

NON-CONFIDENTIAL



Borough of Tamworth

Marmion House,
Lichfield Street, Tamworth,
Staffordshire B79 7BZ.

Enquiries: 01827 709 709
Facsimile: 01827 709 271

AUDIT AND GOVERNANCE COMMITTEE

18 October 2012

Dear Councillor

A Meeting of the Audit and Governance Committee will be held in **Committee Room 1 - Marmion House on Thursday, 25th October, 2012 at 6.00 pm**. Members of the Committee are requested to attend.

Yours faithfully

A handwritten signature in black ink, appearing to be 'A. G. ...', written over a circular stamp or mark.

A G E N D A

NON CONFIDENTIAL

- 1 Apologies for Absence**
- 2 Minutes of the Previous Meeting (Pages 1 - 4)**
- 3 Declarations of Interest**

To receive any declarations of Members' interests (pecuniary and non-pecuniary) in any matters which are to be considered at this meeting.

When Members are declaring a pecuniary or non-pecuniary interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a pecuniary or non-pecuniary interest in respect of which they do not have a dispensation.

- 4 Annual Audit Letter 2011/12** (Pages 5 - 8)
(Report of the Audit Commission)
- 5 Proposed Changes to Financial Guidance** (Pages 9 - 112)
(Report of the Head of Internal Audit Services)
- 6 Risk Management Report** (Pages 113 - 148)
(Report of the Head of Internal Audit Services)
- 7 Annual Governance Statement 2011/12 - Update** (Pages 149 - 156)
(Report of the Head of Internal Audit Services)
- 8 Internal Audit Quarterly Report 2012/13** (Pages 157 - 174)
(Report of the Head of Internal Audit Services)

People who have a disability and who would like to attend the meeting should contact Democratic Services on 01827 709264 or e-mail committees@tamworth.gov.uk preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.

To Councillors: M Gant, M Couchman, K Gant, J Garner, S People, P Seekings and M Thurgood



MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON 27th SEPTEMBER 2012

PRESENT: Councillor M Gant (Chair), Councillors M Couchman, K Gant, J Garner, S People, P Seekings and M Thurgood

Officers John Wheatley (Executive Director Corporate Services), Jane Hackett (Solicitor to the Council and Monitoring Officer), Stefan Garner (Director of Finance) and Angela Struthers (Head of Internal Audit Services)

Visitors James Cook (Audit Commission)
Joan Barnett (Audit Commission)

18 APOLOGIES FOR ABSENCE

None

19 APPOINTMENT OF VICE-CHAIR

RESOLVED: That Councillor J Garner be appointed as Vice-Chair.

(Moved by Councillor M Gant and seconded by Councillor K Gant)

20 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 28 June 2012 were approved and signed as a correct record.

(Moved by Councillor M Gant and seconded by Councillor P Seeking)

21 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

22 ANNUAL GOVERNANCE REPORT

The Audit Commission gave a presentation on their Annual Governance Report. This was the last report from the Audit Commission as the next report will be from Grant Thornton. The headline message is a clean audit report containing the best value for money conclusion in the last 4 years.

(Moved by Councillor S Peaple and seconded by Councillor J Garner)

23 ANNUAL STATEMENT OF ACCOUNTS 2011/12

The report of Executive Director Corporate Services seeking approval of the Statements of Accounts for the financial year ended 31 March 2012 following completion of the external audit was considered.

RESOLVED: That Members approved the Annual Statement of Accounts 2011/12
(Moved by Councillor M Gant and seconded by Councillor S Peaple)

24 REVIEW OF TREASURY MANAGEMENT STRATEGY 2012/13 & ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2011/12

The report of the Director of Finance seeking to review the Treasury Management Strategy Statement, Minimum Revenue Provision Statement and Annual Investment Statement 2012/13 and Annual Report on the Treasury Management Services and Actual Prudential Indicators 2011/12 approved by Council on 28 February 2012 and 11 September 2012 respectively was considered.

RESOLVED: That Members considered the Treasury Management Reports, as detailed within the reports, and highlighted changes for recommendation to Cabinet.

(Moved by Councillor S Peaple and seconded by Councillor M Gant)

25 INTERNAL AUDIT QUARTERLY REPORT 2012/13

The report of the Head of Internal Audit Services reporting on the outcome of Internal Audit's review of the internal control, risk management and governance framework in the 1st quarter of 2012/13 was considered.

RESOLVED: That the Committee endorsed the quarterly report.

(Moved by Councillor M Gant and seconded by Councillor M Thurgood)

26 FRAUD AND CORRUPTION UPDATE REPORT

The report of the Head of Internal Audit Services providing Members with an update of Counter Fraud work completed to date during the financial year 2012/13 was considered.

- RESOLVED:** That:
- 1 The Committee endorsed the updated Counter Fraud Work Plan, and;
 - 2 The Committee endorsed the Fraud Risk Register.
(Moved by Councillor M Gant and seconded by Councillor S Peaple)

27 REGULATION OF INVESTIGATORY POWERS ACT 2000

The report of the Solicitor to the Council and Monitoring Officer was considered

- RESOLVED:** That the Audit and Governance Committee endorse the quarterly RIPA monitoring report.
(Moved by Councillor S Peaple and seconded by Councillor K Gant)

28 LOCAL GOVERNMENT OMBUDSMAN'S ANNUAL REVIEW AND REPORT 2011/12

The report of the Solicitor to the Council and Monitoring Officer advising the Committee of the views of the Local Government Ombudsman in relation to complaints against the Borough Council and providing an opportunity for members of the Committee to raise any issues they consider appropriate and considering the effectiveness of investigations relating to Tamworth Borough Council was considered.

- RESOLVED:** That:
- 1 The Committee endorsed the Annual Review Letter, and;
 - 2 The Committee endorsed the Annual Report
(Moved by Councillor S Peaple and seconded by Councillor M Gant)

Chair

This page is intentionally left blank

2 October 2012

Members
Tamworth Borough Council
Marmion House
Lichfield Street
Tamworth
B79 7BZ
Dear Member

Direct line 0844 798 6698
Email j-cook@audit-
commission.gov.uk

Tamworth Borough Council Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter which summarises my 2011/12 audit of Tamworth Borough Council.

Financial statements

On 27 September 2012 I presented my Annual Governance Report (AGR) to the Audit and Governance Committee outlining the findings of my audit of the Authority's 2011/12 financial statements. I will not replicate those findings in this letter.

Following the Audit Committee I:

- issued an unqualified opinion on the Authority's 2011/12 financial statements included in the Authority's Statement of Accounts;
- concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources;
- certified completion of the audit.

Key Issues for the Council

As noted above I do not propose to replicate the findings of my AGR within this letter. However, I have identified three key issues, from the audit perspective, that I believe the Council will need to keep under review in its financial planning for the future, namely:

- Medium Term Financial Position
- Proposals for Business Rate Retention
- Council Tax Benefit Reform

I have summarised these below:

Medium Term Financial Position

Your General Fund reserves that are not earmarked for specific purposes now stand at £4.7million. Your medium term financial strategy (MTFS) includes the planned use of £3.7million of reserves over the next four years. Thus the level of reserves remains over £1m in 4 years time, which is more than the minimum level of £0.5million set by the Council on the advice of the Executive Director Corporate Services (EDCS). Additional reserves of £6.7million have been set aside by the Council for specific purposes. You need to keep these under review in case any of these are no longer required.

Your Housing Revenue Account reserves that are not earmarked for specific purposes now stand at £4.5million. Your MTFS includes the planned use of £4million of these reserves over the next four years. The level of reserves remains at £0.5million in four year years' time in line with your EDCS' recommendation to increase the reserves to that level following the move to HRA self-financing. In addition, earmarked reserves have been set up that may be required to support specific HRA expenditure in future. The level of these reserves is £0.7million.

A combination of unexpected "one-off" windfall savings and careful financial management at Tamworth has enabled the Council to increase these reserves in recent years. However the current economic climate continues to affect public finances placing authorities under considerable financial pressure. It is likely that there may be further cuts in funding and the Council will need to use some of its reserves to maintain spending levels. It is important to remember that reserves can only be used once. You therefore need to continue to ensure the savings plans remain realistic and to monitor their implementation.

Proposals for Business Rate Retention

The proposals for Business Rates retention will result in a resource allocation system based in part on the level of business rates increase in an area rather than a needs based system. A proportion of future local increases or decreases in Business Rates will be retained or managed by local authorities. At present these local movements in Business Rates are balanced within national funding arrangements. Officers are currently preparing a paper to be presented to the Cabinet meeting on 17 October 2012. The paper will present the options available for the pooling of business rates that will be inform the Cabinet in its consideration of the options to pursue. However, as the base-line for the new Business Rate retention scheme has not yet been set, the Council will need to ensure detailed financial modelling for the options are carried out as the details of the new scheme emerge.

Council Tax Benefit Reform

Plans to localise council tax benefit are set to go live in 2013/14, the same year as the business rates changes. The council tax benefit reform, which will see central government hand responsibility for setting council tax benefit and distribution over to councils, come together with a 10% cut in funding. These changes could result in significant benefit cuts for a large number of people in some areas. The Council will need to carefully consider the future financial implications of the local benefit scheme it introduces, both for benefits claimants and for the Council's financial position. In addition, the operational and ICT system challenges of maintaining a local scheme for administering council tax support need to be addressed.

Future external audit arrangements and fees

On 28 July 2011 Ministers set out their decision to outsource all the audits currently undertaken by the in-house practice to the private sector. On 5 March 2012 the Audit Commission announced that Grant Thornton (UK) LLP had been awarded the contract for the Audit Commission's West Midlands audit work. The change of audit provider is effective from 1 September 2012 and will cover the 2012/13 audit year onwards. Many of the staff currently employed by the Audit Commission on the audit of the Council will transfer to Grant Thornton under TUPE arrangements from 1 November 2012.

Following the outsourcing the total audit fees charged of £109,250 for 2011/12 are expected to reduce by 40% to around £65,550 for 2012/13 based on scale fee information published by the Audit Commission.

Closing remarks

I have discussed and agreed this letter with the Executive Director Corporate Services. While this has been another challenging year for the Authority I wish to thank the finance staff for the positive and constructive approach they have taken to my audit. I also wish to thank senior management and the Audit and Governance Committee for their support and co-operation during the audit.

Yours sincerely

James Cook
Officer of the Audit Commission

This page is intentionally left blank

25th OCTOBER 2012

REPORT OF THE HEAD OF INTERNAL AUDIT SERVICES

CHANGES TO FINANCIAL GUIDANCE

EXEMPT INFORMATION

None

PURPOSE

To seek member endorsement of the recently reviewed Financial Guidance which forms an important part of the Council's regulatory framework, and to provide an opportunity for members of the Committee to raise any issues they consider appropriate on the subject.

RECOMMENDATIONS

The Committee endorses the changes to Financial Guidance

EXECUTIVE SUMMARY

As part of the core functions under the terms of reference, this Committee is empowered to maintain an overview of the Council's Financial Regulations.

The previous review of the financial guidance was completed in March 2011 at which time the Council approved that future changes to financial guidance are approved as follows:

Changes to Policy – approved by Council
Material adjustments – to be notified to Cabinet
CMT – authorised to amend Financial Guidance

No changes to policy or material adjustments have been made during this review. Corporate Management Team have authorised the amendments made.

In summary, the main changes made during this review of Financial Guidance are:

- 1 Job titles have been amended to take into account structural changes.
- 2 Financial Guidance has been aligned to the Constitution - Contract Standing Orders, responsibilities of the Council, Committees and Statutory Officers
- 3 The procurement section has been updated in line with best practice
- 4 The invoice processing section has been updated to reflect new working practices

The update version of Financial Guidance is attached as **Appendix 1**

RESOURCE IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS BACKGROUND

None

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

Angela Struthers ex 234

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 – Financial Guidance

CONTENTS

SECTION A	Financial Regulation Policy	
	Purpose	5
	Controls	5
SECTION B	Financial Regulations	
	Financial Regulations	7
	Contract Standing Orders	9
SECTION C	Financial Guidance	
1	Financial Management	
1.1	Introduction	11
1.2	The Full Council	11
1.3	The Cabinet	14 <u>2</u>
1.4	The Audit & Governance Committee	4 <u>12</u>
1.5	The Corporate Scrutiny Committee	4 <u>214</u>
1.6	The Statutory Officers	4 <u>214</u>
1.7	<u>Scheme of Delegation</u>	<u>17</u>
1.8	Accounting Policies	4 <u>17</u>
2	General Guidance	
2.1	Introduction	4 <u>519</u>
2.2	Employees Responsibilities	4 <u>519</u>
2.3	Miscellaneous	4 <u>620</u>
3	Risk Management & Control of Resources	
3.1	Risk Management	4 <u>721</u>
3.2	Insurances	4 <u>721</u>
3.3	Internal Controls	4 <u>822</u>
3.4	Internal Audit	4 <u>923</u>
3.5	Treasury Management	2 <u>425</u>
3.6	Prudential Code	2 <u>226</u>
4	Revenues Budgets & Expenditure	
4.1	Introduction	<u>284</u>
4.2	Incurring Expenditure	2 <u>428</u>
4.3	Budget Monitoring & Variances	2 <u>428</u>
4.4	Virement	2 <u>529</u>
4.5	Income Generation	2 <u>731</u>

5 Capital Budgets & Projects

5.1	Definition of Capital	<u>2832</u>
5.2	Leasing/Rental Agreements	<u>2832</u>
5.3	Authority to Incur Capital Spend	<u>2832</u>
5.4	Monitoring	<u>2933</u>
5.5	External Funding	<u>3034</u>
5.6	Disposal of Capital Assets	<u>3135</u>

6 Procurement & Contracts

6.1	Introduction	<u>3236</u>
6.2	Summary of Requirements	<u>3539</u>
6.3	Alternative Purchasing Arrangements	<u>3943</u>
6.4	Appraisal of Potential Contractors	<u>4044</u>
6.5	Supplier Register	<u>4145</u>
6.6	Framework Agreements	<u>4145</u>
6.7	Tender Procedures	<u>4246</u>
6.8	Post Tender & Contracts	<u>5053</u>
6.9	Project/Contract Implementation & Payment	<u>5255</u>
6.10	Final Account	<u>5457</u>
6.11	Post Contract	<u>5457</u>
6.12	Partnerships	<u>5558</u>
6.13	Orders for Supply from External Sources	<u>5659</u>
6.14	Advance Payments	<u>5760</u>
6.15	Voluntary & Community Sector Commissioning Framework	<u>5861</u>
6.16	Orders from Internal Suppliers	<u>5861</u>
6.17	Some Definitions	<u>5861</u>
6.18	Further Advice & Guidance	<u>5861</u>
6.19	NI179 Cashable Value for Money Gains	59

7 Payment of Accounts

7.1	Introduction	<u>6062</u>
7.2	Security & Good Practice	<u>6163</u>
7.3	Invoice Processing	<u>6163</u>
7.4	Electronic Payment Mechanisms	<u>6264</u>

8 Payment of Salaries & Allowances

8.1	Salaries	<u>6365</u>
8.2	Allowances & Expense Claims	<u>6466</u>
8.3	Members Allowances	<u>6567</u>

9 Cash Advances, Cash Floats & Petty Cash

9.1	Purpose	<u>6568</u>
9.2	Processes	<u>6568</u>

10 Income, Charging & Debts

10.1 Fees & Charges	<u>6669</u>
10.2 Receiving Payment	<u>6769</u>
10.3 Postal Payments	<u>6871</u>
10.4 Cashing Up Procedures	<u>6971</u>
10.5 Depositing Money	<u>6971</u>
10.6 Money Laundering	<u>7072</u>
10.7 Invoices, Debtors & Other Sums Due	<u>7073</u>
10.8 Debt Write Off	<u>7473</u>

11 Assets & Equipment

11.1 Responsibilities	<u>7174</u>
11.2 Scope	<u>7274</u>
11.3 Use	<u>7275</u>
11.4 Disposal	<u>7375</u>

12 Stocks & Stores

12.1 Responsibilities	<u>7376</u>
12.2 Stocktaking	<u>7476</u>
12.3 Obsolete & Unserviceable Stock	<u>7477</u>
12.4 Intellectual Property	<u>7477</u>

13 Security 7577

14 Data Quality 7679

Appendices

Separation of duties
Post opening procedures
Retention of documents
Anti-fraud & Corruption strategy & Guidance Notes
Confidential reporting policy
Risk management policy
Corporate capital strategy
Corporate credit policy
IT security policy
Subsistence Policy
Guide to the Disposal of Assets (Excluding Land and Buildings)
Scheme of Delegation
Children and Vulnerable Adult Protection Policy
Conflict of Interests Policy
Glossary of Terms

SECTION A

Financial Regulation Policy

FINANCIAL REGULATION POLICY

Adopted by Tamworth Borough Council on 22 May 2001.

Purpose

The financial regulation framework within the Council aims to:

- a) promote ~~best value~~best value, service delivery and delivery of the Council's vision;
- b) provide sound arrangements for all the Council's financial affairs and to be able to demonstrate that proper controls are in place;
- c) safeguard Members and officers by setting out procedures which meet the Council's expected standards.

Financial regulations are not intended to inhibit creativity but to provide the parameters within which creativity may be exercised. They are intended to guide and support managers and their staff. Financial control at a corporate level is achieved primarily through transparency and accountability. Managers and especially Chief Officers and budget holders occupy key roles. Managers are given appropriate authority to deploy resources in pursuit of agreed objectives. Their activities are expected to adhere to specified standards and they are required to report upon and be accountable for their actions. Those engaged in support functions (for example, Accountancy) do not themselves directly exert control. Their responsibilities are to support frontline services and to monitor activities. Where necessary they must act as whistle-blowers (See [Confidential Reporting Policy](#) ~~see~~ [Whistleblowing Policy](#)).

Controls

The financial regulation framework comprises this policy document, financial regulations and contract standing orders approved by Council and detailed guidance issued by the Council's ~~Corporate Director – Resources~~Executive Director Corporate Services, to support these documents. They contain a mixture of:

- a) responsibilities;
- b) instructions;
- c) expected standards of behaviour;
- d) discretionary powers.

Instructions and responsibilities are clearly set out. All employees and Members are required to comply where they are applicable. The expected standard of behaviour and discretionary powers are guidelines to aid employees and Members in their day to day activities. They cannot cover all potential circumstances. All employees and all Members are therefore required at all times when engaged on Council activities to act reasonably, having regard to this framework, and to act within the spirit of the framework.

A review of the policy and guidance is to be completed annually.

Section A

5

Revised ~~March~~Sept 2014~~2~~ – Approved A & G ~~3125/103/142~~

SECTION B

Financial Regulations

FINANCIAL REGULATIONS

Adopted by Tamworth Borough Council on 22 May 2001.

- 1 All employees and all Members must at all times when engaged on Council activities act in the interests of the Council as a whole.
- 2 All employees and all Members must comply at all times with these regulations wherever they apply.
- 3 All employees and all Members must act reasonably and within the spirit of the financial regulation framework.
- 4 All relevant financial interests must be declared to the Solicitor to the Council (Monitoring Officer).
- 5 All activities must be in accordance with:
 - a) Legislation;
 - b) approved ~~Directorate service~~ plans or corporate plans;
 - c) approved service net revenue budgets or capital programmes;
 - d) relevant Council policies and adopted codes of practice.

Any material departures (actual or potential) must be reported formally to Members as soon as practicable.

- 6 Where practicable all activities should be in accordance with accepted best practice.
- 7 ~~Best value~~ Best value and and value for money must be sought in all activities, including the procurement of goods and services.
- 8 Budgets at an appropriate level of detail must be prepared ~~on an annual basis prior to~~ the start of each financial year for all activities and units of the Council. ~~All budgets must be approved by Council.~~
- 9 Material changes to financial policy or the distribution of resources must be referred to Council for approval.
- 10 ~~Chief Officers~~ Service managers have primary responsibility for the control and management of all resources of all kinds made available to them.
- 11 All managers must ensure and regularly check that there is a full set of controls in every system under their management, including an adequate segregation of duties and an assessment of risk in all activities and decisions.
- 12 All employees must consider the need to seek appropriate views, advice and guidance before embarking on a course of action and particularly on a new course of action. This includes seeking advice from managers in other services, for example consulting the ~~Assistant Director – Business Processes~~ Director, Technology & Corporate Programmes on the procurement of information technology or the ~~Corporate Director – Resources~~ Executive Director Corporate Services on the arrangement of leases, rentals or agreements involving the use of assets to or from the authority.

Section B

7

Revised ~~March-Sept 2014~~2 – Approved A & G ~~3425/103/14~~2

- 13 All managers must ensure that all assets and personnel must be adequately secured or protected and appropriate insurance arranged where necessary.

- 14 Adequate records must be maintained of all transactions in all systems (a complete audit trail) and unrestricted access must be allowed to all assets and records for:
- a) the Chief Executive;
 - b) the ~~Corporate Director – Resources~~Executive Director Corporate Services;
 - c) the Head of Internal Audit Services;
 - d) External Auditors and other statutory inspectors;
 - e) Officers designated by any of the above.

Employees must supply information to those officers on request.

- 15 Managers must routinely monitor all activities under their control and report on any significant variations from expected standards.
- 16 Managers must report at regular intervals on performance on planned activities and on financial performance against approved budgets.
- 17 All employees and all Members must report any suspected:
- a) failure in any system;
 - b) failure to comply with financial regulations;
 - c) suspected criminal act, including fraud or corruption.

The report should normally be made to the line manager. Full guidance is provided in the Council's ~~Confidential Reporting Policy.doc~~Counter Fraud Policy Statement, Strategy & Guidance Notes.

Any manager who suspects such an occurrence must take any immediate action necessary to rectify any failure in a control system and report the position to a relevant senior manager, who may include the Chief Executive, ~~Corporate Director – Resources~~Executive Director Corporate Services, Monitoring Officer or Head of Internal Audit Services.

- 18 The ~~Corporate Director – Resources~~Executive Director Corporate Services shall, ~~in consultation~~ with the agreement of the Chief Executive and Solicitor to the Council (Monitoring Officer), issue detailed guidance on procedures to be followed in compliance with these regulations.
- 19 All employees must comply with any applicable instructions or responsibilities specified in the guidance. In other respects all employees must act reasonably, having regard to the guidance and within the spirit of the guidance.

CONTRACT STANDING ORDERS

Adopted by Tamworth Borough Council on 22 May 2001.

1. All employees must comply with these standing orders, the relevant regulations relating to Public Contracts, and with financial regulations when procuring goods and services.
2. ~~Chief Officers~~All Directors have primary responsibility for ensuring compliance within their service areas.
3. ~~Best value~~Best value and value for money must be sought in all procurement activities. Competition must be sought in accordance with issued guidance.
4. Where the value of the goods and services is likely to be £50,000 (cumulative amount) or more the following requirements apply:
 - a) tenders must be sought from suitably qualified suppliers
 - b) the supply must be governed by a formal written contract.

The only exception to these requirements shall be where the Cabinet has given authority in order to achieve best value.
5. Reasonable steps must be taken to manage risk throughout the procurement process and employees must have regard to the guidance that is issued for this purpose.
6. All potential suppliers of goods and services must be treated equitably.
7. In all procurement activities, arrangements must be clear regarding:
 - a) the goods or services to be supplied and the supply mechanisms;
 - b) the amount to be paid and the payment mechanisms;
 - c) the rights and responsibilities of all parties.
8. Employees must consider the need to seek appropriate views, advice and guidance before making a decision or embarking on a course of action related to procurement.
9. The ~~Corporate Director – Resources~~Executive Director Corporate Services shall, with the agreement of the Chief Executive and Solicitor to the Council (Monitoring Officer), issue detailed guidance on procedures to be followed in compliance with these standing orders. Such guidance shall include procedures for securing competition, for regulating the manner in which tenders are invited and for managing risk.
10. Employees must comply with any applicable instructions or responsibilities specified in the guidance. In other respects employees must act reasonably, having regard to the guidance and within the spirit of the guidance.

SECTION C

Financial Guidance

1 FINANCIAL MANAGEMENT

1.1 Introduction

1.1.1 Financial management covers all financial accountabilities in relation to the running of the authority, including the policy framework and budget.

1.2 The Full Council

1.2.1 The full Council is responsible for:

Only the Council will exercise the following functions:

(a) adopting and changing the Constitution;

(b) approving or adopting the policy framework, the budget and any application to the Secretary of State in respect of any Housing Land Transfer;

(c) subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 4 of this Constitution, making decisions about any matter in the discharge of an executive function which is covered by the policy framework or the budget where the decision maker is minded to make it in a manner which would be contrary to the policy framework or contrary to/or not wholly in accordance with the budget;

(d) appointing the Leader;

(e) agreeing and/or amending the terms of reference for committees, deciding on their composition and making appointments to them (except where the appointment to a committee is required to give effect to the wishes of a political group);

(f) appointing representatives to outside bodies unless the appointment is an executive function or has been delegated by the Council;

(g) adopting an allowances scheme under Article 2.05;

(h) changing the name of the area, conferring the title of honorary alderman or freedom of the borough;

(i) confirming the appointment of the Head of Paid Service;

(j) making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or personal Bills;

(k) all local choice functions set out in Part 3 of this Constitution which the Council decides should be undertaken by itself rather than the executive; and

(l) all other matters which, by law, must be reserved to Council.

- ~~Adopting the Authority's Constitution and Members' Code of Conduct;~~
- ~~Approving the policy framework and budget;~~
- ~~Approving and monitoring compliance with the overall framework of accountability and control;~~
- ~~Monitoring compliance with agreed policy and related executive decisions;~~
- ~~Approving procedures for recording and reporting decisions taken;~~
- ~~Approving the Prudential Code and Treasury Management Practices.~~

Formatted: Indent: Left: 1.27 cm, Bulleted + Level: 1 + Aligned at: 0 cm + Tab after: 0.7 cm + Indent at: 0.7 cm, Tab stops: Not at 0.7 cm

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

1.3 **The Cabinet Executive**

1.3.1 The Cabinet Executive is responsible for:

- ~~Proposing the policy framework, budget and prudential indicators to the full council;~~
- ~~Discharging executive functions in accordance with the policy framework and budget;~~
- ~~Establishing protocols to ensure individual executive members consult with relevant officers before making decisions will carry out all of the local authority's functions which are not the responsibility of any other part of the local authority, whether by law or under the Constitution.~~

1.4 **The Audit & Governance Committee**

1.4.1 The Audit & Governance Committee will have the following roles and functions:

(a) Audit Activity

- Receive, but not direct, internal audit's strategy and audit plan
- Consider reports dealing with the management and performance of Internal Audit
- Consider the head of Internal Audit's annual report and opinion, and the level of assurance Internal Audit can give over the Council's corporate governance arrangements.
- Consider periodic reports from Internal Audit on the main issues arising from their work and "high priority" recommendations not implemented within a reasonable timescale, and seek assurance that action has been taken where necessary.
- Consider the final external audit Annual Audit and Inspection letter and any other relevant reports to "those charged with governance".

(b) Regulatory Framework

- Maintain an overview of the Council's Constitution, including Contract Standing Orders, Financial Regulations and Codes of Conduct.
- Consider the internal control environment and the level of assurance that may be given as to its effectiveness, to include the review of the Statement on Internal Control and the recommendation to the Council of its adoption.

- Satisfy itself that the authority's assurance statements, including the Statement on Internal Control, properly reflect the risk environment and any actions required to improve it.
- Monitor the effectiveness of the authority's risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management.
- Monitor the effective development and operation of the corporate governance framework in the Council and to recommend to the Cabinet or the Council, as appropriate, the actions necessary to ensure compliance with best practice.
- Monitor the effectiveness of the Council's policies and arrangements for anti-fraud and corruption and whistle-blowing, complaints handling, RIPA and Ombudsman investigations.

(c) Accounts

- Approve the annual statement of accounts, external auditor's opinion and reports to members and monitor management action in response to the issues raised by external audit.

(d) Reports to Council

- Reports in the form of Minutes detailing action taken by the Committee and recommendations will be submitted to Council.

(e). Delegated Powers

- The Committee is empowered to deal with the functions detailed above.

B. The Audit & Governance Committee is responsible for:

- Maintaining an overview of the Contract Standing Orders, Financial Regulations and Financial Guidance;
- Reviewing the Annual Statement of Accounts, External Auditor's Opinion and reports following their report to Council;
- Monitoring the management actions in response to the issues raised by External Audit.

1.5 ~~Corporate Overview &~~ Scrutiny Committees

1.5.1 ~~The Corporate Scrutiny Committee is responsible for~~ The Overview & Scrutiny Committees general roles are to :

- Review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions including consideration at each meeting of the Forward Plan;
- Prepare an annual scrutiny work plan covering two successive periods of six months and to make reports and/or recommendation bi-annually to the full Council and/or the executive and/or any policy, joint or area committee in connection with the discharge of any functions;
- Consider any matter affecting the area or its inhabitants;
- Exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the executive and/or any policy or area committees; and
- Appoint Task and Finish Groups as and when required with no more than two operating at any one time. Normally the Chair and Vice-Chair of the Committee would Chair these groups and there would be an expectation that these groups would co-opt external expertise.

In addition to their general role, each Overview and Scrutiny Committee has a primary scope and specific functions as detailed in the Constitution.

- ~~Undertaking a strategic role in the review and scrutiny of the performance of the Council in relation to its policy, objectives and performance targets, including overall financial management and performance of the Council.~~

Formatted: Indent: Left: 2.25 cm, Hanging: 0.25 cm, Bulleted + Level: 1 + Aligned at: 2.9 cm + Tab after: 5.11 cm + Indent at: 5.21 cm, Tab stops: Not at 5.11 cm

Formatted: Bullets and Numbering

1.6 The Statutory Officers

1.6.1 Head of Paid Service (and Chief Executive)

The Head of Paid Service is responsible for will:

- ~~The corporate and overall strategic management of the authority;~~
- ~~Establishing a framework for management direction, style and standards;~~
- ~~Monitoring the performance of the authority;~~
- The system of record-keeping in relation to all the full council's decisions determine and publicise a description of the overall departmental structure of the Council showing the management structure and deployment of officers as set out in part 7 of the Constitution.
- report to full Council on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of officers required for the discharge of functions and the organisation of officers.

1.6.2 Monitoring Officer (Solicitor to the Council)

The Solicitor to the Council (Monitoring Officer) is responsible for will:

- ~~Promoting and maintaining high standards of conduct and providing support to the Standards Committee;~~

- ~~Reporting any actual or potential breaches of the law or maladministration to the full council;~~
- ~~Ensuring that procedures for recording and reporting key decisions are operating effectively;~~
- ~~Ensuring that executive decisions and the reasons for them are made public;~~
- ~~Ensuring that council members are aware of decisions made by the executive and those made by officers who have delegated powers;~~
- ~~Advising all councillors and officers about who has authority to take a particular decision;~~
- ~~Advising the executive or full council about whether a decision is in accordance with the policy framework and in accordance with the budget;~~
- ~~Maintaining an up to date Constitution;~~
- ~~Investigating matters referred by ethical standards officers and making reports or recommendations in respect to them to the Standards Committee.~~ maintain an up-to-date version of the Constitution and will ensure that it is widely available for consultation by members, staff and the public.
- After consultation with the head of paid service and chief finance officer, the monitoring officer will report to the full Council or the executive in relation to an executive function if s/he considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.
- Contribute to the promotion and maintenance of high standards of conduct through provision of support to the relevant committee.
- Conduct investigations or take other action into matters referred by the Standards Committee in accordance with the Standards Committee (England) Regulations 2008 subject to those regulations remaining in force.
- Ensure that executive decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible.
- Advise whether decisions of the executive are in accordance with the budget and policy framework.
- Provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all councillors.

1.6.3 ~~Corporate Director – Resources~~ Chief Finance Officer (Executive Director Corporate Services)

The ~~Corporate Director – Resources~~ Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972;
- The Local Government Finance Act 1988;
- The Local Government and Housing Act 1989;
- The Accounts and Audit Regulations (Amendment) England 2009;
- Section 73 of the Local Government Act 1985 (c.51);
- The Local Government Act 2003.

The ~~Corporate Director – Resources~~ Chief Finance Officer is responsible for will:

- ~~The proper administration of the authority's financial affairs;~~
- ~~Setting and monitoring compliance with financial management standards;~~
- ~~Advising on the corporate financial position and on key financial controls necessary to secure sound financial management;~~
- ~~Providing financial information/ appropriate financial advice/ views to inform corporate decision making process;~~
- ~~Supporting the effective governance of the authority and safeguarding public money;~~
- ~~Leading on medium term financial strategy and the annual budget process;~~
- ~~Preparing the revenue budget and capital programme;~~
- Treasury management after consulting with the head of paid service and the monitoring officer, report to the full Council or to the executive in relation to an executive function – and the Council's external auditor if s/he considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.
- Have responsibility for the administration of the financial affairs of the Council
- Contribute to the corporate management of the Council, in particular through the provision of professional financial advice
- Provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all councillors and will support and advise councillors and officers in their respective roles
- Provide financial information to the media, members of the public and the community.-

Section 114 of the Local Government Finance Act 1988 requires the ~~Corporate Director – Resources~~Executive Director Corporate Services to report to the full Council, executive and external auditor if the authority or one of its officers:

- has made, or is about to make, a decision which involves incurring unlawful expenditure;
- has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority;
- is about to make an unlawful entry in the authority's accounts.

Section 114 of the 1988 Act also requires:

- The ~~Corporate Director – Resources~~Executive Director Corporate Services to nominate a properly qualified member of staff to deputise should he/she be unable to perform the duties under section 114 personally;
- The authority to provide the ~~Corporate Director – Resources~~Executive Director Corporate Services with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.

1.7 Scheme of Delegation

1.7.1 The Local Government Act 1972 as amended provides for a Scheme of Delegation where Council delegates to certain officers powers to undertake functions and duties on behalf of the authority. This delegation is completed annually.

1.7.2 Chief Officers must ensure that they comply with the approved Scheme of Delegation.

1.8 Accounting Policies

1.78.1 The ~~Corporate Director—Resources~~Executive Director Corporate Services is responsible for the preparation of the authority's statement of accounts – including Whole of Government Accounts, in accordance with proper practices as set out in the format required by the *Code of Practice on Local Authority Accounting in the United Kingdom: (CIPFA/LASAAC)* based on International Financial Reporting Standards, for each financial year ending 31 March.

1.78.2 Key Controls
The key controls for accounting policies are:

- a) Systems of internal control are in place that ensure that financial transactions are lawful;
- b) Suitable accounting policies are selected and applied consistently;
- c) Proper accounting records are maintained;
- d) Financial statements are prepared which present fairly the financial position of the authority and its expenditure and income.

1.78.3 Responsibilities of the ~~Corporate Director—Resources~~Executive Director Corporate Services
To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the statement of accounts, which is prepared at 31 March each year, and covers such items as:

- a) Separate accounts for capital and revenue transactions;
- b) The basis on which debtors and creditors at year end are included in the accounts;
- c) Details on substantial provisions and reserves;
- d) Fixed assets;
- e) Depreciation;
- f) Capital charges;
- g) Work in progress;
- h) Stocks and stores;
- i) Deferred charges;
- j) Accounting for value added tax;
- k) Government grants;
- l) Leasing/pensions.

1.78.4 Responsibilities of Chief Officers

To adhere to the accounting policies and guidelines approved by the
~~Corporate Director – Resources~~ Executive Director Corporate Services

2. GENERAL GUIDANCE

2.1 Introduction

2.1.1 This guidance aims to help employees in their day to day work. Employees are required to comply at all times with the Council's financial regulations, and this guidance will help to ensure they do.

2.1.2 In this guidance there are three levels of requirements:

- a) in some cases the guidance states that employees **MUST** comply with the requirement and therefore 100% compliance is expected;
- b) in other cases employees **SHOULD** comply, but there will be times when compliance would not be possible or desirable; and
- c) in the remaining cases it is stated that employees **MAY** wish to follow the guidance if it would be helpful, but it is purely at their discretion.

2.1.3 Employees must therefore take careful note whether the wording used in each section is **MUST**, **SHOULD** or **MAY**.

2.1.4 **If the guidance states a requirement **MUST** be complied with, employees should consult the ~~Corporate Director – Resources~~Executive Director Corporate Services if there is particular difficulty. The ~~Corporate Director – Resources~~Executive Director Corporate Services has authority to waive compliance and limits where necessary.**

2.1.5 Employees needing help to interpret or apply the guidance should contact their Chief Officer, Head of Internal Audit Services, or ~~Corporate Director – Resources~~Executive Director Corporate Services.

2.1.6 The review and updating of Financial Regulations, Standing Orders and Financial Guidance will be completed by the ~~Corporate Director – Resources~~Executive Director Corporate Services.

2.1.7 Throughout the guidance, reference is made to Chief Officers. A Chief Officer includes the Chief Executive, ~~Assistant Chief Executive~~Executive Director Corporate Services, the Solicitor to the Council and, ~~Directors, Deputy Directors and Assistant Directors~~.

2.2 Employees Responsibilities

2.2.1 Each Chief Officer must ensure that all his/her employees and any other agents acting on behalf of the Council are aware of the sections of this guidance that relate to their areas of work.

2.2.2 Chief Officers may delegate to other employees duties shown in this guidance, but the Chief Officer retains primary responsibility. Where the guidance places a duty on an employee, it is the Chief Officer's

responsibility to ensure the existence of adequate procedures, documentation and supervision.

2.3 Miscellaneous

- 2.3.1 Chief Officers must ensure that lists of officers authorised to certify or approve orders, payments and records are updated at least on an annual basis. They must advise the ~~Corporate Director—Resources~~Executive Director Corporate Services of changes such as **authorised signatories** leaving and propose new names, specimen signatures and monetary limits (where needed).
- 2.3.2 Any employee required to carry out checks such as **checks of documents** or calculations must sign/initial and date the relevant document. The employee who prepares the document should also sign or initial, and date it.
- 2.3.3 Chief Officers must ensure that all **financial records** are completed promptly and accurately. Any amendment to a financial record or a document required in a payment process, including expense claims, timesheets and official returns must be made in ink. The original entry should be struck through with a single bold line and the correct entry written alongside. It must then be initialled and dated. Correction fluid or tape must never be used.
- 2.3.4 Chief Officers must ensure that all financial records are kept securely, and retained for the periods specified in the appendix attached. At the end of the period the records must be securely disposed of, e.g. by shredding. Arrangements for the disposal of any obsolete or surplus records, including unused items, should be agreed with the ~~Corporate Director—Resources~~Executive Director Corporate Services.
- 2.3.5 All bank accounts relating to the Authority's transactions will be controlled and reconciled by the ~~Corporate Director—Resources~~Executive Director Corporate Services. No other bank accounts are to be used.
- 2.3.6 If an employee is requested to give any **indemnities, guarantees or warranties** on behalf of the Council he/she must consult the Solicitor to the Council before taking any action.
- 2.3.7 Where there is a suspected fraud or other significant **criminal act**, the Chief Officer must consult the Head of Internal Audit Services or ~~Corporate Director—Resources~~Executive Director Corporate Services on whether/when the Police should be informed. Employees should follow the Council's advice on fraud and corruption (~~Fraud & Corruption advice to staff.doc~~Counter Fraud Policy Statement, Strategy & Guidance Notes).
- 2.3.8 All employees must comply with the [Information Security Policy.doc](#).
- 2.3.9 All employees must comply with the Conflict of Interests Policy.

2.3.10 In order to comply with the International Financial Reporting Standards, managers are required to consult on **any rentals, leases, use of assets to or from the authority**, prior to entering into an agreement with the ~~Corporate Director – Resources~~Executive Director Corporate Services, especially where financial/operating leases are entered into as more advantageous financing could be sort.

RISK MANAGEMENT AND CONTROL OF RESOURCES

3.1 Risk Management

- 3.1.1 Risk Management is the planned and systematic approach to the identification, evaluation and control of risk. The Cabinet shall approve a Risk Management Policy Statement and Strategy ([Risk Management Policy.doc](#)) for the Council and shall promote a culture of risk management awareness throughout the Council.
- 3.1.2 Key decisions taken must include an assessment of the risk.
- 3.1.3 The Head of Internal Audit Services is the focal point for developing and implementing the risk management strategy throughout the authority. Her role is to advise others. All staff have a duty to co-operate so that risk is effectively managed in their areas, ensuring that all issues that they cannot resolve directly are brought to the attention of their managers.
- 3.1.4 The Corporate Management Team will be the forum where risk is performance managed.
- 3.1.5 Chief Officers are responsible for risk management and must have regard to advice from the Head of Internal Audit Services and other specialist employees (e.g. crime prevention, fire prevention, health & safety, cash handling and internal controls of various types).
- 3.1.6 Chief Officers are responsible for ensuring that regular and appropriate reviews of risk within their departments are completed and entered onto the Corporate Risk Register(Coalent). Additional guidance can be sought from the Head of Internal Audit Services on risk management issues.
- 3.1.7 The Audit & Governance Committee will review the management of risk within the Authority.

3.2 Insurances

- 3.2.1 The ~~Corporate Director – Resources~~Executive Director Corporate Services is responsible for the arrangement of appropriate insurance cover through external insurance and internal funding. He shall, after such consultation as he thinks appropriate with other employees, settle all claims within individual policy excesses, and pass on all claims over individual policy excesses to the relevant insurer.
- 3.2.2 Chief Officers shall:
 - a) Give prompt notification to the ~~Corporate Director – Resources~~Executive Director Corporate Services of all new risks, properties, vehicles, activities, functions, or any other assets which require to be insured and of any alteration affecting existing insurances (for example – safe limits being exceeded, loss of safe keys, temporary disablement of alarms);

- b) Promptly notify the ~~Corporate Director – Resources~~Executive Director Corporate Services in writing of any loss, liability or damage or any event likely to lead to a claim against the Council together with any information or explanation required by him or the Council's insurer's, and inform the police where necessary;
- c) Ensure that all appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance;
- d) Consult the ~~Corporate Director – Resources~~Executive Director Corporate Services in respect of any indemnity which the Council is requested to give;
- e) Ensure that employees, or anyone covered by the Council's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

3.2.3 It is the responsibility of the ~~Corporate Director – Resources~~Executive Director Corporate Services to:

- a) maintain a register of all insurance arranged by the Council and the property and risk covered by them;
- b) at least annually, furnish Chief Officers with details of all insurances in force affecting their departments. Each Chief Officer shall review all such insurances, and any risks not insured against, or inadequately insured against, shall be notified immediately to the ~~Corporate Director – Resources~~Executive Director Corporate Services;
- c) Ensure the adequacy of all insurances entered into by contractors of the Council. An employee shall not authorise work to commence by a Contractor until the ~~Corporate Director – Resources~~Executive Director Corporate Services has advised such an employee that the appropriate insurances have been effected to his satisfaction.

3.3 Internal Controls

3.3.1 The Council accepts that controls and control systems must be in place to ensure that its financial and other activities are carried out in a secure environment, in a manner that complies with the law and that fulfils its stewardship obligations. To achieve this the following key controls and control objectives and systems shall be in place:

- a) Key controls shall be reviewed on a regular basis and the Council shall make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively which will feed into the Annual Governance Statement. Chief Officers are required to produce an annual statement in respect of the level of assurance on the adequacy of internal controls within their service areas in accordance with the Accounts & Audit Regulations 2006~~11~~11;
- b) Managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these

systems is to promote ownership of the control environment by defining roles and responsibilities;

- c) Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems;
- d) An effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline "Guidance for Internal Auditors, "CIPFA's" Code of Practice for Internal Audit in Local Government in the UK" and with any other statutory obligations and regulations and professional standards.

3.3.2 Chief Officers are responsible for ensuring that they manage their processes to ensure that established controls are being adhered to and to evaluate their effectiveness, in order that they can be confident of the proper use of resources, achievement of objectives and management of risks.

3.3.3 They should also review existing controls in the light of changes affecting the authority and establishing and implementing new ones. Chief Officers are also responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.

3.3.4 Chief Officers must ensure that their staff have a clear understanding of the consequences of lack of control.

3.4 Internal Audit

3.4.1 The requirement for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972, which requires that authorities "make arrangements for the proper administration of their financial affairs". The Accounts & Audit Regulations (Amendment) (England) ~~2009~~2011, regulation 6, more specifically requires that "a relevant body ~~shall maintain~~ must undertake an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".

~~3.4.2 Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.~~

3.4.2 independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

3.4.3 Internal Audit is independent in its planning and operation. The Head of Internal Audit Services shall have direct access to the Head of Paid Service, all levels of management and elected members.

3.4.4 Internal Audit will comply with the Auditing Practices Board's guideline *Guidance for Internal Auditors*, as interpreted by CIPFA's *Code of Practice for Internal Audit in Local Government in the UK*.

3.4.5 Internal Auditors have the authority to:

- a) enter at all reasonable times any Council establishment;
- b) have access to all records, documents, information and correspondence relating to any financial and other transaction as considered necessary;
- c) evaluate the adequacy and effectiveness of internal controls designed to secure assets and data to assist management in preventing and deterring fraud;
- d) request explanations as considered necessary to satisfy themselves as to the correctness of any matter under examination;
- e) require any employee of the Council to produce cash, materials or any other Council property in their possession or under their control;
- f) access records belonging to third parties, such as contractors or partners, when required and appropriate;
- g) directly access the Chief Executive and members.

3.4.6 The Head of Internal Audit Services will prepare the strategic and operational audit plans, which will take account of the relative risks of the audit areas and present this to the Audit & Governance Committee for approval.

3.4.7 Chief Officers have the responsibility:

- a) of reporting any circumstances which may suggest the possibility of irregularity affecting cash, stocks or other property of the Council and any fraud or corrupt activities to the ~~Corporate Director – Resources~~Executive Director Corporate Services. Further guidance can be found in the ~~anti fraud and corruption strategy and guidance~~Counter Fraud & Corruption Policy Statement, Strategy and Guidance Notes;
- b) for ensuring that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purpose of their work;
- c) for ensuring that auditors are provided with any information and explanations that they seek in the course of their work;
- d) to consider and respond promptly to recommendations in audit reports;
and
- e) for ensuring that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

3.4.8 An annual review of the effectiveness of the system of internal audit should be undertaken by the appointed external auditor and the results reported to the Audit & Governance Committee.

3.5 Treasury Management

3.5.1 The Council will conduct its Treasury Management Activities in accordance with the provisions laid down in statute and specifically as contained within the Local Government Act 2003.

CIPFA recommends that all public service organisations adopt, as part of their standing orders, financial regulations, or other formal policy documents appropriate to their circumstances, the following four clauses.

1. This organisation will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

2. This organisation (i.e. full Council) will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

3. This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to full Council and for the execution and administration of treasury management decisions to the ~~Corporate Director Resources~~Executive Director Corporate Services, who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

4. This organisation nominates Audit and Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

3.5.2 The ~~Corporate Director – Resources~~Executive Director Corporate Services may report to Council at any time, as he considers necessary, upon matters relating to treasury management activities.

- 3.5.3 The ~~Corporate Director – Resources~~ Executive Director Corporate Services shall ensure that all treasury management transactions are recorded and that there is an effective division of duties between operations.
- 3.5.4 All securities which are the property of or in the name of the Council or its nominees shall be held in the custody of the Solicitor to the Council, except in the case of externally managed funds which shall be held by an independent custodian approved by the ~~Corporate Director – Resources~~ Executive Director Corporate Services.
- 3.5.5 Loans must not be made to third parties and interests must not be acquired in companies, joint ventures or other enterprises without the approval of the Cabinet, following consultation with the ~~Corporate Director – Resources~~ Executive Director Corporate Services.

3.6 Prudential Code

- 3.6.1 Interlinked with the CIPFA Code of Practice for Treasury Management is the Prudential Code for Capital Finance in Local Authorities which plays a key role in capital finance to support Local Authorities in taking their decisions.
- 3.6.2 The Council is required by regulation to have regard to the said code when carrying out its duties under part 1 of the Local Government Act 2003.
- 3.6.3 The Prudential Code sets out a clear governance procedure for the setting and revising of prudential indicators. This is done by the full Council.
- 3.6.4 The ~~Corporate Director – Resources~~ Executive Director Corporate Services will be responsible for ensuring that all matters required to be taken into account are reported to the full Council for consideration, and for establishing procedures to monitor performance.
- 3.6.5 In setting or revising their prudential indicators, the Council is required to have regard to the following matters:
- affordability, e.g. implications for Council Tax / housing rents, including consideration of the impact for all resources (capital and ongoing revenue costs);
 - prudence and sustainability, e.g. implications for external borrowing and whole life costing;
 - value for money / potential ‘spend to save’ schemes, option appraisal;
 - stewardship of assets, e.g. asset management planning;
 - service objectives, e.g. strategic planning;
 - risk and uncertainty needs to be considered;

- practicality, e.g. achievability of the forward plan.

- 3.6.6 The ~~Corporate Director – Resources~~ Executive Director Corporate Services is required to establish procedures to monitor both performance against all forward looking prudential indicators and the requirement that Council has adopted the CIPFA ‘Treasury Management in the Public Services: Code of practice and Cross-Sectional Guidance Notes’. The ~~Corporate Director – Resources~~ Executive Director Corporate Services also needs to establish a measurement and reporting process that highlights significant deviations from expectations.
- 3.6.7 When considering capital spending Chief Officers must have regard to the capital process guidance, which includes the requirement to complete a capital appraisal. This appraisal ensures that consideration is given to:
- Full capital cost, including regard to external funding considerations;
 - The revenue implications associated with the project – including costs and any additional income generation;
 - Any implications with regard to the prudential code / use of prudential borrowing (including payback periods etc.);
 - Staffing implications;
 - Alternatives which could be considered e.g. leasing;
 - Consultation with other officers / organisations;
 - Project management and planning in order to ensure delivery in line with approved timescales;
 - Evaluation of the project outcomes;
 - An assessment of the risks associated with the project – a full Risk assessment is required;
 - The contribution the project makes towards the achievement of the Council’s corporate priorities, corporate capital strategy objectives and Government priorities.
- 3.6.8 In order to ensure that over the medium term, net borrowing will only be for capital purposes, the Council should ensure that net external borrowing does not, except in the short-term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.
- 3.6.9 The Council shall set and monitor against the specified prudential indicators for capital expenditure, external debt and treasury management in accordance with the due processes to be followed, the matters required to be taken into account, affordability, prudence and in accordance with the definitions specified.

4. REVENUE BUDGETS AND EXPENDITURE

4.1 Introduction

The key controls for budgets and medium-term planning are:

- a) specific budget approval for all expenditure;
- b) budget managers/Heads of Service to be consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the executive for their budgets and the level of service to be delivered;
- c) a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.

4.2 Incurring Expenditure

4.2.1 Chief Officers and Heads of Service are authorised to incur expenditure:

- a) in accordance with approved Council and service policies;
- and
- b) in line with the service net revenue budget.

~~The Chief Executive, Corporate Directors, Deputy Directors, Assistant Directors, the Solicitor to the Council~~ Chief Officers and Heads of Service are authorised to make budget changes.

4.3 Budget Monitoring and Variances

4.3.1 The service net revenue budget is the key point for budget monitoring and reporting. The detail contained within the budget book is mainly to assist budget holders manage their budgets. Strict compliance with the detailed budget is not necessarily expected. **The main requirement is that Chief Officers and Heads of Service must seek approval for any change in approved service policy, standards or delivery, or other material departure from the service plan.**

4.3.2 Chief Officers and Heads of Service must monitor their budgets regularly throughout the year. The ~~Corporate Director – Resources~~ Executive Director Corporate Services and Accountants will provide suitable regular reports giving details of actual expenditure and income compared to the budget. He/she will notify the Chief Officer/Head of Service of any significant variance which appears to require further attention.

4.3.3 The Chief ~~Officer or~~ Officer or Head of Service is responsible for dealing with actual or likely variances from budget and must take appropriate action. For example, he/she may decide to:

- a) freeze spending on a discretionary item such as furniture and equipment to deal with a net overspend; or

- b) meet an overspend under one heading from one or more actual or planned underspends elsewhere (see below); or
- c) meet an overspend from increased income (within limits set below); or
- d) do nothing in the case of a windfall increase in income.

In the case of b) & c) the manager should consider whether to adjust the budget through a virement (see below).

4.3.4 There is no limit for budget transfers within individual expenditure headings (cost centres) if there is no change in service policy, no detriment to service standards or delivery and no material departure from the service plan.

4.3.4.3.5 Where a significant variance is expected (even after taking appropriate action) the Chief Officer or Head of Service must report the circumstances formally to Members as soon as practicable. The report should indicate the options open to Members and their implications. For example in the case of an overspend it might suggest:

- a) reducing activity levels, with an impact on service standards, to reduce expenditure; or
- b) increasing activity on income-generating services or increasing prices to increase income; or
- c) providing additional resources from an alternative source, e.g. balances.

4.3.5.3.6 The report should take into account the likely position in future years as well as the current year.

4.4 Virement

4.4.1 A virement is defined as “the planned transfer of a budget approved for one purpose for use on a different purpose to that originally intended or approved”. A virement does not create additional budget; it changes the purpose for which the budget will be used compared to that originally intended.

4.4.2 A Chief Officer or Head of Service may authorise the transfer of up to £30,000 of budget (this is a cumulative amount i.e. in total for each cost centre for the year and not per transaction) to or from any individual expenditure heading (cost centre) within their service. The Director can approve virement (up to £30,000) across budgets within service activities within their Directorate and between Directorates with the approval of the ~~Corporate Director – Resources~~ Executive Director Corporate Services. The Chief Officer or Head of Service must notify the ~~Corporate Director – Resources~~ Executive Director Corporate Services in writing of all virements. **– No further approval is needed if there is no change in service policy, no detriment to service standards or delivery, and no material departure from the service plan.**

4.4.3 ~~There is no limit for budget transfers where there is no change in spend purpose between individual expenditure headings (cost centres).~~

4.4.4 ~~There is no limit for budget transfers within individual expenditure headings (cost centres) if there is no change in service policy, no detriment to service standards or delivery and no material departure from the service plan.~~

~~4.4.54.4.3~~ The ~~Corporate Director—Resources~~Executive Director Corporate Services also has authority to approve virements in excess of the above £30,000 limit – up to a total virement of £50,000 (this is a cumulative amount i.e. in total for each cost centre for the year and not per transaction).

~~4.4.64.4.4~~ Virements can only be applied to direct expenditure & not to support service costs, capital charges and indirect income (i.e. recharges).

~~4.4.74.4.5~~ Virements which fall outside of the above criteria will require Cabinet approval.

~~4.4.84.4.6~~ **Specific Contingency Budget**

Where a budget is identified as contingency and is intended for allocation during the year, its allocation will not be treated as a virement, provided that:

- a) The amount is used in accordance with the purposes for which it has been established.
- b) The Cabinet has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits must be authorised by Cabinet.
- c) The release of funding for specific identified contingency items is delegated to the Corporate Management Team in consultation with the Leader of the Council (Scheme of Delegation log).
- d) The release of the contingency is approved by the S.151 Officer (Executive Director Corporate Services).

~~4.4.94.4.7~~ **Capital Contingency Budget (Block Allocation)**

- a) Where amounts are required for transfer from Specific Contingency/ General Contingency then Cabinet approval must be obtained, including approval of a capital appraisal form detailing the financial and organisational impact of the scheme.
- b) Please note that the impact of drawing from this contingency budget has to be highlighted to members in order for them to make an informed decision.
- c) These reports will also require S.151 Officer (~~Corporate Director—Resources~~Executive Director Corporate Services) sign off (due to their impact on the 5-year budget / balances / forecast).

4.5 Income Generation

- 4.5.1 Income may be received above the budget level in a number of circumstances. The potential uses for the extra income (within the limits set below) depend on the situation:
- a) Pure windfall income, which is received without any additional service activity or conditions is not available for use by the Chief Officer or Head of Service and he/she should not normally authorise any additional expenditure from that windfall. The main exception would be to meet an unavoidable overspend. In other cases the excess income would return to Council balances.
 - b) Where an increase in demand results in increased service workload, additional income may be used to offset the impact of the extra workload. For example the manager may appoint temporary employees or purchase additional or improved equipment to improve efficiency or working conditions.
 - c) Where the Chief Officer or Head of Service expects an increase in income to result from increased activity, the Chief Officer or Head of Service may approve additional expenditure where it will generate enough income to cover the costs.
 - d) Where 'ring fenced' grant income is received which requires specific actions/spending, the Chief Officer or Head of Service may approve additional expenditure, where there is no net additional cost to the Council.
- 4.5.2 The maximum permitted extra expenditure is £30,000 per service per annum.
- 4.5.3 Chief Officers/Heads of Service have authority to approve budget adjustments for excess income up to a limit of £30,000 (this is a cumulative amount i.e. in total for the year and not per transaction) for individual expenditure headings (cost centres) within their service. The excess income and additional expenditure must be reported explicitly within the monthly budget monitoring variance analysis.
- 4.5.4 The ~~Corporate Director – Resources~~ Executive Director Corporate Services also has authority to approve ~~virements budget adjustments~~ in excess of the above £30,000 limit – up to a total ~~virement budget adjustment~~ of £50,000.
- 4.5.5 Any ~~virements budget adjustments~~ above this amount will require Chief Officers and Heads of Service to ask Members for formal budget adjustment to reflect the revised position.

5. CAPITAL BUDGETS AND PROJECTS

5.1 Definition of Capital

- 5.1.1 Capital projects include the purchase or construction of assets such as buildings, vehicles and computer equipment and major repairs/refurbishment, which extend the life of an asset or increase its value. In each case the Council must get the benefit from the new or refurbished asset over more than one year. The total cost of the project must also exceed £10,000. This figure includes amounts spent on design and supervision and other fees for professional services (whether provided by Council employees or external contractors). Spending of up to £10,000 on a single project should be treated simply as revenue (except where it forms part of a minor works programme which exceeds £10,000).
- 5.1.2 The Corporate Capital Strategy - link [corp capital strategy 2003.doc](#).
- 5.1.3 The [Capital Process Guidance](#) is included within the Corporate Capital Strategy and can be found on the intranet.

5.2 Leasing/Rental Agreements

- 5.2.1 Chief Officers and Heads of Service must consult the ~~Corporate Director – Resources~~ [Executive Director Corporate Services](#) before entering into any leasing or rental agreement to or from the authority in order to comply with the International Financial Reporting Standards.
- 5.2.2 All lease agreements must be signed by the ~~Corporate Director – Resources~~ [Executive Director Corporate Services](#).
- 5.2.3 Obtaining an asset through a finance lease is regarded as capital expenditure and as such it must be included in the capital programme.

5.3 Authority to Incur Capital Spend

- 5.3.1 The law requires councils to treat capital spending differently from revenue so different authorisation procedures are used. Chief Officers and Heads of Service ~~are~~ authorised to spend money on a capital project only if the project is included in the capital programme, or for minor projects, they have sufficient revenue funds. In either case special rules apply.
- 5.3.2 The ~~Corporate Director – Resources~~ [Executive Director Corporate Services](#) is responsible for ensuring that a capital programme is prepared on an annual basis for consideration of the full council's policy framework.
- 5.3.3 All capital projects and spending must comply with the guidance on Procurement and Contracts. Expenditure must be in line with the approved scheme (Capital Programme) as agreed by Council and will require an adequately detailed Capital Appraisal Form including any revenue implications arising from the scheme. The Appraisal Form should identify any key processes/deliverables to be incurred with appropriate financial

information (i.e. sub projects within the main programme). The detail of projects above £50,000 must comply with the Procurement Policy. In the event that as part of an approved scheme, there is a contingency amount in excess of £20k, then prior approval must be obtained from Cabinet for the spend to go ahead. Chief Officers or Heads of Service must then notify the relevant portfolio holder of the preferred tenderer. The Procurement and Contracts Section gives further guidance.

- 5.3.4 If a Chief Officer or Head of Service wishes to incur minor new capital spend (ie. between £10,000 and £30,000) from a revenue budget the ~~Corporate Director – Resources~~ Executive Director Corporate Services must first be informed in writing and there must be no change in service policy, or detriment to service standards or delivery. If these conditions are not met, Council must be asked to add the project to the capital programme.
- 5.3.5 Council have delegated authority to Cabinet to approve/add new capital schemes to the capital programme where grant funding is received and there is no net additional cost to the Council.
- 5.3.6 Some Chief Officers and Heads of Service are responsible for several capital projects at the same time. Where any single scheme needs up to £30,000 above its capital allocation to complete it, the Chief Officer or Head of Service may approve a virement for the additional spend provided other schemes within his/her control will under-spend by at least that amount.
- 5.3.7 A Chief Officer or Head of Service may authorise the virement of up to £30,000 of budget (this is a cumulative amount i.e. in total for each capital scheme for the year and not per transaction) to or from any individual scheme within their service. The Director can approve virement (up to £50,000) across budgets within service activities within their Directorate & between Directorates with the approval of the ~~Corporate Executive~~ Director ~~Corporate Services – Resources~~. The Chief Officer or Head of Service must notify the ~~Corporate Director – Resources~~ Executive Director Corporate Services in writing of all virements. **No further approval is needed if there is no change in service policy, no detriment to service standards or delivery, and no material departure from the service plan.**
- 5.3.8 Where ‘ring fenced’ grant income is received for an existing scheme which requires specific actions/spending, the Chief Officer or Head of Service may approve additional expenditure up to £30,000 (with a further £20,000 only with the ~~Corporate Director – Resources~~ Executive Director Corporate Services approval). , where there is no net additional cost to the Council. . Spending of grant which fall outside of the above criteria will require Cabinet approval.

5.4 Monitoring

- 5.4.1 Chief Officers and Heads of Service are responsible for delivering capital projects within agreed timescales and within budget. Chief Officers and Heads of Service must therefore continuously monitor both the progress of projects and spend against budget.

- 5.4.2 The ~~Corporate Director – Resources~~ Executive Director Corporate Services and Service Accountants will provide suitable regular reports giving details of actual expenditure and income compared to the budget. He/she will notify the Chief Officer and Heads of Service of any significant variance which appears to require further attention.
- 5.4.3 Chief Officers and Heads of Service are responsible for dealing with actual or likely variances from budget or from the project delivery plan.
- 5.4.4 Where a significant variance is expected (even after taking appropriate action) the Chief Officer and Heads of Service must report the circumstances formally to Members as soon as practicable. The report should indicate the options open to Members and their implications. For example in the case of a projected overspend it might suggest amending the specification to come within budget.
- 5.4.5 Outstanding expenditure relating to the previous financial year should be notified to the ~~Corporate Director – Resources~~ Executive Director Corporate Services as soon as possible after 31st March in line with the timetable determined by the ~~Corporate Director – Resources~~ Executive Director Corporate Services.
- 5.4.6 A requirement of the Capital Process is for a Post Implementation Review to be completed. A Post Implementation Review is an essential stage in the capital process. Results of the review should be circulated to CMT and BRG and, if appropriate Cabinet and/or Scrutiny Committees. More detailed guidance on the Post Implementation Review process can be found in the Capital Process Guidance.

5.5 External Funding

- 5.5.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the authority. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies such as the National Lottery provide additional resources to enable the authority to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the authority's overall plan.
- 5.5.2 Where external funding may be available for a project in the capital programme the Chief Officer or Head of Service is responsible for submitting any bid required. Consultation with the ~~Corporate Director – Resources~~ Executive Director Corporate Services is required before submission.
- 5.5.3 Any bid must match the capital programme approval in all material respects. If the bid differs materially from the capital programme or the project is not in the capital programme, Council approval must be received before the bid is submitted.

- 5.5.4 Where a project relies on external funding, it must not commence until final written confirmation has been received that the external funding will be provided.
- 5.5.5 If the external funding approval differs materially from the bid, Council approval must be received before any spending on the project is committed. The Chief Officer or Head of Service should seek advice from the ~~Corporate Director – Resources~~ Executive Director Corporate Services as to whether any difference should be regarded as material.
- 5.5.6 Council has delegated authority to Cabinet to approve/add new capital schemes onto the capital programme where grant funding is received and there is no net additional cost to the Council.
- 5.5.7 Claims for payment must be made as soon as practicable. The budget manager who submitted the bid is responsible for submitting the claim, by the due date unless otherwise agreed with the ~~Corporate Director – Resources~~ Executive Director Corporate Services.
- 5.5.8 The Chief Officer or Head of Service should ensure that the project progresses in accordance with the agreed project delivery plan and that all expenditure is properly incurred and recorded.
- 5.5.9 Copies of all documentation such as bids, approvals, claims and correspondence must be sent immediately to the ~~Corporate Director – Resources~~ Executive Director Corporate Services to ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts and to ensure that audit requirements are met.
- 5.5.10 The Chief Officer or Head of Service must ensure that the key conditions of funding and any statutory requirements are complied with and the responsibilities of the accountable body are clearly understood. Funds should only be acquired to meet the priorities approved in the policy framework by the full council. Any match-funding requirements should be given due consideration prior to entering into long-term agreements and future revenue budgets should reflect these requirements.
- 5.5.11 Further details on external funding can be found in the External Funding Strategy.

5.6 Disposal of Capital Assets

- 5.6.1 Disposals require the same level of approval as capital spend. Chief Officers and Heads of Service should therefore propose any necessary capital disposals for inclusion in the capital programme. All disposals are required to be approved by the Budget Review Group and Cabinet.
- 5.6.2 Chief Officers and Heads of Service must obtain the best possible price for disposals, in accordance with section 123 of the Local Government Act 1972 (where relevant), which will normally be the market value. Chief Officers and Heads of Service must consult with the relevant specialist officer before commencing a disposal, e.g. the ~~Deputy~~ Director – Assets and Environment for land or buildings and the ~~Assistant Director – Business Processes~~ Director, Technology & Corporate Programmes for IT equipment. In most cases the specialist manager should assume responsibility for the disposal.

5.6.3 The disposal of low value items is dealt within the Assets and Equipment chapter.

6. PROCUREMENT AND CONTRACTS

6.1 Introduction

6.1.1 This section supplements the Council's contract standing orders and Procurement Strategy and [Procurement Guidance and Procedures on the Intranet](#)~~the Procurement Toolkit~~ (which provides more detailed guidance and requirements on purchasing, procurement and contracting processes).

6.1.2 Each Chief Officer/Head of Service is under a duty to ~~seek~~ "Best Value" ~~Promote greater efficiency~~ and value for money. in all activities including the procurement of goods and services" (Fin. Reg. 7).

6.1.3 The essence of the system, which must be maintained by all Chief Officers/Heads of Service is to demonstrate that:

- a) Best value for public money spent is achieved;
- b) no favouritism is shown to any potential supplier; "brand names" or any potential discriminatory requirements/standards are not used;
- c) the highest standards of integrity are consistently applied;
- d) there is compliance to legal requirements;
- e) non-commercial considerations do not influence any contracting decision;
- f) corporate and departmental aims and policies are supported;
- g) compliance with the Procurement Strategy is maintained; and
- h) the arrangements for supply and payment are clear to all parties.

6.1.4 This guidance applies to all procurement and purchasing activities undertaken for, or by, the Council including cases where the Council either acts as an agent (e.g. work for Staffs. County Council) or employs an agent such as an external architect or clerk of works, or acts on behalf of other organisation and bodies working in partnership with (for example the Local Strategic Partnership and Crime and Disorder Partnership).

[6.1.5](#) Values quoted in this guidance should be considered as the estimated spend on an item, service, or material for the period over which the known requirements exists, or the total value of a one-off supply. This is often referred to as the "whole life cost". In some cases, it is clear that a grouping together of items is both sensible and within the spirit of the regulations. For example, it is appropriate to consider the purchase of desks and chairs as office furniture rather than as individual items. The guidance applies to both revenue and capital items. For more significant items of expenditure it is reasonable to consider the sum total of the Council's requirements for works, services and supplies across ~~the three~~ Directorates when assessing the estimated value and whole life costs of these requirements.

~~Further guidance on this issue is given in the Procurement Toolkit (Aggregation" section).~~

~~6.1.56~~[6.1.6](#) All IT purchases (software and hardware) must be approved by the Assistant Director ~~—Business Processes~~[Technology & Corporate Programmes](#).

[6.1.66.1.7](#) All potential contracts and partnership agreements (whether formal or informal) which utilise the handling of the Council's data/information (paper based or electronic) by a third party must ensure formal, contractual provision is made outlining the obligations placed on that third party. The Procurement Team must be consulted in any such case at the outset of the process.

[6.1.76.1.8](#) All proposals, developments, capital works, contracts and changes affecting the information we use, hold and process must have the agreement of the ~~Assistant Director—Business Processes~~[Director, Technology & Corporate Programmes](#) or deputy, and, where appropriate, be monitored for compliance.

[6.1.86.1.9](#) All suppliers, partners, third-party organisations and contractors with whom we have/will have a relationship by which they have access to or process (as defined by the Data Protection Act 1998) personal or commercially sensitive information belonging to or under the control of the Council will be required to provide their compliance with ISO27001 either by production of certification or by submission of a statement of compliance. In addition, they must acknowledge and agree their responsibilities and obligations to the Council in relation to Principle 7 of the Data Protection Act (1998) in relation to Information Security. Any request to waive these requirements requires the agreement of both the Security Management Group and Cabinet. Implementation of these arrangements is immediate in relation to all contracts not yet let, Invitation to Tenders not yet published, agreements not yet implemented, or proposed contract extensions. At the end of the contract, all information used by the contractor but belonging to the Council will be returned to the Council. Chief Officers are responsible for ensuring that the contractor provides assurance that they do not hold any personal or commercially sensitive information - either manually or electronically, that belongs to the Council. Advice can be obtained from the Corporate Information Security Manager.

[6.1.96.1.10](#) Any consultants, agents, contractual partners used by the Council shall be appointed in accordance with the requirements of Contract Standing Orders ~~and~~ [Financial Guidance and the Procurement Toolkit](#). Where the Council uses consultants to act on its behalf in relation to any procurement, the Chief Officer shall ensure that the consultants also comply with these requirements. No consultant shall make any decision on whether to award a contract or who a contract should be awarded to. The Chief Officer shall ensure that the consultant's performance is monitored.

[6.1.106.1.11](#) Some definitions of terms used and a list of officers who can provide assistance are shown at 6.17 [and 6.18](#).

[6.1.146.1.12](#) With effect from 1st April 2009 all tenders (namely £10,000 or over) whether above or below EU thresholds for works, services, supplies, utilities and design ~~contracts~~ will be tendered electronically through the e-tendering system, from which point traditional "paper based" tender exercises will cease unless a waiver to financial regulations is obtained from Cabinet. All transactions associated with such tenders will be conducted via

the e-tendering system from the initial advertisement, expressions of interest, pre-qualification of suppliers, invitation to tender or negotiate, submission of tenders, tender opening contract award and subsequent contract management. The Procurement Team must be notified in writing at least six months before the commencement of any tendering exercise with an expected value of £50k or over and will give direction as to the procurement route to be followed. This notification will include information for both capital and revenue expenditure proposals as is required under the capital appraisal process, so that an accurate assessment of the requirements can be made. Where the procurement is likely to exceed EU thresholds the period of notice will be at least six months in order to allow compliance with EU timescales.

6.1.126.1.13 With effect from April 2012 all quotations and tenders between £52,000 and £10,000 for works, services, supplies, utilities and design contracts will be tendered electronically through the e-tendering system (and from which point traditional “paper based” quotation exercises will cease unless agreed in writing by the ~~Deputy~~ Director ~~—of Finance,~~ ~~Exchequer & Revenues~~ and the ~~Corporate Director — Resources~~ Executive Director Corporate Services). The quotation process will be used mainly where price is the sole criteria for determining the award of contract. All transactions associated with quotations will be conducted via the e-tendering system from the initial advertisement/request to quote, pre-qualification of suppliers where necessary, invitation to quote, submission of quotations, quotation opening, contract award and subsequent contract management.

6.1.136.1.14 With effect from April 2010 the e-tendering system will be extended to provide electronic or e-auctions and this facility will be made available to service areas by agreement with the ~~Deputy~~ Director ~~—of Finance,~~ ~~Exchequer & Revenues~~. E-auctions can be a useful way of securing savings and efficiencies and are best applied where the product or service is capable of being specified accurately and can be provided by a range of suppliers with a common understanding of what the requirement is, for example, paper, IT hardware and consumables, and utilities. E-bidding is another variant, where “once only” bids are sought electronically.

6.1.146.1.15 The e-tendering/quotation system includes a browser based supplier website where any supplier wishing to register an interest in doing business with the Council can do so electronically, with a password protected, secure area of the website for them to fill out their company details (this includes information on their company, address, contact points, business types, banking, insurance, certificates, accreditation and other details. The information on the supplier website also includes an electronic version of a pre-qualification questionnaire to express interest in tenders/quotations, which when completed can be used and updated whenever the company wishes to express an interest in a new business opportunity). This, together with the introduction of corporate contracts, and partnering arrangements with suppliers, supersedes the practice of having and maintaining an “Approved Supplier” list or lists.

~~6.1.156.1.16~~ Chief Officers should ensure that current and potential suppliers register their company details on the supplier website which can be found at the following internet site <https://in-tendhost.co.uk/tamworthbc>. From June 2012, relevant suppliers will also be able to use Constructionline to maintain and update key PQQ information.

~~6.1.166.1.17~~ New business opportunities are to be advertised on the website via the Procurement Team and therefore must be notified in accordance with the timescales noted above.

~~6.1.176.1.18~~ Where Tamworth BC is conducting a tendering or quotation exercise in partnership with another public or private body (for example joint procurement of services) then the e-tendering system can be used as part of the normal procurement processes followed by the Council by agreement with the ~~Deputy~~ Director ~~–of~~ Finance, ~~Exchequer & Revenues~~.

~~6.1.186.1.19~~ Where the Council is funding/assisting a body such as the Local Strategic Partnership or the Crime and Disorder Partnership and there is an expectation on the part of the Council to ensure probity in the use of monies on projects which are publicly funded/routed via Tamworth BC then the e-tendering system can be used as part of the assistance provided by the Council by agreement with the ~~Deputy~~ Director ~~–of~~ Finance, ~~Exchequer & Revenues~~.

6.2 Summary of Requirements

6.2.1 The following table shows the action needed at differing values. Further detail follows. Please refer to the timetable for implementing electronic tendering and quotation exercises referred to in section 6.1. Before initiating any tender / quote process officers should review the Contract Register to see if there are any comparable contracts or agreements in place which must be used unless there is an auditable reason not to.

← Formatted: Bullets and Numbering

6.2.2
6.2.36.2.2

Value	Contact Other Officers	Process for Obtaining Prices	Contract Issues	Supply Process
£0- £1,999	Should contact Procurement Team if similar expenditure is also likely to be incurred by others to check if a corporate contract is in place or desirable	Should obtain at least 3 quotations or estimates - these may be verbal. Up to £1,999 is cumulative within the financial year	No requirement for formal written contract. Standard form may be considered in some cases and an annual supply arrangement may be appropriate.	Must Should be via printed official order generated by General Ledger or as per contract.
£2,000 - £9,999	Should contact Procurement Team if further similar expenditure is also likely to be incurred by self and/or others to check if a corporate contract is in place or desirable	Tendering must be considered, alternatively, written quotations must be obtained using the Quick Quote on the Intend system using the correct invitation to quote template.	No requirement for contract but use of standard quotation documents must be used especially where access to personal / confidential information is involved or warranties or indemnities are given/received	Must Should be via printed official order generated by General Ledger or as per contract.
£10,000 - £19,999	Must consult the Procurement Team to seek guidance as to the appropriate procurement route to follow	After consultation with the Procurement Team - either tendersing or written quotations must be requested via considered, alternatively, written quotations must be obtained using the Quick Quote on the Intend system using the correct Invitation to Tender or Invitation to Quote invitation to quote templates. The Tender Authorisation Form must be completed and returned to the Procurement team.	Depending on the complexity, risk and value, a written contract must be considered subject to consultation with the Procurement Team and Legal.	Must Should be via printed official order generated by General Ledger or as per contract.
£20,000 - £49,999	Must consult the Procurement Team to seek guidance as to the appropriate procurement route to follow	Advice from Procurement and Legal must first be obtained. Tendering must be considered, and must use the standard quotation / tender documents. The Tender Authorisation Form must be completed and returned to the Procurement team.	Must be formal written contract which can be signed by the relevant CMT member. Consult with Procurement team as to the relevant type of contract.	As specified in formal contract
£50,000 and over	Must advise Procurement Team in writing as soon as the spend requirement is identified – this is at least a 6 month period and where spend is going to exceed the EU threshold, a longer period of notice would be expected – the Procurement Team must be contacted for guidance as to	Member endorsement of contract brief required. Use of the Invitation to Tender Documentation must be used. The Tender Authorisation Form must be completed and returned to the Procurement team.	Must be a formal written contract duly approved by the Solicitor to the Council and executed as a Deed under Seal.	As specified in formal contract

	the appropriate procurement route to follow. The Procurement Team may direct and/or administer the whole process			
--	--	--	--	--

[6.2.46.2.3](#) Any of the guidance may be applied for purchases at a lesser value. For example, it may be appropriate for certain low value requirements to be purchased by inviting tenders. ~~He/she should then follow s~~ Similar procedures to those outlined should then be followed. (The guidance does not necessarily cover such situations in full).

[6.2.56.2.4](#) If there is an existing contract available for the required goods, services or works, it must be used in the first instance. Some contracts let by other public authorities ~~may~~ also be available (see 6.3.1).

[6.2.66.2.5](#) A list of corporate contracts can be found in the Contracts Register, stored on the S Drive. If it is intended not to use a corporate contract, the Procurement Team must be consulted at the outset.

[6.2.76.2.6](#) A suitable contract specification must be completed in all cases. The level of detail required within the specification will be commensurate with the complexity, risk and value of the purchase.

See the following section on Alternative Suppliers. Advice in either case is available from the Procurement Team.

[6.2.86.2.7](#) Chief Officers should maintain a register to record all quotations and estimates (including verbal estimates) up to £1,999. Copies of written versions should be securely retained, and entries should be signed and dated by both the recording officer and the authorising officer. The details contained in any quotation or estimate must not be made known to any other party. All quotations and estimates received should be retained in the register until the Accounts have been signed off for that financial year. The Quick-Quote register for purchases of £2,000 or over, or the Contract Register, as appropriate should be used to record details of tenders/contracts awarded.

[6.2.96.2.8](#) The most economically advantageous ~~quotation or~~ tender must be accepted. Advice on how to determine this can be sought from the Procurement Team.

Further Guidance

6.2.9 Under £2,000

Different practices will apply at different levels:

- The petty cash procedure may be used for very minor items. See the section on cash advances, etc.
- The three estimates for a ~~£100~~ supply up to £1,999 may come from telephone contact with companies advertising in the local paper, trade journal or yellow pages.
- Verbal quotations/estimates may only be sought for ~~similar~~ goods/services up to a cumulative value of £1,999 within the financial year.

6.2.10 £2,000 - £9,999

- The Chief Officer should contact the Procurement Team if further similar expenditure is also likely to be incurred by themselves or others to check if a corporate contract is in place or is desirable. Tendering must be considered and the Procurement team will advise on the suitability of tendering.

Alternatively, written quotations must be obtained by using the Quick Quote on the Intend system using the correct Invitation To Quote template.

6.2.11 The standard form of contract is particularly recommended in situations where protection against a poorly performing supplier is important or where the procurement carries particular risks e.g. where the supplier would have access to confidential/personal information, or where price is not the only criteria being considered.

6.2.12 £10,000 - £19,999

The Chief Officer should appoint a Project Officer with overall responsibility for the procurement. The Procurement Team must be advised in writing in all cases and guidance sought on the appropriate procurement route to be followed. Tendering must be considered and the Procurement Team will advise where tendering is not necessary if tendering is appropriate. Alternatively, written quotations must be obtained using the Quick Quote on the Intend system using the correct Invitation To Quote template. The Tender Authorisation Form must be completed and returned to the Procurement Team. A written specification must be included in the Invitation To Quote document. *Formal Terms and Conditions of Contract* must be used, in accordance with the Use of Terms and Conditions Appendix. Advertising Your Requirement Appendix should be considered.

6.2.13 £20,000 - £49,999

The Chief Officer should appoint a Project Officer with overall responsibility for the procurement. The Procurement Team must be advised in writing in all cases and guidance sought on the appropriate procurement route to be followed. Tendering must be considered and the Procurement Team will advise where tendering if tendering is not necessary appropriate. In exceptional circumstances Alternatively, written quotations must be obtained using the Quick Quote on the Intend system using the correct Invitation To Quote template and standard quotation/tender documents. The Tender Authorisation Form must be completed and returned to the Procurement Team. A written specification must be included in the Invitation To Quote document. *Formal Terms and Conditions of Contract* must be used, in accordance with the Use of Terms and Conditions Appendix. Advertising Your Requirement Appendix should be considered.

6.2.14 ~~£50,000 plus~~

The Chief Officer must appoint a Project Officer with overall responsibility for the procurement. The Procurement Team must be advised in writing in all cases, at the initiation of the project, and guidance sought on the appropriate procurement route to follow. This is to enable an assessment of whether or not the European Union regulations come into play and to ensure the most appropriate procurement solutions are sought. Where the EU threshold is expected to be exceeded, the Procurement Team should be contacted in the first instance, as the EU process. A supply for an individual Service area may be below the threshold, but similar needs in another Service area may mean EU aggregation rules apply. EU procedures are available from the Procurement Toolkit and must be followed if they apply, and, due to their complexity, the Procurement Team must be involved in such projects. A formal tender exercise is compulsory, as is a formal written contract.

The Solicitor to the Council must have a minimum of 2 weeks notice to consider the draft contract before engrossment.

6.3 Alternative Purchasing Arrangements

6.3.1 Other organisations in the public sector are also under a duty to secure value for money in terms of purchasing. In the right circumstances and where provision has been made for the agreement to be used by other authorities, i.e. where it will provide best value and is consistent with other key requirements such as on contract terms and conditions, managers may use their purchasing arrangements.

~~6.3.2~~ These other organisations may include Government Procurement Services, Buying Solutions, ESPO, Central Government (via their G-Cat and S-Cat, and L-Cat, ~~OGC~~ processes), local authorities such as Staffs. County Council and bodies such as ~~Tamworth College and~~ the National Health Service. ~~The Procurement Team will establish a list of such organisations.~~ Chief Officers/Heads of Service may contract directly with such suppliers ~~on these lists without further investigation~~ but should normally consult with/involve the Procurement Team because of potential issues such as the requirement to conduct a mini-competition under a framework agreement, delivery charges, minimum order levels and so on.

~~If appropriate, alternative suppliers, using appropriate tendering arrangements, can be used subject to the agreement of the Deputy Director – Finance, Exchequer & Revenues. Managers should retain evidence that the selected suppliers were on such lists at the time of selection.~~

~~6.3.26.3.3~~ Goods or services may also be procured jointly with other such organisations to obtain best value and meet the requirements of the Council's own rules on procurement.

~~6.3.36.3.4~~ QAny other variations new forms of procurement, ~~such as ISOP, competitive dialogue~~ may be considered used but officers must approach the Procurement Team for guidance before the commencement of alternative procurement routes.

6.4 Appraisal of Potential Contractors

- 6.4.1 It is important that potential suppliers are able to meet the Council's needs. ~~The more significant s~~Suppliers should, therefore, be vetted in financial and performance terms (including health and safety) to various levels commensurate with the criticality and risk of the purchase/supply, prior to any firm commitment ([Company Profile Questionnaire Notes](#)). This process must be followed for all participants in a tender exercise.
- 6.4.2 The financial appraisal checks that the supplier operates on a sound financial footing by assessing profit levels, the ability to pay bills and so on. It will also assess the supplier's capacity to deliver a contract without incurring unreasonable financial risk and recommend a maximum value contract that should be considered in order to protect the contractor from becoming too reliant on the Council for its business. The ~~Corporate Director – Resources~~Executive Director Corporate Services will undertake or arrange these appraisals on receipt of the last two years audited accounts. The appropriate Chief Officer is responsible for ensuring that all relevant documents are submitted to the ~~Corporate Director – Resources~~Executive Director Corporate Services in a timely manner. The Chief Officer must advise the ~~Corporate Director – Resources~~Executive Director Corporate Services if the contract value exceeds £100,000, since a higher level appraisal is then required.
- 6.4.3 In addition to the financial details submitted, the contractor is also required to submit details of Employers Liability, Public Liability Insurance and Professional Indemnity cover which must be appropriate to the contract type, size and the nature of the contract, copies of which should be submitted along with the financial details to the ~~Corporate Director – Resources~~Executive Director Corporate Services. The Chief Officer must check that the certificates are valid for the period of work. If they expire during the period the Chief Officer must check before expiry that they have been renewed. Further advice and guidance can be sought from the ~~Deputy Director – Finance, Exchequer & Revenues~~Director of Finance.
- 6.4.4 In terms of performance appraisal, the Chief Officer needs to satisfy him/herself that the contractor has a history of sound performance of similar supplies in the recent past. The Chief Officer should therefore request bank references, trade references and make other enquiries deemed necessary to become satisfied.
- 6.4.5 Some contractors are required to hold a valid tax exemption certificate. Certificates should be checked prior to the start of the contract and a copy of the certificate should be forwarded to the ~~Corporate Director – Resources~~Executive Director Corporate Services. The Chief Officer must check that the certificate is valid for the period of work. If it expires during the period the Chief Officer must check before expiry that it has been renewed. Further guidance is available from the ~~Corporate Director – Resources~~Executive Director Corporate Services.
- ~~6.4.6~~6.4.6 In addition to the specific issues referred to within this section, the Chief Officer must ensure that appropriate steps are taken in all cases to assess the suitability of prospective suppliers. The risks involved in the procurement should advise the necessary level of assessment. For instance, even for lower value purchases Chief Officer should still consider the need to obtain assurance that a

Formatted: Bullets and Numbering

business is bona fide, or has appropriate health and safety arrangements and insurance cover. ~~Further guidance on these matters is given within the Procurement Toolkit.~~

6.5 Supplier Register

- 6.5.1 The names of contractors who have expressed an interest in doing work for the Council are retained on a supplier register within the e-tendering system (Intend). Any contractor who expresses an interest to be included is automatically added to the Supplier Register. There is no pre-set requirement for contractors when signing up to the register. Appraisal criteria / pre-qualification questionnaires should be considered at the start of the tendering / quotation stage.
- 6.5.2 All Supplier Registers shall be maintained in an open, fair and transparent manner and be open to public inspection.

6.6 Framework Agreements

- 6.6.1 The term of a Framework Agreement must not exceed four years and, while an agreement may be entered into with one provider, where an agreement is concluded with several organisations, there must be at least three in number.
- 6.6.2 Contracts based on Framework Agreements may be awarded by either:
- Applying the terms laid down in the Framework Agreement (where such terms are sufficiently precise to cover the particular call-off) and where value for money can be clearly determined without reopening competition, or
 - Where the terms laid down in the Framework Agreement are not precise enough to complete for the particular call off, by holding a mini competition in accordance with the following procedure:
 - Inviting the organisations within the Framework Agreement that are capable of executing the subject of the contract to submit written tenders
 - Fixing a time limit which is sufficiently long to allow Tenders for each specific contract to be submitted, taking into account factors such as the complexity of the subject of the contract
 - Awarding each contract to the tenderer who has submitted the best Tender on the basis of the award criteria set out in the specifications of the Framework Agreement.

6.7 Tender Procedures

6.7.1 For contracts over £50,000 Chief Officers must advise the Procurement Team in writing at the outset. An [Invitation to Tender advert](#) or [PQQ](#) is placed to invite potential contractors or suppliers to register their interest in tendering for the relevant requirement.

6.7.2 The Invitation to Tender should contain details of the principal elements of the procurement requirement in order that it primarily attracts those contractors who are in a position to satisfy these requirements. It should therefore contain as a minimum:

- a sufficiently detailed requirement or specification for the type of goods, services or works required;
- a price schedule;
- **standard conditions of contract that will apply in the event of a contract being awarded;**
- instructions to tenderers including the date of commencement of the contract and possible duration; technical and financial information; the closing date for tender submissions, and a list of the evaluation criteria and sub-criterion together with the weightings to be used.

Formatted: Bullets and Numbering

6.7.3 The evaluation criteria together with the weightings must be referred to in the Invitation to Tender and must not be altered after the Invitation to Tender has been issued. All criteria chosen to be used in the evaluation of tenders must be relevant to the service and/or goods required.

6.7.4 The Chief Officer must set a detailed evaluation methodology prior to inviting tenders. He/she should set out explicitly how price and quality elements will be balanced in the final decision in order to help demonstrate selection of the most economically advantageous tender. Appropriate and sufficient information must be requested for inclusion in the supplier's tender submission to enable all criteria to be evaluated. Advice is available from the Procurement Team.

6.7.5 Large contracts may require the tenderers to submit a schedule of rates. To compare them properly and allow the total cost to be assessed, the Chief Officer should construct a model of work likely to be required over a set period, for example, one year. This model must be set before tenders are invited, and must be issued with the Invitation to Tender.

6.7.6 ~~Contracts awarded will be Tenders completed for goods/services over £500 will be~~ required to be published in accordance with the Government's Transparency agenda.

European Union Procurement Procedures

6.7.7 The relevant EU Directives on procurement must be adhered to when awarding a contract where the anticipated value is close to or exceeds/falls over the thresholds indicated below.

Thresholds	Supplies (£)	Services (£)	Works (£)
Contract Value	<u>156,442,173.93</u>	<u>156,442,173.934</u>	<u>3,927,2604,348.</u>

Section C 55

Revised ~~March-Sept~~ 20142 – Approved A & G ~~3425/103/142~~

- 6.7.8 These figures apply from 1 January 201~~20~~²⁹. The Procurement Team must be advised in writing at least six months in advance of the supply and guidance sought as to the appropriate values and procedures are used. Further information ~~on guidance~~ on EU Procurement Procedures ~~can be found in the Procurement Toolkit~~ and guidance on the use of the open, restricted, competitive dialogue and negotiated procurement routes, together with design contests and works concessions, ~~should be obtained is available~~ from the Procurement Team. The Procurement team must be involved in all procurement projects under EU regulations due to the complexities and legal implications involved.
- 6.7.9 In appropriate cases, Chief Officers may engage with the market prior to initiating the tendering process in order to make use of innovative approaches to achieving best value in the provision of a supply or service. This could involve consulting with stakeholders including customers, potential suppliers and interest groups. The ~~Deputy~~ Director ~~of Finance, Exchequer & Revenues~~ must be fully consulted and involved in any such proposals, which must comply with corporate guidance and EU Procurement Procedures.

Development of Contract Brief

- 6.7.10 Where there is a variation from the agreed budget ~~or an extension to a contract?~~, each Chief Officer must seek Cabinet endorsement prior to tendering. The report should comment upon:
- a) the detailed proposals for the scheme, including objectives, targets, milestones, design details and its contribution to the corporate and service plans;
 - b) the financial appraisal of the revenue and capital implications, prepared in conjunction with the ~~Corporate Director – Resources~~ Executive Director Corporate Services, and compared to budgets;
 - c) risk associated with the scheme;
 - d) the tender evaluation mechanism and the decision criteria.
- 6.7.11 Approval at this stage will normally include authority to invite tenders and to accept the most economically advantageous tender.
- 6.7.12 Chief Officers should consult the ~~Deputy~~ Director of Finance, Exchequer & Revenues and the Solicitor to the Council for advice.
- 6.7.13 Arrangements have been made for submission and control of tenders and quotations by electronic means, and for e-auctions, in accordance with any process approved by the ~~Deputy~~ Director of Finance, Exchequer & Revenues, Corporate Director – Resources Executive Director Corporate Services and the Solicitor to the Council and guidance provided by the Council. Such processes provide an increased level of security, transparency, accountability and fairness to the prescribed “paper-based” tendering process. Corporate guidance setting out the appropriate circumstances in which to use such alternative bidding methods should be complied with.

~~6.7.14—Where by exception a “paper based” tender procedure is being used the following process must be complied with (6.7.15 to 6.7.22).~~

Instructions to Tenderers

~~6.7.15 All Tenders must be addressed to the Solicitor to the Council. They must be submitted in a plain sealed envelope or package which bears the word "Tender" followed by the Tender Reference Number and name of the proposed contract (see standard return cover in the Procurement Toolkit).~~

~~6.7.16 The invitation to tender document must include the following statements:
the tender return envelope must be sealed
and must not bear the name of the tenderer,
or any distinguishing mark that enables
recognition of the Tenderer.
If the envelope is marked in any way, the tender will be disqualified.~~

~~6.7.17 Where a third party, for example, a consultant is assisting with the procurement, tender returns must be addressed to the Council and opened at the Council by the relevant Council Officers. The date and time of receipt by the consultants must be recorded.~~

Receipt and Custody

~~6.7.18 The receiving officer should date and place a reference on all tender packages received and secure them in a lockable cabinet to prevent unauthorised access prior to tender opening. He/she must record the details of all tenders in a register (see below) and must also ensure the receipt via post or transfer from the central reception is adequately documented in order that the exact trail is recorded.~~

Tender Receipt Register

~~6.7.19 The Solicitor to the Council should maintain a register of all tender submissions, recording:~~

- ~~(a) contract name~~
- ~~(b) date and time of receipt~~
- ~~(c) how received (e.g. post/hand delivery/electronic)~~
- ~~(d) reference~~
- ~~(e) signature (with date) of receiving officer~~
- ~~(f) signature of the officer responsible for opening; and~~
- ~~(g) signature, times and dates of each transfer of documents between officers~~

~~6.7.20 Tenders must not be left unattended or in an insecure environment at any time. If left unattended, they must be securely locked away to prevent unauthorised access.~~

REMOVE THIS SECTION?

Formatted: Indent: Hanging: 0.25 cm, Numbered + Level: 1 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 1.27 cm + Tab after: 2.54 cm + Indent at: 2.54 cm

Formatted: Bullets and Numbering

Formatted: Indent: Left: 0 cm, First line: 0 cm

Extension to Tender Period

6.7.14 The Solicitor to the Council or ~~Corporate Executive Director of Corporate Services Resources~~ Chief Executive (or his nominated deputy) only can approve the extension of a tender period. All potential tenderers must be informed of the extension to the tendering period.

Amendments to Tenders (by Contractors)

6.7.1522 Any amendment a contractor wishes to make to a submitted tender must be received before the closing date and time for tender responses. In-tend will provide this facility to tenderers. It must be sent to the Solicitor to the Council in an envelope clearly marked with the following details:

Tender amendment;

Scheme title; and

Date of tender opening.

~~6.7.23 Receipt and custody guidance must be applied as all amendment letters must be opened at the same time as the Tender.~~

Tender opening – ~~EPaper and electronic~~

6.7.1624 All tenders for an individual contract must be opened at the same time by at least 23 officers. T~~his~~ should include a representative from Legal Services for purchases that are subject to EU procedures.

~~6.7.25 The Solicitor to the Council must maintain a register of tenders opened which records the tenderers name, the tender value and the signatures of those present at the opening. All those present, plus the Deputy Director – Finance Exchequer & Revenues, must be issued with a copy of the signed tender opening schedule, with the original retained in the register.~~

6.7.1726 A tender received after the specified time may be only opened and considered at the discretion of the Solicitor to the Council.

Sub-Contractors and Nominated Suppliers

6.7.1827 Nominated sub-contractors and suppliers ~~must~~should not be used where this would be anti-competitive, ~~or~~ discriminatory or in breach of procurement regulations.

6.7.1928 If a Chief Officer wishes to nominate a specific sub-contractor or supplier a written request must be sent to and be approved by the ~~Deputy Director – Finance, Exchequer & Revenues~~ Director of Finance who will assess any risks involved. The request ~~should~~must show how this will give best value/value for money.

Amendments to Tender Documents (by the Authority)

- 6.7.209 Minor corrections and amendments ~~Variation~~ to any part of the Invitation to Tender may be required during the tender period. Chief Officers ~~should~~must consult with Procurement, and if necessary where appropriate the Deputy Director ~~of Finance, Exchequer & Revenues~~ and ~~where appropriate if necessary~~ the Solicitor to the Council on such matters, and all tenderers must be advised of all agreed amendments in writing at the same time. Acknowledgement of receipt of the amendments will be recorded on the electronic tendering system. In responding to clarifications and queries, the response, even if a query comes from only one organisation, the response should be addressed to all tendering organisations, and issued at the same time via the Intend system. Acknowledgement of receipt of the amendments will be recorded on the electronic tendering system. All correspondence will be sent electronically.
- 6.7.2139 The Invitation to Tender amendments must not contain anything which may materially affect the tender process or unduly affect open and fair competition. No fundamental changes to the Invitation to Tender documentation should be made by the information contained within the tender amendment.
- 6.7.2234 A record is retained electronically by In-tend of all correspondence with Tenderers throughout the tender process (including e-mails).

Tender Evaluation

- 6.7.2332 Chief Officers should ensure that at least two people carry out the evaluation of tenders. For major contracts involving a project team, the manager should consider involving the whole team. All tender evaluation carried out should be evidenced.
- 6.7.2433 From May/June 2012, tender evaluation will be conducted electronically on the In-Tend system where appropriate. The Procurement Team should be contacted to provide advice and guidance.
- 6.7.2533 Tenders should be checked to ensure they are complete and that all ~~cost~~price calculations are correct. They must be evaluated objectively in line with the specified evaluation model, ensuring fair and equitable treatment for each tender.
- 6.7.2634 If an arithmetical error is discovered in the financial submission, the Chief Officer should consult the ~~Corporate Director – Resources~~Executive Director Corporate Services. The contractor must be notified in order to enable him/her to:
- agree the amendment; or
 - allow the original figure to stand; or
 - withdraw the tender.
- 6.7.2735 If a Tenderer notifies the Council of an error/amendment which materially affects the submission, the Chief Officer ~~must~~should consult with appropriate officers, for example, the Corporate Procurement Officer, Deputy Director ~~of Finance, Exchequer & Revenues~~, the Solicitor to the Council or ~~Corporate~~

~~Director – Resources~~Executive Director Corporate Services and should normally implement one of the following options:

- a) all other Tenderers are allowed to retender (in the case of the Council's error); or
- b) the Tenderer is required to stand by the original Tender; or
- c) the Tenderer withdraws the Tender, or
- d) (where an error is found before completion of tender evaluation) to correct an error which can be corrected simply by confirming which of two conflicting figures (e.g. a multiplier or product, or carried forward or brought forward) is right, or
- e) (where the error is found before completion of tender evaluation) to correct an obvious omission (e.g. a failure to insert any price where a space for a price is provided).

6.7.~~2836~~ During the evaluation process, clarification may be sought on any of the tenders received. The questions and answers should always be submitted via the In-Tend system in writing and incorporated into the tender documentation.

6.7.~~2937~~ There must be no fundamental change to the contract specification or award criteria. Amendments to the specification or terms of the supply, which do not distort competition or are not considered material changes or -fundamental to the contract can be made, and shall be put to all Tenderers prior to the submission deadline and in good time for them to make any necessary changes to their tender. Guidance is available from the ~~Deputy Director – Finance, Exchequer & Revenues~~Director of Finance or Solicitor to the Council.

6.7.~~308~~ At the conclusion of the evaluation process, the Chief Officer should be able to, and is expected to select the tender which is the most economically advantageous to the Council, as indicated by the evaluation model.

Post Tender Negotiation & Clarification

6.7.~~319~~ After the tenders have been returned and evaluated, further clarification from tenderers, in relation to the tender bid may be required. Clarifying information can include the following:

- price
- specification
- delivery date/start date
- payment terms
- software licences

6.7.~~3240~~ All tender bids which are covered by the EU Directives are subject to the more restrictive approach specified by the European Union, which states all negotiations with Tenderers on fundamental aspects of contracts, variations of which are likely to distort competition and in particular on price, shall be ruled out. However, discussions with Tenderers may be held, only for the purpose of clarifying or supplementing the content of their tenders or the requirements of the contracting authorities, and provided this does not involve discrimination. There must be no fundamental change to the contract specification or contract award criteria.

6.7.~~3344~~ The spirit of the above EU interpretation on post tender negotiation should also be followed for tenders under the EU threshold.

- 6.7.342 Where a tender return is unclear or there are minor sections which have been omitted with no explanation included, it is recommended that the tendering organisation is contacted for clarification, this must be done via the electronic tendering system. In the case of numerous or sizable omissions, guidance ~~must~~ should be sought from the ~~Deputy~~ Director ~~of~~ Finance, ~~Exchequer & Revenues and Procurement~~ before clarification is requested.
- 6.7.435 All tendering organisations must be treated fairly and equally in all circumstances.

6.7.3644 An ~~electronic-written~~ record ~~will-must~~ be kept of any query on a tender ~~on In-Tend~~ and any information supplied by the company must be confirmed via the electronic tendering system.

6.7.3745 Where it is necessary to meet Tenderers to discuss their submission further, at least two authorised officers must be present and minutes taken. In all instances, the Procurement Team must be consulted.

6.7.3846 In some cases it may be necessary to vary, by agreement, some minor details of the work required. ~~Consultation wit the Procurement Team and the Solicitor to the Council must be made prior to any agreement being made. , for example, to bring the cost within budget, by removeing some non-essential elements of the work which does not impact on price or to vary the contents of management information reports~~

~~6.7.39 Advice should always be sought from the Procurement Team, Director of Finance or the Solicitor to the Council before entering into negotiations.~~

~~6.7.40 –Chief Officers must not enter into negotiations except:~~

- a) with the preferred tenderer(s) under the evaluation model and after all unsuccessful tenderers have been informed; or
- b) when using the negotiated procedure under EU rules, in which case those procedures must be followed.

The Chief Officer must ensure that:

- c) negotiations are carried out by at least two authorised officers, and guidance on separation of duties is followed;
- d) the decisions taken at relevant meetings are documented;
- e) changes in specification and price are agreed by both parties;

and

- f) all records are incorporated into contract documents.

~~6.7.3947 — Advice should always be sought from the Procurement Team, Deputy Director — Finance, Exchequer & Revenues or the Solicitor to the Council before entering into negotiations.~~

6.7.4108 Where post tender negotiation results in a fundamental change to the specification (or contract terms) the contract must not be awarded but re-tendered.

Tender Acceptance

6.7.4219 A Chief Officer may accept the winning tender after evaluation if it meets all material aspects of the specification and is within the budget provision. If the amount is higher than budgetary provision, the guidance on Budgets must be followed.

| 6.7.~~43250~~ When requesting approval to procure contracts, officers must ensure that approval is obtained from Cabinet to award the contract to the successful tenderer (in compliance with delegated procedures). With all income generating projects i.e. the disposal of material operating assets/activities. Cabinet must approve the preferred tenderer.

| 6.7.443

Where the procurement is conducted under EU procedures, advice **mustMUST** be sought from the ~~Deputy~~ Director ~~of Finance, Exchequer & Revenues~~ or the Procurement Team prior to any notification of an award of contract being issued. All tenderers shall simultaneously be provided with a written standstill notice of the Authority's intention to award the contract to the successful tenderer. The standstill notice must be issued electronically to tenderers (i.e. e-mail, in-tend) who must be provided with a period of 10 calendar days to review, and, if considered necessary, in which to challenge the decision before the contract is awarded. Day one of the period shall commence on the day following issue of the standstill notice. The tenth day must fall on a working day and the 10 day standstill period should be extended, where necessary, to ensure that this happens. If the decision is challenged, then the contract shall not be awarded and advice must immediately be sought from the Solicitor to the Council and the Procurement team.

6.7.454 The standstill notice must contain a precise statement of when the 10 day standstill period will end i.e. midnight at the end of (date) together with the following information:

the criteria for the award of the contract;

rReasons for the decision including the characteristics and relative advantages of the successful tenderer;

in conjunction with the above, the score of the unsuccessful tenderer (including criterion and sub-criterion) and that of the successful tenderer to be awarded the contract;;

the reasons why (if any) the unsuccessful tenderer did not meet the technical specifications;;

the name of the successful tenderer to be awarded the contract.

The standstill notice must always be prepared in consultation with the Procurement team.

6.7.~~45653~~ Where the tender price exceeds the available resources by the lower of £10,000 or 5% the ~~Corporate Director – Resources~~**Executive Director Corporate Services** must be informed and has the discretion to authorise that the tender be accepted and a contract entered into.

6.8 Post Tender and Contracts

Preparation of Contract

- 6.8.1 Where a tender has been subject to EU procedures and the standstill period has been completed without a challenge, then all tenderers must be informed once the contract has been awarded. More generally, having decided to accept a tender/quotation the Chief Officer must advise tenderers of the outcome of the process and must finalise a contract. This might involve simple acceptance of a standard form of contract, minor amendment agreed via correspondence or it might require meetings with the successful tenderer. Where an industry standard form of contract and terms and conditions are available, eg JCT or ICE contracts, they should be used in place of the Council's standard forms (and should be specified in the Invitation to Tender documents). All agreed amendments must be recorded in writing and formally incorporated into the contract. Advice should be sought from the [Procurement Team, and where necessary, the Solicitor](#) to the Council.
- 6.8.2 The Chief Officer should ensure that all approvals that remain outstanding (such as planning permission) are obtained prior to the completion of the contract documents.
- 6.8.3 In addition, every relevant contract over £50,000 must also state clearly as a minimum:

Prices and/or rates together with any adjustment mechanisms that shall apply during the term of the contract;

Invoice procedures;

Performance indicators and/or service levels required;

Conditions of contract that shall include:

- That the contractor may not assign or sub-contract without prior written consent
- Insurance requirements
- Health and safety requirements
- Ombudsman requirements
- Data protection requirements, if relevant
- Charter standards are to be met, if relevant
- Equalities & Diversity Policy requirements
- Children & Vulnerable Adults Policy requirements, [if relevant](#)
- Conflict of Interests requirements
- Freedom of Information Act requirements
- Bribery Act requirements
- Right of access to relevant documentation and records of the contractor for monitoring and audit purposes if relevant.

Where agents are used to let contracts, agents must comply with the council's contract procedures rules.

Insurance

- 6.8.4 Chief Officers must ensure that the contractor has Employers Liability and Public Liability insurance, **normally** to a minimum value of £10 million and £5 million respectively; and should seek the advice of the ~~Corporate Director – Resources~~Executive Director Corporate Services wherever there is doubt. Other insurances, for example, professional indemnity may be desirable.
- 6.8.5 The responsibility for obtaining contractor insurance details including renewals lies with the appropriate Chief Officer. The Chief Officer should ensure that all insurance details are passed to the ~~Corporate Director – Resources~~Executive Director Corporate Services without delay.

Bonds and Parent Companies Guarantees

- 6.8.6 The officer must consult the ~~Corporate Director – Resources~~Executive Director Corporate Services about whether a Parent Company Guarantee is necessary when a contractor is a subsidiary of the parent company and:
- the total value exceeds £250,000, or
 - the award is based on evaluation of the parent company, or
 - there is some concern about the stability of the contractor.
- 6.8.7 The Officer must consult the ~~Corporate Director – Resources~~Executive Director Corporate Services about whether a bond is needed:
- where the total value exceeds £1,000,000, or
 - where it is proposed to make stage or other payments in advance of receiving the whole of the subject matter of the contract and there is concern about the stability of the contractor.

Signing of Contracts

- 6.8.8 The Solicitor to the Council should check and endorse contracts before engrossment valued at £50,000 or above for signature. Contracts below £50,000 should be signed by the relevant member of the Corporate Management Team(CMT). If, in the latter case, a number of members of CMT are involved, then the contract should be signed by the main user.
- 6.8.9 The officer signing the contract must notify all interested managers it has taken place. The ~~Deputy Director – Finance, Exchequer & Revenues~~Director of Finance must be notified in every case.

Site Possession

- 6.8.10 On completion of the contract documents the Chief Officer should where relevant arrange a site possession date. Chief Officers must not allow entry onto the Council's land or commencement of work prior to the completion of a written contract. In exceptional circumstances, this may be authorised by the Chief Executive.

Document Retention (all formal contracts)

- 6.8.11 Chief Officers must ensure the original copies of all formal contracts are placed in the Council's strong room for all contracts over 12 months/over £50,000. Where a consultant has been engaged to manage the contract on the Council's behalf, it must be ensured that both the contractor and Chief Officer have necessary access to contract documents to enable their functions to be performed.

Contract Amendments

- 6.8.12 Contracts may need amending after signing. The circumstances will dictate the level of approval needed for the change. The relevant Chief Officer should seek appropriate advice, for example, from the Solicitor to the Council, before proceeding.

6.9 Project/Contract Implementation & Payment

- 6.9.1 A separate file should be maintained by the relevant Chief Officer for each project, including copies of such contracts making up the project. The file should contain the following information: -

- a) a record of instalments due and paid;
- b) the working papers substantiating payments; and
- c) the details of payments to consultants, internal fees & other payments.

- 6.9.2 Chief Officers must only authorise payments that conform to the terms of the contract.

- 6.9.3 The Chief Officer must only make payments to contractors for Buildings & Engineering works on the basis of a valuation certificate detailing:

- (a) the total value of the contract;
- (b) the value of work executed to date;
- (c) the amount paid to date;
- (d) the amount now certified;
- (e) any retention monies;
- (f) whether the work is subject to VAT or Liquidated and Ascertained Damages (together with details of the calculation of damages).

- 6.9.4 Where the work is subject to VAT the Chief Officer must ensure that either a VAT invoice or receipt is obtained in order to substantiate the VAT reclaimed.

- 6.9.5 Where liquidated and ascertained damages are to be deducted, the Chief Officer must ensure that the contractor is notified as soon as possible and given details of the basis of calculation. Any liquidated damages applied at any stage of a contract must be deducted from any subsequent valuation certificate before any payment is made.

Contract Monitoring and Variations (including claims)

- 6.9.6 The Chief Officer must monitor expenditure under a contract and take action where appropriate to ensure the final contract sum or the level of expense incurred in any financial year does not exceed the approved budget/available resources.

During the life of the contract, the officer must monitor in respect of:

- performance
- compliance with specification and contract
- cost
- any Value for Money requirements
- user satisfaction and risk management.

Contracts of a high value or high risk should be subject to formal monthly review with the contractor.

For contracts over £50,000, contract managers must:

- maintain a risk register during the contract period
- undertake appropriate risk assessments and for identified risks
- ensure contingency measures are in place.

- 6.9.7 Subject to the provisions of the contract, every extra cost or variation should be authorised in writing by the Chief Officer. Copies of the approved delegated decision that permits officers to authorise variations or extra costs should be forwarded to the ~~Corporate-Executive~~ Director – ~~Resources~~Corporate Services by the Chief Officer or the delegated officer.
- 6.9.8 If the revised project cost exceeds the budget/available resources, the guidance on capital budgets and projects must be followed.
- 6.9.9 Where a contract requires a contractor to meet specified outcomes or service levels (e.g. in a partnering –type arrangement) appropriate arrangements must be made by the Chief Officer to ensure that the expected outcomes/service levels are provided or that clear processes exist for reporting and approving any variations from these outcomes/service levels and their financial effect. Any proposals to provide financial incentives or profit sharing arrangements with partners must be subject to appropriate approval and budget processes. Such arrangements must provide appropriate levels of probity and transparency.
- 6.9.10 Where payment under a partnering arrangement is based upon an agreement of target prices between the Council and the external partner then written evidence shall be provided to demonstrate that the target price represents value for money.
- 6.9.11 Where a consultant is contracted to monitor a contract on the Council's behalf, the Chief Officer must ensure that the consultant contractor complies with this financial guidance.

6.10 Final Account

- 6.10.1 Payment of the final account (where relevant) effectively closes the contract and it must be correct. The Chief Officer must ensure that adequate checks are carried out to ensure the final account/payment is correct and has been accurately calculated. He/she must also ensure there is adequate separation of duties in preparing and agreeing the final account. Management within the relevant Directorate will, on an annual basis review the Contracts Register maintained by the ~~Corporate Director – Resources~~Executive Director Corporate Services and sample test a number of payments (this process should be adequately evidenced).
- 6.10.2 For building and engineering work the relevant project manager must prepare a detailed statement of account before a final certificate (where required) is issued showing variations against the original contract price, payments made to date and any further payments due. It should be sent to the client Chief Officer within one month of the issue of the certificate of practical completion.
- 6.10.3 The client Chief Officer should approve and agree the contract final account within the retention period and ensure the final payment and certificate are sent to the contractor by the due date. In case of difficulty, advice should be sought from relevant officers, for example, the Solicitor to the Council or ~~Corporate Director – Resources~~Executive Director Corporate Services.
- 6.10.4 Final account outturn should be reported in accordance with the Corporate Capital Strategy.

6.11 Post Contract

- 6.11.1 Claims from the contractor in respect of matters not clearly within the terms of any existing contract should be referred to the Solicitor to the Council for consideration of the authority's legal liability.

6.12 Partnerships

6.12.1 Partnerships have a key role in delivering community strategies and in helping to promote and improve the well-being of the area. The authority is and will be increasingly working with others – public agencies, private companies, community groups and voluntary organisations.

6.12.2 The main reasons for entering into partnerships are:

- The desire to find new ways to share risk
- The ability to access new resources
- To provide new and better ways to deliver services
- To forge new relationships.

6.12.3 A partner is either:

- An organisation (either private or public) undertaking, part funding or participating as a beneficiary in a project; or
- A body whose nature or status gives it a right or obligation to support the project.

6.12.4 Partners participate by:

- Acting as a project deliverer or sponsor, solely or in connection with others;
- Acting as a project funder or part funder;
- Being the beneficiary group of the activity undertaken in a project.

6.12.5 Partners have common responsibilities:

- To be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;
- To act in good faith at all times and in the best interest of the partnership's aims and objectives;
- To be open about any conflict of interest that may arise;
- To encourage joint working and promote the sharing of information, resources and skills between the public, private and community sectors;
- To hold confidentially any information received as a result of the partnership activities or duties that is of a confidential or commercially sensitive nature;
- To act wherever possible as ambassadors for the project.

6.12.6 Chief Officers should be aware of:

- Their responsibilities with regard to the authority's financial regulations and contract standing orders;
- The requirement for them to identify and evaluate all known risks associated with the partner arrangements, and take action deemed appropriate to deal with these risks;
- Ensuring that project appraisal techniques are in place to assess the viability of the project in terms of resources, staffing and expertise;
- Their role in agreeing and accepting formally the roles and responsibilities of each of the partners involved before the commencement of the project;
- Their need to communicate regularly throughout the project so that problems can be identified and shared to achieve their successful resolution.

6.12.7 Managers should ensure that:

- Potential partners are assessed for the financial viability in the same way as contractors;
- Internal audit roles and responsibilities are documented within the contract documentation;
- Partners and contractors are made aware of the Authorities ~~Confidential Whistleblowing Reporting~~ and ~~Anti-Counter~~ Fraud & Corruption policies;
- Arrangements for ownership after the project has ended are identified and documented;
- Partnership agreements and arrangements are appropriately authorised and documented and do not impact adversely upon the services provided by the authority;
- Appropriate information is provided to the ~~Corporate Director – Resources~~ Executive Director Corporate Services to enable a note to be entered into the authority's statement of accounts concerning material matters;
- There are robust and transparent arrangements for partnership governance which comply in all material respects with the Council's own rules on such matters;
- There are sound arrangements for monitoring, reviewing and reporting upon the activities and performance of the partnership;
- They refer to the indemnity and conduct/conflict of interest issues.

6.12.8 Corporate processes for approving, reviewing and reporting upon partnership arrangements and commitments under these must be complied with.

6.13 Orders for Supply from External Sources

6.13.1 Official orders must be issued for all work, goods or services to be supplied to the Council except:

- a) where a contract specifies otherwise;
- b) supplies of public utility services;
- c) payments such as rent or rates;
- d) petty cash purchases; or
- e) other exceptions approved by the ~~Corporate Director – Resources~~ Executive Director Corporate Services.

6.13.2 Individuals must not use official orders to obtain goods or services for their private use.

6.13.3 Official orders to suppliers for goods and services ~~should~~ must be raised on the EFins Finance System and promptly issued to the supplier/contractor. This ensures that the commitment is raised on the financial system and so aids the control and monitoring of budgets.

- 6.13.4 ~~Any other order forms must be reviewed by the Chief Officer and sent annually to the Corporate Director – Resources for approval.~~ Verbal orders should only be given in urgent cases, and any such order must be confirmed by an written official order and endorsed "Confirmation Order". All authorised signatories together with any restricting financial limits must be notified to the ~~Corporate Director – Resources~~Executive Director Corporate Services.
- 6.13.5 Orders must detail the work/goods/services ordered, refer to appropriate terms and conditions be priced in accordance with estimates, quotations and so on, and contain the delivery address which must be a Council property. Expenditure must be coded to the correct detailed budget heading, even if there is no budget under that heading or it has been committed including those required by statute or court order.
- 6.13.6 Before authorising an order the authorising officer must be satisfied that best value has been achieved, goods/services are appropriate to the service and genuinely required, appropriate quotations/tenders have been received and that there is appropriate budget provision. For guidance where there is insufficient budget provision, refer to the section on Budgets.

6.14 Receiving goods and services

Deliveries

- 6.14.1 Any employee who accepts deliveries of goods must obtain a delivery note, which should be signed by the supplier and receiver at the time. The Chief Officer who ordered the supplies must ensure they are checked as to quantity, quality and compliance with specification at the time of delivery, or as soon as possible thereafter. Where it is not possible to carry out this check at the time of the delivery, the employee should ensure this is made clear on the delivery note.

Goods receipting

- ~~6.14.82~~ As soon after delivery as possible, the financial system must be updated to show that the goods have been received (refer to the Guidance on Separation of Duties - [separation of duties.doc](#)). Receipting goods on the financial system, ensures that expenditure is accrued. This enables managers to monitor and control their budgets more effectively. The employee recording goods receipt on the financial system must be satisfied that the quality, quantity and specification of the goods/services delivered is as ordered.

6.156.14 Advance Payments

- ~~6.1415.1~~ Advance payments should only be used for minor supplies such as course fees, seminars and publications. Chief Officers should consult the ~~Corporate Director – Resources~~Executive Director Corporate Services for advice if in doubt. Where advance payment is made then the whole cost, including VAT, must be charged to the expenditure code. The Chief Officer must request an authenticated VAT receipt and send it to the ~~Corporate Director – Resources~~Executive Director Corporate Services to correct the accounting entries.

Section C

74

| Revised ~~March-Sept 2014~~2 – Approved A & G ~~3/25/03~~10/142

6.16 Funding to Voluntary and Community Sector ~~Commissioning Framework~~ Organisations

Funding to voluntary and community sector organisations can be paid in advance (where appropriate). Performance management arrangements must be stipulated in each funding agreement in accordance with the Voluntary and Community Sector Commissioning Framework. Evidence must be obtained for expenditure incurred.

6.16 Orders from Internal Suppliers

6.16.1 The same principles apply to orders from internal suppliers and they should, as far as possible, be treated the same as other orders.

6.17 Some Definitions

6.17.1 The following table gives the definition for terms used in this guidance.

Word	Definition
Quotation	A value for the supply of a service, goods or materials which must be held for a period of time.
Estimate	A value for the supply of a service, goods or materials which may be varied following the supply. This is appropriate where it is not possible to give a precise quotation prior to the supply.

6.18 Further Advice and Guidance

6.18.1 The Council employs a number of officers who have responsibilities in a variety of areas connected with procurement and purchasing. The following table is a quick reference guide.

Issue	Contact	Comments
Significant departure (either actual or potential) from this guidance	Corporate Director – Resources <u>Executive Director Corporate Services, Deputy Director – of Finance, Exchequer & Revenues</u>	
Procurement and purchasing - General procedures/EU procedures/joint procurement and partnerships	Deputy Director – of Finance, Exchequer & Revenues	Chief Officers must not enter into any arrangement for procuring works, goods or services over the £50,000 tender threshold without seeking guidance from the Deputy Director – of Finance, Exchequer & Revenues at least six months in advance of the proposed supply. The Procurement team can <u>Toolkit on the intranet</u> provides relevant advic <u>se</u> and guidance, including standard forms and <u>procedure details and other useful information.</u>

Issue	Contact	Comments
Advice on control systems and administration	Head of Internal Audit Services	
The law and legal opinion and sealing and retention of documents	Solicitor to the Council	
Printing requirements	<i>Head of Performance & Corporate Relations Senior Public relations Officer</i>	Chief Officers must not commit to purchase external printing supplies without consulting with the <i>Head of Performance & Corporate Relations Senior Public relations Officer</i>
Information technology	<i>Assistant Director – Business Processes Director, Technology & Corporate Programmes</i>	Chief Officers must not commit to purchase IT supplies (hardware and software) without consulting the <i>Assistant Director – Business Processes Director, Technology & Corporate Programmes</i> .
Coding, budgets, insurance, VAT, general ledger issues and financial appraisals	<i>Corporate Director – Resources Executive Director Corporate Resources</i>	

Formatted: Font: Italic, Font color: Red

~~DELETE THIS SECTION – NO LONGER APPLICABLE~~

~~6.19 NI 179 Cashable Value For Money Gains~~

~~6.19.1 Under the requirements of CSR 07, and following the Operational Efficiency Review, the Government announced a target of £5.5 billion cashable value for money gains or efficiency savings to be achieved by local authorities by 2010-11. This translates into the efficiency target of 10.3% cumulative efficiency savings over the three years 2008-09 to 2010-11.~~

~~6.19.2 Efficiency gains should not be delivered at the expense of quality of service delivery. Efficiency involves making the best use of the resources available for the provision of public services.~~

~~6.19.3 ODPM guidance explains that efficiency gains can be achieved by the following actions:~~

- ~~• Reducing inputs (money, people, assets, etc) for the same outputs;~~
- ~~• Reducing prices (procurement, labour costs, etc) for the same outputs;~~
- ~~• Getting greater outputs or improved quality (extra service, productivity, etc) for the same inputs;~~
- ~~• Getting proportionality more outputs or improved quality in return for an increase in resources.~~

Formatted: Indent: First line: 0.48 cm, Bulleted + Level: 1 + Aligned at: 0.63 cm + Tab after: 1.27 cm + Indent at: 1.27 cm

Formatted: Bullets and Numbering

Formatted: Indent: Left: 1.75 cm, Hanging: 0.79 cm, Bulleted + Level: 1 + Aligned at: 0.63 cm + Tab after: 1.27 cm + Indent at: 1.27 cm

~~6.19.4 The efficiency gains achieved count towards the scoring system for the Use of Resources.~~

~~6.19.5 Efficiencies achieved are reported to the Government under the requirements of NI (National Indicator) 179. The Council is required to submit an estimate of its expected efficiencies over the period in October of each year, and details of the actual value for money gains achieved in July following the end of each financial year.~~

~~6.19.6 Chief Officers are therefore required during the course of their work to identify opportunities for efficiency savings that can be included in the submission. Details should be forwarded to the Corporate Director – Resources within the specified timetable. Opportunities for efficiency savings could be identified through procurement and partnerships, sharing services, delivering efficiency improvements and improving productivity and performance.~~

7 PAYMENT OF ACCOUNTS

7.1 Introduction

7.1.1 One of the main requirements of a sound system of expenditure control is that at any point in time, a budget holder knows:

- (a) what has been ordered, including the likely cost;
- (b) what has been received, and is therefore due for payment; and
- (c) what has been paid.

7.1.2 Small transactions can be dealt with from petty cash (see the section on Cash Advances, etc), and in some situations, payments can be made via direct debit or other electronic means – the ~~Corporate Director – Resources~~Executive Director Corporate Services will advise on these processes. This section of the guidance deals with the most common form of payment, i.e. payment by BACS or cheque drawn on the Council's bank account.

7.1.3 All officers must encourage suppliers of goods and services to receive payment by BACs – this is the most economical means for the authority.

7.1.4 Corporate credit cards can be used in the day to day business of the Authority and are intended to facilitate transactions only in limited circumstances. Corporate credit cards are to be used chiefly to provide an alternative means of sourcing and paying for goods/services in connection with official business of the Authority, ~~where it is not possible to purchase these by conventional means. Corporate credit cards and~~ may be used for purchases to obtain benefit of discount, payment via the Internet, ~~and for the purchase of goods where it is not possible to purchase by conventional means etc. Where possible, an official order should be raised prior to the purchase on the financial system in order to promote good budget monitoring processes. Where this is not practical, an official order must be raised as soon as is practical after the purchase. Further guidance on corporate credit card use can be found in the guidance appended~~ The Corporate Credit Card Procedures must be followed.

7.1.5 All requests for direct debits against the authority's bank account should be made via the Accountancy section.

7.2 Security and Good Practice

- 7.2.1 The Council's creditor payment system ~~requires is set up so that~~ the 3 stages of order, goods receipt and payment to be separately processed with password input and authorisation controls in line with the appendix on Separation of Duties. Passwords are often used in place of actual initials and signatures and must not be made known to any other person. (See also the [Information Security Policy.doc](#)).
- 7.2.2 Each Chief Officer must inform the ~~Corporate Director – Resources~~Executive Director Corporate Services, in writing, of the names of employees permitted to undertake each of the -stages, to input orders, authorise orders and confirm goods receipt. The Manager must promptly notify the ~~Corporate Director – Resources~~Executive Director Corporate Services of any changes, for example, resignations. The ~~Corporate Director – Resources~~Executive Director Corporate Services should annually prompt each Chief Officer to review the named employees.
- 7.2.3 Chief Officers may also wish to limit the values input or authorised by some employees, and/or restrict the expenditure codes which some employees can access. This information should also be passed to the ~~Corporate Director – Resources~~Executive Director Corporate Services.
- 7.2.4 The ~~Corporate Director – Resources~~Executive Director Corporate Services must ensure that the payments system:
- conforms with the controls contained in the Appendix on Separation of Duties;
and
 - checks budget availability ~~and acts in line with the Chief Officer's wishes~~.

7.3 Invoice Processing

- 7.3.1 Each Chief Officer must ensure that the receipt of any service, material or item of goods is promptly recorded on the payment system, and that, where applicable, stock records and inventories are updated immediately.
- 7.3.2 Each Chief Officer must ensure that invoices received are promptly passed to Corporate ~~Resources Services~~ Directorate for processing. Any disputed invoices should be notified to the ~~Corporate Executive Director Corporate Services – Resources~~ immediately to aid performance monitoring.
- 7.3.2 Before any order is goods receipted, the ~~authoriser – officer receiving the goods/services~~ must satisfy him/herself that the payment is properly due, and that ~~the work, goods or services have been received and/or carried out in accordance with the order/contract/schedule of rates and this has been evidenced~~.
- 7.3.3 Officers must ensure that in respect of charges for gas, electricity, water, etc. adequate records are be maintained to ensure the charges are correct and the following checks are undertaken:
- any standing charges are correct,
 - consumption is charged on the correct tariff,
 - that the consumption recorded is reasonable in light of current and previous readings;

~~7.3.3 Officers should ensure that all credit notes are immediately claimed against invoices or a cheque reimbursement should be requested;~~

~~8.1.1~~

~~a) the work, goods or services have been received and/or carried out in accordance with the order/contract/schedule of rates and this has been evidenced;~~

~~f) 7.3.3 b) The Accountancy section will check the payee, prices, quantities, trade discounts, other allowances, credits and tax are correct; not previously paid, properly incurred and within the budget provision. They will also check any copy/facsimile invoices to ensure that they have not been previously paid and that payments are not made against suppliers' statement of accounts.~~

~~c) where items relate to utility invoices or other supply where no order has been placed, the account has not previously been paid;~~

~~7.3.4d) The Accountancy section will ensure that where the invoice includes VAT, it is correctly calculated. Where a VAT invoice is not supplied, the full cost of the invoice including the VAT must be charged to the budget code. The Chief Officer must ensure that an authenticated VAT receipt is subsequently obtained to support this payment and is passed to the Corporate Director – Resources Accountancy section immediately on receipt so that the accounting entry can be adjusted;~~

~~e) in respect of charges for gas, electricity, water, etc. adequate records must be maintained to ensure the charges are correct and the following checks are undertaken:~~

~~i) any standing charges are correct,~~

~~ii) consumption is charged on the correct tariff,~~

~~iii) that the consumption recorded is reasonable in light of current and previous readings;~~

~~g) all credit notes are immediately claimed against invoices or a cheque reimbursement should be requested;~~

~~g) Any copy/facsimile invoices should be checked and endorsed "not previously paid";~~

~~h) payments are not made against suppliers statement of accounts.~~

~~7.3.37.3.4 The controls over invoice processing This also applies to work done on our behalf by partners.~~

~~7.3.5 Where the payment of goods relates to inventory items, the inventory should be updated immediately.~~

~~7.3.4~~

Amendments

7.3.6 VAT invoices must not be amended. If an incorrect VAT invoice is received, the supplier must be asked to send:

(a) a corrected invoice, or

(b) a credit note.

Formatted: Indent: Left: 0 cm, Hanging: 1.25 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Tab after: 1.51 cm + Indent at: 1.51 cm, Tab stops: 1.25 cm, List tab + Not at 1.51 cm

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Formatted: Indent: Left: 0 cm, Hanging: 1.25 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Tab after: 1.51 cm + Indent at: 1.51 cm, Tab stops: 1.25 cm, List tab + Not at 1.51 cm

Formatted: Bullets and Numbering

7.3.7 Any amendment to a non-VAT invoice must be made in ink and initialled by the officer making it, stating reasons briefly where they are not self-evident.

Year End

7.3.8 Each Chief Officer must ensure that where goods and services (goods, materials, services and works, including electricity, gas water etc) have been received by 31st March, that commitment orders and goods receipt notes have been processed within the financial system.

7.3.9 Each Chief Officer must, as soon as possible after 31st March and not later than 15th April in each year notify the ~~Corporate Director – Resources~~Executive Director Corporate Services of all outstanding expenditure relating to the previous financial year. Outstanding expenditure consists of the value of all goods, materials, services and works (including electricity, gas, water etc.) that has been received at 31 March, but has not yet been paid.

7.4 Electronic Payment Mechanisms

7.4.1 Payments to suppliers ~~can~~must be completed by BACs transfer. ~~The authority is actively encouraging this method of payment,~~ as it is the most cost effective payment method. Payments will be made by cheques in exceptional circumstances.

7.4.2 Information relating to suppliers bank details should be directed to the ~~Corporate Director – Resources~~Executive Director Corporate Services.

8. PAYMENT OF SALARIES AND ALLOWANCES

8.1. Salaries

8.1.38.1.1 Salaries and other reimbursements are paid by the ~~Corporate Director – Resources Director Transformation & Corporate Performance~~ on behalf of each Chief Officer. The ~~Assistant Chief Executive Director Transformation & Corporate Performance~~ is responsible for maintaining the establishment list of the Authority, and ~~for telling the Corporate Director – Resources for~~ the details of standing payments to make. All forms of payment must conform with Council policy and Chief Officers should consult with the ~~Assistant Chief Executive Director Transformation & Corporate Performance~~ if change is sought.

8.1.48.1.2 It is the responsibility of Chief Officers to ensure that adequate and effective systems and procedures are operated so that:

- a) payments are only authorised to bona fide employees;
- b) payments are only made where there is a valid entitlement;
- c) conditions and contracts of employment are correctly applied;
- d) employees names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

8.1.58.1.3 Each Chief Officer must tell the ~~Assistant Chief Executive Director Transformation & Corporate Performance~~ immediately of any changes to his/her employees or the basis upon which they are employed. The Chief Officer is accountable for any losses to the Council or hardships incurred by an employee resulting from a failure to notify changes promptly.

Examples are:

- i. appointments, resignations, dismissals, suspensions, secondments and transfers;
- ii. sickness and other absences apart from approved leave with pay;
- iii. changes in pay etc, other than normal increments and general pay awards.
- iv. Any changes that may affect pensions of employees/former employees.

8.1.68.1.4 Chief Officers must ensure that all forms used to generate payments are either as supplied by the ~~Corporate Director – Resources Director Transformation & Corporate Performance~~ or are reviewed and sent annually for approval to the ~~Corporate Director – Resources Director Transformation & Corporate Performance~~. They must ensure that completed forms are checked, calculations confirmed and payments properly authorised. Otherwise payment will not be made.

8.1.78.1.5 In exceptional circumstances, for example, if likely to suffer severe hardship, an employee may request his/her Chief Officer for an advance of salary. The Chief Officer may wish to seek advice from the ~~Assistant Chief Executive Director Transformation & Corporate Performance~~ or ~~Corporate Director – Resources Executive Director Corporate Services~~. If the request is supported, the Chief Officer should ask the ~~Corporate Director – Resources Director Transformation & Corporate Performance~~ to make the

arrangements. The ~~Corporate Director~~ Resources Director Transformation & Corporate Performance should ensure that any advance is recovered from the next payment due.

~~8.1.88.1.6~~ A Chief Officer may certify payment of overtime to officers on spinal column point 35 and above only where prior written approval is obtained from a member of the Corporate Management Team. This would normally be in exceptional circumstances for work of a specific nature such as in covering for a long-term vacancy.

8.1.7

Formatted: Indent: Left: 0 cm, Hanging: 1.25 cm, Tab stops: 1.25 cm, Left + Not at 2.54 cm

8.1.7 Chief Officers may request additional payments such as honoraria for additional responsibility incurred by employees. These must be approved by the Chief Executive for a period of up to six months who should inform the ~~Corporate Director – Resources~~ Director Transformation & Corporate Performance of the basis for such payments.

Formatted: Bullets and Numbering

8.1.8 All payroll transactions should be processed through the payroll system. Chief Officers should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. All such matters should be referred the ~~Corporate Director – Resources~~ Director Transformation & Corporate Performance for guidance.

8.1.9 The ~~Corporate Director – Resources~~ Director Transformation & Corporate Performance must be notified of details of any employee benefits in kind, to enable full and complete reporting within the income tax self assessment system.

Formatted: Indent: Left: 0 cm, Hanging: 1.25 cm, Tab stops: 1.25 cm, Left + Not at 2.54 cm

Formatted: Bullets and Numbering

8.2 Allowances and Expense Claims

8.2.1 Employees ~~should~~ must submit expense claims in the pay period after which they were incurred in order to assist budget monitoring. Because of the difficulty in verifying old claims, claims more than ~~four~~ four pay periods old, will not be considered unless approval is made by ~~a Corporate Director~~ the Director Transformation & Corporate Performance or the ~~Chief Executive~~ Executive Director Corporate Services. Claims that do not meet pay deadlines (as advised by the ~~Director Transformation & Corporate Performance~~ Corporate Director – Resources) may not be paid until the following pay period. All car allowance claims must be supported with a VAT invoice for the fuel used.

8.2.2 Managers must only authorise claims they can certify as being correct – ie. Journeys were authorised, expenses necessarily incurred and claims are properly payable by the Council. The accuracy of any mileage claimed and any calculations ~~should~~ must be checked. Therefore, it is essential that all car allowance claim forms must show details of the trip undertaken, the duties carried out, both the opening and closing odometer readings and the deduction of any “ordinary commuting miles” (if applicable). Managers ~~should~~ must also ensure that officers claiming both casual and essential allowances have appropriate and up to date documents to include a valid driving licence, certificate of motor insurance that covers business use, valid MOT and vehicle registration document.

8.2.3 Chief Officers should ensure that the most appropriate means of travel in terms of cost and benefit is used. For example, long journeys may be better undertaken by train, for example, to reduce the length of the working day or allow the employee to work during the journey. (see guidance in Subsistence Policy).

8.2.4 Where subsistence and other associated travel expenses are claimed, they must be supported by VAT receipts. The Council will not reimburse any expenditure relating to alcohol. Guidance on subsistence rates that can be claimed can be found in the Subsistence Policy which is appended to this guidance. The maximum limits will be updated on an annual basis in line with the RPI.

- 8.2.5 Claims relating to Post Entry Training must be sent to the Assistant Chief Executive Director Transformation & Corporate Performance to authorise the claim. The Chief Officer must ensure the scheme is authorised and an agreement has been signed by the employee. Where the scheme provides for the repayment of expenses, the Assistant Chief Executive Director Transformation & Corporate Performance must arrange recovery of any sums due before the employee leaves. The Organisational Development Unit will supply guidance on amounts that can be claimed on an annual basis.
- 8.2.6 Personal expenses incurred in entertaining guests will not be reimbursed without the prior approval of the Corporate Director – Resources Executive Director Corporate Services.

8.3 Members Allowances

- 8.3.1 The Legal & Democratic Services Manager Solicitor to the Council must check and certify claims submitted by Members. He/she must give the Corporate Director – Resources Director Transformation & Corporate Performance details of regular payments, such as responsibility allowances, and must immediately notify any changes. Expenses claims must be submitted monthly to aid budget monitoring. Expenses claim forms must be completed in full e.g. detailing journeys made, opening and closing milometer readings and any other expenses claimed. Claims can only be made for approved duties as defined in the Constitution. All car allowance claims must be supported with a VAT invoice for the fuel used. Claims in excess of four-four months will not be considered unless approved by a the Executive Director Corporate Services or the Chief Executive.
- 8.3.2 Members wishing to attend a conference, etc must advise the Legal & Democratic Services Manager Solicitor to the Council or relevant Chief Officer, who must ensure there is Council approval before anything is spent, after consultation with the Cabinet if necessary, may approve the payment of the cost of attendance at Conferences and training events and the payment of travelling, subsistence and attendance allowance(s) in the rates prescribed by the Secretary of State. ~~Members' expense claims should comply with ODPM regulations and should be counter-signed by any officer who accompanied him/her.~~
- 8.3.3 Wherever possible the Chief Officer should arrange overnight conference accommodation on behalf of Members and ensure invoices are sent direct to the Council.

9. CASH ADVANCES, CASH FLOATS AND PETTY CASH

9.1 Purpose

9.1.1 Small amounts of cash currently need to be held in service units to:

- a) provide a cash float in tills;
- b) pay minor expenses.

~~Currently travel and subsistence expenses may be paid from petty cash, but because of the difficulty and expense in handling cash, the long term aim is to minimise the use of cash for this type of payment.~~

Formatted: Indent: Left: 0 cm, Hanging: 1.25 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 2 + Alignment: Left + Aligned at: 0 cm + Tab after: 1.51 cm + Indent at: 1.51 cm, Tab stops: Not at 1.51 cm

Formatted: Bullets and Numbering

9.2 Processes

- 9.2.1 A Chief Officer needing a cash advance must send a written request to the ~~Corporate Director – Resources~~Executive Director Corporate Services. The manager receiving the cash advance must sign for the receipt of all cash advances. A copy of the receipt must be forwarded to the Finance, ~~Exchequer & Revenues~~ section for accounting purposes. He/she is responsible for the security of the cash and may be held responsible for making good any shortages.
- 9.2.2 Only minor items of expenditure may be paid out of petty cash. Petty cash must not be used to carry out recurring purchases of a similar nature. Chief Officers must not authorise any individual payment over £100 without the agreement of the ~~Corporate Director – Resources~~Executive Director Corporate Services. Where reimbursement of expenditure exceeds £100, this should be processed through the payroll system. Claims for expenses should be completed using the expenses claim form. VAT receipts for all expenses must be attached. Expenses will be reimbursed through the Payroll system with salary payments.
- 9.2.3 Payments out of petty cash must be supported by a receipt or other voucher. Wherever possible a VAT receipt should be obtained. Income received must not be paid into a petty cash account.
- 9.2.4 The Chief Officer must keep full records of all transactions. Records must be kept fully up-to-date, showing the current balance in the account. The expenditure details and receipts/vouchers must be sent to the ~~Corporate Director – Resources~~Executive Director Corporate Services with the claim for reimbursement.
- 9.2.5 The Chief Officer must ensure that the balance is checked at least monthly by an officer without other responsibilities for petty cash. All checks made should be evidenced. Any discrepancies must be investigated and reported as necessary.

- 9.2.6 At 31 March each year the officer carrying out the check must send written confirmation to the ~~Corporate Director – Resources~~Executive Director Corporate Services of the balance held and an explanation of any discrepancy.
- 9.2.7 No float should be used to cash personal cheques or make personal loans. The only payments in to the account are for the reimbursement of the float and any change relating to purchase where an advance has been made.
- 9.2.8 Any transfers of floats between officers should be evidenced by signature of both parties involved and a copy retained by the transferor. A copy should be sent to the ~~Corporate Director – Resources~~Executive Director Corporate Services to ensure that records remain up to date.

10. INCOME, CHARGING AND DEBTS

10.1 Fees and Charges

- 10.1.1 Chief Officers must ensure that all fees and charges are authorised by Council, either through approving each individual charge, or through approving a charging policy. Any policy must specify the charges it relates to and exactly how charges will be set.
- 10.1.2 Chief Officers must ensure that all relevant charges are clearly displayed at service payment points. Employees must charge all people using the service the approved amounts.
- 10.1.3 All VAT due should be correctly identified and accounted for.

10.2 Receiving Payment

- 10.2.1 The Council accepts payment by ~~cash~~, cheque, debit card, ~~and credit card~~ and cash (cash is only accepted at certain locations). Officers handling payments must follow the procedures below and any local procedures, including those needed for computerised systems. They must complete all records fully and accurately at the time. Chief Officers must ensure adequate local procedures are in place at all stages, having sought necessary advice from the ~~Corporate Director – Resources~~Executive Director Corporate Services.
- 10.2.2 Ideally, subject to adequate controls, income should be received in advance or at the time of service provision.
- 10.2.3 Where possible, a forged note detector should be used.
- 10.2.4 Cash drawers should be closed in between transactions.
- 10.2.5 Supervisory keys for cash registers should be held by supervising officer and not by cashiers.
- 10.2.6 All voids, refunds and exceptions should be reviewed by the supervising officer and this review should be evidenced.

Section C 86

Revised ~~March-Sept 2014~~2 – Approved A & G ~~3425/0310/14~~2

All Methods

- 10.2.7 The officer must immediately issue an official receipt or ticket. Change may only be given for payment by cash.
- 10.2.8 All official receipts should be properly controlled and accounted for.
- 10.2.9 All official receipts should be in a format approved by the ~~Corporate Director Resources~~Executive Director Corporate Services
- 10.2.10 Transfers of cash between staff must be evidenced by signature of both staff involved and a copy retained by the transferor.

Cheque Payment Against An Invoice/Account

10.2.11 The officer must ensure the cheque is:

- a) made payable to "Tamworth Borough Council" (and should be crossed account payee only);
- b) dated correctly;
- c) the correct amount;
- d) signed;

and the officer must:

- e) record on the back of the cheque the receipt number (and location if necessary) and payment/invoice reference.

Cheque – Other Payment

10.2.12 As well as the above requirements the officer must ensure:

- a) the cheque is signed at the counter;
- b) a cheque card is presented with
 - the same signature,
 - the same code number as the cheque,
 - a valid expiry date,
 - a limit sufficient to cover the cheque;

and the officer must:

- c) record the card number on the back of the cheque.

Debit and Credit Cards

10.2.13 For payments in person the officer must ensure:

- a) the card has not expired;
- b) the receipt signature matches the card signature;
- c) the card is not on a current stop listing (or if so, follow the instructions with the listing);
- d) the receipt number is recorded against the transaction;
- e) the credit card surcharge is recovered in line with approved policy

10.2.14 For telephone payments the officer must ensure:

- a) that payments are processed at the time of call;
- b) all relevant security checks are completed.

10.3 Postal Payments

10.3.1 ~~All post is to be opened centrally in the designated post room. Exceptions to this include private and confidential post and where it is deemed that post should not be opened.~~

~~10.3.2 Post must only be opened when two officers are present.~~

~~10.3.3 All income received through the post should be recorded immediately on to the cash receipting system. Chief Officers must ensure adequate post opening procedures are in place — examples of good practice are included in the Appendices. In essence these must ensure that:~~

- ~~a) two people are involved in the opening of items of post ;~~
- ~~b) all payments are recorded in a form approved by the Corporate Director – Resources and are processed promptly;~~
- ~~c) appropriate local instructions/guidance are provided to employees.~~

~~Officers opening the post must:~~

- ~~a) immediately record the payment in a register;~~

- ~~b) at the end of the post-opening, sign the register;~~
- ~~x) follow any other local instructions.~~

~~Officers receiving postal payments must:~~

- ~~a) sign a record of the transfer to them (if they did not open the post);~~
- ~~b) carry out the relevant checks listed above for over the counter payments, as shown in local instructions.~~

Formatted: Indent: Left: 1.5 cm,
First line: 0 cm, Numbered + Level: 1
+ Numbering Style: a, b, c, ... + Start
at: 3 + Alignment: Left + Aligned at: 0
cm + Tab after: 1.27 cm + Indent at:
1.27 cm

Formatted: Bullets and Numbering

10.4 Cashing-Up Procedures

- 10.4.1 At each payment point, the Chief Officer must ensure there are adequate daily cashing-up procedures. The two stages should be carried out by two different employees. The cashier should total the contents of the till and by deducting the cash float, find out the day's takings. A second officer should confirm the actual cash takings with the total takings recorded on the receipts given out. Signatures of both officers involved should be recorded on the paying in slip. The local supervisor must immediately investigate any material discrepancies and advise the Chief Officer, the ~~Corporate Director – Resources~~Executive Director Corporate and Services and the Head of Internal Audit Services). All discrepancies must be recorded in a cashiers overs/unders book, signed daily by the supervisor.
- 10.4.2 Small overs/unders balances up to £5 may be held locally, at the discretion of the Chief Officer. Any balance over £5 should be banked.

10.5 Depositing Money

- 10.5.1 All money received must be banked direct. Employees must follow guidance from the ~~Corporate Director – Resources~~Executive Director Corporate Services on cash collection, control, deposit and records.
- 10.5.2 Chief Officers/employees must ensure that all money received (other than permitted over/unders balances) is deposited in full, without anything being deducted. For example cash from a till must never be used to meet petty cash expenses or to top-up petty cash.
- 10.5.3 If there is a need to depart from this rule, the Chief Officer must get the written authorisation of the ~~Corporate Director – Resources~~Executive Director Corporate Services.
- 10.5.4 Takings should be banked daily. Where this is not practicable Chief Officers may agree an alternative arrangement with the ~~Corporate Director – Resources~~Executive Director Corporate Services, provided:
- takings are banked at least weekly; and
 - maximum cash holdings specified by the ~~Corporate Director – Resources~~Executive Director Corporate Services (for insurance purposes) are not exceeded.
- 10.5.5 The cashier must prepare a daily cash summary/return and attach relevant till readings or equivalent. The return must detail the amount of cash and the amount in cheques. A supervising officer must verify this return.
- 10.5.6 Chief Officers must in any event ensure maximum cash holdings are not exceeded.
- 10.5.7 The cashier must certify the paying in slip, which should be checked and evidenced by a supervising officer.

10.5.8 Where banking bags are used, seals and the authority's details should be recorded in accordance with the collection company's procedures.

|

10.6 Money Laundering

10.6.1 Money laundering is the term used for a number of offences involving the proceeds of crime and terrorist funds. The following acts constitute the act of money laundering:

- Concealing, disguising, converting, transferring or removing criminal property from England and Wales, or from Scotland, or from Northern Ireland;
- Becoming concerned in an arrangement in which someone knowingly or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
- Acquiring, using or possessing criminal property.

10.6.2 Although the term “money laundering” is generally used when describing the activities of organised crime – for which the legislation and regulations were first and foremost introduced – to most people who are likely to come across it or be affected by it, it involves a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

10.6.3 A likely indicator that money laundering may be taking place is the deposit of large amounts of cash. The limit on a payment made by cash is £1,000. Any attempt to pay above this amount should be reported to the Solicitor to the Council.

10.6.4 The Council will do all it can to prevent, wherever possible, the organisation and its staff from being exposed to money laundering to identify potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. However, it is every member of staff’s responsibility to be vigilant.

10.6.5 The Solicitor to the Council is the nominated officer to act as the Council’s Money Laundering Reporting Officer.

10.6.6 If a case of money laundering is suspected, the Solicitor to the Council should be consulted immediately.

10.7 Invoices, Debtors and Other Sums Due

10.7.1 It is the responsibility of each Service Unit to ensure that income for services etc is received prior to the service being completed. Where payment in advance is not possible, all necessary information in order to raise an account should be obtained from the customer prior to the provision of the service, except where statute dictates otherwise.

10.7.2 All Service Units must maintain a record of why the account has been raised. All accounts must be accurately created either prior to the service being delivered or, in the case of post-service charging, within 5 working days of the delivery of the service. Where possible, debtor accounts should not be raised for less than £100 in accordance with the Corporate Credit Policy.

- 10.7.3 It is essential that all accounts issued are timely; therefore, accounts raised after the service has been completed should be raised within five working days.
- 10.7.4 Timescales for the recovery process are detailed in the Corporate Credit Policy.
- 10.7.5 At the start of each financial year, Chief Officers must promptly supply information to the ~~Corporate Director – Resources~~ Executive Director Corporate Services on amounts due where a debtors account has not yet been raised for the previous financial year within the required deadlines.

Credit Policy

- 10.7.6 Cabinet on 25 April 2007 approved a new Corporate Credit Policy (see Appendix). Chief Officers must ensure appropriate local guidance is in place and employees must follow the Policy and the local guidance.

10.8 Debt Write-Off

- 10.8.1 Debts may only be written-off in line with the appropriate policy – e.g. the Corporate Credit Policy.
- 10.8.2 Except where an approved policy dictates otherwise, the following authorisations are needed to write-off debt:

<u>Authority</u>	<u>Limit</u>
Chief Officer (or authorised delegated officer)	up to £5,000
Corporate Director – Resources <u>Executive Director Corporate Services</u>	£5,001 - £10,000
Cabinet	over £10,000

Note that these limits apply to each transaction.

All write-offs should be completed with adherence to the Accounts & Audit Regulations ~~2006~~ 2011.

An annual report of write offs between £5,001 and £10,000 should be submitted to Council for information.

11. ASSETS AND EQUIPMENT

An up to date asset register is a pre requisite for proper fixed asset accounting and sound asset management. Assets need to be valued in accordance with *the Code of Practice on Local Authority Accounting in the United Kingdom: (CIPFA/LASAAC based on International Financial Reporting Standards)*. Any assets purchased with a value of over £10,000 should be notified in writing to the ~~Corporate Director – Resources~~ Executive Director Corporate Services so that they can be added to the asset register.

11.1 Responsibilities

11.1.1 Each Chief Officer is responsible for the records, use and storage of all assets and equipment within their control and/or used in their service delivery. Each Chief Officer must ensure that a physical check of all significant assets and equipment is undertaken on at least an annual basis to confirm their location and condition and to ensure that inventory records are accurate. This check should be evidenced.

11.1.2 Each Chief Officer must ensure that inventory records are maintained for all assets and equipment in any format specified by the ~~Corporate Director – Resources~~ Executive Director Corporate Services, to ensure the details shown below are included in each case and that all appropriate items are clearly and securely marked.

Inventory details:

- Description
- Purchase date
- Purchase price
- Serial number (if applicable)
- Asset number (if applicable)
- Condition
- Date of disposal

11.1.3 Chief Officers should ensure that contingency plans for the security of assets and continuity of service in the event of a disaster or system failure are in place.

11.1.4 In order to comply with the International Financial Reporting Standards, managers are required to consult on **any rentals, leases, use of assets to or from the authority**, prior to entering into an agreement with the ~~Corporate Director – Resources~~ Executive Director Corporate Services, especially where financial/operating leases are entered into as more advantageous financing could be sort.

11.2 Scope

11.2.1 All furniture, fittings, equipment and plant and machinery with an original and individual value of £50 or more should be included, with the sole exception of Information Technology (I.T.) hardware and software, which must be recorded by the ~~Assistant Director – Business Processes~~ Director, Technology & Corporate Programmes. Chief Officers should consider whether it is appropriate to include other items of a portable and desirable nature which may have a lower value.

11.2.2 Any change in the use or location of any I.T. hardware or software must be completed by the ~~Business Process Unit~~ Technology & Corporate Programmes Service who will update their records accordingly.

11.3 Use

Section C 94
Revised ~~March-Sept 2014~~2 – Approved A & G ~~3425/0310/14~~2

11.3.1 Items are only to be used on Council business and in line with accepted procedures and manufacturers instructions, and must not be removed without the specific approval of the Chief Officers.

11.4 Disposal

11.4.1 The disposal of all surplus items must be in line with the following guidelines which should be applied by:

- a) the ~~Assistant Director of Business Processes~~ Technology & Corporate Programmes for all IT equipment;
- b) the Chief Officer for all other items;
- c) the ~~Corporate Director – Resources~~ Executive Director Corporate Services for all other items with a value in excess of £1,000.

11.4.2 Each Chief Officer must record the disposal details on the inventory records and must maintain adequate records such as receipts and formal bids. Disposals should be notified to the ~~Corporate Director – Resources~~ Executive Director Corporate Services to ensure that appropriate accounting entries are made to remove the value of disposed assets from the authority's records and to include the sale proceeds if appropriate.

Disposal Guidelines

11.4.3 A disposal policy is in place for the disposal of land and property (Asset Disposal Policy). The Asset Disposal Policy must be followed in these instances.

The disposal of any other surplus assets or equipment should be arranged in the manner most useful to the Council, taking into account the value, condition and usefulness of the item. Further guidance is appended.

11.4.5 All IT equipment must be passed to the ~~Business Process Unit~~ Technology & Corporate Programmes Service for disposal to ensure that all information retained on disk drive is deleted in accordance with the Data Protection Act 1998.

11.4.6 Particular care must be taken to ensure the Council is not exposed to risk, for example by passing an unsafe item to another body. Any internal sale must be scrupulously fair and open. The guide to the disposal of assets (excluding land and buildings) is appended to this guidance. Advice is available from the Head of Internal Audit Services or ~~Deputy~~ Director – Assets & Environment.

12. STOCKS AND STORES

12.1 Responsibilities

12.1.1 The aim of controls over stocks and stores is to ensure:

- a) necessary materials are available when they are needed;
- b) purchase costs are minimised;
- c) stock holding costs are minimised;

Section C 96

Revised ~~March-Sept 2014~~ – Approved A & G ~~3425/0310/14~~

d) waste and other loss is minimised

e) .

Formatted: Bullets and Numbering

12.1.2e To achieve this Chief Officers must ensure:

Formatted: Bullets and Numbering

- a) the correct quantities are purchased at the correct times (to gain discounts and avoid delivery and administration costs);
- b) excessive levels are not held (taking account of shelf life, storage costs and service needs);
- c) stocks are held and handled securely;
- d) adequate records are maintained including:
 - i) purchases and additions
 - ii) issues
 - iii) write-offs.

12.1.3 The ~~Corporate Director – Resources~~ Executive Director Corporate Services can advise on these matters, particularly on the financial records.

12.1.4 Chief Officers must also ensure that movements of stores are properly authorised and documented and that the records note the employee(s) involved in the process. The Head of Internal Audit Services can advise on these aspects.

12.2 Stocktaking

12.2.1 All stocks must be checked at least once a year at the end of the financial year in order to compare actual levels to recorded levels and Chief Officers should consider more frequent checks of valuable, desirable and portable items. Large stores, such as those held at the depots, could achieve this by an agreed process of rolling stocktakes. The Head of Internal Audit Services will advise if necessary.

12.2.2 Stocktakes must be monitored and checked by employees who are independent of the storekeeping roles. This checking role must include the comparison of actual stocks to the recorded levels.

12.2.3 All discrepancies should be investigated by the line manager. Any material discrepancies (over £100 or desirable commodities) should be reported to the ~~Corporate Director – Resources~~ Executive Director Corporate Services who will advise on the appropriate procedures to follow, and who may inform the Head of Internal Audit Services of the facts.

12.3 Obsolete and Unserviceable Stock

12.3.1 The disposal of stocks and stores should be in line with the guidance contained in the section on Assets and Equipment.

12.3.2 Obsolete/damaged stock should be written off prior to year-end and should not be included in year-end stock balances.

12.4 Intellectual Property

12.4.1 Intellectual property is a generic term that includes inventions and writing. If these are created by the employee during the course of employment, then,

- as a general rule, they belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property.
- 12.4.2 Certain activities undertaken within the authority may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.
- 12.4.3 Chief Officers must ensure that controls are in place to ensure that staff do not carry out private work in council time and that staff are aware of an employer's rights with regard to intellectual property.

13 SECURITY

- 13.1 All staff ~~should~~**must** wear their ID pass at all times within Council establishments. Identification should be requested for all visitors to council establishments. Where applicable, visitors must sign the visitors book both on entry and exit of the building. If appropriate, the visitor must be provided with an identification badge which must be returned on departure. The person issuing the badge should ensure that the badge is returned.
- 13.2 All temporary identification badges should be retained securely.
- 13.3 All building alarms should be linked to Homelink, the police station or directly to the alarm company. Managers should ensure that these links are maintained.
- 13.4 The knowledge of alarm codes should be restricted to relevant staff. Each member of staff must have their own ID for the alarm. If a member of staff leaves the authority, their ID should be deleted from the system.
- 13.5 Alarm usage reports should be generated on a regular basis. These reports should reviewed by management who must evidence this review.
- 13.6 All cash handling areas should be secured. All access to cash areas should be locked and access restricted to authorised staff.
- 13.7 Safes should be located out of site of the public and should be locked at all times. Access to safes must be restricted to authorised personnel. Each member of staff needing access to the safe must be issued with a key. The issue of safe keys should be documented detailing the date issued and the holder. The holder must sign for the receipt of the key. Safe keys **must not** be retained on the premises overnight. Retention of safe keys on unoccupied premises renders the insurance invalid.
- 13.8 Any transfer of keys between staff should be recorded. On termination or transfer of employment, all keys issued to that member of staff should be handed back to the line manager. The key register should be updated to reflect the hand over.
- 13.9 Managers are responsible for ensuring that the cash limit for the safe is not exceeded.
- 13.10 Where a cash collection company is used, managers are responsible for ensuring that the names and signatures of the cash collection staff are up to date.

13.11 The guidance on physical and environmental security contained within the Information Security Policy gives more guidance.

14 DATA QUALITY

- 14.1 All employees have a responsibility for ensuring the information we process is accurate and up to date. The Data Quality Policy addresses this.
- 14.2 The consequence of poor quality of data impacts not only the way the council works, but also anyone who conducts their business with us.
- 14.3 Data Quality Standards possess six essential characteristics, these are:
- **Completeness** – Data quality systems should have in place monitoring to ensure that no data is missing, incomplete or invalid records included.
 - **Accurate** – Data should be accurate for the purpose it is intended, and to be captured as close to the source as possible.
 - **Validity** – Data should be compliant with requirements and within the parameters laid down in any criteria.
 - **Reliability** – Data should be consistent across all collection points and over time. Appropriate controls should be in place to check outputs/inputs, sampling and is compliant with the criteria set out.
 - **Timeliness** – Data should be captured as soon as possible, and available to recipients within the agreed timeframe.
 - **Relevance** – Data captured should be relevant to the purpose for which it is used. Reviews need to take place to ensure the quality reflects any changing needs.

This page is intentionally left blank

25th OCTOBER 2012

REPORT OF THE HEAD OF INTERNAL AUDIT SERVICES

RISK MANAGEMENT REPORT

EXEMPT INFORMATION

None

PURPOSE

To report on the Risk Management process and progress to date for the current financial year.

RECOMMENDATIONS

That the Committee approves:

- 1. The Risk Management Policy & Strategy, and**
- 2. The Corporate Risk Register**

EXECUTIVE SUMMARY

One of the functions of the Audit & Governance Committee is to monitor the effectiveness of the authority's risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management.

The Risk Management Policy and Strategy has been reviewed and updated. Only minor changes have been made. The revised version is attached at **Appendix 1** for this Committee's approval.

Work completed this financial year includes the complete review of the Corporate Risk Register. The Corporate Risk Register is reviewed by Corporate Management Team (CMT) on a quarterly basis. Corporate risks have been assigned to relevant members of the Corporate Management Team. The Corporate Risk Register is attached for information at **Appendix 2**.

Work is currently being completed by Internal Audit as part of their planned work to ensure that the operational risk register entries are aligned to the corporate risks. This will also identify areas where operational risk registers need to be updated to ensure that operationally, the corporate risks are managed.

RESOURCE IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS BACKGROUND

None

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

Angela Struthers ex 234

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 – Risk Management Policy & Strategy

Appendix 2 – Corporate Risk Register

Appendix 1



Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

2

RISK MANAGEMENT POLICY AND STRATEGY

Formatted: Font: Arial

Document Status: Final

Originator: A Struthers

Updated: A Struthers

Owner: Executive Director Corporate Services

Formatted: Font: (Default) Arial

Version: 01.01.02

Formatted: Font: (Default) Arial

Date: 18/9/12

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Approved by Audit & Governance Committee

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Date April 2010 October 2012

Document Location

This document is held by Tamworth Borough Council, and the document owner is John Wheatley, Executive Director - Corporate –Services.

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Printed documents may be obsolete. An electronic copy will be available on Tamworth Borough Councils Intranet. Please check for current version before using.

Revision History

<u>Revision Date</u>	<u>Version Control</u>	<u>Summary of changes</u>
<u>April 2010</u>	<u>1.01.01</u>	
<u>18/09/12</u>	<u>1.01.02</u>	<u>Scheduled review</u>

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Approvals

<u>Name</u>	<u>Title</u>	<u>Approved</u>
<u>Audit & Governance Committee</u>	<u>Committee Approval</u>	
<u>CMT</u>	<u>Group Approval</u>	
<u>John Wheatley</u>	<u>Executive Director Corporate Services</u>	
<u>Angela Struthers</u>	<u>Head of Internal Audit Services</u>	<u>Yes</u>

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Document Review Plans

This document is subject to a scheduled annual review. Updates shall be made in accordance with business requirements and changes and will be with agreement with the document owner.

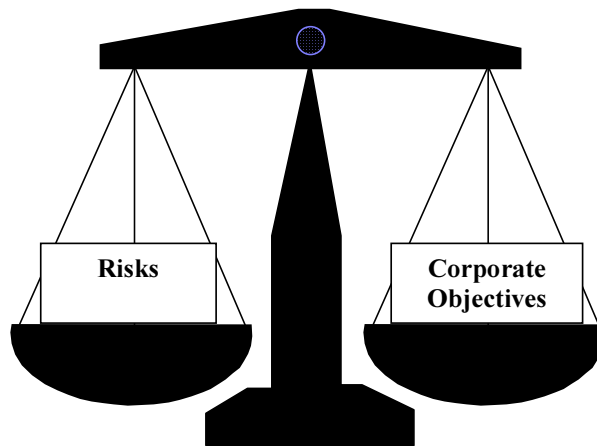
Distribution

The document will be available on the Intranet and the website.

Date April 2010October 2012



RISK MANAGEMENT



Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

| Date April 2010 October 2012

Contents

	Page Number
Risk Management Statement	1
<u>Protocol Objectives</u>	2
Risk Management Strategy	2 / 3
Risk Management Organisation	3 / 4 / 5
Arrangements	5
Risk Management Tools	5 / 6
Review of Risk Management	6
Reporting Lines	7

Formatted: Font: (Default) Arial

Risk Management Policy Statement

Formatted: Right: 0.09 cm

Statement by the Council Leader and Chief Executive

The Council is committed to the culture of Risk Management ensuring that its reputation is not tarnished by an unforeseen event nor is it financially or operationally affected by the occurrence.

It recognises that: -

- Management has the responsibility to plan and systematically approach, the identification, evaluation, and control of risk
- In order for the Council to improve, risks need to be taken, but they need to be understood and appropriately managed
- All Managers and Team Leaders have responsibility for the effective control of risk utilising the support training and resources provided by the Council
- The responsibility for insurable losses is management's, not that of an insurance company. Insurance is not a substitute for the management of risk
- The need to integrate Risk Management into the culture of the Council.

Formatted: Font: (Default) Arial

Risk Management objectives for Tamworth Borough Council are :

- To safeguard the public, members and employees and to protect the Authority's reputation and assets;
- To manage risks in accordance with best practice and ensure risk management is integrated into the culture of Tamworth Borough Council and all those connected with it.
- To identify and take advantage of available opportunities to improve service delivery and/or the Council's financial position;
- To ensure the Council delivers its commitments to stakeholders and to demonstrate transparency, accountability and equity in its efforts to do so;
- To anticipate and respond positively to changing social, environmental and legislative requirements; and
- To identify and manage partnership risks

The Cabinet will regularly review the Risk Management Policy and Strategy to ensure their continued relevance to the Borough. They will also assess performance against the aims and objectives.

We attach great significance to Risk Management and it is essential that the Protocol is known and understood by all staff within the Council. It will form part of the induction training and performance reviews for all staff and members and will be monitored as part of the performance review process utilising the corporate performance system Covalent . We will make adequate resources available to ensure that the commitments made in this statement are achieved.

Formatted: Font: (Default) Arial

Risk Management has our total support – it needs yours too for us to succeed.

(Signed)
Designation
Date

(Signed)
Designation
Date

Date of review.

Protocol Objectives

In implementing this Protocol the Council will:-

- Identify those assets and exposures which have or may give rise to loss producing events
- Maintain detailed 'Risk Registers' of the risks identified as threatening the Council's operation and document their control on the Authority's Corporate Performance system Covalent
- Assess the impact of potential loss producing events
- Take reasonable physical or financial steps to avoid or reduce the impact of potential losses
- Endeavour to reduce all serious (RED) risk to an acceptable level either by controls or ceasing the activity.
- Ensure that all systems of work reflect the positive risk management culture of the Council,
- Establish a comprehensive information base of insurable and uninsurable losses,
- Maintain a detailed understanding of insurance,
- Purchase insurance for those risks which cannot be avoided or reduced further, always retaining risks where this is economically attractive.

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Risk Management Strategy

The Purpose of this Risk Management Strategy is to effectively manage potential opportunities and threats to the organisation achieving its objectives. The main objectives of the Council's Risk Management Strategy are to:-

- Achieve continuous improvement in the management of risk,
- Develop a culture that integrates risk management into the day-to-day management process,
- Continue to develop robust systems to identify and evaluate risk,
- Develop reliable performance indicators for target-setting and for making appropriate comparisons,
- Develop systems for performance monitoring to bring about continuous improvements,
- Enabling the Organisation to anticipate and respond to changing social, environmental and legislative conditions,
- Reduce the total cost of risk and mitigate potential future increases in insurance premiums and self-insurance options.

Formatted: Font: (Default) Arial

To help achieve these objectives it will be necessary to:-

- Increase the profile of and commitment to Risk Management throughout the Authority,
- Ensure adequate resources (financial and time) are provided,

- To make all partners, providers and delivery agents aware of the Organisation's expectations on risk, both generally as set out in its Risk Management Policy, and where necessary in particular areas of service delivery,
- Develop arrangements to measure performance of RM activities against the aims and objectives,
- Establish clear accountabilities, roles and reporting lines across all services, departments, management and committees,
- Provide for risk assessment in all decision-making processes of the Organisation,
- Develop training to build awareness across all levels of Council activity.
- Performance manage risk management across the Authority

Risk Management Organisation

The Authority's Section 151 Officer is responsible for establishing and maintaining risk management procedures and for providing guidance on implementation of TBC's risk policy. To support this function the following risk management structure has been established :-

Council

- Ensure TBC has in place adequate and effective arrangements for the management of risk
- annually review the risk register and risk management arrangements

Formatted: Font: Arial

Audit and Governance Committee

- Approve TBC's risk tolerance, and ensure the Corporate and strategic risks are being managed.
- Approve and review the process for the management of risk to ensure they are effective, efficient and robust so as to help Officers and members meet existing and new challenges,
- Promote the culture that is essential for risk management to succeed,
- Report to Council on the effectiveness of the system of internal control, including risk management systems.
- Review the risk registers quarterly and progress against risk action plans.
- Review priorities for dealing with unacceptable risks and improvable risks

The Corporate Management Team

The role of the SeniorCorporate, Management Team is to ensure that the Council manages risk effectively through the development of an all-encompassing corporate strategy.

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

TheCorporate, Management Team should :-

Formatted: Font: (Default) Arial

- Be the clear focus for the management and control of the significant risks in the Council's activities,
- Provide a clear explanation of why risk management is being implemented,
- Communicate overall strategy and objectives,
- Ensure the management of risk is monitored as part of the performance management process of the Authority through the Covalent performance management system.

- Create a visible success to show that positive returns are attainable,
- Make available an annual budget for risk management initiatives,
- Ensure the Corporate Risks of the Authority are identified and adequately managed
- Review the performance of Risk Management within the Authority as part of the monthly performance monitoring process.
- Ensure risks are being adequately managed across the Authority
- Share experiences on risk, risk management and strategy implications across the Council,
- Identify areas of overlapping risk,
- Share good practice found both internally within the Council and externally with other Councils or project partners.
- Review the ideas, Corporate Risks of the Authority.
- Build on success

Formatted: Bullets and Numbering

Formatted: Font: (Default) Arial

Unit/Heads of Service / Service Managers

Formatted: Font: (Default) Arial

Managers must support the Council in effective development and implementation of the Risk Management Strategy within each service area within the Corporate Strategy.

Managers must :

- Ensure that risk is identified, documented and effectively managed in their areas of responsibility,
- Feed into the development of the Corporate Strategy from a service specific perspective,
- Identify any service specific issues relating to risk management which have not been explicitly addressed in Corporate Strategy,
- Liaise as appropriate with external agencies regarding the management of risk,
- Establish any training requirements of staff in respect of Risk Management,
- Identify within each Unit a Senior Officer to co-ordinate the Unit's overall approach to Risk Management.

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

All staff

All employees have a duty to co-operate so that risk is effectively managed in their areas, ensuring that all issues that they cannot resolve directly themselves are brought to the attention of their managers.

Head of Internal Audit Services

The Head of Internal Audit Services is the focal point for developing and implementing the strategy throughout the Council. His role is to advise others, as it is Service # Management who will have overall responsibility.

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

The Head of Internal Audit Services' overall responsibility will be to :-

Formatted: Font: (Default) Arial

- Develop the corporate risk management strategy in liaison with the Management Teams and Service Units,

- Promote support and oversee its implementation across the Council,
- Monitor and review the effectiveness of the risk management strategy,
- Assist with the identification and communicate risk management issues to Units,
- Work with the Insurance Officer on insurance issues,
- Advise Corporate and Unit management teams on strategic and operational implications of risk management decisions,
- Support Corporate and Unit management teams in their liaison with any external partners when identifying and managing risk in joint projects.

~~The Corporate Management Team Group~~

~~This should be the forum where risk is performance managed to:-~~

- ~~Ensure risks are being adequately managed across the Authority~~
- ~~Share experiences on risk, risk management and strategy implications across the Council,~~
- ~~Identify areas of overlapping risk,~~
- ~~Share good practice found both internally within the Council and externally with other Councils or project partners,~~
- ~~Review the ideas, Corporate Risks of the Authority.~~
- ~~Build on success~~

Formatted: Bullets and Numbering

Internal Audit

Audit has the responsibility for auditing the implementation of the risk management strategy.

Arrangements

- The ~~Corporate Director of Resources~~ Executive Director Corporate Services will ensure that all Managers are aware of their responsibility for Risk Management,
- The Head of Internal Audit Services will be responsible for ensuring that the risk strategy of the Council is achieved ~~to,~~
- The Operations Accountant will be responsible for the administration of insurance and co-ordination of advice and support.

Formatted: Font: (Default) Arial

Risk Management Tools

- **Risk Registers:** Risk registers record risks to the achievement of Council objectives, the controls in place to mitigate those risks, and the progress against the implementation of those mitigations. There are three risk registers in place.
- The Corporate Risk Register records risks to the achievement of the Council's strategic aims and objectives.
- Service Risk Registers record risks to the achievement of service business plans and the day to day activities of the Council.
- Project Risk Registers record the risks related to specific projects that are being carried out by the Authority

Formatted: Font: (Default) Arial

- In addition, there is a library of Partnerships risks for managers to draw upon when they are completing any partnership risk registers.

Formatted: Bullets and Numbering

Formatted: Font: (Default) Arial

~~During 2010, a register for Partnership risks will be drawn up and integrated into the Risk management System.~~

Council Policy Procedure: Risks are considered as part of all decisions made by the Council. Report templates include a section to give consideration to risks, and the Risk Management Guidance gives direction on how to identify those risks.

Project Risk Assessments: All projects carry some risks. Once a project has been identified, risks are identified at the appraisal stage, and managed throughout the life of the project by the Project Manager and Project Board. See the Project Management Framework for more details.

Procurement Risk Assessments: Risk assessments will be conducted at the planning stage of a procurement exercise. They will be used to identify the risk and controls in the proposed exercise, and assess their impact and probability. They will be used to report on risk, to prioritise improvement action and to monitor results. See the Procurement Procedure for more details.

Risk Management Training: All employees at TBC will receive the relevant risk management training, to enable them to fulfil their risk management duties.

Risk Management Guidance Notes: Please refer to the risk management guidance notes for further information on risks, the risk management process from identification to management and reporting and appropriate templates to be used within TBC.

Risk Management System: The Authority documents its control of risk through the **Covalent PerformanceRisk Management System**. The system is a tool for recording service risks identified, monitoring mitigations against those risks and actions required to further reduce risks. The system allows reports to be produced for Management review on a regular basis and links into the performance management of the Authority.

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Review of Risk Management

Review of all aspects of this Risk Management Protocol is an on going process.

Notwithstanding this all aspects of Risk Assessments will be reviewed

- When there is a critical change
- Annually by line management as a minimum requirement.

Appropriate reports will be submitted to the Assistant Directors/Corporate Management group (CMT)

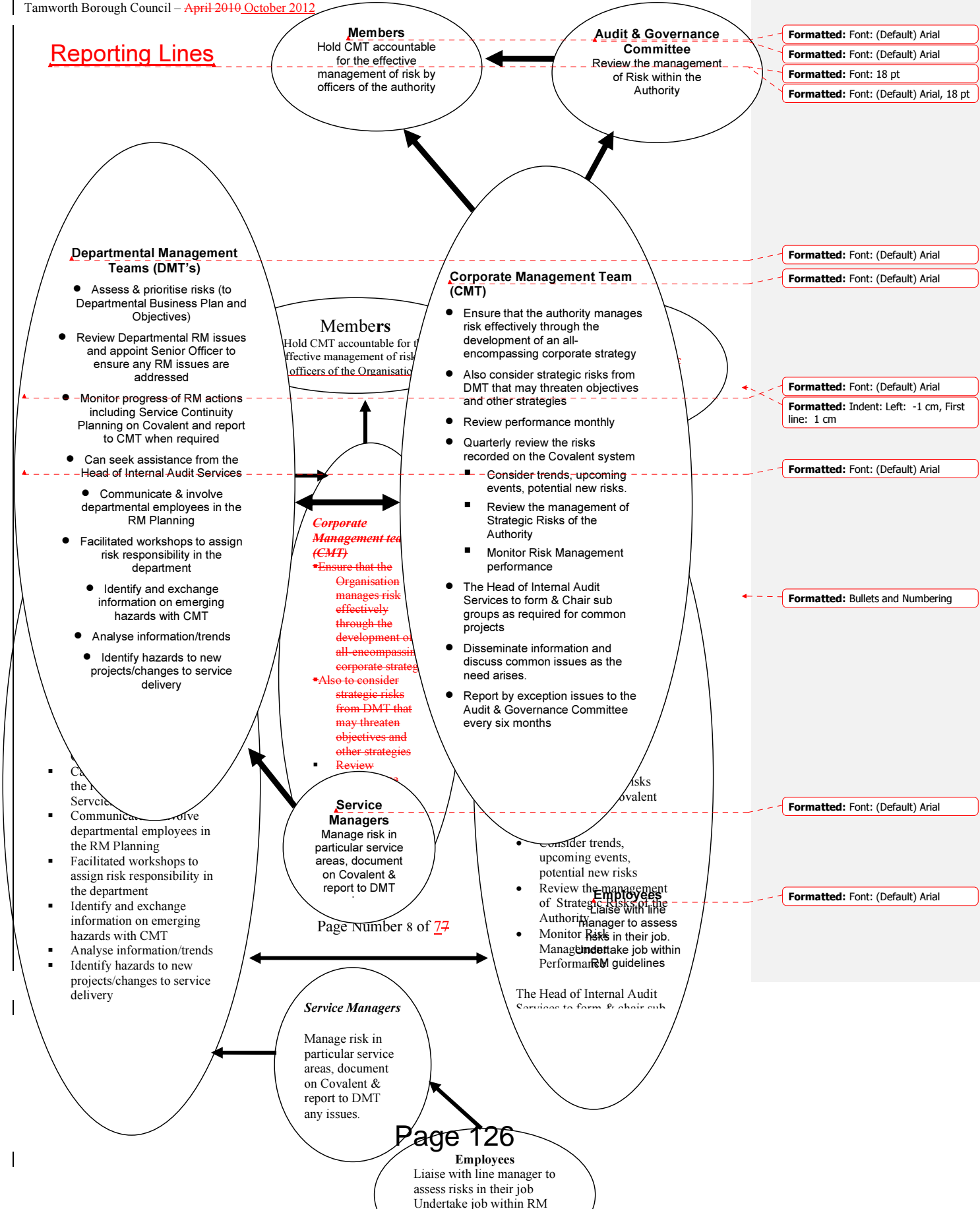
Formatted: Font: (Default) Arial

The Head of Internal Audit Services will advise the CMT group whenever there is a need to review the System through a change of statutory duty.

| An Annual report will be produced which will: -

- Review previous year's Risk Management performance
- Set Council Risk Management objectives for the forthcoming year.

Reporting Lines



Appendix 2




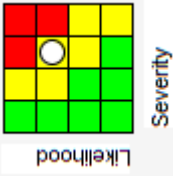
Corporate Risk Register 2012/13

Generated on: 12 October 2012

Risk Code	CPR1213	Risk Title	Corporate Risk Register 2012/13	Current Risk Status	
Description of Risk	-- enter risk details here --				
Gross Risk Matrix	Risk Treatment Measures Implemented				
Gross Risk Score					
Gross Severity					
Gross Likelihood					
Gross Risk Review Date					
Consequences					
Vulnerabilities/causes					
Risk Notes					

Risk Code	CPR1213_01	Risk Title	Financial	Current Risk Status	
Description of Risk	Loss of Funding and Financial Stability			Assigned To	Stefan Garner; John Wheatley
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Budget planning and monitoring Medium term financial strategy		Current Risk Score	6
Gross Severity	3	Treasury Management Strategy, annual outturn & strategy approved by Council. regular monitoring		Current Severity	3
Gross Likelihood	3	WRIEP, grantfinder. Grant income sourced where possible Value for money group set up within the authority Management Accountant allocated responsibility for VFM Developing benchmarking process within the authority to evaluate and understand costs/performance/outputs including CIPFA benchmarking, reviewing high spend, annual internal audit review of audit commission benchmarking data Performance setting Procurement section, contracts register Business case reviews SCFOG/Networking Active engagement in central government reform and change agenda Effective use of assets eg Marmion House, agile working project		Current Likelihood	2
Gross Risk Review Date				Last Risk Review Date	12-Oct-2012
Consequences	Cuts in services Quality of service decline partnership relationships become strained uncoordinated cuts financial savings not achieved miss out on funding inability to meet on-going costs Significant impact on the economic health of the local community Budgets exceeded minimum reserves not maintained Budgets not balanced Potentially acting illegally Reputation issues budget shortfalls				
Vulnerabilities/causes					




	<p>funding gaps increase through grant cuts recession increase impact o services required failure to manage investments failure to manage budgets missing key business funding opportunities HRA reform New Homes Bonus Spending review Council Tax freeze Failure to maximise incentive funding RTB's one for one replacement Disabled Facilities Grants Changes to Council Tax support Technical reform of Council Tax and other welfare reform changes (Universal Credit, Housing Allowances etc) wef 1/4/13 and the potential impact on collection levels/write offs Business rates retention wef 1/4/13 - local collection levels will directly on the councils budget</p>
Risk Notes	

Risk Code	CPR1213_02	Risk Title	Reputation	Current Risk Status	
Description of Risk	Damage to Reputation				
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	9	Increased use of multi media to consult/communicate			
Gross Severity	3	Members surgeries			
Gross Likelihood	3	Celebrating success			
Gross Risk Review Date		State of Tamworth debate			
		PR & Communications			
Consequences	erosion in trust and confidence service failure loss of income increased cost of working fall in satisfaction levels loss of public support claims in tribunal/personal liability loss of peer group credibility	Tell Us Scheme			
		Tamworth Listens Standards			
Vulnerabilities/causes	Failure to match social and political expectations failure to act on feedback crisis and major incident management failures failure to deliver minimum standards of service Third party supply chain failure non-compliance with legislation unethical practices by officers/members	Ombudsmen report			
		Monitoring of news stories			
		Service delivery standards			
		Contract monitoring			
		Codes of conduct			
		Policies and procedures			
		Service Standards			
		Training for all staff and members in media/press/use of social media			
		Last Risk Review Date			
		12-Oct-2012			


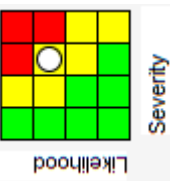
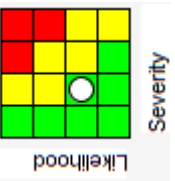
Risk Notes	security breaches by officers/members personal actions by officers/members misuse of social media by officers/members
-------------------	---

Risk Code	CPR1213_03	Risk Title	Governance & Regulatory Failure	Current Risk Status	
Description of Risk	Failure to achieve adequate Governance Standards and statutory responsibilities			Assigned To	Jane Hackett; John Wheatley
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Financial guidance Audit & Governance Committee Scrutiny Committees Annual Governance Statement Whistleblowing Policy and Counter Fraud and Corruption Strategy Section 151 functionality and Monitoring Officer Internal Audit External Audit Standards Committee Partnership Guidance Managers Assurance Statements Constitution Code of Conduct Relevant policies and procedures Legislation training for officers and members Continual CPD and other training Regular legal updates development of member training plan development of e learning solution Net Consent for policy management and acceptance Insurance policies TULG Obligations under Environmental Protection Act and Public Health Act PDR process Electoral Process Changes to Governance, Constitution Meetings scheduled	Current Risk Score	4	
Gross Severity	3			Current Severity	2
Gross Likelihood	3			Current Likelihood	2
Gross Risk Review Date				Last Risk Review Date	12-Oct-2012
Consequences	non-compliance with legal requirements fraud poor performance damage to reputation				

	<p>prosecution, fines death or injury to public and/or staff audit criticism poor inspection comments legal challenge Ultra vires Resource demand</p>
<p>Vulnerabilities/causes</p>	<p>Lack of training lack of documented procedures lack of commitment from officers and members failure to understand the importance No governance Lack of accountability Non compliance with legislation fraud Poor performance failure to manage or be aware of legal responsibilities/changes to legislation lack of resources loss of key staff inappropriate decision making Changes to political control</p>
<p>Risk Notes</p>	<p>Localism Act, Welfare Benefit reform,</p>


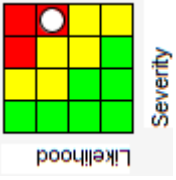

Risk Code	CPR1213_04	Risk Title	Partnership Working and Supply Chain Challenges	Current Risk Status	
Description of Risk	Failure in partnership working, shared services or supply chain			Assigned To	Andrew Barratt; Rob Mitchell
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Partnership Governance Policy and training on the policy in place		Current Risk Score	4
Gross Severity	3	Partnership arrangements in place, eg contracts, shared service agreements		Current Severity	2
Gross Likelihood	3	Effective contract/partnership monitoring		Current Likelihood	2
Gross Risk Review Date		Business Continuity plans in place		Last Risk Review Date	12-Oct-2012
Consequences	<p>Services not delivered</p> <p>Damage to reputation</p> <p>Loss of knowledge, intellectual property and other assets</p> <p>Loss of quality service</p> <p>Criticism from external auditors/assessors</p> <p>Customer dissatisfaction</p> <p>Lack of resources</p> <p>Workforce opposition</p> <p>High exit costs</p> <p>Costs not reduced</p> <p>Efficiencies not gained</p> <p>Waste not eliminated</p> <p>Regulations not met</p>				
Vulnerabilities/causes	<p>Failure to meet service delivery expectations</p> <p>Partner has financial failure</p> <p>Supplier incident eg data loss, governance issue</p> <p>Service delivery collapses during wide spread major incident</p> <p>Third party supply chain failure</p> <p>Partner under performs</p> <p>Failure to assess and manage the risks arising from the use of third parties</p> <p>Failure to set and manage contractual conditions and performance targets</p> <p>Failure to get management support</p>				




	<p>Staff turnover increases Poor, incomplete knowledge transfer Scope of change too narrow/too broad benefits not realised Political change of policy</p>
Risk Notes	<p>Partnerships in place - waste, health & safety, Economic Development, Building Control, Strategic Partnership, Housing Repairs, IT service desk</p>

Risk Code	CPR1213_05	Risk Title	Emergency & Crisis Response Threats	Current Risk Status	
Description of Risk	Failure to manage an external or internal emergency/disaster situation			Assigned To	Andrew Barratt; Nicki Burton
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Emergency Plan in place		Current Risk Score	4
Gross Severity	3	Emergency planning training completed at various levels		Current Severity	2
Gross Likelihood	3	Business Continuity Plans in place		Current Likelihood	2
Gross Risk Review Date		Insurance cover in place to cover exposure to financial loss.		Last Risk Review Date	12-Oct-2012
		Advice and guidance on Risk Management and Business Continuity on the intranet			
		Emergencies advice available on website			
		Building - fire prevention controls in place and tested on a regular basis			
		Adequate physical security controls in place and reviewed on a regular basis.			
		IT business continuity plan in place and tested on a regular basis			
		Service impact analysis completed to rank priority of services			
		Corporate business continuity plan in place			
		All communication plans tested on a regular basis			
		Emergency plan tested on a regular basis			
		Business Continuity Group			
		Membership of Staffordshire CCU & Resilience Forum			
		Effective communication /ICT tools/ infrastructure eg mobile phones, laptops			
Consequences	Services not delivered				
	Damage to reputation				
	Civil Contingency Act requirements not met				
	Death				
	Destruction of property				
	Damage to the environment				
Vulnerabilities/causes	Lack of integrated emergency arrangements making it difficult to react quickly to a disaster and provide the required support and essential service in line with the requirements of the Civil Contingencies Act.				
	Failure to test plans				
	Failure to undertake training				
Risk Notes					

Risk Code	CPR1213_06	Risk Title	Economic Changes	Current Risk Status	
Description of Risk	Failure to plan and adapt services to economic changes within the community				
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	6	<i>Link to CPR112_01</i>			
Gross Severity	3	Strategic Priority			
Gross Likelihood	2	Keep up to date with comms from central government Adapt to downturn in economy - Tamworth Community Advice Network (TamworthCAN) Economic Bulletin distributed to management - shows regional and local economic statistics Management networks and leadership meetings Support to local businesses Think Local Business and Economic Partnership Solutions for Business External funding streams explored Medium term financial plan Regular review of business plans Economic Strategy LEP Core Strategy Local Investment Plan Localism Bill preparation			
Gross Risk Review Date					
Consequences	Tamworth not developed No external funding to aid economy and growth Economic prosperity declines Detrimental effect on housing market People leave the borough Increased demand for social housing Impact on Council income Increased costs to Council services due to increased demand				
Vulnerabilities/causes	Failure to recognise economic changes Failure to recognise opportunities Sudden economic downturn affecting businesses, jobs, housing etc				
Assigned To					Stefan Garner; Rob Mitchell
Current Risk Matrix					
Current Risk Score	3				
Current Severity	3				
Current Likelihood	1				
Last Risk Review Date					12-Oct-2012

	<p> Collapse of the property market Changes in government funding/grants Change of government Loss of major employer in the region Rapid increase in inflation Under achievement of development/investment </p>
Risk Notes	


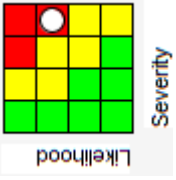

Risk Code	CPR1213_07	Risk Title	Data Loss & Privacy Incidents	Current Risk Status	
Description of Risk	Failure to secure data				
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	12	Network security	Current Risk Score	9	
Gross Severity	4	Physical security	Current Severity	3	
Gross Likelihood	3	Security Policy, Information Security Manual Data Protection compliance and training GCSX	Current Likelihood	3	
Gross Risk Review Date		Environmental controls Established protocols Security of data EDRMS implementation data limits	Last Risk Review Date	12-Oct-2012	
Consequences	Fine Reputational damage Potential imprisonment Physical harm to staff Consequence for members of the public if their personal data lost/stolen				
Vulnerabilities/causes	Insecure IT equipment Human error Loss Theft Equipment failure Hacking				
Risk Notes					


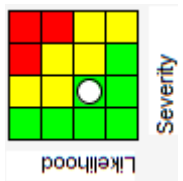
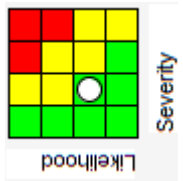
Risk Code	CPR1213_08	Risk Title	Loss of Community Cohesion	Current Risk Status	
Description of Risk	Failure to achieve community cohesion	Risk Treatment Measures Implemented		Assigned To	Rob Barnes; Rob Mitchell
Gross Risk Matrix				Current Risk Matrix	
Gross Risk Score	4		No change to front line services	Current Risk Score	2
Gross Severity	4		Locality working ASB Policy	Current Severity	2
Gross Likelihood	1		Partnership working Financial Inclusion Policy Community Engagement Stronger Communities Group Corporate consultation database Services proactive in engaging communities Data and intelligence used to inform service planning Community cohesion awareness Capacity building projects & initiatives Impact assessments used Horizon scanning Big Society/Localism impact Stronger Communities Partnership Responsible Authorities Group Development of ASB hub Links with Police Community Cohesion Audit Tamworth Strategic Partnership Strategic priority Total Place	Current Likelihood	1
Gross Risk Review Date				Last Risk Review Date	12-Oct-2012
Consequences	Long term costs Not meeting/understanding users needs Increase in crime and disorder Poor use of funding Increased tensions in the community No community commitment/ownership to the authorities vision Low level of community cohesion Fear of perception of crime Failure to meet demand				
Vulnerabilities/causes	Services withdrawn				


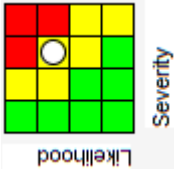

	<p>Big Society does not take off Communities become fragmented Increase in ASB Increase in financial deprivation Lack of interest from the public Poor communication Poor engagement mechanisms at corporate and service level Limited understanding of good engagement process</p>
Risk Notes	



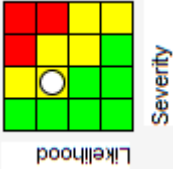
Risk Code	CPR1213_09	Risk Title	Workforce Planning Challenges	Current Risk Status	
Description of Risk	Failure to manage workforce planning challenges			Assigned To	Anica Goodwin; Tony Goodwin
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Transforming Tamworth Service reviews		Current Risk Score	4
Gross Severity	3	Regular communication		Current Severity	2
Gross Likelihood	3	Workforce and succession planning Core brief Staff AGM		Current Likelihood	2
Gross Risk Review Date		PDR process to ensure skill development requirements are being addressed HR policies and procedures in place Post entry training to qualify staff in key areas Absence management policy, healthshield and occupational health Market supplement policy for either retention or recruitment of necessary skills Managers review of resource capabilities/capacity for business continuity purposes Relationship with Trade Unions (TULG) Management awareness of risk impact of reduced staffing Corporate change programme		Last Risk Review Date	12-Oct-2012
Consequences	Strain on remaining staff Risk to service delivery Industrial action Budget misalignment Increase in fraud Wrong messages sent out Potential increase in employment tribunal cases increased number of grievances from staff increase in absenteeism Inability to respond to change agenda inability to align skill levels to new working methods				
Vulnerabilities/causes	Staff become overloaded Low morale has impact on service delivery Industrial unrest Redundancies lead to additional future costs				

	<p>Failure to communicate effectively Small authority with specialised staff Sickness levels remain too high leaving vulnerable skills gaps Pay and conditions below market conditions for skills required</p>
Risk Notes	

Risk Code	CPR1213_10	Risk Title	Health & Safety	Current Risk Status	
Description of Risk	Failure to manage Health & Safety			Assigned To	Andrew Barratt; Anica Goodwin
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Policies in place Training completed Health and Safety groups Risk assessments completed Inspections completed Personal safety equipment provided Lone working policy and practices PVP register Fire alarm tests and evacuation tests Regular update meetings with H&S officers and ACE		Current Risk Score	6
Gross Severity	4			Current Severity	3
Gross Likelihood	3			Current Likelihood	2
Gross Risk Review Date				Last Risk Review Date	12-Oct-2012
Consequences	Corporate manslaughter Fines Negative publicity insurance claims death/injury				
Vulnerabilities/causes	Non-compliance with legislation lack of health and safety awareness short cuts/ poor working practices Personal safety equipment not used risks not identified and or managed inspections/tests not completed				
Risk Notes	regular updates by AG with JH and SL Updates to CMT				

Risk Code	CPR1213_11	Risk Title	Corporate Change	Current Risk Status	
Description of Risk	Failure to manage corporate change				
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	4	Programme Plan	Current Risk Score	4	
Gross Severity	2	Pool of trained resources	Current Severity	2	
Gross Likelihood	2	Structured programme	Current Likelihood	2	
Gross Risk Review Date	16-Jan-2012	Dedicated Programme Manager	Last Risk Review Date	12-Oct-2012	
Consequences	Return on investment not made Reputation Failure to implement agile working environment Savings are not made Budget not balanced				
Vulnerabilities/causes	Weak management Weak governance No executive management support Insufficient corporate skills and capacity Failure to retain staff				
Risk Notes	Transforming Tamworth, Support Services Review, Health Impact Assessments				

Risk Code	CPR1213_12	Risk Title	Safeguarding Children & Vulnerable Adults	Current Risk Status	
Description of Risk	Failure to safeguard children and vulnerable adults			Assigned To	Jane Hackett; Rob Mitchell
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Safeguarding policy adopted		Current Risk Score	6
Gross Severity	3	Clear procedures for reporting and dealing with disclosure		Current Severity	3
Gross Likelihood	3	Annual section 11 audit		Current Likelihood	2
Gross Risk Review Date	16-Jan-2012	Appropriate risk assessments to identify vulnerability in customers/residents		Last Risk Review Date	12-Oct-2012
Consequences	Death, serious injury Legal challenge for lack of compliance with legislation Loss of reputation Financial costs of review and insurance claims	Senior leadership commitment with designated officers Policy implemented with training for appropriate staff Safe recruitment process Supervision of staff, contractors and volunteers			
Vulnerabilities/causes	Non-compliance with legislation Lack of appropriate policy and procedures Low awareness amongst staff Lack of joined up case management Case management systems unable to share data or support risk management partner agencies not delivering services lack of appropriate services Other organisation's not delivering the service				
Risk Notes					

Risk Code	CPR1213_13	Risk Title	Golf Course	Current Risk Status	
Description of Risk	Tony Goodwin; John Wheatley				
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	12	Profiling and scheduling ongoing rental payments. considering future options Regular updates on financial situation and stability of contractor with executive management regular updates with contractor on progress on enhancements/improvements Business continuity in place	Current Risk Score		
Gross Severity	3		6		
Gross Likelihood	4		Current Severity		
Gross Risk Review Date			Current Likelihood		
Consequences	Reputational damage Additional costs to the Council Reduced income to the Council Failure of service Customer expectations not met Non-compliance with planning requirements				
Vulnerabilities/causes	Financial stability of contractor				
Risk Notes	12-Oct-2012				

25TH OCTOBER 2012

REPORT OF THE HEAD OF INTERNAL AUDIT SERVICES

ANNUAL GOVERNANCE STATEMENT 2011/12 - UPDATE

EXEMPT INFORMATION

None

PURPOSE

To advise the Committee of the current position regarding 'significant governance issues' raised in the authority's Annual Governance Statement (AGS) 2011/12 and provide an opportunity for members of the Committee to raise any issues they consider appropriate.

RECOMMENDATIONS

That the Committee reviews the attached update on the 'significant and other governance issues' from the 2011/12 Annual Governance Statement and raises any issues deemed appropriate for further consideration.

EXECUTIVE SUMMARY

The Authority is required to produce a public Annual Governance Statement (AGS) in accordance with the Accounts and Audit Regulations 2003 Incorporating Accounts and Audit (Amendment) (England) Regulations 2011. The AGS must be published with the Authority's annual Statement of Accounts. The AGS is a document which sets out the arrangements within the authority for ensuring there is a sound and robust governance framework and that the system is regularly reviewed, and it is expected that any instances of significant shortfalls in such governance issues are referred to within the AGS. The Accounts and Audit Regulations also require that the Statement should be considered by a Committee of the Council.

This report advises the Committee of the current position regarding the significant and other governance issues, to give the appropriate level of assurance on progress in dealing with these, and seeks the views of the Committee on any issues this may raise for further consideration in relation to the Council's control environment and governance.

Progress on the significant governance issue (IAR AGS3 1112 AC) has been made in line with due dates.

RESOURCE IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS BACKGROUND

None

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

Angela Struthers ex 234

LIST OF BACKGROUND PAPERS

APPENDICES

Appendix 1 - Action plan arising from the AGS 11/12 assurance process

Appendix 1



Action plan arising from the AGS 11/12 assurance process

Report Type: Actions Report
Report Author: Angela Struthers
Generated on: 10 October 2012

Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IAR AGS1 1112 AC	Valuation & Impairment Reports		<div style="width: 100%; background-color: #4F81BD; color: white; text-align: center;">100%</div>	30-Jun-2012	04-Oct-2012	Stefan Garner
Description	The Council should ensure that all signed valuation and impairment reports are provided at the beginning of the audit					
Desired Outcome	A signed valuation and impairment report will be provided at the beginning of the Audit.					
All Notes	Stefan Garner 04-Oct-2012 Signed reports presented at beginning of Audit - development issue for 2012/13 to include full valuation details signed by Valuer					
Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IAR AGS2 1112 AC	Component Accounting		<div style="width: 100%; background-color: #4F81BD; color: white; text-align: center;">100%</div>	12-Jun-2012	12-Jun-2012	Stefan Garner
Description	The Council should annually review whether the application of component accounting would make a material difference to the estimated depreciation charge to the accounts.					
Desired Outcome	An annual review will be completed in liaison with the external auditors at audit planning meetings.					
All Notes						
Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IAR AGS3 1112 AC	Financial Monitoring		<div style="width: 100%; background-color: #4F81BD; color: white; text-align: center;">100%</div>	12-Jun-2012	12-Jun-2012	Stefan Garner
Description	The Council should continue vigorous monitoring and scrutiny of its financial position to ensure the savings plan can be delivered with the planned use of reserves; and that there is no impact on the quality and range of services provided.					
Desired Outcome	Continual monthly monitoring in place					

All Notes						
Action Code	Action Title	Priorit y	Current Status	Progress Bar	Due Date	Completed Date Assigned To
IAR AGS4 1112 AC	H &CT Subsidy Claims Administration	2		<div style="width: 100%; height: 10px; background-color: blue;"></div> 100%	12-Jun-2012	12-Jun-2012 Karen Taylor
Description	Ensure the controls put in place to mitigate the risk of similar errors arising in Housing and Council Tax subsidy claims administration are effective.					
Desired Outcome	Review to be undertaken of the impact of extra quality checking of claims processing					
All Notes						
Action Code	Action Title	Priorit y	Current Status	Progress Bar	Due Date	Completed Date Assigned To
IAR AGS5 1112 MA	Internal Audit Recommendations	2		<div style="width: 0%; height: 10px; background-color: blue;"></div> 0%	31-Mar-2013	Tina Mustafa
Description	-- enter action details here --					
Desired Outcome	Progress and track existing Internal Audit Recommendations					
All Notes						
Action Code	Action Title	Priorit y	Current Status	Progress Bar	Due Date	Completed Date Assigned To
IAR AGS6 1112 MA	Business Continuity	2		<div style="width: 0%; height: 10px; background-color: blue;"></div> 0%	31-Mar-2013	Tina Mustafa
Description	Business Continuity plans need to be tested and reviewed on a regular basis					
Desired Outcome	Review of Business Continuity to be undertaken					
All Notes						
Action Code	Action Title	Priorit y	Current Status	Progress Bar	Due Date	Completed Date Assigned To
IAR AGS7 1112 PR	PDR's	2		<div style="width: 20%; height: 10px; background-color: blue;"></div> 20%	30-Jun-2012	Stefan Garner
Description	PDR's have not been completed for all staff within Finance					
Desired Outcome	PDR's to be completed for Finance staff					
All Notes						
Action Code	Action Title	Priorit y	Current Status	Progress Bar	Due Date	Completed Date Assigned To
IAR AGS8 1112 MA	Procedures and Controls	2		<div style="width: 25%; height: 10px; background-color: blue;"></div> 25%	31-Aug-2012	Paul Weston

Description	Process, procedures and controls for Capital Works Programme require complete overhaul to reflect the contracts and method of operation. Capital Programme due to commence June 2012		
Desired Outcome	Revise documented procedures and controls in line with new process		
All Notes	Paul Weston 08-Oct-2012 Basic flow chart produced but process around Orchard not yet agreed and awaiting input from Jackie Lea.		

Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IAR AGS9 1.1.12 MA	HR Policies Priorit 2 v		<input type="text" value="100%"/>	30-Jun-2012	24-Sep-2012	Christie Tims
Description	Not all HR Policies are up to date					
Desired Outcome	Finalisation and publication of key policies. Review programme following audit					
All Notes	Christie Tims 24-Sep-2012 plan in place to develop and review all policies					

Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IARAGS10 1.1.12 MA	Volunteers Priorit 2 v		<input type="text" value="100%"/>	30-Jun-2012	24-Sep-2012	Christie Tims
Description	Volunteers Policy requires finalisation and training has not been provided					
Desired Outcome	Following the Volunteers audit, the policy will be finalised and training delivered so that the website can be published					
All Notes	Christie Tims 24-Sep-2012 Policy approved and loaded onto net consent					

Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IARAGS11 1.1.12 MA	Partnerships roles and responsibilities Priorit 2 v		<input type="text" value="100%"/>	30-Jun-2012	24-Sep-2012	Christie Tims
Description	Roles and responsibilities need to be reviewed with regard to the LGPS					
Desired Outcome	Review of procedures and agreement with the LGPS. Update risks and agree mechanisms					
All Notes	Christie Tims 24-Sep-2012 Met with LGPS Director & Manager in July to confirm arrangements. Will review quarterly updates on employers website for tracking of investments and copy into all correspondence with 3rd party contractor. Copy of full contract also provided to LGPS to assist in governance.					

Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IARAGS12 1.1.12 PR	Satisfaction Survey Priorit 3 v		<input type="text" value="0%"/>	31-Mar-2013		Jane Hackett
Description	Satisfaction surveys are not issued to service users of Member Services and Legal Services					
Desired Outcome	A satisfaction survey to be completed for user of Member and Legal Services					
All Notes						

Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IARAGS13 1.1.12 PR	Succession Planning		<input type="text" value="0%"/>	31-Mar-2013		Anica Goodwin
Description	Career structures are not in place for officers and members to encourage participation and development					
Desired Outcome	Succession planning to be discussed with the Head of Organisational Development					
All Notes	Angela Struthers 13-Jun-2012 Birmingham City Council are sharing their training solution for talent management and succession planning. to be completed September 2012					






Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IARAGS14 1.1.12 PR	Community Engagement		<input type="text" value="50%"/>	31-Dec-2012		John Day
Description	Improve insight about customer/residents needs by developing solutions with partners/neighbouring authorities					
Desired Outcome	Council's Insight Strategy to be developed					
All Notes	Angela Struthers 12-Jun-2012 The development of a Customer Insight strategy will follow and be produced by September/October 2012. Mosaic data purchased in October 2011. The data has been used to inform some projects i.e. Customer Services Communications, Mucky Pup campaign, 4 localities, Tinkers Green/Kerria demographics, Tamworth Castle, electoral registration.					

Page 154

Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IARAGS15 1.1.12 PR	Business Continuity		<input type="text" value="60%"/>	31-Mar-2013		Jane Eason
Description	Business continuity plans are not tested on a regular basis within PR and Communications					
Desired Outcome	Test to ensure that web continuity can be maintained by remote update by TBC and Unified/Alterian					
All Notes	Angela Struthers 12-Jun-2012 Currently we cannot update the website remotely. We can currently contact Unified to make a change for us out of hours however there is a cost associated to doing this, based on their day rate of £900. Our solution to this for non priority remote updates is to update the website homepage via twitter and directly to the blog via a number of platforms, including phones and tablets. Remote access will be a key feature of the new website, which is a corporate project and now underway.					

Action Code	Action Title	Current Status	Progress Bar	Due Date	Completed Date	Assigned To
IARAGS16 1.1.12 PR	Customer Satisfaction		<input type="text" value="0%"/>	31-Mar-2013		Jane Eason
Description	Satisfaction surveys are not issued to service users of Public Relations					

Desired Outcome	Customer satisfaction monitoring mechanism with PR service to be implemented
All Notes	Angela Struthers 12-Jun-2012 This has not been completed. It is hoped to be carried out by October 2012 in conjunction with the new cabinet role on reputation and engagement.

Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed

This page is intentionally left blank

25TH OCTOBER 2012

REPORT OF THE HEAD OF INTERNAL AUDIT SERVICES

INTERNAL AUDIT QUARTERLY REPORT

EXEMPT INFORMATION

None

PURPOSE

To report on the outcome of Internal Audit's review of the internal control, risk management and governance framework in the 2nd quarter of 2012/13 – to provide Members with assurance of the ongoing effective operation of an internal audit function and enable any particularly significant issues to be brought the Committee's attention.

RECOMMENDATIONS

That the Committee considers the attached quarterly report and raises any issues it deems appropriate

EXECUTIVE SUMMARY

The Accounts and Audit Regulations 2011 (as amended) require each local authority to publish an Annual Governance Statement (AGS) with its Annual Statement of Accounts. The AGS is required to reflect the various arrangements within the Authority for providing assurance on the internal control, risk management and governance framework within the organisation, and their outcomes.

One of the sources of assurance featured in the AGS is the professional opinion of the Head of Internal Audit on the outcome of services' review of the governance framework. Professional good practice recommends that this opinion be given periodically throughout the year to inform the "annual opinion statement". This opinion is given on a quarterly basis to the Audit & Governance Committee.

The Head of Internal Audit Services quarterly opinion statement for July – September 2012 (Qtr 2) is set out in the attached document, and the opinion is summarised below.

Based on the ongoing work carried out by and on behalf of Internal Audit and other sources of information and assurance, my overall opinion of the control environment at this time is that "some assurance" can be given. Where significant deficiencies in internal control have been formally identified by management, Internal Audit or by external audit or other agencies, management have given assurances that these have been or will be resolved in an appropriate manner. Such cases will continue to

be monitored. Internal Audit's opinion is one of the sources of assurance for the Annual Governance Statement which is statutorily required to be presented with the annual Statement of Accounts.

Specific issues:

No specific issues have been highlighted through the work undertaken by Internal Audit during 2012/13 (to date).

For easy reference, performance against 2 key performance indicators for the service is set out in graphical form in **Appendix 1** (% of draft reports issued within timeliness target) and **Appendix 2** (% of audit recommendations agreed by management). The proportion of agreed management actions found to have been implemented is also shown graphically in **Appendix 3**. Details of the 2012/13 audit plan completion status as at 30th September 2012 is detailed at **Appendix 4**.

RESOURCE IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS BACKGROUND

None

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

Angela Struthers ex 234

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 – percentage of draft reports issued within 15 days

Appendix 2 – percentage of audit recommendations agreed by management

Appendix 2.1 – number of recommendations made and agreed

Appendix 3 – Proportion of agreed management actions implemented

Appendix 4 – Internal Audit plan status as at 30 September 2012

INTERNAL AUDIT ANNUAL REPORT / QUARTERLY REPORT – Q2 - 2012/13

1. INTRODUCTION

Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Every local authority is statutorily required to provide for an adequate and effective internal audit function. The Internal Audit service provides this function at this Authority.

This brief report aims to ensure that Committee members are kept aware of the arrangements operated by the Internal Audit service to monitor the control environment within the services and functions of the authority, and the outcome of that monitoring. This is to contribute to corporate governance and assurance arrangements and ensure compliance with statutory and professional duties, as Internal Audit is required to provide periodic reports to "those charged with governance".

2. PERFORMANCE AND PROGRESSION AGAINST AUDIT PLAN

The Internal Audit service aims as one of its main Performance Indicators (PI's) to complete work on at least 90% of applicable planned audits by the end of the financial year, producing draft reports on these where possible/necessary. As in previous years it is expected that not all 80 planned areas of audit work will remain to be delivered for various reasons, eg due to changes within services, delays to projects, or reasonable requests to delay from managers due to unexpected demands or resource problems eg sickness. The service thus plans to complete 90% of those audits that are deliverable in the year.

The Internal Audit service has completed or has underway 41 audit areas of work, of 46 audits planned to be completed by the end of this quarter. Changes to the timings of the audits have been made for various reasons e.g. due to changes within services, delays to projects, or reasonable requests to delay from managers due to unexpected demands or resource problems details of which are given in **Appendix 4**. The Internal Audit Service has completed works in additional areas as requested by management. As previously described, the plan has been actively managed to seek to ensure delivery of good practice levels over the year. Areas of audit work include the planned audits of systems plus activities that contribute to the overall governance of the authority. **Appendix 4** details the Internal Audit plan status as at 30th September 2012.

The service also reports quarterly on the percentage of draft reports issued within 15 working days of the completion of fieldwork. All (100%) of the 17 draft reports issued in this quarter of the year were issued within this deadline (see graph at **Appendix 1**).

The Head of Internal Audit Services is responsible for ensuring that the work of the service is of appropriate quality to meet professional standards, and has in place, on an ongoing basis, a number of processes to meet this aim. For instance, there is an Audit Manual in place to guide auditors in their work, the Head of Internal Audit Services carries out independent review of auditors work to ensure professional standards are met, the service benchmarks its performance against other such

services in the region, quality control questionnaires are issued to managers for their view on the work of the service, and so on. The service is also subject to review by the external auditor, who places reliance on the work of the service. It is considered that the service continues to ensure professional standards are in place, and indeed in its move to risk based auditing is ahead of most other similar audit services in the region in adopting emerging good practice.

3. AUDIT REVIEWS COMPLETED QUARTER 2 2012/13

Internal Audit carries out reviews in compliance with its approved annual Audit Plan and additional areas where necessary, and reports on these to management in accordance with its approved Reporting Protocol. The audits finalised since the previous quarterly report were as shown below and detail the number of recommendations made and their priority.

	H	M	L	Agreed
• Data Quality & Records Management	6	21	-	27
• Strategic Planning	-	1	-	1
• Community Safety Hub	2	3	-	5
• Travel & Subsistence	2	15	-	17
• PR & Communications Strategy	-	3	-	3
• Safeguarding Children & Vulnerable Adults	10	4	-	14
• Private Sector Housing – Empty Homes	1	4	-	5
• Treasury Management	-	-	-	-
• Members Allowances & Expenses	-	8	-	8
• Community Development	-	2	-	2
• Property Contracts	7	5	-	12

As part of each audit review, recommendations are made where necessary to address areas where the Internal Audit service considers controls, or compliance with controls, could be improved to help to manage risks to service objectives and ensure service objectives are met.

Accordingly a total of 94 new audit recommendations were made in this quarter of which 94 (100%) were agreed by management (this is the third main service PI – see **Appendix 2. Appendix 2.1** shows the number of recommendations made and agreed). Internal Audit is satisfied with the management responses received to the recommendations made in this period. Each audit will be reviewed within the specified time scale and the implementation status of the audit recommendations reported.

The service revisits areas it has audited around 6 months after agreeing a final report on the audit, to test and report to management on the extent to which agreed actions have been taken. Implementation reviews finalised during the 2nd quarter of 2012/13 are detailed in **Appendix 4**.

4. OVERALL CURRENT INTERNAL AUDIT OPINION

Based on the ongoing work carried out by and on behalf of Internal Audit and other sources of information and assurance, my overall opinion of the control environment at this time is that “reasonable assurance” can be given. Where significant deficiencies in internal control have been formally identified by management, Internal Audit or by external audit or other agencies, management have given assurances that these have been or will be resolved in an appropriate manner. Such cases will continue to be monitored. Internal Audit’s opinion is one of the sources of assurance for the Annual Governance Statement which is statutorily required to be presented with the annual Statement of Accounts.

Specific issues:

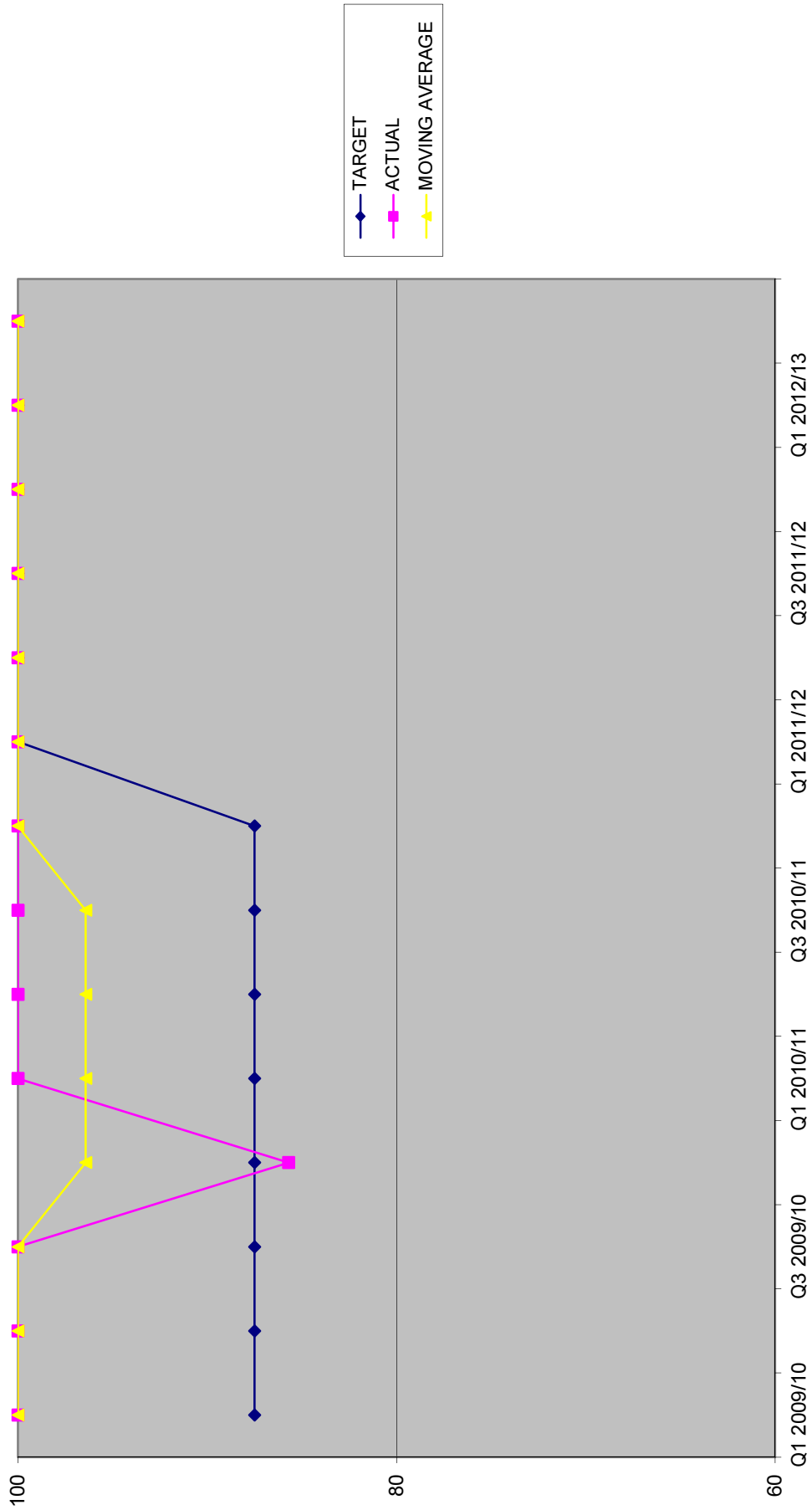
There were no specific issues highlighted through the work of Internal Audit in the second quarter of the 2012/13 financial year

Angela Struthers,
Head of Internal Audit Services

This page is intentionally left blank

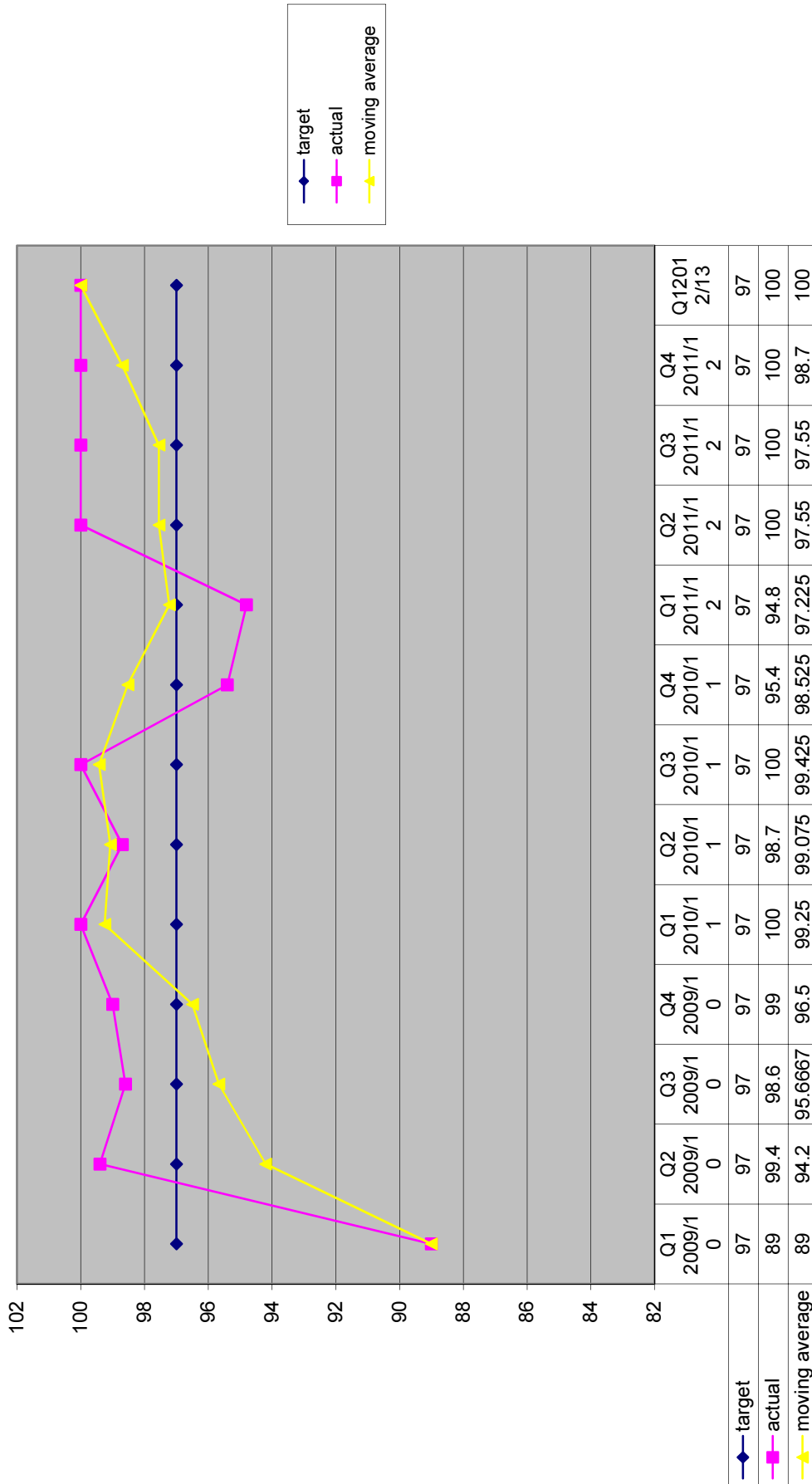
Appendix 1

Percentage of draft reports issued within 15 days



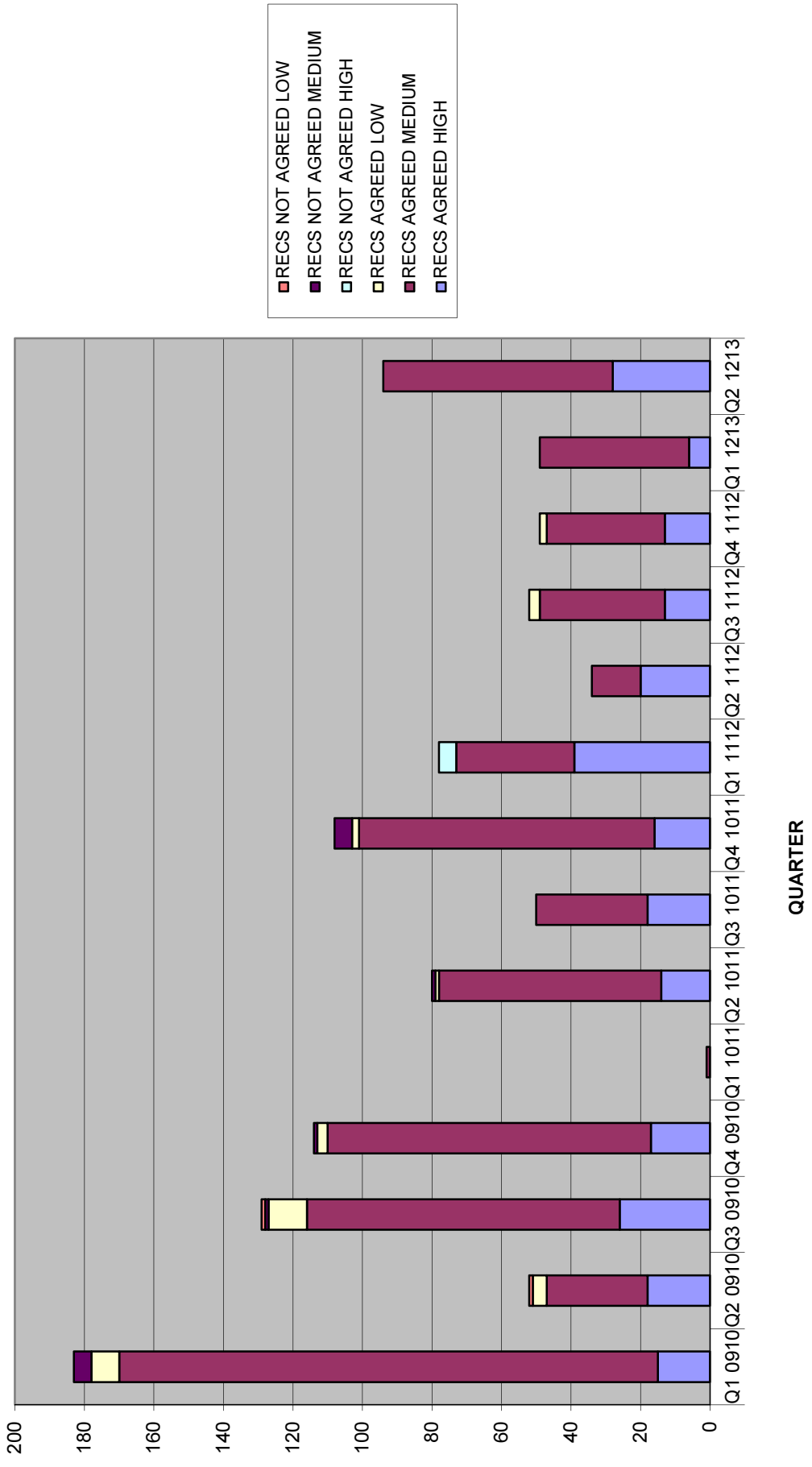
Appendix 2

Percentage of management actions agreed

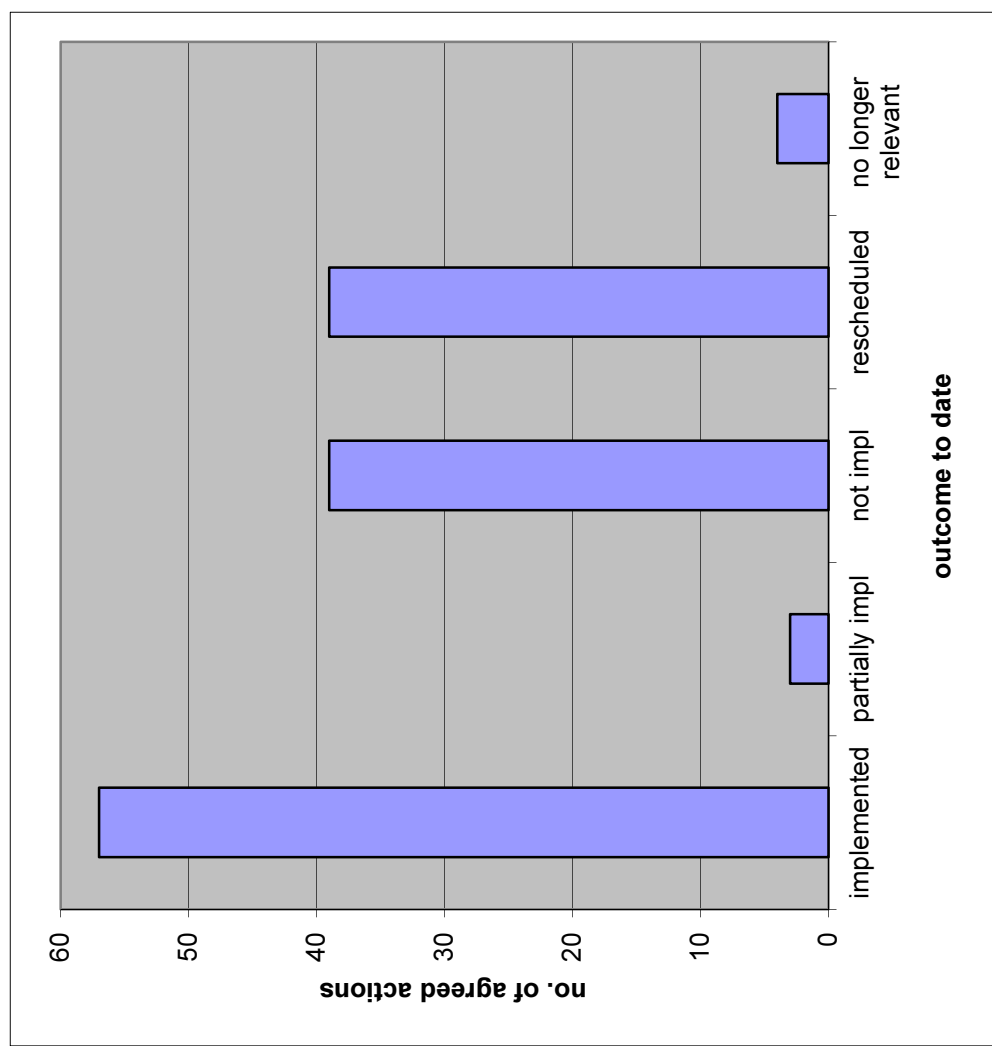


Appendix 2.1

MANAGEMENT ACTIONS AGREED BY NUMBER



Proportion of agreed management actions implemented 2012/13







Internal Audit Plan 2012/13 Status as at 30th September 2012

B/F FROM 11/12	RISK RATING	TYPE	STATUS AS AT 30/9/12	ASSURANCE LEVEL	NUMBER OF MANAGEMENT ACTIONS AGREED	IMPLEMENTATION REVIEW	REVISED ASSURANCE LEVEL	COMMENTS
Capital Strategy	M	KFS			3	n/a		
Housing Responsive Repairs	M	KFS			6	n/a		
Bank Reconciliation	M	KFS			5	n/a		
Debtors	M	KFS			26	n/a		
Main Accounting	M	KFS			0	n/a		
Property Services Contracts	M	KFS			12	n/a		
Assets & Environment Financial Controls	M	SBR			8	n/a		
Data Quality & Records Management	H	SBR			26	n/a		
Voluntary Redundancy	M	SBR			15	n/a		
M3 Application Review	M	SBR			34			
Street Scene	M	RBR			1	n/a		
Time Recording (Sports Development)	M	IR			10	5 implemented 5 rescheduled		

QUARTERS 1 & 2 PLANNED WORK	RISK RATING	TYPE	STATUS AS AT 30/9/12	ASSURANCE LEVEL	NUMBER OF MANAGEMENT ACTIONS AGREED	IMPLEMENTATION REVIEW	REVISED ASSURANCE LEVEL	COMMENTS
Review of Internal Audit Effectiveness		COR						
Annual Audit Opinion		COR						
Review of Financial Guidance		COR						
Annual Governance Statement		COR						
Treasury Management	M	KFS			0			Quarterly testing completed
Housing Responsive Repairs and Property Contracts	M	KFS						Work completed on KPIs
Cleaning	M	SBR						Moved to quarter 3 by IA
E-Induction/Induction Process	M	SBR						Moved to quarter 4 by IA
Car Park Income	M	SBR						
ISO27001	M	SBR						
Land Charges	M	SBR						Moved to Qtr 3 – new system
Community Safety Hub	M	SBR						
Academy Application Review	M	SBR						Moved to Qtr 4 to be completed with Benefits audit




QUARTER 1 & 2 PLANNED WORK	RISK RATING	TYPE	STATUS AS AT 30/9/12	ASSURANCE LEVEL	NUMBER OF MANAGEMENT ACTIONS AGREED	IMPLEMENTATION REVIEW	REVISED ASSURANCE LEVEL	COMMENTS
IT Physical & Environmental Controls	H	SBR						Moved to Qtr 3 after office moves
Efin Application Review	M	SBR						
Corporate Business Continuity	H	SBR						Moved to quarter 4 by IA
Housing Allocation of Accommodation	M	SBR						
Scheme of Delegation	M	SBR						Moved to quarter 4 by IA
Strategic Planning	M	RBR			1			
Safeguarding Children & Vulnerable Adults	M	RBR			14			
CCIV	M	RBR			1			
Localism Act	M	RBR						Moved to Qtr 3 by IA
Street Wardens	M	RBR			1			
PR & Communication Strategy	M	RBR						
Tourism & Town Centre	M	RBR						
Tourist Information Centre	M	RBR						
Public Protection – Food Safety	M	RBR						Moved to quarter 3 by IA
Community Leisure	M	RBR			1			





QUARTER 1 & 2 PLANNED WORK	RISK RATING	TYPE	STATUS AS AT 30/9/12	ASSURANCE LEVEL	NUMBER OF MANAGEMENT ACTIONS AGREED	IMPLEMENTATION REVIEW	REVISED ASSURANCE LEVEL	COMMENTS
Street Scene	M	IR						
Post Project Process	M	IR						Moved to Qtr 4 by IA
Freedom of Information	H	IR			15	3 implemented 1 no longer relevant 11 rescheduled		
Time Recording	M	IR			12	4 implemented 4 not yet due 4 rescheduled		
Corporate Policy Management	H	IR						Moved to Qtr 3 by IA
IT Software Licensing	H	IR			21	15 implemented 1 no longer relevant 5 rescheduled		
Community Development	M	IR		 	2	2 implemented	 	
Remote Desktop Support	M	IR						
Virtual Servers	M	IR			20	7 implemented 2 no longer relevant 10 rescheduled		Additional review to be completed Qtr 1 13/14
Covalent Application Review	M	IR			17	15 implemented 2 rescheduled		
Volunteers Policy	H	IR			15	9 implemented 6 rescheduled		
M3 Application Review	M	IR						Moved to quarter 3 aligned with final report issue

QUARTER 1 & 2 PLANNED WORK	RISK RATING	TYPE	STATUS AS AT 30/9/12	ASSURANCE LEVEL	NUMBER OF MANAGEMENT ACTIONS AGREED	IMPLEMENTATION REVIEW	REVISED ASSURANCE LEVEL	COMMENTS
Area Based Grants		ST						No longer requirement from County Council
Pension Contributions		ST			0			
Data Protection	H	P						Moved to Qtr 3 - office moves

WORK MOVED TO QUARTERS 1 & 2	RISK RATING	TYPE	STATUS AS AT 30/6/12	ASSURANCE LEVEL	NUMBER OF MANAGEMENT ACTIONS AGREED	IMPLEMENTATION REVIEW	REVISED ASSURANCE LEVEL	COMMENTS
Travel & Subsistence	M	SBR	✓	▲	17	n/a		
Private Sector Empty Homes	M	SBR	✓	✓	1			
Members Allowances & Expenses	H	SBR	✓	✓	8	n/a		
IT File Controls	H	SBR	▲					
Building Security	M	RBR	▲					
Outdoor Events	M	IR	▲					
Cattle Cap	M	IR	▲					
Creditors	M	KFS	▲					
Council Tax	M	KFS	▲					
Payroll	M	KFS	▲					

KEY TO SYMBOLS

STATUS AS AT 30/9/12 / IMPLEMENTATION REVIEW	
	COMPLETED
	UNDERWAY
	CANCELLED/NOT COMPLETED

ASSURANCE LEVELS	
	SUBSTANTIAL ASSURANCE
	REASONABLE ASSURANCE
	LIMITED ASSURANCE
	NO ASSURANCE

TYPES	
IR	IMPLEMENTATION REVIEW
SBR	SYSTEMS BASED REVIEW
RBR	RISK BASED REVIEW
COR	CORPORATE/MANAGEMENT WORK
ST	SUBSTANTIVE TESTING
P	PROBITY
KFS	KEY FINANCIAL SYSTEM

This page is intentionally left blank