

Changes to the Constitution

Report of the County Treasurer

Please note that the following recommendation is subject to confirmation by Committee before taking effect.

Recommendation: that Members approve the proposed changes to the Constitution as outlined below.

1. Background

- 1.1. Part 5 of the Constitution relates to the Code of Business Conduct. Various elements of the Code are now in need of updating.
- 1.2. Procedure and approval limits were updated in April last year. An annual review of operational procedures within Finance has indicated some areas where the procedures could benefit from revision. Proposed changes are outlined in the following sections of this report and highlighted in detail in the attached appendices.
- 1.3. Consultation has been undertaken with Procurement where appropriate.

2. Part 5a Elements of the Code

- 2.1. This is an introduction to the Code of Business Conduct. It is proposed that the chart which shows how elements of the code are arranged be updated to remove and/or replace obsolete elements e.g. the Financial Standards Manual which now forms part of, and is embedded into, financial regulations on a section by section basis.

3. Part 5c Financial Regulations

- 3.1. Capital expenditure & Leasing (B12.4) – we have highlighted part of this for added emphasis as follows; ‘Cabinet may also delegate approval of targeted programmes of work to member led Committees for schemes in excess of this amount’. We have also sought to clarify the wording in B12.5, which states that the amount of capital expenditure to be financed by external borrowing must be approved by the full Council. This is also further highlighted in B12.7 (for revised project approvals) and B12.8 (for new capital items).
- 3.2. Authority to incur, and control of, Capital expenditure (B12.7) – The table which sets out authorisation limits for revised project approvals has been updated in order to clarify specific individual responsibilities and the process to be followed. For example, the term ‘responsible finance officer’ is replaced by ‘Head of Capital & Technical Finance’. The table which sets out authorisation limits for new capital approvals has also been updated in the same way (B12.8).

- 3.3. External Audit (C16.4) - this section has been updated to reflect changes in the Audit and Accountability Act 2014 which established a new framework for appointing external auditors.
- 3.4. Other review bodies (C16.5) – this is amended to correctly reference HM Revenue & Customs (HMRC), thus replacing the old reference.
- 3.5. Payment of Accounts (D5.14) – additional reference has been added in respect of credit notes issued to the authority in respect of accounts payable by us. It also sets out the proposed treatment of unapplied credit notes, and associated write-off procedures in line with write-off procedures followed elsewhere in financial regulations e.g. Income write-offs in section D10.1.6.
- 3.6. Pensions (D8.2) – the link to detailed standards has been corrected to D8.1. There are no changes to the detailed standards, this is merely updating the reference.
- 3.7. External Funding (E2) – this has been updated to enable the Head of Service to approve bids with a gross spend of less than £50,000. However, Chief Finance Officer approval must be sought for any proposal for DCC to be the accountable and/or lead body (E2.2).

4. Part 5e Procedures for Tenders and Contracts

- 4.1. Selective Tendering (2.11) is a two-stage process; the first stage requires the completion of a Selection Questionnaire, the results of which are then evaluated by way of a defined evaluation procedure. This determines a short list of suppliers who are then invited to tender in stage 2 of the tendering process. Given that Procurement Contract Regulations 2015 require that this process be followed, we are now proposing to remove reference to a requirement for subsequent Cabinet Member approval in section 2.11, as this is no longer relevant and would be contrary to Procurement Contract Regulations.

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Background Paper Date File Ref

Nil

There are no equality issues associated with this report.