

HIGH PEAK BOROUGH COUNCIL

Report to Constitution Sub-Committee

19th September 2017

TITLE:	Delegations to the Executive Director (Transformation)
PORTFOLIO HOLDER:	Councillor Emily Thrane – Executive Councillor for Finance and Corporate Services
CONTACT OFFICER:	Claire Hazeldene – Finance & Procurement Manager Emily Bennetts – Finance Business Partner
WARDS:	Non-Specific

1. Reason for the Report

- 1.1. To propose an addition to the Council's Constitution - delegation to the Executive Director (Transformation) (Chief Finance Officer) referring to cheque signing rules.

2. Recommendation

- 2.1. That the Sub-Committee recommends to the Audit & Regulatory Committee that a delegation relating to cheque signing rules be added as proposed.

3. Executive Summary

- 3.1. An Alliance internal audit review of cheques as a method of payment recommended that the cheque authorisation levels and the method of pre-printed signature/ name be aligned. High Peak Borough Council already has appropriate cheque authorisation levels and uses cheques with a pre-printed signature so complies with these recommendations but the review has highlighted that the Council's Constitution does not contain specific detail about cheque limits and authorised signatories.
- 3.2. The Council's existing Financial Regulations D7.3. Responsibilities of the Chief Finance Officer state "*To ensure that all cheques drawn on behalf of the Council bear the lithographic signature of the CFO, or be signed*

personally by him or his designated authorised employee. Cheques in excess of a pre-determined limit must be signed personally by him or another employee designated by him and countersigned by the Chief Executive or the Monitoring Officer.”

- 3.3. However, the Council’s Constitution does not further elaborate on what this pre-determined limit is. It would be appropriate for this information to be contained in the Constitution, setting the pre-determined limits and specifying the authorised employees.
- 3.4. It is recommended that Part 3 of the Constitution – Responsibility of Functions, Table 6 Delegations to the Executive Director (Transformation) is updated to include the following:

The Bank is authorised to honour all cheques or other order for payment drawn upon any account or accounts for the time being kept with the Bank in the name of the Council, notwithstanding that any such account or accounts to be overdrawn or increase any existing overdraft provided they are signed by either:

- (i) The Executive Director & Chief Finance Officer
(+ Audit Services Manager; or Finance & Procurement Manager; or Principal Finance Officer for handwritten cheques only)
for amounts up to £10,000;*
- (ii) The Executive Director & Chief Finance Officer
+ Audit Services Manager; or Finance & Procurement Manager
for amounts up to £50,000;*
- (iii) The Executive Director & Chief Finance Officer
+ Chief Executive Officer; or Executive Director & Monitoring Officer
for amounts in excess of £50,000.*

- 3.5. The approval of this recommendation and subsequent update to the Constitution will allow the bank mandate with NatWest to be updated in terms of the appropriate authorised signatories in accordance with the Council’s Financial Regulations and revised Constitution.

4. How this report links to Corporate Priorities

- 4.1. The Constitution is fundamental to the running of the Council.

5. Options and Analysis

5.1. Option 1 – not recommended

Do not update the Constitution – the NatWest Bank Mandate would not be supported by the Constitution as no detail of authorised signing limits or approved persons is listed.

5.2. Option 2 – recommended

Update the Constitution as proposed to support the NatWest Bank Mandate.

6. Implications

6.1. Community Safety - (Crime and Disorder Act 1998)

None

6.2. Workforce

None

6.3. Equality and Diversity/Equality Impact Assessment

This report has been prepared in accordance with the Council's Equality and Diversity policies.

6.4. Financial Considerations

None directly

6.5. Legal

None

6.6. Sustainability

None

6.7. Internal and External Consultation

None

6.8. Risk Assessment

Cheque signing rules are fixed in the NatWest bank mandate to instruct the bank to only honour those cheques appropriately signed/ authorised. It is important that the mandate is completed in accordance with the Council's Constitution and Financial Regulations and that sufficient detail in these documents support the mandate.

ANDREW P STOKES
Executive Director (Transformation) & Chief Finance Officer

Background Papers

The Constitution

Financial Regulations

Location

Finance and Performance,
Moorlands House, Leek

Contacts

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