

**South Lakeland District Council**  
**Audit Committee**  
**Thursday, 5 December 2019**  
**Review of Constitution**

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<b>Portfolio:</b>	Customer and Commercial Services and People
<b>Report from:</b>	Monitoring Officer, Section 151 Officer
<b>Report Author:</b>	Helen Smith – Finance Lead Specialist (Section 151 Officer)
<b>Wards:</b>	All wards
<b>Forward Plan:</b>	Not applicable

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**1.0 Expected Outcome**

- 1.1 This report is presented to enable Audit Committee to consider the results of the annual review of the Council's Constitution. It includes recommendations to improve internal controls.

**2.0 Recommendation**

- 2.1 It is recommended that Audit Committee considers and refers to Council for approval the recommended amendments to the Constitution as set out in the appendices to this report.**

**3.0 Background and Proposals**

- 3.1 The Audit Committee Work Programme for 2018/19 includes an annual review of the Council's Constitution. This review concentrates on the areas of the constitution with a direct impact on the financial controls of the Council contained within the Financial Procedure Rules and the Contract Procedure Rules. It also feeds into the Monitoring Officer's annual review of the Constitution.
- 3.2 As part of the implementation of Customer Connect there are a number of complimentary activities currently underway. This includes the use of a transition toolkit to map activities, impact of change assessments, skills audits, readiness trackers and a team transition plan. As part of this process all staff and teams will be encouraged to identify areas where the Constitution could be improved to increase understanding or to improve processes. The service redesign process will also contribute to potential changes in the Constitution. These proposals will be reported to Audit Committee as they occur.
- 3.3 The Monitoring Officer has requested proposed amendments to the Constitution from all services and will include an external review of the Constitution.

**4.0 Consultation**

- 4.1 All members of Leadership Team were invited to contribute proposals for changes to the Constitution.

**5.0 Alternative Options**

- 5.1 It is good practice to regularly review the Constitution. The recommended changes give a balance between operational efficiency and strong internal controls.

## 6.0 Links to Council Priorities

6.1 Being efficient and transparent in our dealings with the public.

## 7.0 Implications

### Financial, Resources and Procurement

7.1 This report has no direct financial implications. The proposals clarify the existing rules.

### Human Resources

7.2 This report has no direct human resources implications.

### Legal

7.3 This report has no direct legal implications. The proposals clarify the existing rules.

### Health, Social, Economic and Environmental

7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No

7.5 If you have not completed an Impact Assessment, please explain your reasons: The update of the finance and contract procedure rules have no direct HSEE implications.

7.6 Summary of health, social, economic and environmental impacts: N/A

### Equality and Diversity

7.7 Have you completed an Equality Impact Analysis? No

7.8 If you have not completed an Impact Assessment, please explain your reasons: The update of the finance and contract procedure rules have no direct equality and diversity impacts.

7.9 Summary of equality and diversity impacts: N/A

### Risk

Risk	Consequence	Controls required
Failure to review Constitution	Potential failings in the internal controls contained within the Constitution	A thorough review and assessment based on external guidance.
Failure to have effective delegation to officers in place	Potential delays in decision making	

### Contact Officers

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### Appendices Attached to this Report

(delete if no appendices attached)

Appendix No.	Name of Appendix
1	Recommended changes to the Financial Procedure Rules

### Background Documents Available

<b>Name of Background document</b>	<b>Where it is available</b>
None	

### Tracking Information

<b>Signed off by</b>	<b>Date sent</b>
Legal Services	20/11/19
Section 151 Officer	20/11/19
Monitoring Officer	20/11/19
CMT	20/11/19

<b>Circulated to</b>	<b>Date sent</b>
Lead Specialist	N/A
Human Resources Lead Specialist	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	N/A
Ward Councillor(s)	N/A
Committee	5/12/19
Executive (Cabinet)	N/A
Council	N/A