements. It gave them space to talk about their feelings away from the courts service and social workers,

IROs, etc. Barnardo's offered individual counselling as well as support groups for birth parents, which they could access during and/or after court proceedings, whenever they felt ready. Some birth parents chose not to maintain contact with their child, allowing them to settle into their new family faster; and

e) asked about the Special Guardianship Order (SGO) process, what issues tended to arise from SGOs and how they were dealt with, Sarah advised that the first phase of research conducted by Oxford Brookes University had looked at the Kent/Medway/Bexley RAA's innovative multi-disciplinary arrangements. It was hoped that a second phase of research could be undertaken if funding could be secured.

4. It was RESOLVED that the information set out in the report and given in response to comments and questions be noted, with thanks.

9. Housing Options for Young Adults who are Care Leavers

1. Caroline Smith introduced the report, which set out work to identify the challenges young people faced when leaving care and the aim to achieve a consistent approach and county-wide housing offer to address them. Kent's young people in care were currently unevenly placed across the county, and as care leavers would normally then be housed where they had last been in care, the burden of providing accommodation for them fell more heavily on some districts than others. If a consistent housing offer were to be available across the county, care leavers could more easily choose where they wanted to live. Christy Holden added that the Kent Housing Group, comprising Housing Officers from all 12 district councils, worked very closely to address these issues but it was hoped that work could be shared beyond this group. Caroline and Christy responded to comments and questions from the Panel, including the following:-

a) County Council Members who were 'twin hatters', ie were Members of both the county and a district council, could take up the cause in their local area and would need to have guidance on what practical help they could give to help local care leavers. The Cabinet Member, Sue Chandler, added that the many 'twin hatters' on the County Council would offer a valuable resource to widen the discussion of the issue across the county. She said the issue needed political commitment as well as the work of the Kent Housing Group officers. Sarah Hammond and Caroline undertook to look at how best 'twin hatter' Members could help to address the issue locally;

b) the clarity and breadth of the report were welcomed;

c) concern was expressed that it should be possible to identify good and bad practice among district councils across the county and hold to account those which were doing less than they could, as some more affluent areas did not necessarily perform well. Sarah advised that various factors affected the scope of engagement with housing for care leavers, including

the political leadership and culture of a council. Some were simply more committed and alive to the issue than others;

- d) reference was made to the work of the Affordable Housing Select Committee, which had reported in July 2020 and included a recommendation to improve co-ordination between the county and district councils. It would be useful to know what work had come out of that in terms of housing for care leavers. Sarah clarified that it was not expected that care leavers would be able to be accommodated in affordable or social housing as this was simply not a realistic option;
 - e) property identified by the 'No Use Empty' initiative could be assessed in respect of its possible use to accommodate care leavers;
 - f) regarding the establishment of a consistent approach across the county, concern was expressed that different districts faced different local challenges and arrangements, for example, only some had housing associations, and that 'one size did not fit all'. It was suggested that a small working group of officers and a 'twin hatter' Member from each district be established to address the issue facing care leavers; and
 - g) Sarah welcomed the interest and commitment shown by Members and reminded them that the County Council had a duty to ensure that its care leavers were housed in safe, suitable accommodation but did not have any duty or ability to actually provide that housing, as a housing authority would. Instead, it sought to encourage and influence the provision of suitable housing.
2. It was RESOLVED that the information set out in the report and given in response to comments and questions be noted, with thanks, and that the move to have a Care Leavers Housing Offer available and visible throughout each of the partner organisations with a duty as a Corporate Parent be supported.

CORPORATE PARENTING PANEL – 8 DECEMBER 2021

NOTES of a briefing held using Microsoft Teams.

PRESENT: Rob Barton, Julianne Bayford, Dan Bride, Tom Byrne, Charmaine Chapman, Gary Cooke, Tony Doran, Sophia Dunstan, Lesley Game, Stephen Gray, Kelly Grehan, Sarah Hamilton, Sarah Hammond, Margot McArthur, Dirk Ross, Nancy Sayer, Tracy Scott and Caroline Smith.

ALSO PRESENT: Sue Chandler, Cabinet Member for Integrated Children's Services.

IN ATTENDANCE: Matt Dunkley (Corporate Director of Children Young People and Education), Jo Carpenter (Participation and Engagement Manager, Virtual School Kent), Maureen Robinson (Management Information Unit Service Manager), Pritpal Sodhi (Quality Assurance Manager, IRO Service NW), Tina Onuchukwu, Steve Tanner (Assistant Director, SEND), Theresa Grayell (Democratic Services Officer, Clerk) and Hayley Savage (Democratic Services Officer, Support Clerk)

1. Membership update

The Panel noted that Sarah Vaux had moved to a new role in NHS Direct Commissioning and so had left the Panel.

2. Apologies and substitutes

Apologies for absence had been received from Trudy Dean, Alison Farmer and Shellina Prendergast. There were no substitutes.

3. Election of Chairman

Lesley Game proposed and Margot McArthur seconded that Dirk Ross be elected Chairman of the Panel. There were no other nominations and Mr Ross was duly elected Chairman.

4. Performance Scorecard for Children in Care

1. Maureen Robinson introduced the report and responded to comments and questions from the Panel, including the following:-

- a) staff resources had not been significantly adversely impacted by the covid pandemic so this was not a factor in the performance of services; and
- b) Sarah Hammond advised that there had been significant delays in court hearings due to covid, however, and this continued to be a challenge. Matt Dunkley added that it would be helpful to include in future dashboards some commentary to give context to the figures listed, for example, a target missed may have been for only one child.

2. It was RESOLVED that the performance data set out in the Corporate Parenting Scorecard be noted, with many thanks to Children's Services teams for continued good work through very challenging times.

5. Participation Team Update

1. Jo Carpenter reported that the team had had a very busy few months and were now settled well back in an office environment. Rob Barton added that they had held a number of face-to-face meetings with young people and had enjoyed a Christmas meal together. Sophia Dunstan added that young people had given feedback on the health assessment process, including that they found the forms not very user-friendly. Some of the language and images use in the forms were outdated and young people could helpfully be consulted to help review and shape the forms' style and content. Charmaine Chapman told the Panel about the recent work of the Adoptables and, in response to a question, undertook to look into the idea of establishing a 'buddy' system or a quick-contact card to offer young people an easy way to access someone to talk to.

2. Tom Byrne showed a video of young people enjoying activity days in the October half term. Activities included African drumming and a study of Mary Seacole to celebrate Black History Month, bowling, baking for Halloween, LaserTag and litter picking. The Adoptables had held a useful session about returning to school after the pandemic, support networks and what potential adopters need to know. The video and the range of activities were both welcomed. Sophia said that she was very proud of the work of Kent's Children In Care Councils and the issues they had tackled, for example, their work on the language used when talking to and about young people in care. Julianne Bayford referred to the Kent Cares Town website, which had been set up by the Children In Care Councils, and said that she promoted it to the Kent Foster Care Association.

3. Tom advised the Panel that the Christmas gift campaign for care leavers was half-way to its target and asked that Panel members spread the news so that anyone who had not yet but wished to contribute could do so. Jo advised that a Christmas party for children in care, foster carers and their sons and daughters would be held on 11 December. Panel Members would also be very welcome to attend.

4. The updates were NOTED, with thanks.

6. Verbal Update by the Cabinet Member for Integrated Children's Services

1. Sue Chandler welcomed Dirk Ross in his role as the new Chairman of the Panel and thanked the participation team for their excellent work in supporting young people in care and leaving care. She then gave verbal updates on the following issues:

UASC – the Home Office had announced that the National Transfer Scheme, which sought to spread the burden of UASC more evenly across the country, would shortly become mandatory rather than voluntary, and she welcomed this move. There were currently 376 UASC under the aged of 18, of which, 143 were expected to be

transferred under the National Transfer Scheme. Since September 2021, 184 UASC had been transferred under the scheme.

In response to a question, Sue advised that the financial implications and details of the mandated National Transfer Scheme were expected in the new year. The Leader, Roger Gough, and officers were lobbying the Government for greater financial support for Kent to help it support its UASC, and she was confident that this lobbying would be successful. It was expected that, as was the usual pattern, the arrival rate of UASC would slow in the winter months, due to harsher weather conditions.

Campaigns – the progress of the Christmas gift campaign was very pleasing to see and a particularly large donation from the County Council’s Infrastructure team was warmly welcomed.

2. The verbal updates were NOTED, with thanks.

7. Youth Justice and Children in Care

1. Dan Bride introduced the report and responded to comments and questions from the Panel, including the following:

a) it was suggested that a Police representative attend the Panel next time Youth Justice was reported, to help the Panel to understand the relationships between Youth Justice and the Police service. Dan undertook to liaise with the Police to arrange this. Matt Dunkley suggested that, rather than ask the Police to attend an additional meeting, another way of linking to them would be via the Youth Justice Board, on which the Cabinet Member and Deputy Cabinet Member, Sue Chandler and Margot McArthur, both served. He undertook to look into this option; and

b) a virtual inspection of Oakhill Secure Training Centre had been carried out in June 2021, and no further inspection was expected for 18 months. The overall rating was ‘requires improvement’ but the report highlighted many positives, with safety and wellbeing and intervention and delivery all rated ‘good’ or ‘outstanding’. The service was clear about what it needed to do to improve Oakhill and had prepared an action plan to address the points raised by the inspection.

2. It was RESOLVED that the information set out in the report and given in response to comments and questions be noted, with thanks.

8. Kent Children in Care in the statutory school years with an Education and Health Care Plan (EHCP) – Access to Education

1. Tony Doran introduced the report and advised the Panel that Steve Tanner had taken on the role of Assistant Director of SEND in August 2021. Mr Tanner introduced himself and set out the 12-point action plan and the increased work going on to drive forward this issue. He emphasised that Virtual School Kent and SEND now had closer working links than ever before.

2. Asked how effective the service could be for any child not in school, Tony advised that every child had different needs and would respond to different mechanisms. A very small number of non-Department for Education provisions had been used successfully in exceptional cases, for example, with school refusers.

3. It was RESOLVED that the information set out in the report and given in response to comments and questions be noted, with thanks.

9. Kent and Medway Clinical Commissioning Group Looked after Children Annual Report 2020-2021

1. Nancy Sayer introduced the report, for which additional Kent-only figures had been sent to the Panel on 7 December.

2. In response to a question about Kent's young people placed in other local authorities, Nancy advised that the Kent health team would request the receiving health team, in the area in which the young person was placed, carry out the health assessment as well as provide relevant health services to them. Sarah Hammond advised that very few Kent children in care were placed out of the county and that an out-of-county placement could be 50% more expensive than a placement within Kent.

3. It was RESOLVED that the information set out in the report and given in response to comments and questions be noted, with thanks.

10. Independent Reviewing (IRO) Service Annual Report 2020/2021

1. Tina Onuchukwu and Pritpal Sodhi introduced the report, on which there were no questions. Matt Dunkley congratulated Tina and Pritpal on the quality of the IRO service in Kent and emphasised its importance to children and young people in care.

2. It was RESOLVED that the information set out in the report be noted, with thanks.

From: Roger Gough, Leader of the Council
To: County Council – 10 March 2022
Subject: New Director of Public Health
Status: Unrestricted

1. Introduction

- a) As Members will know, we have recently welcomed Dr Anjan Ghosh to Kent County Council as our new Director of Public Health. Dr Ghosh was previously the Director of Public Health for Bexley.
- b) It has been a particularly challenging couple of years for all those involved in public health and Dr Ghosh will be joining at a critical time as we all look to adapt to living with Covid and the operational and strategic changes this will involve.
- c) This is also an opportunity to look forward to how we will tackle the wider public health challenges in this context. Members have also previously heard about the broader changes that are happening in the health and care landscape.
- d) This item will provide an opportunity to hear directly from Dr Ghosh and for Members to discuss this future direction.

2. Recommendation

That this County Council note the report.

3. Background Documents

None.

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From: Ben Watts, General Counsel

To: County Council – 10 March 2022

Subject: Document Signing: Constitutional Amendments

Status: Unrestricted

Past Pathway of Paper: Selection and Member Services Committee -
24 February 2022

Future Pathway of Paper: N/A

Electoral Division: All

Summary: This report sets out a request to amend the Constitution as it relates to the signing and sealing of documents. The proposed changes are set out in the Appendix.

The Selection and Member Services Committee discussed the changes on 24 February 2022 and are recommending to County Council that they be approved.

1. Introduction

- a) The Office of the General Counsel (OGC) is responsible for arranging the sealing and signing of the Council's deeds and significant contracts. In doing so, they reconcile the proposed documents with earlier political decision making to ensure that appropriate direct or delegated authority is in place.
- b) Since March 2020 and the onset of the Covid-19 pandemic, it has become clear that the process for the sealing and signing of contracts is inefficient and of limited flexibility. This project is the first of a number that will be coming forward seeking to optimise and modernise the Council's arrangements in line with our learning during the pandemic and to improve efficiency.
- c) The Legal Support Team within OGC do excellent work managing this process on the Council's behalf and other staff across Governance, Law, and Democracy are involved as authorised signatories of the Council, checking the paperwork as well as physically signing the documents and applying the common seal where appropriate. The team within the service are independent and act impartially to protect the best interests of the Council and to ensure compliance with political decision-making.
- d) Under our current arrangements, many of the documents require a signature from a KCC Member, and Cabinet Members have worked their way through hundreds of documents. After the contracts/deeds have been completed, Invicta Law and other legal firms will return them to OGC Legal Support Team for storing in the Legal Archive.

- e) This consumes many hours, has involved considerable use of couriers, and brings associated cost. With the shift to virtual working in many other areas of the Council's work, the current system is looking increasingly like an anachronism.
- f) At the same time, Members will know that outside the Council a range of other like documents and contracts are now signed electronically with consequential time and resource savings for the organisations involved.

2. Electronic Signing and Sealing

- a) We have been exploring different alternatives to the current paper-based system and have identified a cloud-based e-signature service as the best solution for preparing and executing documents electronically. This is a secure service with multiple safeguards to ensure only the authorised people can sign/seal documents and ensure that at each stage only the relevant information/documents can be viewed. This allows an end-to-end process with a document's 'journey' tracked through the different stages. The information generated is automatically pulled through to the SharePoint sealing register/repository, thereby saving OGC's Legal Support time in manually inputting the information.
- b) Longer term, our ultimate objective is to move to complete digitisation of the contracts and deeds that we sign, seal and archive and to automate processes wherever possible. This includes a proposal to digitise all of the physical records held within the basement at Sessions House. This will allow quick searchability and retrieval and save on building storage space.
- c) In addition to the technological change, the process can be simplified. There is no legal requirement for Members to sign the document as they do in the current process. Members provide strategic direction through their decision-making or delegations and checks are made at different stages of the process, both within Governance, Law and Democracy and through externally appointed lawyers. The ability of the Council's authorised signatories to also independently review the documents will remain under this system.
- d) Removing the administrative Member signing process will reduce cost, increase agility in concluding these documents, remove the burden on Cabinet Members and free up capacity. The accountability to comply with Member decision-making is unaffected by the change.
- e) Signing and sealing is the formal end of the decision-making process leading up to the deed and/or contract being required. In accordance with the decision-making procedures and rules of the Council, Members will have been involved and authority granted where necessary, for example through a Cabinet Member signing a Record of Decision and other Members involved as part of the key decision process. This is unaffected by the change.

3. Amendments to the Constitution

- a) The sections in the Constitution covering the signing and sealing of documents are set out in section 11, under the duties of the Monitoring Officer, and in section 13, financial procedures. These were drafted when 'wet ink' signing was not only commonplace, but the only viable option. Even if we were not proposing to move to a physical paper-based system, the amendments being

proposed bring these sections of the Constitution up to date and allow for the full range of options.

- b) The proposed amendments are set out in the Appendix as track changes to the current wording as set out in the Constitution. They allow for electronic signing to be valid under our Constitution and remove the requirement for a Member to counter-sign certain documents.
- c) The Selection and Member Services Committee discussed the changes on 24 February 2022 and are recommended to County Changes that they be approved.

4. Recommendation:

That the County Council approve the changes to the Constitution related to the signing and sealing of documents as set out in the Appendix to the report.

5. Background Documents

None.

6. Report Author and Relevant Director

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Appendix – Proposed Amendments to the Constitution on Signing and Sealing

- 11.18 On behalf of the Council and in support of their delegated Executive functions the Monitoring Officer has the following responsibilities: ...
- (k) Custody of the Common Seal of the Council. A decision of the Council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which, in the opinion of the Monitoring Officer, should be sealed. The affixing of the Common Seal will be attested by the Monitoring Officer, or some other person authorised by them in writing to do so, provided that in any transaction relating to land to which The Regulatory Reform (Execution of Deed and Documents) Order 2005 applies, the Common Seal shall be attested by a Member of the County Council and an authorised signatory. The Common Seal of the Council may be affixed either by physical means or by such electronic means as the Monitoring Officer may from time to time authorise. The affixing of an electronic seal shall be of the same legal effect as affixing the Common Seal of the Council physically.
- ...
- 13.16 Any contract with a value in excess of £1m must be made in writing and either:
- (a) affixed with the common seal of the Council, and be attested by at least one authorised Officer ~~(as defined in 13.17~~see section 13.18), or
- (b) signed as a deed by at least one authorised Officer (as defined in 13.18) unless otherwise determined by the Monitoring Officer.
- 13.17 The common seal of the Council shall be affixed to any deeds (unless a specific statutory provision permits otherwise) and any document or agreement if the Monitoring Officer considers it appropriate for the purpose of transacting the Council's business or safeguarding its interests.
- 13.18 ~~The seal may be fixed and witnessed, or the document signed as a deed only by the Monitoring Officer or Officers authorised by them in writing to do so.~~The affixing of the Common Seal, either by physical or electronic means (as defined in section 11.18), may only be attested by the Monitoring Officer, or Officers authorised by them in writing to do so.
- 13.19 The Monitoring Officer shall ensure a register is maintained of all documents and agreements that are sealed including the name of the person who witnessed the affixing of the seal.
- ...
- 13.22 Where there is a requirement (legal or otherwise) for a 'wet ink' signature on legal agreements, they will be sealed and/or signed physically. Otherwise, section 13.23 may apply.

~~13.2213.23~~ ~~With the exception of charges and deeds that have to be registered at the Land Registry or Companies Registry in order to take effect or to have legal protection (where a 'wet ink' signature will still be required), electronic signatures will, in line with the Electronic Communication Act 2000, Where the law, and (where applicable) any additional requirements of a public registry (for example, HM Land Registry) allow, electronic signatures may be permitted, and will be accepted as a fair representation of a willingness to enter into a contract with the Council, insofar as the e-signature is a true representation of the authorised person's written signature and (a) and (b) below apply, in which case an e-signature and a signature will be referred to as the same. as long as the following apply:~~

(a) the Contract will be entered into in relation to being either under seal or under hand,

~~(b) the electronic signature is a true representation of the authorised person's written signature, and~~

~~(b)(c)~~ is supported with a contemporaneous document of authenticity and authorisation from the Supplier.

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From: Ben Watts, General Counsel

To: County Council – 10 March 2022

Subject: Constitution Amendment: Urgent Executive Decisions

Status: Unrestricted

Past Pathway of Paper: Selection and Member Services Committee -
24 February 2022

Future Pathway of Paper: N/A

Electoral Division: All

Summary: This report sets out a request to amend the Constitution as it relates to the procedure for taking urgent Executive Decisions. The proposed changes are set out in the Appendix.

The Selection and Member Services Committee discussed the changes on 24 February 2022 and are recommended to County Council that they be approved.

1. Introduction

- a) This paper is brought forward following work by the Strategic Governance Manager reviewing the Constitution and is part of our ongoing programme of Governance review.
- b) Section 12.32 of the Constitution sets out the procedure for taking a Key decision when it is not possible for the proposed decision to appear on the FED prior to being taken.
- c) Before the decision can be taken, “the Chair of the Scrutiny Committee and relevant Senior Manager have agreed that the decision cannot reasonably be deferred.” The Constitution makes no allowance for the possibility of the Chair of the Scrutiny Committee being unavailable when their agreement is required, or for the position of Scrutiny Committee Chair being vacant.

2. Proposed Amendment

- a) This possibility was considered in The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that underpin the Executive Member decision-making process. In these regulations it is set out that:
 - I. “the decision may only be made where the decision maker has obtained agreement from — (a) the chairman of the relevant overview and scrutiny committee; or (b) if there is no such person, or if the chairman of the relevant overview and scrutiny committee is unable to act, the chairman of the relevant local authority; or (c) where there is no

chairman of either the relevant overview and scrutiny committee or of the relevant local authority, the vice-chairman of the relevant local authority, that the making of the decision is urgent and cannot reasonably be deferred.”

- b) For business continuity purposes, it is important that it is clear in the Constitution what would have to happen in the event of the Chair of the Scrutiny Committee being unable to act in connection with urgent decisions.
- c) The appendix shows the suggested additions to section 12.32 of the Constitution, with the new wording shown in bold and underlined.
- d) The Selection and Member Services Committee discussed the changes on 24 February 2022 and are recommending to County Council that they be approved.

3. Recommendation

That the County Council agree that the Constitution be amended to allow the Chairman of the Council to act with regards urgent key decisions where the Chair of the Scrutiny Committee cannot, or the Vice-Chairman of the Council where the Chairman cannot.

4. Background Documents

None.

5. Report Author and Relevant Director

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Appendix – Proposed Amendment to Section 12.32 of the Constitution

12.32 Where a Key Decision or other decision requiring publication on the FED is so urgent that the minimum requirement of five clear working days cannot be given, the decision may only be taken **where the following both apply:**

- (a) the Chair of the Scrutiny Committee and relevant Senior Manager have agreed that the decision cannot reasonably be deferred. **Where the Chair of the Scrutiny Committee is unable to act, the Chairman of the Council has to agree that the decision cannot reasonably be deferred, or the Vice Chairman on the Council where both are unable to act; and**
- (b) the Group Spokespersons of the Scrutiny Committee, Chair and Group Spokespersons of the relevant Cabinet Committee and affected local Members have been informed in writing by Democratic Services and given an opportunity for their comments to be included in the Record of Decision.

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By: Ben Watts, General Counsel (Monitoring Officer)

To: County Council – 10 March 2022

Subject: Code of Corporate Governance

Classification: Unrestricted

Past Pathway of Paper: Governance and Audit Committee – 25 January 2022

Future Pathway of Paper: N/A

Electoral Division: All

Summary: This report sets out a request for approval to update the Code of Corporate Governance as set out in Section 26 of the Constitution. The draft revised Code is set out in Appendix A.

1. Introduction

- a) Although not mandatory, Kent County Council has a Code of Corporate Governance based on guidance from CIPFA. Many authorities have included it in their formal constitution like KCC, but practice varies. The current version of KCC's Code of Corporate Governance is set out in section 26 of the Council's Constitution.
- b) The Head of Internal Audit and the statutory officers (Head of Paid Service, Corporate Director of Finance and Monitoring Officer) have all recognised and advised that it is timely for the Council to review and change the Code of Corporate Governance to reflect CIPFA guidance, best practice, and the new strategic and operational realities of the Council.
- c) Following discussions at the Governance and Audit Committee, the Committee is recommending to the County Council the adoption of the revised Code of Corporate Governance as set out in Appendix A.
- d) The production of the revised Code will be covered in the Annual Report of the Governance and Audit Committee which the Committee has undertaken to prepare for County Council. Further work on refining the code in light of the comments from Members of Governance and Audit Committee and the planned governance activity within my service will also mean that County Council will be updated on any further changes.

2. Revised Code

- a) The draft before County Council brings the Code up to date so that it reflects the latest version of the CIPFA/SOLACE framework and reflected the CIPFA Financial Management Code. A longer-term review will continue as part of the ongoing programme of modernising the Council’s governance.
- b) The updated draft of the Code of Corporate Governance is set out in Appendix A. Because the latest version of the CIPFA/SOLACE framework has seven principles rather than the six existing in our current Code, showing the proposed changes to section 26 of the Constitution as track changes would make it very difficult to read. In the interests of clarity, the current section 26 is set out in Appendix B. Some minor changes have been made to the “Introduction to the Code of Corporate Governance” – notably, setting out the principles as a set of bullet points in section 26.5, reference to the CIPFA Financial Management Code at section 26.6, and adding “Developments in improving corporate governance will be reported on a routine basis to the Governance and Audit Committee” to section 26.9.
- c) The independent member of Governance and Audit has been consulted in the production of the draft set out in Appendix A.

3. Recommendation:

That the County Council approve the updated Code of Corporate Governance and section 26 of the Constitution amended accordingly.

4. Appendices

Appendix A – Proposed revision of the Code of Corporate Governance/Section 26 of the Constitution.

Appendix B – Current version of the Code of Corporate Governance/Section 26 of the Constitution.

5. Background Documents

Delivering Good Governance in Local Government: Framework (2016 edition) – CIPFA/SOLACE.

6. Report Author and Relevant Director

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Appendix A – Draft Section 26 of the Constitution – Code of Corporate Governance

Code of Corporate Governance

Introduction to the Code of Corporate Governance

- 26.1 Corporate Governance is the system by which Kent County Council directs and controls its functions in the best interests of the people and communities of Kent.
- 26.2 Good corporate governance is fundamental to securing confidence in public services, and so governance arrangements must be transparent to the community and other stakeholders and promote their involvement. This is to demonstrate openness, integrity, and accountability.
- 26.3 Governance arrangements should be aligned with the Council's core vision and objectives, and ensure continuous improvement in the context of economy, efficiency, and effectiveness.
- 26.4 The Code of Corporate Governance describes the principles applied by Kent County Council as the framework for good corporate governance, how the Council is adhering to those principles, and the key policies and plans in place to support this.
- 26.5 The Code follows closely the seven principles identified in 'Delivering Good Governance in Local Government (2016)', published jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), as a best practice framework for local authorities. These principles are set out in detail below (26.10 on) and are as follows:
- (a) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
 - (b) Ensuring openness and comprehensive stakeholder engagement.
 - (c) Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - (d) Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - (e) Developing the local authority's capacity, including the capability of its leadership and the individuals within it.
 - (f) Managing risks and performance through robust internal control and strong public financial management.
 - (g) Implementing good practices in transparency, reporting and audit to effective accountability.
- 26.6 As part of the Code of Corporate Governance, this Council will comply with the principles and standards of the [CIPFA Financial Management Code](#).

- 26.7 The Council's corporate governance arrangements are reviewed annually and reported, with any consequential recommendations, to the Governance and Audit Committee and the County Council for approval
- 26.8 The Code of Corporate Governance as adopted by Kent County Council is set out in Sections 26.10 to 26.16. The title of each principle is followed by a table setting out its features and indicative content of what the Council has in place to demonstrate compliance.
- 26.9 As set out in the document referred to in 26.5 and the '[International Framework: Good Governance in the Public Sector](#)' (CIPFA/IFAC, 2014), governance is dynamic and in adopting a Code of Corporate Governance, a local authority is committed to improving governance on a continuing basis. In accordance with this model, Principles A and B permeate implementation of Principles C to G. Developments in improving corporate governance will be reported on a routine basis to the Governance and Audit Committee.

The Code of Corporate Governance

26.10 *Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.*

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law

Actions and behaviours that demonstrate good governance:

Sub-principle – Behaving with integrity.

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

Sub-principle – Demonstrating strong commitment to ethical values.

- Seeking to establish, monitor and maintain the organisation's ethical standards and performance.
- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.
- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.

<ul style="list-style-type: none"> • Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.
<p>Sub-principle – Respecting the rule of law.</p> <ul style="list-style-type: none"> • Ensuring Members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations. • Creating the conditions to ensure that the statutory Officers, other key post holders and Members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. • Striving to optimise the use of the full powers available for the benefit of citizens, communities, and other stakeholders. • Dealing with breaches of legal and regulatory provisions effectively. • Ensuring corruption and misuse of power are dealt with effectively.
<p>What we have in place:</p> <ul style="list-style-type: none"> • Complaints and Feedback • Whistle Blowing Policy • Constitution • Delegation Table (Constitution: Appendix) • Member Code of Conduct (Constitution Section 21) and register of interests • Officer Code of Conduct (Constitution Section 23) and register of interests • Convention on Member: Officer Relations (Constitution Section 22) • Equality and Diversity policy statement • Scrutiny Committee • Standards Committee • Access to information • Anti-Bribery Policy • Anti-Fraud and Corruption Policy • Anti-Money Laundering Policy • Data Protection Policy • Commissioning Standards Guidance – Social Value • Members Induction and Development

26.11 *Principle B - Ensuring openness and comprehensive stakeholder engagement.*

The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Actions and behaviours that demonstrate good governance:

Sub-principle – Openness

- Ensuring an open culture through demonstrating, documenting, and communicating the organisation’s commitment to openness.
- Making decisions that are open about actions, plans, resource use, forecasts, outputs, and outcomes. The presumption is for openness. If that is not the case, a

<p>justification for the reasoning for keeping a decision confidential should be provided.</p> <ul style="list-style-type: none"> • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.
<p>Sub-principle – Engaging comprehensively with institutional stakeholders.</p> <ul style="list-style-type: none"> • Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably. • Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively. • Ensuring that partnerships are based on: <ul style="list-style-type: none"> ○ trust, ○ a shared commitment to change, ○ a culture that promotes and accepts challenge among partners, and ○ that the added value of partnership working is explicit. <p>NB: institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.</p>
<p>Sub-principle - Engaging stakeholders effectively, including individual citizens and service users.</p> <ul style="list-style-type: none"> • Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. • Ensuring that communication methods are effective, and that Members and Officers are clear about their roles with regard to community engagement. • Encouraging, collecting, and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. • Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account. • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity. • Taking account of the interests of future generations of taxpayers and service users.
<p>What we have in place:</p> <ul style="list-style-type: none"> • Access to Information • Complaints and Feedback • Kent Council Leaders • Let's Talk Kent (consultation website) • Outside Bodies List • Kent Partners Compact • Voluntary and community sector policy

- [Petition scheme](#)
- [Constitution Section 19 \(Partnerships\)](#)
- [Meeting papers online](#)
- [FED](#) and [Key Decisions](#) online
- [Statement of Accounts](#)
- [Annual Governance Statement](#)
- [Media Hub](#)
- [Vision for Kent 2012-2022](#)

26.12 *Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits.*

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Actions and behaviours that demonstrate good governance:

Sub-principle - Defining outcomes.

- Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.
- Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.
- Delivering defined outcomes on a sustainable basis within the resources that will be available.
- Identifying and managing risks to the achievement of outcomes.
- Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.
- Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.
- Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.
- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social, and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.
- Ensuring fair access to services.

What we have in place:

- [Vision for Kent 2012-2022](#)
- [Setting the Course](#)
- [Medium Term Financial Plan](#)

- [Environment Policy](#)
- [Equality Impact Assessments Policy](#)
- [Strategic Delivery Plan](#)
- [Minerals and waste planning policy](#)
- [Local transport plan](#)
- [Community safety framework](#)
- [Let's Talk Kent \(consultation website\)](#)
- [Annual Budget](#)
- [Treasury Management Strategy](#)

26.13 *Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes.*

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Actions and behaviours that demonstrate good governance:

Sub-principle - Determining interventions.

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

Sub-principle – Planning interventions.

- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities, and targets.
- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.
- Considering and monitoring risks facing each partner when working collaboratively including shared risks.
- Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.
- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.
- Ensuring capacity exists to generate the information required to review service quality regularly.
- Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan.
- Informing medium- and long-term resource planning by drawing up realistic

estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

Sub-principle - Optimising achievement of intended outcomes.

- Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints.
- Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
- Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
- Ensuring the achievement of 'social value' through service planning and commissioning.

What we have in place:

- [Forthcoming Executive Decisions \(FED\)](#)
- [Annual Budget](#)
- [Medium Term Financial Plan](#)
- [Constitution: Part Two \(Functions and Decision-Making\)](#)
- [School admission appeals process](#)
- [Asset Management Strategy 2018-23](#)
- [Commissioning framework](#)
- [Strategic Delivery Plan](#)
- [Control framework for strategies and policies](#)
- [Let's Talk Kent \(consultation website\)](#)
- Budget monitoring process
- Performance monitoring process
- [Risk Management Strategy](#)

26.14 *Principle E – Developing the local authority's capacity, including the capability of its leadership and the individuals within it.*

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff Members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Actions and behaviours that demonstrate good governance:

Sub-principle - Developing the local authority's capacity.

- Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness.
- Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's

<p>resources are allocated so that outcomes are achieved effectively and efficiently.</p> <ul style="list-style-type: none"> • Recognising the benefits of partnerships and collaborative working where added value can be achieved. • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.
<p>Sub-principle - Developing the capability of the local authority's leadership and other individuals.</p> <ul style="list-style-type: none"> • Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. • Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body. • Ensuring the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority. • Developing the capabilities of Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political, and environmental changes and risks by: <ul style="list-style-type: none"> ○ ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged, ○ ensuring Members and Officers have the appropriate skills, knowledge, resources, and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis, and ○ ensuring personal, organisational, and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external. • Ensuring that there are structures in place to encourage public participation. • Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections. • Holding staff to account through regular performance reviews which take account of training or development needs. • Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.
<p>What we have in place:</p> <ul style="list-style-type: none"> • Kent Council Leaders • Operating Standards • Personnel policies • Performance management • Members Induction and Development • Selection and Member Services Committee • Member Development Sub-Committee • Staff Induction, training, and development (including Managing in Kent) • Constitution Sections 10 and 11 (Delegations) • People Strategy 2017 to 2022

- [Pay policy](#)
- [Kent Partners Compact](#)
- [Voluntary and community sector policy](#)
- [Personnel Committee](#)
- [Managing in KCC programme](#)
- [Health, Safety, and Wellbeing services](#)

26.15 *Principle F - Managing risks and performance through robust internal control and strong public financial management.*

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes, and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Actions and behaviours that demonstrate good governance:

Sub-principle - Managing risk.

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

Sub-principle - Managing performance.

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

Sub-principle - Robust internal control.

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

Sub-principle - Managing data.

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

Sub-principle - Strong public financial management.

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

What we have in place:

- [Equality Impact Assessments Policy](#)
- [Constitution Section 13 \(Financial Procedures\)](#)
- [Financial Regulations](#)
- [Councillor allowances and expenses](#)
- [Local Authority Companies Manual](#)
- [Data quality policy](#)
- [The Code of Recommended Practice for Local Authorities on Data Transparency](#)
- [Risk Management Strategy](#)
- [Corporate Risk Register](#)
- [Governance and Audit Committee](#)
- [Spending the Council's Money \(procurement policy\)](#)
- [Anti-Bribery Policy](#)
- [Anti-Fraud and Corruption Policy](#)
- [Anti-Money Laundering Policy](#)
- [Data Protection Policy](#)
- [Data Protection Impact Assessments](#)
- [Data Breach Policy](#)
- [Records Management Policy](#)
- [Governance and Audit Committee](#)
- [Information Security Policies](#)
- [Corporate Information Governance Group](#)

26.16 *Principle G - Implementing good practices in transparency, reporting and audit to effective accountability.*

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Actions and behaviours that demonstrate good governance:

Sub-principle - Implementing good practice in transparency.

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

Sub-principle - Implementing good practices in reporting.

- Reporting at least annually on performance, value for money and the stewardship of its resources.
- Ensuring Members and senior management own the results.
- Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement).
- Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.
- Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.

Sub-principle - Assurance and effective accountability.

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

What we have in place:

- [Webcasting of public meetings](#)
- [Web Accessibility Policy](#)
- [Statement of Accounts](#)
- [Annual Governance Statement](#)
- [Business Plans](#)

- [Access to information](#)
- [Let's Talk Kent \(consultation website\)](#)
- [Governance and Audit Committee](#)
- [Personnel Committee](#)
- Peers/External reviews
- Internal audit opinion
- External audit letters
- [Internal audit charter](#)

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Appendix B – Current Section 26 of the Constitution – Code of Corporate Governance

Code of Corporate Governance

Introduction to the Code of Corporate Governance

- Code of
Corporate
Governance**
- 26.1 Corporate Governance is the system by which local authorities direct and control their functions in the best interests of their communities.
- 26.2 Good corporate governance is fundamental to securing confidence in public services, and so governance arrangements must be transparent to the community and other stakeholders, and promote their involvement, in order to demonstrate openness, integrity, and accountability.
- 26.3 Governance arrangements should be aligned with the Council’s core vision and objectives, and ensure continuous improvement in the context of economy, efficiency and effectiveness.
- 26.4 The Code of Corporate Governance describes the principles applied by Kent County Council as the framework for good corporate governance, how we are achieving those principles, and the key policies and plans in place to support this.
- 26.5 The Code follows closely the six principles identified in ‘Delivering Good Governance in Local Government (2007)’, published jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), as a framework for local authorities.
- 26.6 The Council’s governance arrangements are reviewed annually and reported, with any consequential recommendations, to the Governance and Audit Committee and the County Council for approval.
- 26.7 The Code as adopted by Kent County Council is set out in the following tables:

Principle One: Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a Vision for the local area.

Key Elements	<ul style="list-style-type: none"> • Exercising strategic leadership by developing and clearly communicating the Council’s purpose and vision, and it’s intended outcomes for citizens and service users • Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning • Ensuring the Council makes best use of resources, and that taxpayers and service users receive excellent value for money
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How We Achieve This	<ul style="list-style-type: none"> • Develop and promote our purpose and vision to be used as a basis for corporate and service planning • Regularly review our vision for the local area and its impact on our governance and financial arrangements • Ensure that partnerships work to a common vision which all parties understand/agree • Publish annual reports communicating our activities and achievements, financial position and performance • Measure quality of service, and ensure availability of information needed to effectively review our service quality • Put in place effective procedures to identify and address failures in service delivery, including complaints and consultation mechanisms for our service users • Measure value for money, and ensure that we have the information needed to review value for money and performance effectively • Measure of the environmental impact of our policies, plans and decisions
Policies / Plans	<p>Vision for Kent 2012-2022 Facing the Challenge Complaints and Feedback Whistle Blowing Policy Kent Council Leaders Medium Term Financial Plan Consultation Page Environment Policy Equality Impact Assessment</p>

Principle Two: Members and Officers working together to achieve a common purpose with clearly defined functions and roles.

Key Elements	<ul style="list-style-type: none"> • Ensuring effective leadership throughout the Council and being clear about executive, non-executive and scrutiny functions/roles • Ensuring that a constructive working relationship exists between Council Members and Officers, and that the responsibilities of Members and Officers are carried out to a high standard • Ensuring relationships between the Council and the public are clear so that each knows what to expect of each other
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How We Achieve This	<ul style="list-style-type: none"> • A clear statement of the respective roles and responsibilities of our executive, individual executive Members, and the Scrutiny function, and our approach towards putting this into practice • A clear statement of the respective roles and responsibilities of our non-executive Members, Members generally, and our senior Officers • A scheme of delegation and reserved powers within our Constitution, including a formal schedule of matters specifically reserved for collective decision of the Council, taking account of relevant legislation, to be monitored and revised as required • Making the Corporate Management Team responsible and accountable to the Council for all aspects of operational management Protocols ensuring that the Leader and Chief Officers negotiate their respective roles and that a shared understanding of roles and objectives is maintained • Making the Chief Finance Officer (Section 151 Officer) responsible to the Council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control • Making the Monitoring Officer responsible to the Council for ensuring that agreed procedures are followed, and for ensuring compliance with all applicable statutes and regulations • Protocols to ensure effective communication between Members and Officers • Set out terms and conditions for remuneration of Members and Officers, and an effective structure for managing the process, including an independent remuneration Panel, and effective mechanisms for monitoring performance and service delivery • Ensuring that our vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated • When working in partnership, ensuring that our Members are clear about their roles and responsibilities, both individually and collectively in relation to the partnership and to the Council, that there is clarity about the legal status of the partnership, and that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions
Policies / Plans	Constitution: Part Two Financial Regulations Member and Officer Codes of Conduct Personnel policies Performance management Forthcoming Executive Decisions (FED) Councillor Allowances Local Authority Companies Manual Outside Body list

Principle Three: Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

Key Element	<ul style="list-style-type: none"> • Ensuring Council Members and Officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance • Ensuring that organisational values are put into practice and are effective
How We Achieve This	<ul style="list-style-type: none"> • Ensure that our leadership sets a tone for the organisation by creating a climate of openness, accountability, integrity, support and respect • Ensure that standards of conduct and personal behaviour expected of our Members and Officers, of work between our Members and Officers, and between the Council, its partners and the community are defined and communicated through codes of conduct and protocols • Put in place arrangements to ensure that our Members and Officers are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders, and put in place appropriate processes to ensure that they continue to operate in practice • Maintain shared values including leadership values for both the Members and Officers reflecting public expectations, and communicate these with our Members, Officers, the community and partners • Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice • Develop and maintain an effective ethical standards regime to ensure that high standards of conduct are embedded in our culture • Use our shared values to act as a guide for decision making, and as a basis for developing positive and trusting relationships within the Council • In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively
Policies / Plans	<p>Member and Officer Codes of Conduct Equalities policy Information and Data The Code of Recommended Practice for Local Authorities on Data Transparency Financial Regulations Standards Committee Whistle Blowing Policy Member and Officer Registers of personal interests Kent Partners Compact Members Induction</p>

Principle Four: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

<p>Key Elements</p>	<ul style="list-style-type: none"> • Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny • Having good quality information advice and support to ensure that services are delivered effectively and are what the community wants/needs • Ensuring that an effective risk management system is in place • Using legal powers to the full benefit of citizens and communities in the local area
<p>How We Achieve This</p>	<ul style="list-style-type: none"> • Develop and maintain an effective scrutiny function that encourages constructive challenge and enhances our performance overall, and that of any organisation for which we are responsible • Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based • Put in place arrangements to safeguard Members and Officers against conflicts of interest, and put in place appropriate processes to ensure that they continue to operate in practice • Develop and maintain an effective Governance and Audit Committee which is independent of the executive and scrutiny functions • Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints • Ensure that those making decisions for the Council or its partnerships are provided with information that is fit for purpose (relevant, timely, and giving clear explanations of technical issues and their implications) • Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately • Ensure that risk management is embedded within our culture, with Members and Officers at all levels recognising that risk management is part of their role • Ensure that arrangements are in place for whistleblowing to which Officers and all those contracting with the Council have access • Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law
<p>Policies / Plans</p>	<p>Constitution: Part Two Financial Regulations Member and Officer Codes of Conduct Member and Officer Registers of personal interests Complaints and Feedback Whistle Blowing Policy Members Induction Introduction to Risk Management Corporate Risk Register Governance and Audit Committee Forthcoming Executive Decisions (FED)</p>

Principle Five: Developing the capacity and capability of Members and Officers to be effective.

<p>Key Elements</p>	<ul style="list-style-type: none"> • Making sure that Members and Officers have the skills, knowledge, experience and resources they need to perform well in their roles • Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as groups • Encouraging new talent for membership of the Council so that best use can be made of individuals' skills and resources in balancing continuity and renewal
<p>How We Achieve This</p>	<ul style="list-style-type: none"> • Provide induction programmes tailored to individual needs, and regular opportunities for Members and Officers to update their knowledge • Ensure that statutory Officers have the skills, resources and support necessary to perform their roles effectively, and that these roles are understood throughout the Council • Assess the skills required by our Members and Officers, and make a commitment to develop those skills to enable roles to be carried out effectively • Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed • Ensure that effective arrangements are in place for reviewing the performance of our executive, and of individual Members, and addressing any training or development needs • Ensure that there are effective arrangements designed to encourage individuals from all Sections of the community to engage with, contribute to, and participate in the work of the Council, including putting themselves forward for election as Members of the Council • Ensure that career structures are in place for Members and Officers, to encourage participation and development
<p>Policies / Plans</p>	<p>Staff Induction programme Staff Training and Development Constitution: Sections 10-11 Members Induction Performance management Kent Council Leaders Kent Manager The Kent Show Webcasting of public meeting Independent school admissions appeal Panels</p>

Principle Six: Engaging with local people and other stakeholders to ensure robust public accountability.

<p>Key Elements</p>	<ul style="list-style-type: none"> • Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships • Taking an active and planned approach to dialogue with, and accountability to, the public to ensure effective/appropriate service delivery whether directly by the Council, in partnership or by commissioning • Making best use of human resources by taking an active and planned approach to meet responsibility to staff
<p>How We Achieve This</p>	<ul style="list-style-type: none"> • Making sure that the Council, all staff, and the community are clear about to whom the Council is accountable and for what • Consider those institutional stakeholders to whom the Council is accountable and assess the effectiveness of relationships and any changes required • Produce an annual report on the activity of the scrutiny function • Ensure clear channels of communication with all Sections of the community and other stakeholders, with monitoring arrangements to ensure that they operate effectively • Hold meetings in public unless there are justifiable reasons for confidentiality • Ensure that there are arrangements enabling the Council to engage effectively with all Sections of the community, recognising different priorities and establishing explicit processes for dealing with competing demands • Having a clear policy on what issues the Council will meaningfully consult on or engage with the public and service users about, including a feedback mechanism to demonstrate what has changed as a result • Publish an annual performance plan giving information on our vision, strategy, plans and financial statements as well as information about outcomes, achievements and the satisfaction of service users • Ensure that the Council is open and accessible to the community, service users and its staff, ensuring a commitment to openness and transparency in all dealings, including partnerships, subject only to specific circumstances where confidentiality is justified • Develop and maintain a clear policy on how our staff and their representatives are consulted and involved in decision making
<p>Policies / Plans</p>	<p>Vision for Kent 2012-2022 Business Plans Complaints and Feedback procedures Whistleblowing Policy Kent Forum Consultation Strategy Petitions Scheme Forward Plan Constitution Statement of Accounts Information and Data The Code of Recommended Practice for Local Authorities on data transparency</p>

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By: Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services – Peter Oakford
Corporate Director Finance – Zena Cooke

To: County Council – 10 March 2022

Subject: Proposed changes to Financial Regulations

Classification: Unrestricted

Summary: This report asks County Council to approve the updated Financial Regulations and Delegated Authority Matrix of Approval Limits, as an amendment to the Constitution.

1. Introduction

- 1.1 The Financial Regulations have been reviewed and updated. Whilst there has been no major re-write or change to the format of the regulations, amendments have been made to reflect changes in structures/working practices, to ensure our regulations reflect current best practice and strengthen areas where there were known gaps.
- 1.2. This review has been undertaken as part of a programme of work looking not only at the Financial Regulations but also a Delegated Authority Matrix of Approval Limits and Financial Procedures. The aim is to publish the whole suite of updated financial documentation on KNet with appropriate links between the documents as well as to other relevant procedures/publications, making it easily accessible to all staff.
- 1.3 The revised Financial Regulations and Delegated Authority Matrix of Approval Limits were agreed by the Governance & Audit Committee at their meeting on 25 January 2022 and now need to be approved by the County Council as an amendment to the Constitution.

2. Main Amendments

- 2.1 The process for conducting this review included:
 - Looking at the Constitution to ensure the Regulations comply with the Constitution;
 - Addressing concerns/gaps raised by finance staff;
 - Ensuring other relevant procedures/publications are still relevant and available on Knet.

- 2.2 The main areas of change to highlight are:

Within the Financial Regulations:

- The role of the full Council - has been amended to match the wording of the Constitution and to make clear the connection between Scrutiny and full Council. (Ref. Introduction, Para 2.2)
- Scrutiny Committee wording amended to make responsibilities clearer. (Ref. Introduction, Para 2.5)
- The Governance and Audit Committee responsibilities in relation to Counter Fraud have been expanded. (Ref. Introduction, Para 2.6 (ix, x, xi and xii))
- The Governance and Audit Committee responsibilities have been amended to include ensuring that the Council has appropriate governance arrangements in place to manage the relationship between the Council and the companies it has majority control of. (Ref. Introduction, Para 2.6 (xiii))
- The Governance and Audit Committee responsibilities have been amended to include ensuring the Council has appropriate arrangements in place to ensure commercial opportunities and risk presented through company ownership are managed effectively.
- The Corporate Director, Finance responsibilities have been amended to include 'advising the Council on its overall financial resilience'. (Ref. Introduction, Para 2.12 (i))
- The Head of Paid Service, Monitoring Officer and Corporate Director, Finance common responsibility relating to providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Members has been added into the regulations. (Ref. Introduction, Para 2.14 (i))
- Regulation relating to the medium term budget and financial strategy – has been amended to reflect that the budget will cover an appropriate period rather than a specific period. (Ref. Section A.2)
- Regulation relating to Revenue budgeting – budget format – has been amended to state that the draft budget should include analysis of significant changes and policy choices included within the proposed budget. (Ref. Section A.7)
- Regulation relating to Revenue budgeting – budget preparation – has been amended to reflect that the budget will be presented in an appropriate format that aligns with the structure and complexity of the Council. (Ref. Section A.10)
- Regulation relating to Revenue budgeting – Resource allocation – amendments made to the responsibilities of the Leader. (Ref. Section A.15)
- Regulation relating to Capital Programme and capital budgeting – explanation in the Corporate Director, Finance responsibilities regarding revenue implications of debt costs from additional borrowing and surety of external funding. (Ref. Section A.22 (iv and v))
- Regulation relating to Capital Programme and capital budgeting – Corporate Director responsibilities amended to reflect the role of the Capital Officer Group, the approval process and to ensure VAT implications are considered. (Ref. Section A.23 (iii, iv, v and vi))
- Regulation relating to the maintenance of reserves and provisions – Corporate Director, Finance responsibilities expanded to include 'proposing the Council's Reserve Policy' and 'ensuring compliance with

- reserves policy and governance procedures relating to strategic priorities and general corporate reserves'. (Ref. Section A24 (i and vii))
- Regulation relating to Revenue Budget Monitoring and Control – amendments to Corporate Director responsibilities in respect of approval of new proposals. (Ref. Section B.3 (vii and viii))
 - Regulation relating to Virement – amendment to approval process to align with amendments in Section B.3. (Ref. Section B.7)
 - Regulations relating to Internal Control and Preventing fraud and corruption – have been revised and expanded. (Ref. Section C.6 (v) and Section C.12 and C.13)
 - Regulation relating to Audit Requirements – amended to reflect that the externally audit contract has been awarded to Grant Thornton. (Ref. Section C.8)
 - Regulation relating to Income – write off debts – amendments to type of debt the Corporate Director, Finance is authorised to write off. (Ref. Section D.6 (i, ii, iii, iv and vi))
 - Regulation relating to Ordering and Paying for Works, Good and Services – the officer delegated authority to approve expenditure is up to £1m and aligns with the Key Decision level set out in the Constitution. (Ref. Section D.15)
 - The regulation relating to Taxation – amended to include the delegation of taxation management to the Chief Accountant. (Ref. Section D.23).

Within the Scheme of Delegation:

- Note 6 has been amended to reflect that the writing off of irrecoverable debts should be in line with the Financial Regulations.

2.3 The amendments made to the Regulations and Scheme of Delegation can be seen in detail at Appendices A and B, as they are presented showing all tracked changes.

3. Recommendation

County Council is asked to:

3.1 Consider and approve the updated Financial Regulations and Delegated Authority Matrix of Approval Limits.

Emma Feakins
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KENT COUNTY COUNCIL

FINANCIAL REGULATIONS

Amended by the Council:

22 July 2010

23 May 2013

21 May 2015

19 May 2016

25 May 2017

17 May 2018

Contents	Page
Key Areas of Activity	3
Overall Financial Responsibilities	5
Financial Regulations:	
A – Financial Planning	11
B – Financial Management	17
C – Risk management and Control of Resources	23
D – Systems and Procedures	30
E – External Arrangements	36

The Council's Financial Regulations set the control framework for five key areas of activity:

A. Financial Planning

Covers Performance Planning, Capital Strategy, Treasury Management Strategy, Pension Fund Investment and Administration Strategy, Revenue Strategy, Revenue Budgeting, Capital Programme and Budgeting, Reserves and Key Decisions.

Full Council is responsible for receiving the Medium-Term Financial Plans and formally agreeing the annual budget, in line with statutory guidance.

The Corporate Directors are responsible for contributing to the development of these plans, while the Corporate Director of Finance is responsible for preparing and presenting them to the Cabinet for consideration.

B. Financial Management

Covers Revenue budget monitoring and control, Virement, Treatment of year-end balances, Capital Budget Monitoring, Accounting Policies, Accounting records and returns, Annual Statement of Accounts, Contingent Liabilities and Financial implications of Reports.

The Corporate Director of Finance is responsible for developing, maintaining and monitoring compliance with an effective corporate financial framework. This will encompass detailed financial regulations, professional standards, key controls and good financial information.

The Corporate Directors will operate within this framework, alerting the Corporate Director of Finance to any risk of non-compliance.

C. Risk Management and Control of Resources

Covers Risk Management and insurance, Internal Control, Audit requirements, Preventing fraud and corruption, Assets, Treasury Management, Investments and Borrowing, Trust funds and funds held for third parties, Banking, Imprest Accounts and Staffing Costs.

Cabinet and the Governance and Audit Committee are jointly responsible for agreeing the Council's risk management strategy, policy and supporting guidance and for reviewing the effectiveness of risk management within the Council.

The Corporate Director of Finance is responsible for monitoring systems for risk management and systems of internal control. This will be monitored through an effective internal audit [and counter fraud](#) functions.

The Corporate Directors are responsible for establishing sound arrangements within these systems and notifying the Corporate Director Strategic and Corporate Services of any suspected non-compliance.

D. Systems and Procedures

Covers general processes and procedures, Income, Ordering and Paying for Works, Goods and Services, Payments to employees and Members, Taxation, trading accounts/business units and Internal Recharges.

The Corporate Director of Finance is responsible for the Council's accounting control systems, the financial accounts, supporting information and all financial processes or procedures.

The Corporate Directors are responsible for the proper operation of all systems, processes and procedures. Any# exceptions to the corporately agreed standards will need to be agreed with the Corporate Director of Finance

E. External Arrangements

Covers Partnerships, External Funding, Local Authority Companies and Work for third parties.

The Corporate Director of Finance is responsible for promoting the same high standards of conduct in the financial management of partnerships and companies as within the Council.

The Corporate Directors are responsible for ensuring that the Council's interests are protected in such arrangements and that appropriate advice is taken at all stagestimes.

OVERALL FINANCIAL RESPONSIBILITIES

Introduction

2.1 Financial management covers all financial accountabilities in relation to the running of the Council including the policy framework and budget. It is not possible to draft regulations or rules that cover every eventuality or circumstance. Consequently, the principles of sound financial management, proper exercise of responsibility, and accountability, as set out in Financial Regulations, should be applied in all circumstances, even where any particular circumstance is not specifically referred to.

2.2 **The full Council** is responsible for:

- i. setting the **Budget and Policy Framework**;
- ii. approving and monitoring compliance with the Council's overall framework of accountability and control as set out in the Constitution;
- ~~iii.~~ directly and through the Scrutiny Committee, for monitoring compliance with agreed policy, including revenue and capital budgets;
- ~~iii.~~iv. responding to referrals from the Scrutiny of matters that are not compliant with the Budget and Policy Framework
- ~~iv.~~v. approving procedures for recording and reporting decisions taken. This includes key and other decisions taken or delegated by the Leader and those decisions taken by the Council and its Committees or delegated by them to officers. These delegations and details of who has responsibility for which decisions are set out in the Constitution;
- ~~v.~~vi. agreeing the annual budget and **the County Council share of Council Tax and Council Tax precept**;
- ~~vi.~~vii. approving the capital strategy, including determining and keeping under review how much money the Council can afford to borrow for capital expenditure;
- ~~vii.~~viii. approving the annual treasury management strategy;
- ~~viii.~~ix. setting and revising the prudential indicators for capital finance and borrowing;
- x. approving the policy on Minimum Revenue Provision (MRP) as set out in the annual MRP statement;
- ~~ix.~~xi. approve the reserves policy;
- ~~x.~~xii. setting the limits for virement or other budget changes through the Financial Regulations and decision making procedure rules;
- ~~xi.~~xiii. setting the limits defining key financial decisions;
- ~~xii.~~xiv. determining any expenditure proposed by the Leader or the Cabinet that is outside the limits referred to in v above;
- ~~xiii.~~xv. approving the Contracts and Tenders Standing Orders.

2.3 **The Leader** is responsible for:

- i. proposing the ~~Medium-Term~~Medium-Term Financial Plan, Budget, budget strategies, Council Tax and prudential indicators to the Council;
- ii. approving revenue, capital strategies;
- iii. determining which executive functions are exercised by him/herself, the Cabinet collectively, other individual members of the Cabinet or officers;
- iv. ensuring that all executive decisions are taken in accordance with the Council's agreed principles of decision making (set out in 8.5 of the Constitution) including due consultation and the taking of professional advice from officers.

2.4 **Individual Cabinet Members** are responsible, within their allocated responsibility area and approved budget for:

- i. taking decisions in accordance with the framework of responsibilities delegated to them from the Leader; as set out in the Constitution
- ii. consulting with the Leader in relation to any proposed decisions as the Leader may direct;
- iii. complying with Financial Regulations in force as agreed by or on behalf of the County Council;
- iv. ~~taking decisions which are otherwise delegated to officers, but which are:~~
 - ~~(a) not in accordance with the Policy Framework or budget agreed by the Council or management and business plans within their portfolio;~~
 - ~~(b) withdrawn from the delegation to Corporate Directors;~~
- v. taking account of legal and financial liabilities when taking decisions including due consultation with and the taking of advice from officers;
- vi. processing decisions in accordance with the decision making and reporting framework set out in the Constitution.

2.5 **The Scrutiny Committee Suite** is responsible for reviewing or scrutinising decisions made, or other action taken, in connection with the discharge of any executive or non-executive functions as defined in the Terms of Reference in Appendix 2 Part 2 of the Constitution. The Scrutiny Committee is responsible for considering Executive decisions that are 'called in' after being taken but prior to implementation. It is also responsible for co-ordinating the Council's Select Committee programme.

2.6 **The Governance and Audit Committee** is responsible for ensuring that:

- i. Risk Management and Internal Control systems are in place that are adequate for purpose and effectively and efficiently operated.
- ii. the Council's Corporate Governance framework meets recommended practice, is embedded across the whole Council and is operating throughout the year with no significant lapses.
- iii. the Council's Internal Audit function is independent of the activities it audits, is effective, has sufficient experience and expertise and the scope of work to be carried out is appropriate.
- iv. the appointment and remuneration of External Auditors is approved in accordance with relevant legislation and guidance, and the function is independent and objective.
- v. the External Audit process is effective, taking into account relevant professional and regulatory requirements, and is undertaken in liaison with Internal Audit.
- vi. the Council's financial statements (including the Pension Fund Accounts) comply with relevant legislation and guidance and the associated financial reporting processes are effective.
- vii. any public statements in relation to the Council's financial performance are accurate and the financial judgements contained within those statements are sound.
- viii. accounting policies are appropriately applied across the Council.
- ix. The Council has a robust counter-fraud culture ~~backed by well designed and implemented controls and procedures which define the roles of management and Internal Audit.~~

- x. the Council's Counter Fraud Team is effective, has sufficient resource, experience and expertise to tackle fraud and corruption, and acts without fear or favour.
- xi. the Council has in place monitored policies and procedures for the combating of fraud, bribery and corruption, and money laundering.
- xii. the Council monitors the implementation of the Bribery Act policy to ensure that it is followed at all times. the Counter Fraud Team are supported and challenged in their delivery of Counter Fraud activity and they have the sufficient skills, experience, and resources to tackle fraud and corruption.
- xiii. the Council has appropriate governance arrangements in place to manage the relationship between the Council and any company in which the Council has majority control, and
- xiv. the Council has appropriate arrangements in place to ensure that the commercial opportunities and risks presented through company ownership are managed effectively.

2.7 The full details of delegations to Chief Officers is set out in section 11 of the Constitution. The following sets out the key responsibilities of the Head of Paid Services, Monitoring Officer and Corporate Director of Finance for ease of reference.

2.87 The Head of Paid Service is responsible for:

- i. overall corporate management and operational responsibility (including overall management responsibility for all staff including Chief Officers);
- ii. the provision of professional advice to all parties in the decision making process (the executive, scrutiny, full council and other committees);
- iii. together with the Monitoring Officer, a system of record keeping for all the local authority's decisions (executive or otherwise);
- iv. making arrangements for internal control and the inclusion of the Annual Governance Statement in the annual accounts;
- v. representing the Council on partnership or external bodies as required by the Council, Executive, or statute.
- vi. The Head of Paid Service may, in consultation and with the agreement of both the Monitoring Officer and Chief Finance Officer, report any matter to County Council where the proper functioning of the County Council is at risk

2.987 The General Counsel, as the Monitoring Officer is responsible for:

- i. after consulting with the Head of Paid Service and the Corporate Director of Finance, reporting to the full Council (or to the Leader or Cabinet in relation to an executive function) if he/she/they considers that any proposal, decision or omission would give, is likely to give, or has given, rise to a contravention of any enactment or rule of law, or any maladministration or injustice. Such a report has the effect of stopping the proposal or decision being implemented until the report has been considered;
- ii. ensuring that records of executive decisions, including the reasons for those decisions and relevant officer reports and background papers, are made publicly available;

- i. Section 151 of the Local Government Act 1972
- ii. Local Government Finance Acts 1988, 1992 and 2012
- iii. The Local Government and Housing Act 1989
- iv. The Local Government Acts 2000 and 2003
- v. The Accounts and Audit Regulations 2015
- vi. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016
- vii. The Local Government Pension Scheme Regulations 2013
- viii. The Local Government Pension Scheme Transitional Regulations 2014
- ix. The Local Authorities Goods and Services Acts 1970 and 1988.

2.110 The Corporate Director of Finance is responsible for:

- i. after consulting with the Head of Paid Service and the Monitoring Officer, reporting to the full Council (or to the Leader or Cabinet in relation to an Executive function) and the Council's external auditor if ~~he/she/they~~ considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency, or if the Council is about to enter an item of account unlawfully;
- ii. the proper administration of the financial affairs of the Council;
- iii. maintaining ~~an~~ adequate and effective systems of internal audit and counter fraud;
- iv. contributing to the corporate management of the Council, in particular through the provision of professional financial advice;
- v. providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Members and supporting and advising Members and officers in their respective roles;
- vi. providing financial information about the Council to Members, the media, members of the public and the community.

2.124 And in particular is responsible for:

- i. advising the Council on its overall financial resilience
- ii. setting financial management standards, including financial procedures, and monitoring their compliance;
- ii. advising on the corporate financial position and on the key financial controls necessary to secure sound financial and risk management;
- iii. providing financial information to support the proper financial planning of the authority, to inform policy development, and to assist Members and officers in undertaking their financial responsibilities;
- iv. preparing the revenue budget, and reporting to the Council, when considering the budget and Council Tax, on the robustness of the estimates and the adequacy of reserves;
- v. monitoring income and expenditure against the budget and taking action if overspends of expenditure or shortfalls in income emerge;
- vi. preparing the capital programme and ensuring effective forward planning and sound financial management in its compilation;
- vii. producing prudential indicators, reporting them to the Leader and the Council for consideration and establishing procedures to monitor and report on performance in relation to these indicators;

- viii treasury management, the management of the Council's banking arrangements and monitoring the Council's cash flow;
- ix. issuing advice and guidance to underpin the Financial Regulations that Members, officers and others acting on behalf of the Council are required to follow;
- x. ensuring that effective arrangements are in place for payments of creditors, income collection, administration of pensions, risk management and insurances and the production of financial management information;
- xi. ensuring that any partnership arrangements (or other innovative structures for service delivery) are underpinned by clear and well documented internal financial controls;
- xii. advising on anti-fraud and anti-corruption strategies and measures;
- xiii. contributing to cross-authority issues and to the development of the Council;
- xiv. ensuring that statutory and other accounts and associated claims and returns in respect of grants are prepared;
- xv. ensuring that due consideration is given to the Council's wellbeing, correct financial management and security of the Council's assets when establishing a company or partnership arrangement; ([Local Authority Companies Manual](#))
- xvi. ensuring that the MRP calculation is prudent;
- xvii. taking ownership of the Council's corporate financial system;
- xviii. supporting the Superannuation Fund Committee in relation to the control and investment of the Kent Pension Fund. ([The Role of the Chief Financial Officer](#))

2.132 The, Corporate Director of Finance in accordance with Section 114 of the 1988 Act will nominate a properly qualified member of staff to deputise for ~~him / her~~them as Chief Financial Officer should ~~he/she~~they be unable to personally perform the duties under Section 114.

2.14 The Head of Paid Services, Monitoring Officer and Corporate Director of Finance have in common the following responsibility:

- i. providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues to all Members.

2.153 The Corporate Directors are responsible for:

- i. ~~ensuring that the Leader or relevant Cabinet Member is advised~~Advising ~~Executive Members~~ of the financial implications and other significant risks of all proposals for the changes in services or the development of new services and that the financial implications have been agreed by the Corporate Director of Finance;
- ii. the signing of contracts on behalf of the Council provided that the expenditure to be incurred has the necessary budgetary approval. Further guidance regarding persons authorised to sign contracts on behalf of the Council can be found in the relevant directorate's Scheme of Financial Delegation;
- iii. promoting the financial management standards set by the Corporate Director of Finance in their Directorates and to monitor adherence to standards and practices, liaising as necessary with the Corporate Director of Finance;
- iv. promoting sound financial practices in relation to standards, performance and development of staff in their Directorates;

- v. consulting with the Corporate Director of Finance and seeking [his/herttheir](#) approval regarding any matters which are liable to affect the Council's finances materially, before any commitments are incurred;
- vi. ~~ensuring that all staff in their Directorates are aware of the existence and content of the Council's Financial Regulations and any related procedures and other internal regulatory documents appertaining to or amplifying them and that they comply with them. They must also ensure that all of these documents are readily available for reference within their Directorates;~~ [ensure they and the staff in their Directorate comply with the Council's Ffinancial Rregulations and Operating Standards;](#)
- vii. managing service delivery within ~~the agreed revenue and capital budgets and other relevant strategies and plans;~~ [the structure of the Policy Framework and agreed revenue and capital budgets;](#)
- viii. developing performance, corporate and service targets and contributing to the Medium Term Financial Plan;
- ix. ensuring that budget estimates reflecting agreed service plans are prepared, and that these are prepared in line with issued guidance;
- x. ensuring that financial management arrangements and practice are agreed with the Corporate Director of Finance, are legal and consistent with best practice and Council policy;
- xi. consulting with the Corporate Director of Finance on the financial implications of matters relating to policy development;
- xii. putting in place a scheme of financial delegation setting out arrangements for the discharge of the Head of Paid Services and Corporate Directors responsibilities contained within Financial Regulations;
- xiii. arrangements for internal control and for inclusion in the annual accounts of the statement of internal control;
- [xiv.](#) ensuring that the Bribery Act Policy is implemented, promoted and complied with;
- ~~xiv-xv.~~ [ensuring that a robust counter fraud culture exists within their Directorates.](#)

Personal Responsibilities

[2.16](#) Any person concerned with the use or care of the County Council's resources or assets should ensure they are fully conversant with the requirements of these Financial Regulations. All staff should notify their line manager immediately of any suspected fraud, theft, irregularity or improper use of or misappropriation of the authority's property or resources. Concerns may also be raised via the [Whistle Blowing Procedure](#).

[2.17](#) The Financial Regulations are a KCC policy and failure or refusal to follow the regulations along with the procedures/protocols identified in this document can be seen as misconduct as set out in the Blue Book.

FINANCIAL REGULATION A – FINANCIAL PLANNING

Introduction

- A.1 The full Council is responsible for agreeing the Budget, which will be proposed by the Leader. In terms of financial planning, the key elements are:
- i. the ~~Medium-Term~~ Medium-Term Financial Plan
 - ii. A commissioning framework for Kent County Council: Delivering better outcomes for Kent residents through improved commissioning
 - iii. ~~Increasing Opportunities, Improving Outcomes: Kent County Council's Strategic Statement 2015-2020~~ Setting the Course' – Kent County Council's Interim Strategic Plan
 - iv. ~~Public Service Agreement~~
 - v. ~~iv.~~ Annual Performance Plans
 - vi. ~~v.~~ the Revenue Strategy and Budget including the County Council share of council tax and precept
 - vi. the Capital Strategy and Programme
 - vii. the capital strategy including prudential indicators ~~in the Investment indicators~~
 - viii. the Treasury Management Strategy
 - viii. ~~ix.~~ Minimum Revenue Provision
 - x. the budget risk register ~~Risk Management Strategy~~
 - xi. the Investment Strategy
 - ix. ~~xii.~~ Reserves policy

Medium term budget and financial strategy

- A.2 The Corporate Directors are responsible for ensuring that Revenue, Capital and Treasury strategies covering an appropriate period reflecting published government spending plans? on a three year basis are prepared for consideration by the Cabinet and for ensuring that such strategies are consistent with other plans and strategies.
- A.3 The Leader will publish a review of the issues relating to the Budget for the next financial year ~~The Leader will publish to all Council Members each year a review of the issues relating to the Medium Term Financial Plan.~~

Performance Planning

- A.4 The Corporate Director of Finance is responsible for:
- i. advising and assisting Directorates in producing the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables;
 - ii. the production of corporate guidance on the development of appropriate unit cost indicators ~~and~~ cost effectiveness measures, and financial benchmarks;
 - iii. contributing, in collaboration with the Corporate Directors, to the development of corporate and service targets and objectives and performance information;
 - iv. assisting in building priorities identified within performance plans into corporate and Directorate budgets to enable delivery.

A.5 The Corporate Directors are responsible for:

- i. contributing to the development of performance plans in line with the Council's requirements;
- ii. contributing to the development of corporate and service targets and objectives and performance information;
- iii. ensuring that Directorate service plans are clearly aligned with budgets, to enable the delivery of service priorities;
- iv. ensuring that targets identified within performance plans are built into local work programmes and targets for management and service delivery staff.

The Kent Pension Fund

A.6 The Corporate Director of Finance is responsible, in accordance with the Local Government Pension Scheme regulations, for ensuring the proper administration of the financial affairs of the Fund and:

- i. having taken appropriate professional advice, for preparing and submitting to the Superannuation Fund Committee: regular reviews of investment strategy, monitoring of investment managers, arrangements for admitted employers and reporting on the pensions administration service;
- ii. the preparation and publication of the Pension Fund's annual report and accounts.

Revenue budgeting

Budget format

A.7 The general format of the Budget will be proposed to the Leader by Corporate Director of Finance. The draft Budget should include analysis of significant changes and policy choices included within the proposed budget, allocations to different services appropriate levels and projects, proposed sources of funding, proposed taxation levels and contingency funds.

A.8 Guidelines on budget preparation are issued to Cabinet Members, Corporate Directors by the Leader on the recommendation of the Corporate Director of Finance. The guidelines will take account of:

- i. legal requirements
- ii. the [Medium Term Financial Plan](#)
- iii. A commissioning framework for Kent County Council: [Delivering better outcomes for Kent residents through improved commissioning](#)
- iv. [Increasing Opportunities, Improving Outcomes: 'Setting the Course' Kent County Council's Strategic Statement 2015-2020- Kent County Council's Interim Strategic Plan](#)
- v. [Public Service Agreement](#)
- vi. available resources
- vii. spending pressures
- viii. relevant Government guidelines
- ix. other internal policy documents

~~xix.~~ cross cutting issues (where relevant).

Budget preparation

A.9 The Leader is responsible for developing and proposing to the County Council the general content of the revenue budget in consultation with the Corporate Director of Finance.

A.10 Budgets will be presented in an appropriate format which aligns with the structure and complexity of the Council. ~~in both a Service Analysis and Directorate format. The Directorate format will align with the structure of the Council.~~

A.11 The Head of Paid Services and the Corporate Director of Finance are responsible for ensuring that a revenue budget is prepared on an annual basis for consideration by the Leader and Cabinet before submission to the Full Council, in accordance with the Budget Procedure Rules, as set out in the Constitution.

A.12 The Corporate Director of Finance is responsible for:

- i. ensuring that a process is in place to identify potential pressures on the budget;
- ii. reporting to the Full Council, when the Budget and Council Tax is considered, on the robustness of the estimates and the adequacy of reserves provided for.

A.13 The Corporate Director of Finance is authorised to make any technical changes to the version of the budget approved by County Council e.g. to include the impact of late grant announcements, in consultation with the Leader and Cabinet Members providing these changes have no impact on the net budget requirement or council tax and do not materially alter the budget approved by County Council. The Corporate Director of Finance will notify all Members of any such changes included in the final published budget book.

A.14 The Corporate Directors are responsible for ensuring that budget estimates reflect agreed service plans, are submitted to the relevant Cabinet Member and the Leader and that these estimates are realistic and prepared in line with guidance issued by the Leader.

Resource allocation

A.15 The Leader in consultation with the Corporate Director of Finance is responsible for developing and maintaining a resource allocation process that ensures resources are allocated in line with the due consideration of the Council's Policy Framework. ~~ensuring resources are allocated in line with the due consideration of the~~

Budget Amendment

A.16 Approved revenue budgets may be amended during a financial year in accordance with the virement regulations in B6-B9.

A.17 The Corporate Directors may make changes to revenue budgets resulting from additional grant or other external income receivable during a financial year. Such changes must be notified to the Corporate Director of Finance.

A.18 The Corporate Directors may make technical adjustments to revenue budgets during a financial year resulting from changes to grant rules or realignment of resources to

approved business plans. Such changes must be notified to the Corporate Director of Finance.

Capital Programme and capital budgeting

A.19 The Leader is responsible for developing and proposing the capital programme to the County Council in consultation with the Corporate Director of Finance.

A.20 The Head of Paid Service and Corporate Director of Finance are responsible for ensuring that a medium-term capital programme and financing plan is prepared on an annual basis for consideration by the Leader before submission to the Full Council in accordance with the budget procedure rules as set out in the Constitution.

A.21 The Corporate Director of Finance is responsible for advising on prudential indicators required to be set in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities and for ensuring that all matters required to be taken into account in setting prudential indicators are reported to the Leader and the Council.

A.22 The Corporate Director of Finance is responsible for:

- i. setting up procedures under which capital expenditure proposals are evaluated and appraised to ensure that value for money is being achieved, are consistent with service and asset management objectives and are achievable;
- ii. setting up procedures for corporate monitoring of external sources of capital funding;
- iii. ensuring that expenditure treated as capital expenditure by the County Council is in accordance with best accounting practice.
- iv. Building in the revenue implications of debt costs from additional borrowing
- v. Ensuring surety is in place where external funding is contributing to the delivery of a capital project, if considered appropriate. Such surety may take the form of bonds, parent company guarantees or letters of intent, as decided by the Corporate Director of Finance.

A.23 The Corporate Directors are responsible for:

- i. ensuring that capital proposals reflect agreed service plans, are prepared in line with guidance issued, are realistic, that necessary business case development and option appraisals have been carried out and any risks identified. Any impact of capital expenditure proposals on service running costs must be identified and included in revenue budget estimates or forecasts;
- ii. consulting with the Corporate Director of Finance the relevant Cabinet Member and the Cabinet Member for Finance where it is proposed to bid for funding from external sources to support capital expenditure;

- iii ~~ensuring that the Capital Process and Procedures are followed (Management Guide to Capital Expenditure). This includes ensuring Ensuring that projects only proceed when they have received the necessary approvals (from Project Advisory Capital Officer Group (PAG) (COG), Cabinet Member for Finance and any other internal or formal governance routes required)(see Capital Projects Governance Process document) and confirmation that any external funding is secured. For schemes and headings where the total cost is estimated to be £1m or more, or the scheme is reliant on borrowing or capital receipt funding this consent must be obtained from the Leader following procedures issued by the Corporate Director of Finance. The Leader may take the decision himself/herself or specifically delegate the decision to Cabinet or the relevant Cabinet Member.~~
- iv. ensuring that any new capital expenditure proposals which would require an increment to the ~~total three year~~ capital programme in order to proceed, regardless of funding, are agreed with the Corporate Director of Finance and are submitted to the Leader for consideration via the ~~PAG COG~~ process;
- v. ensuring that, in addition to the ~~PAG COG~~ process, appropriate approval is sought where relevant from the Leader, the Cabinet or an authorised Cabinet Member in accordance with the Constitution.

~~**By way of clarification, PAG is an advisory group that oversees the capital programme and keeps track of current spending and cash flows. PAG does not replace the process for obtaining formal authority for a project and this is still needed.**~~

Before a project can proceed, formal authority needs to have been obtained either through an explicitly approved budget in the Budget Book or business plan or through an explicit approval obtained by following the decision making procedures set out in the Council's Constitution and the Code of Practice for Contracts and Tenders (as detailed in [Spending the Council's Money](#)) This applies even if ~~PAG COG~~ has already approved the proposed spending on the project.

- vi. [ensuring that VAT implications of capital projects are considered;](#)
- vii. [carrying out post completion evaluation of projects as required, in order to review performance in implementation of the project against budget and project plans and to evaluate performance of the project in the delivery of expected outcomes.](#)

[Maintenance of reserves & provisions](#)

A.24 The Corporate Director of Finance is responsible for:

- [i. proposing the Council's Reserves Policy](#)
- ~~i-ii.~~ advising the Leader and the Council on prudent levels of reserves for the Authority when the annual budget is being considered having regard to assessment of the financial risks facing the Authority;
- ~~ii-iii.~~ ensuring that reserves are not only adequate but also necessary;
- ~~iii-iv.~~ ensuring that there are clear protocols for the establishment and use of each earmarked reserve. Reserves should not be held without a clear purpose or without a planned profile of spend and contributions, procedures for the reserves managements and control, and a process and timescale for review of the reserve to ensure continuing relevance and adequacy;

~~iv.v.~~ ensuring that all renewals reserves are supported by a plan of budgeted contributions, based on an asset renewal plan that links to the fixed asset register;

~~vi.~~ ensuring that no money is transferred into reserves ~~after 31st December~~ each financial year without prior agreement ~~with him/herself~~.

~~v.vii.~~ Ensuring compliance with the reserves policy and governance procedures relating to requests from the strategic priority and general corporate reserves.

A.25 The Corporate Director of Finance is responsible for ensuring that provisions are set up for any liabilities of uncertain timing or amount that have been incurred and are required to be recognised when:

- i. the Council has a present obligation (legal or constructive) as a result of a past event;
- ii. it is probable that a transfer of economic benefits will be required to settle the obligation, and
- iii. a reliable estimate can be made of the amount of the obligation.
- iv. If the Council does not yet have an obligation / or expects to have a future obligation as a result of something that has not yet happened, then either a reserve should be set up and the regulations in A.23 above apply or a contingent liability should be set up and the regulations in A.25 below apply.

A.26 The Corporate Director of Finance is responsible for ensuring that contingent liabilities are noted in the accounts for probable liabilities where a reliable estimate cannot be made and are recognised when:

- i. the Council has a present obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- ii. the Council has a present obligation that arises from past events but is not recognised because:
 - a. it is not probable that a transfer of economic benefits will be required to settle the obligation, or
 - b. the amount of obligation cannot be measured with sufficient reliability.
- iii. If it becomes probable that a transfer of economic benefits will be required to settle the obligation the regulations set out in A.24 will apply.

Key decisions

A.27 Cabinet Members are responsible, within their allocated responsibility area and approved budget, for taking decisions as agreed by the Leader of the County Council.

A.28 All decisions must be processed in accordance with the decision making and reporting framework set out in the Constitution and in taking decisions Cabinet Members must comply with the County Council's Financial Regulations.

FINANCIAL REGULATION B - FINANCIAL MANAGEMENT

Introduction

- B.1 The Corporate Director of Finance is responsible for:
- i. ensuring that a prudential financial framework is in place and effective systems of financial administration are operating within the Council;
 - ii. maintaining and updating financial regulations and the management of a process for monitoring compliance with them;
 - iii. ensuring proper professional practices are adhered to and acting as head of profession in relation to the standards, performance and development of finance staff throughout the Council;
 - iv. advising on the key strategic controls necessary to secure sound financial management;
 - v. ensuring that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators;
 - vi. ensuring that Internal Audit carry out the necessary probity and system checks required to verify that proper Financial Management Standards are maintained.

Revenue Budget Monitoring and Control

- B.2 The Corporate Director of Finance is responsible for:
- i. providing appropriate financial information to enable budgets to be monitored effectively;
 - ii. monitoring and controlling overall expenditure against budget allocations and publishing a report to the Cabinet on the overall position on a regular basis, drawing attention to overspends, shortfalls in income and underspends including reference to proposed action to deal with any problems.
- B.3 It is the responsibility of the Corporate Directors to:
- i. control income and expenditure within their area and to monitor performance, taking account of financial information and activity data relating to the services they provide;
 - ii. have a robust system in place for monitoring activity levels which drive major budget headings (over £10m);
 - iii. report to the Corporate Director of Finance and to the relevant Cabinet Member on variances within their own areas;
 - iv. ensure that spending remains within the service's overall cash limit, by monitoring the budget headings and taking appropriate corrective action where variations from the approved budget are forecast, alerting the Corporate Director of Finance and Cabinet Member to any problems;
 - v. ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the Corporate Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure;
 - vi. ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively;

- vii. ensure prior approval by the Leader and the relevant Cabinet Member and ~~notification to the Scrutiny Committee~~ of new proposals, which fulfil one or more of the following criteria:
 - a. create financial commitments in future years in excess of existing budgets
 - b. change existing policies, initiate new policies or cease existing policies
 - c. materially extend or reduce the Council's services
 - d. exceed the limit defined by the Council as a key financial decision
 - e. exceed any limit set by the Leader as requiring reference to him or a Cabinet Member

NB: any such proposals under this regulation shall not have approval to proceed until necessary financial provision is available within approved budgets
- viii. where approval has been granted under vii above, ensure that this approval is set out in any reports to formal Committees or full Council relating to the proposal;
- ix. ensure compliance with the scheme of virement as set out in paragraph B6 below;
- viii-x. ensure robust measures are in place to combat fraud and corruption.-

Financial Implications of Reports

- B.4 The Corporate Director of Finance is responsible for:
- i. monitoring the quality of the financial implications information included in reports by the Corporate Directors;
 - ii. providing financial implications where there are corporate implications and especially when corporate resources (revenue or capital) are required.
- B.5 The Corporate Directors are responsible for:
- i. ensuring that financial implications in either the current or future years are identified within Directorates for all relevant reports and that such financial implications are agreed by or on behalf of the nominated responsible professional finance officer (Section 151 Officer, Head of Finance or Finance Business Partner)
 - ii. where reports impact on other Directorates or have implications for corporate resources, ensuring that the report includes the impacts or implications for all Directorates affected and that a copy of the report is submitted to the Corporate Director of Finance or nominated representative for clearance;
 - iii. ensuring in all relevant circumstances, that financial implications referred to in reports are reflected in current budgetary provisions or the medium term financial plan.

Virement

- B.6 Transfers between revenue budget headings can take place as follows provided that they do not involve new policy or policy change and do not involve an increasing commitment in future years that cannot be contained within existing approved budget allocations. If these transfers do not change the purpose for which the funding was approved these will be considered technical adjustments and not virements. If a change to the purpose of the funding is required so that funding will be used for a purpose different to that for which it was approved, then a virement is required. Once again this must not involve an increasing commitment in future years that cannot be contained within existing approved budgets. Virements must be approved as follows:

a. Virement within a Portfolio:

Less than £200,000	the Head of Paid Service or relevant Corporate Director in agreement with the appropriate Cabinet Member and the Corporate Director of Finance.
From £200,000 up to (but not including) £1m	the relevant Cabinet Member in agreement with the Cabinet Member for Finance, Corporate Director and Corporate Director of Finance.
£1m and above	The Leader or Cabinet

b. Virement between portfolios:

Less than £200,000	the Head of Paid Service or relevant Corporate Directors in agreement with the appropriate Cabinet Members and the Corporate Director of Finance.
From £200,000 up to (but not including) £1m	the relevant Cabinet Members in agreement with the Cabinet Member for Finance, relevant Corporate Directors and Corporate Director of Finance.
£1m and above	The Leader or Cabinet

B.7 Transfers involving a new policy or a change in an existing policy require prior approval by the Leader and Cabinet Member and ~~notification to the Scrutiny Committee~~ in accordance with regulation B3(vii) above with approval set out in any reports to formal Committees or full Council relating to the proposal in accordance with B3(viii).

B.8 For the purpose of the amounts referred to in regulation B6, where transfers are a single transaction they must be effected as such and must not be effected as two or more smaller transactions.

B.9 Virement limits are cumulative, therefore when transferring budget from a heading, all previous virements from this heading must be taken into account when deciding the level of approval required, ensuring the highest level of approval has been/ will be sought.

B.10 Where an approved budget is a lump sum budget or a contingency intended for allocation during the year, its allocation will not be treated as virement, provided that the amount has been used in accordance with the purposes for which it was established and the Corporate Director of Finance has agreed the basis and the terms, including financial limits, on which it will be allocated.

B.11 The Corporate Director of Finance is responsible for monitoring and recording virements agreed and reporting to the Cabinet on the impact on revenue budgets.

Treatment of year-end balances

B.12 Cabinet is responsible for agreeing the detail of any annual roll forward of under and overspending on budgets.

Capital Budget Monitoring

B.13 The Corporate Director of Finance is responsible for preparing and submitting reports on the Council's projected capital expenditure and resources compared with the budget on a regular basis.

B.14 The Corporate Director of Finance is responsible for establishing procedures to monitor and report on performance compared to the prudential indicators set by the Council.

B.15 The Corporate Directors are responsible for:

- i. preparing regular reports reviewing the capital programme provisions for their services;
- ii. preparing regular returns of estimated final costs of schemes in the approved capital programme for submission to the Corporate Director of Finance for inclusion in the report to Cabinet on the overall Capital programme position;
- iii. reporting to the Corporate Director of Finance circumstances when it is considered that additional County Council capital resources will be required to implement a project that has previously been given approval to spend, where such additional resources cannot be identified from within the Portfolio programme concerned;
- iv. reporting to the Corporate Director of Finance on any proposed variations to the Capital Programme during a financial year;
- v. reporting to the Corporate Director of Finance on any proposed additions to the Capital Programme resulting from the receipt of additional grant or other external funding. If this relates to an entirely new scheme it must be considered by [PAG COG](#) and approved by the relevant Cabinet Member.

B.16 Resources may be vired from one capital project or heading as follows provided that such transfers do not result in an overall increased commitment of capital resources and do not involve new policy or policy changes:

Less than £50,000	the Head of Paid Service or relevant Corporate Director(s)
From £50,000 up to (but not including) £200,000	the relevant Corporate Director(s) in agreement with the relevant Cabinet Member(s) and the Corporate Director of Finance
£200,000 up to (but not including) £1m	the relevant Cabinet Member(s) in agreement with the Cabinet Member for Finance, Corporate Director(s) and Corporate Director of Finance
£1m and above	the Leader or Cabinet

Virement limits are cumulative, please refer to B9 for explanation

For the purpose of the amounts above, where transfers are a single transaction they must be effected as such and not effected as two or more smaller transactions.

Accounting policies

B.17 The Corporate Director of Finance is responsible for selecting and notifying to the Corporate Directors accounting policies which comply with the current Accounting Code(s) of Practice, ensuring that such policies are applied consistently, and for ensuring that effective systems of internal control are in place that ensure that financial transactions are lawful.

B.18 The Corporate Directors are responsible for adhering to the accounting policies notified by the Corporate Director of Finance.

Accounting records and returns

B.19 The Corporate Director of Finance is responsible for:

- i. determining the accounting records for the Authority including the Kent Pension Fund, its form of accounts and supporting accounting records;
- ii. ensuring that accounting records are maintained in accordance with proper practices and legislative requirements;
- iii. establishing arrangements for the compilation of all accounts and accounting records whether within the Finance Group or within other Directorates.

B.20 The Corporate Directors are responsible for:

- i. consulting with the Corporate Director of Finance on the accounting procedures and records to be utilised within their Directorate;
- ii. ensuring the proper retention of accounting records in accordance with the requirements established by the Corporate Director of Finance ([Data Retention Schedule](#)), including the retention of prime financial documents i.e. invoices, delivery notes and purchase orders for the year they relate to plus a further 6 years. Invoices paid for by EU Grants must be identified and kept for a minimum of 12 years from the end of the funding cycle;
- iii. ensuring that all claims for funds including grants are made by the due date, are recorded in the central register, and in line with the [Corporate Grant Procedure](#);
- iv. maintaining adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements;
- v. providing information required for, or to ensure completion of, all statutory and other financial returns by the due dates;
- vi. complying with any compliance testing which the Corporate Director of Finance requires in relation to the Directorate accounts;
- vii. operating control accounts as agreed by the Corporate Director of Finance, ensuring that these are regularly reconciled, and cleared as part of the regular monitoring procedures.

The annual statement of accounts

B.21 The Governance and Audit Committee is responsible for approving the annual statement of accounts of the Authority and the Pension Fund on behalf of the Council.

B.22 The Corporate Director of Finance is responsible for:

- i. ensuring that the annual statement of accounts is prepared by the required statutory date in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: Based on International Financial Reporting Standards for the relevant year and that the accounts present a true and fair view of the financial position of the Council and its expenditure and income;
- ii. liaising with External Audit on the completion of the Statement of Accounts and the arrangements for the audit of these;
- iii. ensuring that adequate documentation is available to support the Statement of Accounts. This will include copies of grant claims, reconciliations with financial ledgers and other records, and other working papers to demonstrate the derivation of data used;
- iv. the preparation of the Pension Fund's Statement of Accounts in accordance with practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

B.23 The Corporate Directors are responsible for:

- i. complying with accounting guidance agreed with the Corporate Director of Finance;
- ii. supplying the Corporate Director of Finance with information required to complete the Statement of Accounts;
- iii. producing the documentation required to support the Statement of Accounts;
- iv. ensuring that the Closedown Pack – Guidance for Managers is completed in accordance with the annual timetable agreed with the Corporate Director of Finance.

Contingent Liabilities

B.24 The Corporate Director of Finance is responsible for:

- i. reviewing at least annually in consultation with Corporate Directors the existing contingent liabilities for inclusion as a note in the statement of accounts, to ensure they are still contingent and to ensure that adequate reserves exist to cover the potential liability if necessary;
- ii. taking steps wherever possible, in consultation with the Corporate Directors, to minimise the risk of contingent liabilities.

B.25 The Corporate Directors are responsible for:

- i. setting up procedures and processes to minimise the risk of creating contingent liabilities;
- ii. reviewing at least annually their service areas for contingent liabilities;
- iii. informing the Corporate Director of Finance of any new contingent liabilities and of any changes in the circumstances of existing contingent liabilities.

FINANCIAL REGULATION C – RISK MANAGEMENT AND CONTROL OF RESOURCES

Introduction

- C.1 It is essential that robust systems are developed and maintained for identifying and evaluating all significant strategic, operational and financial risks to the Authority on an integrated basis. This should include the proactive participation of all those associated with planning and delivering services.

Risk management and insurance

- C.2 ~~The Cabinet and the~~ The Governance and Audit Committee ~~are jointly~~ responsible for approving the Council's Risk Management Strategy, and Policy ~~and guidance~~ and for reviewing the effectiveness of risk management.
- C.3 The Corporate Director Strategic and Corporate Services is responsible for preparing the Authority's [Risk Management Strategy and Policy](#) and for promoting it throughout the Council. The Corporate Director of Finance is responsible for:
- i. advising the Leader, Cabinet Member for Finance and Cabinet on proper insurance cover where appropriate;
 - ii. effecting, in consultation with the Cabinet Member for Finance, corporate insurance cover, through external insurance and internal funding;
 - iii. establishing arrangements for the handling of all insurance claims, in consultation with other officers where necessary;
 - iv. undertaking a review of requirements to support the annual renewal of insurance contracts;
 - v. ensuring that internal insurance provisions are adequate to meet anticipated claims.
- C.4 The Corporate Directors are responsible for:
- i. the identification and management of risk within their Directorate and for having in place monitoring processes for reviewing regularly the effectiveness of risk management arrangements.
 - ii. complying with procedures agreed regarding the instigation, renewal, maintenance and amendment of the Council's insurance arrangements.

Internal control

- C.5 The Corporate Director of Finance is responsible for:
- i. monitoring the systems for risk management and systems of internal control. This will be monitored through an effective internal audit function.
 - ii. reviewing systems of internal control at least annually and providing an opinion on internal control within the Council, in order to advise the Head of Paid Service on an Annual Governance Statement to be included in the Statement of Accounts.

- C.6 The Corporate Directors are responsible for:
- i. establishing sound arrangements for planning, appraising, authorising, monitoring and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets;
 - ii. promoting compliance with Council Policy, Standing Orders, Financial Regulations, Codes of Conduct and any statutory requirements;
 - iii. promoting an overall effective internal control system. Managerial Control Systems, including appropriate organisation structures, personnel arrangements and supervision, as well as Financial and Operational Control Systems and procedures, including physical safeguards of assets, segregation of duties, authorisation and approval procedures and information systems, should be documented and regularly reviewed;
 - iv. providing assurances for the annual governance statement, that financial and operational control processes are in place to enable Directorates to achieve their objectives and manage significant risks;
 - iv-v. Acknowledge the threat of fraud, bribery and corruption and ensure the risk has been assessed and have in place controls to support the prevention and detection of fraud, bribery and corruption are sufficient to minimise the risk.-

Audit requirements

- C.7 The Accounts and Audit Regulations 2015 require every local authority to maintain an adequate and effective internal audit of its accounting records and its system of internal control.
- C.8 The Local Audit and Accountability Act 2014 (the Act) abolished the Audit Commission and ~~requires required~~ relevant authorities to appoint their own local (external) auditors on the advice of an auditor panel. ~~As an interim measure national 5-year contracts were awarded that expire in 2016 (subsequently amended to 2017), the requirement to appoint will apply once those contracts end and to meet the Act's deadline local auditors will need to be appointed by 31st December 2017. The code of audit practice and guidance for local audit are governed by section 5 of the Act. The external audit contract for Kent County Council has been awarded to Grant Thornton LLP and is subject to regular review. The external auditors are required to be independent, appropriately qualified and comply with the code of audit practice for local government and associated guidance.~~
- C.9 The Council may, from time to time, be subject to inspection or investigation by external bodies such as H.M. Revenue and Customs who have statutory rights of access.
- C.10 The Corporate Director of Finance is responsible for:
- i. ensuring an effective internal audit function, through adequate resourcing and coverage properly planned and determined through assessment of risk and consultation with management;
 - ii. ensuring that effective procedures are in place to investigate promptly any fraud or irregularity;
 - iii. ensuring that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work;
 - iv. ensuring there is effective liaison between external and internal audit;

- v. ensuring that when information is requested in connection with inspections, audits, reviews and investigations the information requested is provided as soon as reasonably practicable and in any event within fourteen days of the request being made.

C.11 The Corporate Directors are responsible for:

- i. notifying the Head of Internal Audit immediately of any suspected fraud, theft, irregularity or improper use of or misappropriation of the Council's property or resources. Pending investigation and reporting, all necessary steps should be taken to prevent further loss and to secure records and documentation against removal or alteration;
- ii. ensuring that internal and external audit are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work;
- iii. ensuring that all records and systems are up to date and available for inspection;
- iv. ensuring that when information is requested in connection with inspections, audits, reviews and investigations the information requested is provided as soon as reasonably practicable and in any event within fourteen days of the request being made.

Preventing fraud and corruption

C.12 The Corporate Director of Finance is responsible for: ~~developing, reviewing and maintaining an Anti-Fraud and Corruption Strategy and for advising on effective systems of internal control to prevent, detect and pursue fraud and corruption.~~

- i. developing, reviewing, and maintaining an Anti-Fraud and Corruption Strategy and for advising on effective systems of internal control to prevent, detect and pursue fraud and corruption;
- ii. ensuring an effective counter fraud function, through the adequate resourcing of a dedicated counter fraud team tasked to investigate any allegation of fraud, corruption, or irregularity;
- iii. ensuring that counter fraud specialists are given access at all reasonable times to premises, personnel, documents, and assets that the counter fraud specialist considers necessary for the purposes of their work;
- ~~iii-iv.~~ ensuring that when information is requested in connection with counter fraud and corruption investigations the information requested is provided as soon as reasonably practicable and in any event within fourteen days of the request being made.

C.13 The Corporate Directors are responsible for: ~~ensuring compliance with the Anti-fraud and Corruption Strategy and with systems of internal control to prevent, detect and pursue fraud and corruption.~~

- i. ensuring compliance with the Anti-fraud and Corruption Strategy and with systems of internal control to prevent, detect and pursue fraud and corruption;
- ii. ensuring that counter fraud specialists are given access at all reasonable times to premises, personnel, documents, and assets that the counter fraud specialist considers necessary for the purposes of their work;
- iii. ensuring that all records and systems are up to date and available for inspection;

iii-iv. ensuring that when developing new policies, initiatives and strategies engagement with Counter Fraud Specialists occurs to ensure a fraud risk assessment can be conducted to help manage the fraud risk.

Assets

Security of Assets

C.14 The Corporate Director of Finance is responsible for ensuring that processes are in place for maintaining asset registers for fixed asset accounting purposes.

C.15 The Corporate Directors should ensure that assets, and records relating to these, are properly maintained. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Inventories

C.16 The Corporate Directors are responsible for maintaining and reviewing annually inventories of equipment, plant and machinery which has a value of over £200 or is portable and attractive.

Asset Disposal

C.17 The Corporate Director of Finance in conjunction with the Head of Paid Service is responsible for issuing guidelines representing best practice for the disposal of equipment, plant and machinery.

C.18 Corporate Directors are responsible for complying with issued guidelines in respect of all asset disposals.

Stocks of goods and materials

C.19 Corporate Directors are responsible for:

- i. ensuring that stocks of goods and materials are held at a level appropriate to the business needs of the Council;
- ii. ensuring that adequate arrangements are in place for their care and custody;
- iii. writing off the value of obsolete stock in their Directorates of up to £10,000 in consultation with the Corporate Director of Finance. All sums above £10,000 should be reported by the relevant Corporate Director to the Corporate Director of Finance and Cabinet Member for Finance and ~~then to the Scrutiny Committee for write off action.~~ reported to the Governance and Audit Committee as set out at D7.

Intellectual Property

C.20 The Head of Paid Service is responsible in conjunction with the General Counsel for developing and disseminating best practice regarding the treatment of intellectual property.

C.21 The Corporate Directors are responsible for:

- i. ensuring that controls are in place to ensure that staff do not carry out private work in council time and that staff are aware that anything they create during the course of their employment, whether written or otherwise, belongs to the Council;
- ii. complying with copyright, designs and patent legislation and, in particular, to ensure that:
 - a. only software legally acquired and installed by the Council is used on its computers,
 - b. staff are aware of legislative provisions, and
 - c. in developing systems, due regard is given to the issue of intellectual property rights.

Treasury Management

C.22 The Corporate Director of Finance is responsible for:

- i. reporting to the Cabinet Member for Finance, in accordance with the CIPFA Code of Practice on Treasury Management in the Public Services and accordingly will create and maintain, as the cornerstones for effective treasury management:
 - a. a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
 - b. suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities;

The content of the policy statement and TMPs will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the Council materially deviating from the Code's key principles.

- ii. reporting to the Council on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs;
- iii. establishing procedures to monitor and report on performance in relation to Prudential Indicators set by the Council;
- iv. ensuring that all borrowing and all investments of money are made in the name of the Council or in the name of an approved nominee.

C.23 This Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Corporate Director of Finance, who will act in accordance with the Council's policy statement and TMPs and, if [he/she/they is/are](#) a CIPFA member, CIPFA's standard of professional practice on treasury management.

C.24 This Council nominates the Treasury Management Advisory Group and Governance & Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Loans to third parties and acquisition of third party interests

C.25 The Corporate Director of Finance is responsible for ensuring, jointly with the Corporate Directors, 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 Full Council, the Leader, Cabinet or the Cabinet Member for Finance ([Local Authority Companies](#)).

Trust Funds and funds held for third parties

C.26 Corporate Directors are responsible for arranging for all Trust Funds to be held, wherever possible, in the name of the Council and ensuring that Trust Funds are operated within any relevant legislation and the specific requirements for each Trust.

Banking

C.27 The Corporate Director of Finance is responsible for:

- i. the control of all money in the hands of the Council;
- ii. operating central bank accounts as are considered necessary to the efficient operation of the Council's activities, within the terms agreed with the Council's bankers and reconciled weekly or monthly as required;
- iii. approving the opening or closing of any bank account operated by the County Council.

C.28 The Corporate Directors are responsible for operating bank accounts opened with the approval of the Corporate Director of Finance in accordance with issued guidelines.

Imprest Accounts and Purchase Card Cash

C.29 The Corporate Director of Finance is responsible for providing, in agreed circumstances and where such need is proven to be essential, cash or bank imprest accounts or purchase cards enabled for cash withdrawals, to meet minor or other agreed expenditure and for prescribing procedures for operating these accounts. ([Operating an Imprest Account / Purchase Card Cash Systems](#))

C.30 The Corporate Directors are responsible for the operation of approved cash and bank imprest accounts and Purchase Card cash systems in accordance with procedures issued by the Corporate Director of Finance. ([Operating an Imprest Account / Purchase Card Cash Systems](#))

Credit Cards and Purchase Cards

C.31 The Corporate Director of Finance is responsible for:

- i. providing credit cards and purchase cards to be used for agreed purposes and to be allocated to nominated members of staff;
- ii. prescribing procedures for the use of credit cards and purchase cards and the accounting arrangements required to record and monitor expenditure incurred with such cards.

C.32 The Corporate Directors are responsible for:

- i. Operating the use of credit cards and purchase cards in accordance with the procedures issued by the Corporate Director of Finance ([Purchase Card Procedure](#)).

Card Payment Arrangements

C.33 The Corporate Director of Finance is responsible for:

- i. ensuring that card payment arrangements including chip and pin terminals and web based systems, set up for agreed purposes and assigned to nominated staff, are compliant with Payment Card Industry Data Security Standards (PCI DSS)

C.34 The Corporate Directors are responsible for:

- i. maintaining secure card payment arrangements in accordance with the procedures issued by the Corporate Director of Finance

Staffing Costs

C.35 The Head of Paid Service is responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.

C.36 The Corporate Directors are responsible for:

- i. the management of total staff numbers by:
 - a. advising the Leader and the relevant Cabinet Member on the budget necessary in any given year to cover estimated staffing levels;
 - b. adjusting the staffing numbers to that which can be funded within approved budget provision;
- ii. the proper use of appointment procedures;
- iii. monitoring staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff;
- iv. ensuring that the staffing budget is not exceeded unless the necessary additional ongoing funding is available and the agreement of the relevant Cabinet Member or the Leader or Cabinet is obtained as required.

Further guidance regarding authorisations to appoint members of staff is available in the relevant directorate's Scheme of Financial Delegation.

FINANCIAL REGULATION D – SYSTEMS AND PROCEDURES

Introduction

D.1 Sound systems and procedures are essential to an effective framework of accountability and control.

General

- D.2 The Corporate Director of Finance is responsible for:
- i. determining the Council's accounting control systems, the form of accounts and the supporting financial records and for ensuring that systems determined by him/her are observed;
 - ii. approving any changes proposed by the Corporate Directors to the existing financial systems or procedures or the establishment of new systems or procedures;
 - iii. compiling, in consultation with the Corporate Directors, a Business Continuity Plan to provide for as normal a continuation of financial services as possible in the event of any incident affecting systems used to deliver those services.
- D.3 The Corporate Directors are responsible for:
- i. the proper operation of financial procedures and financial processes in their own Directorates in accordance with the systems and procedures set out by the Corporate Director of Finance;
 - ii. obtaining the approval of the Corporate Director of Finance for any developments of new systems and changes to existing systems, by Corporate Directors that involve a financial operation or produce output that may influence the allocation of resources;
 - iii. ensuring that their staff receive relevant financial training;
 - iv. ensuring that, where appropriate, computer and other systems are registered in accordance with Data Protection legislation. The Corporate Directors must ensure that staff are aware of their responsibilities under the Data Protection and Freedom of Information legislation;
 - v. ensuring, jointly with the Corporate Director of Finance that there is a documented and tested Business Continuity Plan to allow information system processing to resume quickly in the event of an interruption;
 - vi. ensuring that Oracle Financials is utilised except where otherwise agreed by the Corporate Director of Finance;
 - vii. ensuring that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements agreed with the Corporate Director of Finance ([Data Retention Schedule](#)).

Income

D4 The Governance and Audit Committee is responsible for approving [procedures-policy](#) for writing off debts as part of the overall framework of accountability and control.

D.5 The Corporate Director of Finance is responsible for:

- i. setting the debt management policy for the County Council in order to maximise the income due to the Council and its collection;
- ii. approving the procedures, systems and documentation for the collection of income;
- iii. examining and actioning requests for write offs submitted by Corporate Directors;
- iv. maintaining a record of all sums written off and adhering to the requirements of the Accounts and Audit Regulations;
- v. ensuring that appropriate accounting adjustments are made following write off action;
- vi. ensuring, in consultation with the Corporate Directors, that adequate provision is made for potential bad debts arising from uncollected income.

D.6 The Corporate Director of Finance is authorised to write-off the following types of debt where:

- i. the debtor has ~~gone~~entered into liquidation, bankruptcy, debt relief order or is deceased and there are no funds nor estate on which to claim for recovery of the debt;
- ii. ~~the evidence against a debtor is inconclusive, and the~~ General Counsel has reviewed the case and recommends write-off;
- iii. the debtor ~~has absconded and all enquiries have failed;~~cannot be located and all tracing efforts are exhausted;
- iv. ~~the debtor is in prison and has no means to pay;~~collection efforts exhausted, uneconomical to pursue further;
- v. the debt is statute barred under the Limitations Act 1980 and the Care Act 2014;
- vi. ~~the debt is remitted by a magistrate.~~

D.7 Other than covered in D6, all debt write offs over £10,000 should be put forward by the relevant Corporate Director to the Corporate Director of Finance in their role of Section 151 Officer for his decision in consultation with the Cabinet Member for Finance. The relevant Corporate Director will also submit a report for information, comment and assurance to the Governance and Audit Committee, setting out the operational reasons for the write-off.

D.8 The Corporate Directors are responsible for:

- i. compliance with the agreed Debt Management Policy of the Council;
- ii. the write-off of irrecoverable debts in their Directorates of up to £10,000 in consultation with the Corporate Director of Finance;
- iii. ensuring that there is an annual review of fees and charges and that proposals for the level of fees and charges are approved by the Leader or relevant Cabinet Members;
- iv. ensuring that the agreed charging policy is implemented and consistently applied in respect of each relevant activity and service;
- v. separating, as far as is practicable, the responsibility for identifying amounts due and the responsibility for collection;
- vi. ensuring official receipts are issued and to maintain any other documentation for income collection purposes;
- vii. holding securely receipts, tickets and other records of income;
- viii. ensuring the security of cash handling.

Ordering and Paying for Works, Goods and Services

D.9 The Corporate Director of Finance is responsible for:

- i. ensuring that all the Council's financial systems and procedures for ordering and paying for works, goods and services are sound and properly administered;
- ii. agreeing, in consultation with the Corporate Directors where appropriate, any changes to existing financial systems and to approve any new systems before they are introduced;
- iii. agreeing the form of official orders and associated terms and conditions;
- iv. making payments from the Authority's funds on the Corporate Director's authorisation that the expenditure has been duly incurred in accordance with Financial Regulations;
- v. defining the requirements for the electronic approval of order or checking and certification of invoices prior to payment to confirm that the goods have been ordered and received, the invoice is in order and is certified for payment by the nominated budget manager. The Corporate Director of Finance will set and review a value for invoices, currently £250, below which payment will be made on certification that goods or services have been received and that the invoice is in order but will not require the additional certification of the budget manager;
- vi. making payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a Court Order;
- vii. making payments to contractors on the certificate of a Corporate Director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.

D.10 The Corporate Directors are responsible for:

- i. ensuring that the Council's corporate financial systems are used for payment for work, goods and services except where specialist systems are used in agreement with the Corporate Director of Finance. Staff should not use personal credit cards to pay for work, goods or services on behalf of the Council;
- ii. ensuring that i-Procurement is used for raising orders in the first instance, any verbal orders for works, goods or services are only placed exceptionally and are confirmed with an official i-Procurement order;
- iii. ensuring that orders are only used for goods and services provided to their Directorates. Individuals must not use official orders to obtain goods or services for their private use;
- iv. ensuring that only those staff authorised in the delegated authority matrix approve expenditure and sign orders or where necessary ensure they are sealed by Legal Services.
- v. ensuring that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different person from the person who authorised the order;
- vi. ensuring that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment;
- vii. ensuring that payments are not made in advance of goods being supplied, work done or services rendered to the Council except with the approval of the Corporate Director of Finance;
- viii. ensuring that invoices are approved for payment by staff authorised by the Corporate Directors and that details of such authorised staff are included in the Payments Team Flexfield Checker;
- ix. ensuring that all undisputed invoices are settled within 30 days from receipt of the invoice;

- x. ensuring that the Directorate obtains best value from purchases by contacting Strategic Sourcing and Procurement Team for any purchases over £50k, following the guidance in the Knet Procurement pages ([How to Buy](#)) and complying with the Council's Code of Practice for Tenders and Contracts which is incorporated in the [KNet Procurement pages](#).
- xi. Compliance with spend mandates, which are published in the Procurement ([How to Buy](#)) guides accessible via the Knet Procurement page.

D.11 Deviation from the delegated authority matrix is not generally expected. However, if a different financial limit is required the amendment should be requested via a business case and approved as follows:

Requester	Approver
Budget Manager	Head of Service
Head of Service	Service Director
Service Director	Corporate Director

D.12 All transactions must fall within the powers delegated to officers or have been approved by a decision (in accordance with the Council's Constitution) of the Cabinet, the Leader, an authorised Cabinet Member, the Council or one of its committees or sub-committees.

D.13 No contract, agreement or other document shall be signed or sealed unless it gives effect to:

- i. a decision or resolution (in accordance with the Council's Constitution) of the Leader, the Cabinet, an authorised Cabinet Member or one of its committees or sub committees or
- ii. a decision by an officer exercising delegated powers

D.14 Budgetary provision must exist before any contract can be entered into. This provision should be explicit in a budget approved by resolution of the Council. Where budgetary approval exists for a specific item further Member approval is not generally required.

D.15 Where there is no specific budget line, the officer with delegated authority may approve expenditure up to £1,000,000 provided the expenditure can be met within budget. Above £1,000,000 a formal decision by the Leader, the Cabinet or an authorised Cabinet Member is required in accordance with the Council's Constitution.

Contract Management

D.16 Staff should refer to [Spending the Council's Money](#) for advice and guidance regarding contract management.

Ex Gratia Payments

D.17 The Corporate Directors are responsible for approving reasonable ex gratia payments of £6,000 or less and for ensuring that a record of such payments is maintained.

D.18 For ex gratia payments in excess of £6,000 the Corporate Directors are responsible for obtaining the approval of the relevant Cabinet Member, the Cabinet Member for Finance and the Corporate Director of Finance.

Payments to employees and Members

D.19 The Corporate Director of Finance is responsible for:

- i. making arrangements for recording and for the accurate and timely payment of PAYE, Income Tax, National Insurance, and all other statutory and non-statutory payroll deductions;
- ii. ensuring the accurate and timely production of statutory returns to H.M. Revenue and Customs, particularly in respect of the financial year-end and the declaration of employee taxable benefits;
- iii. ensuring that there are adequate arrangements for administering pension matters on a day-to-day basis;

D.20 The Corporate Director of Human Resources is responsible for arranging and controlling secure and reliable payment, on the due date, of salaries, compensation payments or other emoluments, staff expenses and Members' expenses and allowances, and pensions in accordance with procedures prescribed by him or her.

D.21 The Corporate Directors are responsible for:

- i. ensuring that all appointments are made in accordance with the Council's regulations and approved establishments, grades and scales of pay.
- ii. ensuring that adequate budget provision exists for:
 - (a) all employee appointments
 - (b) all permanent and temporary variations relating to employee appointments
 - (c) all engagements of self-employed persons.

Taxation

D.22 The Corporate Director of Finance is responsible for:

- i. maintaining the Council's tax records, making tax payments, receiving tax credits and submitting tax returns by their due date as appropriate;
- ii. advising Corporate Directors on all taxation issues that affect the Council in the light of relevant legislation as it applies, and guidance issued by appropriate bodies.

[D.23 The Corporate Director of Finance delegates taxation management to the Chief Accountant](#)

D.234 Where the Corporate Directors are owners of financial systems they are responsible for maintaining the appropriate records, making tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

D.2425 The Corporate Directors are responsible for consulting with, and seeking advice from, the ~~Corporate Director of Finance~~ Chief Accountant's Team on the potential tax implications of any new initiatives for the delivery of Council activity and Services, including those that could impact on our partial exemption.

Trading accounts

D.2526 The Corporate Director of Finance is responsible for advising on the establishment and operation of trading accounts.

D.2627 The Corporate Directors are responsible for:

- i. observing all statutory requirements in relation to trading activity, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged in accordance with the CIPFA Service Reporting Code of Practice;
- ii. ensuring that the same accounting principles are applied in relation to trading accounts as for other services or business units;
- iii. ensuring that each business unit prepares an annual business plan.

Overheads and Internal Recharges

D.2728 The Corporate Director of Finance is responsible for:

- i. maintaining a system of delegating budgets to Directorates for support services;
- ii. establishing a framework for the carrying out of overheads and internal recharges in accordance with laid down timetables;
- iii. ensuring that the recipients are clear what each charge covers and provide sufficient information to enable them to challenge the approach being taken;
- iv. arbitrating on disputed recharges where these cannot be satisfactorily resolved between Directorates;
- v. ~~ensuring that overheads and internal recharges for support services are in accordance with the CIPFA Service Reporting Code of Practice, for both budget and final accounts purposes.~~

~~vi.v.~~

D.2829 The Corporate Directors are responsible for:

- i. ensuring that budgets for the purchase and provision of internal services are agreed between purchaser and provider and properly reflected in annual budgets and business plans and budget monitoring statements;
- ii. raising and/or processing recharges in accordance with the timescales laid down;
- iii. notifying and/or responding to disputed recharges in accordance with the timescales laid down;
- iv. monitoring the processing of recharges in accordance with the timetable agreed with the Corporate Director of Finance.

FINANCIAL REGULATION E – EXTERNAL ARRANGEMENTS

Partnerships

- E.1 The Corporate Director of Finance is responsible for:
- i. promoting the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council
 - ii. advising on the financial implications resulting from entering into partnership agreements including tax treatment, limitation of liability, valuation of transferred assets or the grant of a right to use existing assets and any other long-term issues;
 - iii. advising on the terms of any payment and performance mechanism relating to partnerships entered into by the Council.
- E.2 The Corporate Directors are responsible for:
- i. ensuring that, when entering into partnerships, the Council's financial and operational interests are protected;
 - ii. ensuring that appropriate financial and legal advice is taken before entering into partnership agreements;
 - iii. ensuring that, before entering into partnership agreements with external bodies, a risk management appraisal is carried out and an exit strategy is in place where appropriate;
 - iv. ensuring that necessary approvals are obtained before negotiations are concluded in relation to partnership agreements;
 - v. ensuring that the accounting and financial arrangements for partnerships satisfy the requirements of the Council and allow for:
 - a) any required audit of the partnerships affairs; and
 - b) investigation by counter fraud specialists in the event of an allegation of fraud and or corruption.

More detailed guidance can be found [Management Guide to Managing Risk](#), the [Management Guide to Alternative Service Delivery Models](#) and the [KCC Companies Protocol](#)

External funding

- E.3 The Corporate Director of Finance is responsible for:
- i. ensuring that procedures are in place so that all the financial implications, including long term issues, resulting from entering into external funding agreements are identified;
 - ii. ensuring that all external funding agreed with external bodies is received and is properly recorded in the Council's accounts;
 - iii. maintaining a record of expected grants in liaison with the Corporate Directors;
 - iv. investigating ways of maximising grant income;
 - v. building in any agreed financial implications (e.g. matched funding) into the budget strategy;
 - vi. accounting for non-specific Government Grants received and receivable and submitting any required returns in respect of these.

- E.4 The Corporate Directors are responsible for:

- i. ensuring that external funding which is sought supports the Councils service priorities;
- ii. ensuring that any matched funding requirements relating to external funding agreements are identified and provided for in the budget prior to any external funding agreement being concluded;
- iii. ensuring that necessary approvals are obtained before external funding agreements are concluded;
- iv. ensuring that the conditions of external funding agreements and any statutory requirements are complied with;
- v. ensuring that expenditure met from external funding is properly incurred and recorded, that income is received at the appropriate time, returns are made by the specified dates, and that audit requirements of the funding body can be met;
- vi. maintaining a record of external funding agreements in place;
- vii. ensuring that any other expenditure associated with the grant (e.g. matching funding) is contained within the agreed Directorate budget;
- viii. accounting for specific Government Grants received and receivable in respect of services for which they are responsible and submitting any required returns in respect of these;
- ix. ensuring that all grants received are recorded in the central register, and in line with the [Corporate Grant Procedure](#).

Work for third parties

- E.5 The Corporate Director of Finance is responsible for issuing any required guidance on the financial aspects of contracts with third parties and external bodies.
- E.6 The Corporate Directors are responsible for:
- i. ensuring that work for third parties does not impact adversely on the services of the Council and that before entering into agreements a risk management appraisal has been carried out;
 - ii. ensuring that guidance issued by the Corporate Director of Finance is complied with and that all agreements and arrangements are properly documented.
- E.7 The Leader or relevant Cabinet Member is responsible for approving the contractual arrangements for any work for third parties or external bodies where the contract value exceeds £200,000.

Companies

- E.8 In relation to companies that the Council has an interest, it is imperative that they are set up, managed and run according to rules of good governance so that risks are mitigated. [The Protocol Relating to Companies in which KCC has an Interest](#) establishes processes and provides additional controls to ensure such rules are in place.
- E.9 Anyone within the Council intending to set up a company must first read both [The Protocol Relating to Companies in which KCC has an Interest](#) and the more detailed [Local Authority Companies](#) guidance document. Sanctions are in place for non-compliance which can include disciplinary action.

- E.10 The Corporate Director of Finance is responsible for advising on the financial implications resulting from the creation of a company including tax treatment and accounting arrangements.
- E.11 The General Counsel is responsible for advising on the legal requirements and implications with respect to the creation and ongoing running of a company.
- E.12 The Corporate Directors are responsible for:
- i. ensuring that [The Protocol Relating to Companies in which KCC has an Interest](#) and the more detailed [Local Authority Companies](#) guidance document is complied with;
 - ii. ensuring that legal and financial advice provided by the General Counsel and the Corporate Director of Finance respectively are complied with.

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Finance Approval Process

Stage or Transaction Approval	Notes	Members		Officers				Strategic Commissioning				
		The Leader or Cabinet	Cabinet Member	CMT Director	Service Director	Service Head	Budget Manager	Head of Strategic Commissioning	Head of Service (Portfolio 1&2) / Head of Commissioning Support	Senior Commissioning Manager / Commercial Manager	Senior Commissioner / Commercial Officers / Indirect Procurement Manager	Buyer
Revenue Virement Limits												
Within Portfolio	1	Above £1m *	From £200k up to (but not including) £1m **	From £200k up to (but not including) £1m **								
Within Portfolio	2		Less than £200k	Less than £200k								
Between Portfolios	1	Above £1m *	From £200k up to (but not including) £1m **	From £200k up to (but not including) £1m **								
Between Portfolios	2		Less than £200k	Less than £200k								
Capital Virement Limits												
Within or across Portfolios	1	Above £1m *	From £200k up to (but not including) £1m **	From £200k up to (but not including) £1m **								
Within or across Portfolios	3		From £50k up to (but not including) £200k	From £50k up to (but not including) £200k								
Within or across Portfolios				Less than £50k								
Writing off obsolete stock	4			Up to £10k								
Ex Gratia Payments	5		More than £6k	Up to £6k								
Writing off irrecoverable debts	6			Up to £10k								

Page 89

Procurement & Invoice Approval Process

Stage or Transaction Approval	Notes	Members		Officers				Strategic Commissioning				
		The Leader or Cabinet	Cabinet Member	CMT Director	Service Director	Service Head	Budget Manager	Head of Strategic Commissioning	Head of Service (Portfolio 1&2) / Head of Commissioning Support	Senior Commissioning Manager / Commercial Manager	Senior Commissioner / Commercial Officers / Indirect Procurement Manager	Buyer
Contract Award Recommendation acceptance	7/15/16	Unlimited*	Unlimited*	Up to £1m*	Up to £500k except where Property Management Protocol expressly differs	Up to £250k	Up to £50k					
Contract/Framework Signature	8, 18			Up to £1m and over £1m with Cabinet or Cabinet Member Decision to award and express authorisation of the Monitoring Officer to sign or seal*	Up to £500k and over £1m with Cabinet or Cabinet Member Decision to award and express authorisation of the Monitoring Officer to sign or seal*			Up to £1m and over £1m with Cabinet or Cabinet Member Decision to award and express authorisation of the Monitoring Officer to sign or seal*	Up to £1m	Up to £500k	Up to £250k	
Requisition (Budget expenditure) Approval i-Procurement	9/10/16			Unlimited where previously approved as designated signatory and where relevant authority is in place	Up to £1m*	Up to £500k	Up to £50k					
Contract Authorisation (Creation of Order)	11							Unlimited when correct political or previously delegated authority is in place*	Up to £1m	Up to £500k	Up to £250k	Up to £50k
Variation Approval	14, 18	Unlimited*	Unlimited*	Up to £1m*	Up to £500k	Up to £250k	Up to £50k					

Variation Signature				Unlimited with Cabinet or Cabinet Member Decision to award variation and express authorisation of the Monitoring Officer to sign or seal*	Unlimited with Cabinet or Cabinet Member Decision to award variation and express authorisation of the Monitoring Officer to sign or seal*								
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Procurement & Invoice Approval Process

Stage or Transaction Approval	Notes	Members		Officers				Strategic Commissioning				
		The Leader or Cabinet	Cabinet Member	CMT Director	Service Director	Service Head	Budget Manager	Head of Strategic Commissioning	Head of Service (Portfolio 1&2) / Head of Commissioning Support	Senior Commissioning Manager / Commercial Manager	Senior Commissioner / Commercial Officers / Indirect Procurement Manager	Buyer
Receipt Confirmation	12			Unlimited	Unlimited	Unlimited	Unlimited					
Invoice Payment	13/16			Unlimited	Up to £1m or over £1m where previous delegation from Cabinet or Cabinet Member is in place*	Up to £500k	Up to £50k					

* These decisions/actions are subject to statutory recording and publication requirements. Seek advice from Democratic Services.

** These decisions/actions are subject to statutory recording and publication requirements when over £500k. Seek advice from Democratic Services.

Notes:

- Virement of £1m to £200k has to be signed off by Portfolio Cabinet Member, relevant Corporate Director, Deputy Leader and Cabinet Member for Finance and Corporate Director of Finance
Advice should be sought as to whether the Virement requires a formal Decision to be taken.
- Virement less than £200k has to be signed off by the Corporate Director of Finance along with the relevant Cabinet Member and Corporate Director.
- Virement of £200k to 50k has to be signed off by the Corporate Director of Finance along with the relevant Cabinet Member and Corporate Director.
- Write off of obsolete stock up to £10k is in consultation with the Corporate Director of Finance. Above £10k to be reported to Corporate Director of Finance and Deputy Leader and Cabinet Member for Finance and then taken to Scrutiny Committee for write off.
- Ex gratia payments above £6k Corporate Directors are responsible for obtaining approval from relevant Cabinet Member, Deputy Leader and Cabinet Member for Finance and Corporate Director of Finance.
- ~~Write off of irrecoverable debts up to £10k is in consultation with the Corporate Director of Finance. Above £10k should be put forward by the relevant Corporate Director to the Corporate Director of Finance in his/her role of Section 151 Officer for his decision in consultation with the Deputy Leader and Cabinet Member for Finance. A report by the relevant Corporate Director will also be submitted to Governance and Audit Committee.~~
- Write off of irrecoverable debts is completed in accordance with the Financial Regulations and consultation with the Corporate Director of Finance in his/her role of Section 151 Officer. Irrecoverable debts above £10k which do not meet an exemption under the Financial Regulations should be put forward by the relevant Corporate Director to the Corporate Director of Finance in his/her role of Section 151 Officer for his decision in consultation with the Deputy Leader and Cabinet Member for Finance. A report by the relevant Corporate Director will also be submitted to Governance and Audit Committee.
- Award recommendation prepared by lead
- Authorities only valid if Contract Award Recommendation acceptance has been approved; will also require a review schedule e.g. with Legal Services for non-standard contract use; decisions on signing under seal or under hand
- Only valid for approved budgets/expenditure within plan – values will be used within i-Procurement
- Procurement authorities relate to own budget only
- For simple contracts only, those that are required to be sealed as required in "Contracts and Tenders Standing Orders" must be dealt with by Legal Services.
- May be exercised by any member of staff who can directly confirm correct receipt of goods, services or works
- Relates to signature on invoices; post i-Procurement implementation this authority is no longer required (3-way system match provides authorisation)
- Approval of a variation against an existing contract
- Cabinet Member Approval where authority has been delegated, in some instances this may require Cabinet Approval in line with the Constitution
- For areas with high expenditure e.g. Highways, Property, ICT approval level can be increased to £5m for Service Directors at Corporate Directors discretion
- Variations/extensions must be sealed if the main contract is sealed unless specifically excluded in the contract
- Head of Procurement Commissioning Portfolio Outcome / Head of Commissioning Support can sign for up to £500k where delegated in writing by the relevant service Director

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By: Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services – Peter Oakford
Corporate Director of Finance – Zena Cooke

To: County Council – 10 March 2022

Subject: External Auditor appointments process

Classification: Unrestricted

Summary: This report asks Members to agree the recommendation to opt into the national scheme for auditor appointments managed by PSAA as the appointing person.

FOR AGREEMENT

1. Purpose of the report

1.1. This report sets out proposals for appointing the external auditor to the Council for the accounts for the five-year period from 2023/24.

2. Background and summary

2.1. The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. The Council opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.

2.2. PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn 2021 all local government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.

2.3. The report concludes that the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally because:

- collective procurement reduces costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements;
- if it does not use the national appointment arrangements, the Council will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract;
- it is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor resources as PSAA's national procurement; and
- supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term.

2.4 The recommendation went to Governance and Audit Committee on 30 November who agreed that this should go forward for approval by County Council. If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at full Council. The opt-in period starts on 22 September 2021 and closes on 11 March 2022. To opt into the national scheme from 2023/24, the Council needs to return completed opt-in documents to PSAA by 11 March 2022.

3. Recommendation

3.1 That the Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of our external auditors for five financial years from 1 April 2023.

By: Bryan Sweetland – Cabinet Member for Communications, Engagement, People and Partnerships
Amanda Beer – Corporate Director People & Communications

To: County Council **Date:** 10 March 2022

Subject: Pay Policy Statement 2022/23

Classification: Unrestricted

Summary: This paper addresses the actions the Authority is required to make on pay as part of delivering its responsibilities under the Localism Act 2011.

1. BACKGROUND

- 1.1 An objective of the Localism Act is to increase transparency of local pay. This requires councils to publish the salaries of senior officials, enabling local people to better understand how public money is being spent in their area.
- 1.2 The Act requires a local authority pay policy to be openly approved by democratically elected Members on an annual basis.
- 1.3 Due to the exceptional context which the Covid -19 pandemic presented last year, Personnel Committee and County Council agreed that it was appropriate to reward everyone equally by applying a 2% award to salaries and pay scale. However, this year will revert to the process whereby an individual's pay progression within a grade is subject to performance as assessed through Total Contribution Pay (TCP) process and a percentage awarded for each appraisal level.
- 1.4 The new minimum salary, as agreed by County Council in February 2022 will result in an hourly rate of £10 per hour and is marginally above the Living Wage Foundations Living Wage.
- 1.5 The Pay Policy applies consistently to all the County Council's employees at all grades, including the appraisal process and related increases.

2. PAY POLICY STATEMENTS

- 2.1 The Pay Policy Statement for 2022/23 is attached in Appendix 1. As in previous years, and as agreed by County Council on 29 March 2012, the statement relates to: -
 - the level and elements of remuneration for each chief officer which includes recruitment, increases and additions

- the use of performance-related pay (PRP) for chief officers and the use of bonuses, if applicable
- the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority
- the publication of and access to information relating to remuneration of chief officers.

For the purpose of the Localism Act, a Chief Officer in KCC is defined as being at 'Director level'. This includes the County Council's Corporate Directors and Directors.

2.2 The provisions do not apply to the staff of local authority schools.

3. PAY MULTIPLE

3.1 A pay multiple is calculated in order to measure the difference in pay between the norm and highest salary. The definition of pay multiple as defined in the 'Code of Recommended Practice for Local Authorities on Data Transparency' document is the ratio between the highest paid salary and the median average salary of the authority's workforce.

3.2 KCC's current Pay Multiple figure is 7.9:1. This excludes schools.

4. GUIDANCE

4.1 The policy is compliant with expectations and guidance in the Code of Recommended Practice along with supplementary updates which have been received.

5. RECOMMENDATION

5.1 County Council endorses the attached Pay Policy Statement.

Colin Miller
People Strategy Adviser
03000 416483

Appendix 1.

Kent County Council Pay Policy Statement 2022/2023

The Authority seeks to be able to recruit and retain staff in a way which is externally competitive and internally fair. The Kent Scheme Pay Policy applies in a consistent way from the lowest to the highest grade.

- The Pay Policy is influenced by a number of factors which include local pay bargaining, market information, market forces, economic climate, measures of inflation and budgetary position.
- The policy referred to in this Statement is relevant to Council employees generally. The scope of this Statement does not include all Terms and Conditions as some are set on a national basis. These include Teachers covered by the schoolteachers pay and conditions in (England and Wales) document, Soulbury Committee (pay only), Adult Education, National Joint Council (NJC), Joint National Council (JNC) and the National Health Service (NHS).
- The Kent Scheme pay range consists of grades KR3 – KR20. There is a difference of at least £1,200 between the top of each successive grade. The pay gap between the top of one grade and the minimum of the next makes the distinction between grades clearer. Details of the pay range are at the bottom of the page.
- The details of the reward package for all Corporate Directors and Directors are published and updated on the County Council's web site.
- KCC will publish the number of people and job title by salary band. This is from £50,000 to £54,999 and then by pay bands of £5,000 thereafter. This will include elements made on a repeatable or predictable basis such as market premium payments.
<https://www.kent.gov.uk/about-the-council/finance-and-budget/spending/senior-staff-salaries>
- The appropriate grade for a job is established through a job evaluation process which takes into account the required level of knowledge, skills and accountability required for the role.
- The lowest point of KCC's grading structure (Grade KR3) is set such that the hourly rate is above the National Minimum Wage and marginally above the equivalent of the Living Wage Foundations Living Wage.
- Staff who are new to the organisation must be appointed at the minimum of the grade unless there are exceptional reasons to appoint higher. These must be based on a robust business case in relation to the level of knowledge, skills and experience offered by the candidate and consideration is given to the level of salaries of the existing staff to prevent pay inequality. For senior staff, any such business case must be approved by the relevant Corporate Director.

- Council signs off the pay structure. The subsequent appointment of individuals, including those receiving salaries in excess of £100k, is in accordance with the pay structure and the principles outlined in the pay policy.
- Staff who are promoted should be appointed to the minimum of the grade. However, their pay increase should equate to at least 2.5%.
- All progression within a grade is subject to performance as assessed through Total Contribution Pay (TCP) process and a percentage awarded for each appraisal level. This applies to all levels in the Authority and there are no additional bonus schemes for senior managers.
- The award for each appraisal rating is set annually following the outcome of the appraisal process.
- People at the top of their grade have the opportunity to receive a pay award which is consistent with others who have the same appraisal rating. This amount will be paid separately and not built into base pay.
- The 'Lowest' paid employees are defined as those employees on KCC's lowest grade, KR3. They receive relevant benefits and are remunerated in the same proportionate way as others.
- The entry level will increase to £19,293 which equates to £10.00 per hour.
- In order to establish the pay difference and the relative change in pay levels over time, a pay multiplier can be calculated. This is the base pay level of the highest paid employee shown as a multiple of the median Kent Scheme salary. This multiplier will be published on the County Council's website annually.
<http://www.kent.gov.uk/about-the-council/information-and-data/data-about-the-council>
http://www.kent.gov.uk/data/assets/pdf_file/0006/13578/Pay-Multiplier.pdf
- KCC recognises that managers need to be able to reward performance in a flexible and appropriate way to the particular circumstances.
- Should it be shown that there is specific recruitment and retention difficulties, the Market Premium Policy may be used to address these issues.
- The Council would not expect the re-engagement of an individual who has left the organisation with a redundancy, retirement or severance package.
- Managers have delegated powers to make cash awards when necessary and where not covered by any other provision as defined in the Blue Book Kent Scheme Terms & Conditions.
<http://www.kent.gov.uk/jobs/careers-with-us/working-for-us>
http://www.kent.gov.uk/data/assets/pdf_file/0019/12574/Kent-Scheme.pdf
- Policies about termination payments and employer discretions under the Local Government Pension Scheme will be reviewed and published for all staff. These will be produced with the intention of only making additional payments when in the best interests of the Authority and maintaining consistency through all pay grades. This will continue to be managed through the HR & OD function and monitored by Personnel Committee.

2022/23 Kent Scheme pay scale

Grade	Minimum	Maximum
KR20	£205,701	£211,002
KR19	£150,106	£204,640
KR18	£125,609	£149,359
KR17	£100,286	£119,193
KR16	£80,126	£100,684
KR15	£70,477	£79,727
KR14	£62,254	£70,126
KR13	£55,556	£61,944
KR12	£47,435	£55,280
KR11	£41,216	£47,199
KR10	£34,866	£41,011
KR09	£30,485	£34,693
KR08	£26,598	£30,333
KR07	£23,378	£26,466
KR06	£21,801	£23,262
KR05	£20,595	£21,693
KR04	£19,389	£20,493
KR03	£19,293	£19,293

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