



Council– 8 November 2017

Chairman's Bank Account

Purpose of report

To update the current arrangements for the operation of the Chairman's Bank Account and to incorporate a protocol for the account into Parts 4.3 (Financial Regulations) and 3.2 (Scheme of Delegation) of the Council's Constitution.

Attachments

Appendix A – Proposed Changes to the Constitution.

1.0 Background and issues to consider

- 1.1 The Council operates a designated bank account for the payment of invoices associated with events held by the Chairman of the Council during their year of office and making donations to the Chairman's chosen charities, and for receiving income for those events, mainly from ticket sales.
- 1.2 The Chairman's account is currently held with HSBC Bank and branch-related transactions are carried out through the Rushden and Peterborough branches. As there is no facility with this account to make or receive electronic payments, cash and cheque transactions are carried out through the branches.
- 1.3 There are at present only two members of staff mandated to sign documents for the account. These are the Chairman's PA and the Head of Resources and Organisational Development. Both signatures are required in order to authorise a transaction and this restriction is proving to be problematic in operating the account.
- 1.4 HSBC Bank has been approached with a view to extending the mandate on the account. However, HSBC has stated that it cannot amend the current mandate without the authority (i.e. the signature) of all of those on the existing mandate. Furthermore, copies of the Council's Constitution covering the operation of the account and the appropriate resolution of the Council authorising the addition of further signatories will also be required. The Council's Constitution does not currently contain any provisions relating to the operation of the Chairman's account.
- 1.5 The need to extend the mandate has presented an opportunity to review whether the existing banking arrangements for the account are still suitable and it is considered that moving the account to the Council's main bank (Barclays), which has a Thrapston branch, and creating a facility for electronic payments would make the current arrangements more efficient.
- 1.6 It is therefore proposed to close the existing account and open a new account, while extending the existing mandate. The account has a balance of approximately £1000 at present, which will need to be transferred to a new account.
- 1.7 In considering the current problems with the operation of the account, it is opportune to incorporate the arrangements into the Constitution, and a draft protocol for the operation of the account is attached at Appendix A.
- 1.8 In order to enable any necessary changes to the mandated signatories on the account

to be made without the need to obtain a Council resolution each time, it is proposed that the Chief Executive (or in their absence the Chief Finance Officer) (who is not a mandated signatory on the account) is authorised, in consultation with the Chairman of the Council at the time (or in their absence the Vice Chairman), to approve amendments for submission to the Bank. This is incorporated into the proposed protocol.

2.0 Equality and Diversity Implications

2.1 There are no equalities or diversity implications identified.

3.0 Legal Implications

3.1 There are no legal implications identified.

4.0 Risk Management

4.1 There are no significant risks identified.

5.0 Resource and Financial Implications

5.1 There are no direct financial implications, although the ability to use an electronic payments system and a branch in close proximity to the Council offices will have efficiencies in the use of time.

6.0 Constitutional Implications

6.1 It is proposed to make changes in Parts 4.3 and 3.2 of the Constitution to include the protocol required by the bank..

7.0 Implications for our Customers

7.1 Those attending Chairman's events would benefit from being able to make electronic payments, thus providing an element of future proofing should cheques be withdrawn at a later date

8.0 Corporate Outcomes

8.1 The actions recommended in this report contribute to the achievement of the Corporate Outcome of Effective Management by providing for a more efficient process for the management of the monies raised by the Chairman for their nominated charities.

9.0 Recommendation

9.1 Council is recommended to add to Part 4.3 Financial Rules of the Constitution:

- i) Approve the protocol for the operation of the Chairman's Account for inclusion in the Council's Constitution.
- ii) Authorise the following signatories to be included on the mandate for the account:

First signatory – any one of	Counter signatory – any one of
Chairman of the Council's Personal Assistant	Executive Director
Senior Democratic Services Officer	Head of Resources and Organisational Development
Democratic Services Manager	Finance Manager

- iii) The Executive Director, in consultation with the Finance Manager, be authorised to close down the existing Chairman’s Account with HSBC Bank and to transfer any balance to a new account with Barclays Bank established in accordance with the protocol above.

Add to Part 3.2 Scheme of Delegation

- iv) The Chief Executive, in consultation with the Chairman of the Council at the time, be authorised to approve any necessary changes to the first or counter signatories on the mandate for the account to ensure that the account continues to operate effectively.

(Reason: To ensure that the Chairman’s Account is covered by appropriate governance arrangements and operates effectively).

Legal	Power:				
	Other considerations:				
Background Papers:					
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Date:					
CFO		MO		CX	

Add to Part 4.3

8.11 The Chairman’s Account

- i) East Northamptonshire Council (the Council) will operate a designated bank account for the payment of invoices and receipt of money related to events arranged on behalf of the Chairman of the Council during their term of office and making donations to the Chairman’s chosen charities. This account will be known as the “Chairman’s Account”.
- ii) The Chairman’s Account will not be used for any purpose other than those specified in (i) above.
- iii) Two signatories will be required to sign any documents authorising transactions on the account. The following officers will be mandated to sign such documents on behalf of the Council:

First signatory – any one of	Counter signatory – any one of
Chairman of the Council’s Personal Assistant	Executive Director
Senior Democratic Services Officer	Head of Resources and Organisational Development
Democratic Services Manager	Finance Manager

Add to Part 3.2 Scheme of Delegation

- iv) The Chief Executive, in consultation with the Chairman of the Council at the time, be authorised to approve any necessary changes to the first or counter signatories on the mandate for the account to ensure that the account continues to operate effectively.

Provision iv also to be inserted in Part 3.2 Scheme of Delegation