



GOVERNANCE COMMITTEE

REPORT

31 MAY 2012

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| Subject Heading: | MINOR CHANGES TO THE CONSTITUTION |
| CMT Lead: | Andrew Blake-Herbert Group Director Finance & Commerce |
| Report Author and contact details: | Mike Stringer Head of Finance & Procurement |
| Policy context: | Minor changes to parts of the constitution to reflect changes in process and technology |
| Financial summary: | There are no immediate financial consequences, these changes are needed to bring the constitution in line with proposed operating practice |

The subject matter of this report deals with the following Council Objectives

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| Ensuring a clean, safe and green borough | <input type="checkbox"/> |
| Championing education and learning for all | <input type="checkbox"/> |
| Providing economic, social and cultural activity in thriving towns and villages | <input type="checkbox"/> |
| Valuing and enhancing the lives of our residents | <input type="checkbox"/> |
| Delivering high customer satisfaction and a stable council tax | <input checked="" type="checkbox"/> |

SUMMARY

A small number of minor changes are needed to the Constitution to reflect changes in operating processes arising from the implementation of new systems, and recommendations arising from audit reports.

RECOMMENDATIONS

To **RECOMMEND** to Council the adoption of the changes set out in Appendices A and B to this report.

REPORT DETAIL

1. It is good practice for the Council's Constitution to be amended and updated to reflect changing circumstances. Whilst a major review of the Constitution was undertaken in 2010, there have been a number of developments that now necessitate some minor changes. These are intended to reflect the proposed operating procedures being put in place.
2. The changes set out in Appendices A and B reflect in broad terms changes resulting from either the implementation of new systems and the need to align formal processes with these or from recommendations made as part of audit reports.
3. In brief, the proposed changes are as follows:
 - Inclusion of an explicit power relating to spending authority; this will enable formal spend delegations covering all aspects of spend to be put in place by CMT members and Heads of Service and remove the need to maintain inefficient processes relating to authorised signatories. This also ties in with the authorisation chain within the new Oracle systems
 - Inclusion of requirement to ensure value for money is obtained from the disposal of any assets. This arises from an internal audit report. Consequential changes to the Financial Framework are currently in hand to reflect the recommendations in the audit report
 - Specific reference in the Group Director Finance & Commerce powers to pension fund administration. This will facilitate a single set of delegations and signatories, replacing what exists at present (a set of authorisations for each and every fund portfolio)
 - Update to limits for settling insurance claims. These are required on an annual basis where appropriate
 - An amendment to ensure that all bank accounts created are in line with treasury guidelines. This also arises from an internal audit report
 - Changes to the definition of a key decision and the rules relating to budget virements. This follows on from discussions at Committee over both the definition and inconsistencies in the virement process.

4. Work is in hand to undertake any consequential changes to processes, such as the Financial Framework and other guidance, and these will be implemented once the changes to the Constitution have been formalised.
5. The changes proposed to the Key Decision definition and associated virement rules are designed to both rationalise and considerably simplify them.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no direct implications or risks arising from these proposed amendments. It is good practice to ensure that the Council's formal rules are maintained and that they reflect any recommendations arising from changes in process, audit reports, and so on. There are various consequential changes needed as a result of these proposed changes and these are all underway. The impact of the changes will need to be communicated to the relevant officers.

Legal implications and risks:

There are no direct legal implications from the proposed changes to the Constitution.

Human Resources implications and risks:

There are no Human Resources implications or risks arising directly from this report.

Equalities implications and risks:

There are no implications or risks arising from this report.

BACKGROUND PAPERS

There are no background papers.