

Audit Committee

25 November 2019



Report of: Service Director Legal & Democratic Services (Monitoring Officer)

Title: Changes to the Constitution.

Ward: Citywide

Officer presenting report: Tim O’Gara, Service Director Legal & Democratic Services (Monitoring Officer)

Recommendation

That the Audit Committee endorse the revisions to the Policy and Budget framework procedure rules as set out in the report for approval by Full Council

Summary

The report sets out a number of amendments to the Policy and Budget Framework Procedure Rules within the Constitution. These are listed below for discussion at Audit Committee prior to consideration and approval by Full Council.



Policy

1. The Audit Committee is a key component of the Council's governance framework. Its function is to provide an independent and high level resource to support good governance and effective public financial management.
2. The purpose of an Audit Committee is to provide those charged with governance with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

Consultation

Internal

Not applicable

External

Not applicable

Context

Changes

Below lists those list of proposed changes to the policy and budget framework procedure rules. A full revised version of the Policy and Budget Policy Procedure Rules is included in Appendix A.

Section	Changes
Article 4	<ul style="list-style-type: none"> • Policies revised to incorporate MTFP and Capital Strategy – in recognition that these can be detached from the budget
PBR2 Process for developing the framework	<ul style="list-style-type: none"> • Added clarity on what is expected to be published with three months notice for changes to the policy framework. Requires the Mayor to set out a timetable for making proposals to Full Council for any changes with three months notice which also sets out arrangements for any proposed consultation on the changes. • (e) – (h) – Added further detail on process of different options available to Full Council when considering proposals within the policy framework.
PBR3 Process for developing the budget	<ul style="list-style-type: none"> • (1) adjusted to reflect current statutory requirements of the budget setting • Added (3) regarding involvement of OSMB or delegated subgroup in developing the budget • (4) Disaggregate budgetary proposals from council tax options and for major proposals consultation where necessary individually or collective • Added (6) regarding OSMB ability to seek updates from Cabinet Members, Board members, and senior officers of Council and subsidiaries on progress and changes in their areas.

Section	Changes
PBR4 Procedure at the budget fixing meeting	<ul style="list-style-type: none"> • Add paragraph on the current practice of each party group' response to the budget and chair of OSMBs presenting comments on behalf of the committee. • (9) Added clarity on the approval requirements of each amendment vote, i.e. simple majority. • (10-12) Added clarity on amendment process through to acceptance or not of the amended budget • (13-16) Added clarity on the Second Council meeting, statutory requirements • (18) Added clarity on need to seek authority for in year changes within the budget report
PBR5 Overall budget and level of Council Tax	<ul style="list-style-type: none"> • Section removed as requirements – performance measures are now incorporated in the business plan
PBR7 Urgent Decision outside the budget and policy framework (Now PBR6)	<ul style="list-style-type: none"> • In making decisions outside the budget and policy framework where it isn't possible to convene a meeting of Full Council, agreement that the decision is a matter of urgency leaders of political parties covering two thirds of elected members is replaced with chair of Overview and Scrutiny Management Board • Added that the consent of the Chair of OSMB be noted on the record of decision.
PBR8 Virement and Supplementary Estimates (Now PBR7)	<ul style="list-style-type: none"> • Specify when supplementary revenue estimates will be required and what level of variation is reserved to Council e.g. variation to approved policy level of reserves • Added (c)Specify when supplementary capital estimates will be required and what level of variation is reserved to Council e.g. variation to approved policy level of reserves • Added (d) Council approval where significant implications for future years budget
PBR9 In year changes to the policy framework(Now PBR8)	<ul style="list-style-type: none"> • Added (e) the Monitoring Officer and Chief Finance Officer agree changes are not in accordance with the Councils budget.
PBR10 Call-in of decisions outside the budget and policy framework (Now PBR9)	<ul style="list-style-type: none"> • Added reporting back to OSMB where Monitoring Officer and Chief Finance Officer conclude a decision was not outside the budget and policy framework. • Added clarity on the outcome if Full Council is unable to make a decision with regard to the decision or proposal.

Other Options Considered

None necessary

Risk Assessment

None necessary

Legal and Resource Implications

Legal

Local authorities are under a statutory obligation to keep their Constitutions up-to-date (s.9P Local Government Act 2000). Under the Council's Constitution, this duty is discharged by the Monitoring Officer (Article 16.01).

Legal advice provided by Nancy Rollason, Head of Legal Services

Financial

(a) Revenue

Not applicable

(b) Capital

Not applicable

Land/Property

Not applicable

Human Resources

Not applicable

Appendices:

Policy and Budget Framework procedure rules

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None