

REVIEW OF FINANCIAL REGULATIONS 2015

Presented by the Director of Finance & Resources

SUMMARY

The purpose of this report is for Members to consider and approve changes to Financial Regulations. Financial Regulations should be relevant and up to date and continue to meet requirements under the Chartered Institute of Public Finance & Accountancy's Code of Practice (CIPFA). The Authority's Financial Regulations were fundamentally reviewed and approved by Members at Authority on 25 March 2004 (Paper 3713) and came into effect from the 1 April 2004.

Financial Regulations (FR4) require that the Director of Finance & Resources reviews and updates Financial Regulations with Member approval to ensure that the regulations remain current and relevant.

RECOMMENDATION

Members Approve: (1) the Financial Regulations as detailed in Appendix A to this report.

BACKGROUND

- 1 Following the establishment and commencement of Lee Valley Leisure Trust Limited (the Trust), both organisations have reviewed financial regulations to ensure they have relevant and up-to-date regulations that meet the needs of their organisations. Both sets of regulations are closely aligned as they originate from the existing Authority regulations, however, changes have been required to reflect changes in structures, officer responsibilities and general operational functions.
- 2 As part of the annual review the Director of Finance & Resources has undertaken a review of Financial Regulations, made amendments and additions, to improve clarity and reflect the day to day needs of the Authority's business operations. Proposed changes are detailed in Appendix A to this report and are subject to Member approval.
- 3 The majority of changes relate to change in post titles, for example Director of Finance & Resources from Corporate Director Resources & Business

Development, Monitoring Officer to Director of Corporate Services or where regulations or legislation have changed, for example Public Contract Regulations 2015.

PUBLIC CONTRACT REGULATIONS 2015

- 4 The most significant change in the regulations relate to procurement brought about by the Public Contract Regulations (PCR) 2015. The changes are set out in financial regulation FR542 onwards.
- 5 The main change relates to a lowering of the value to £25,000 (previously £50,000) up to EU thresholds for smaller value contracts. The purpose of this lowering in value is to ensure greater transparency and access to contracts for small/medium size enterprises (SMEs). The result is that previously three quotations would have sufficed up to £50,000 before a more formal tendering process was entered into. Now this process begins at the £25,000 threshold. PCR 2015 applies to the Trust as well as the Authority. FR571 & FR572 set out the process to be followed.

OTHER CHANGES

- 6 As already mentioned the majority of changes relate to post titles and responsibilities. Other changes worthy of note are:
 - FR263 to FR270 - reflects the changes following the cessation of the Audit Commission from March 2015;
 - FR295 – reflects the need to value the Authority’s major assets (mainly Olympic Legacy Assets) annually as these valuations may have a material impact on the Authority’s balance sheet;
 - FR552 – clarifies in which circumstances contracts can be extended beyond their original term to ensure compliance with PCR regulations; and
 - FR601-604 clarifies contract records, signing and sealing and aligns this to Standing Orders.

ENVIRONMENTAL IMPLICATIONS

- 7 There are no environmental implications arising directly from the recommendations in this report.

EQUALITY IMPLICATIONS

- 8 There are no equality implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

- 9 There are no financial implications arising directly from the recommendations in this report.

HUMAN RESOURCE IMPLICATIONS

- 10 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 11 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

- 12 The risk register identifies one of the corporate risks to the organisation is failure to comply with statutory requirements (SR9). The ongoing update and review of Financial Regulations is one of the control measures the organisation uses to assist in reducing this risk.

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PREVIOUS COMMITTEE REPORTS

Authority	Paper 3713/04	Financial Regulation Review	25/03/04
Authority	Paper 3780/05	Financial Regulation Review	24/02/05
Authority	Paper 3857/06	Financial Regulation Review	23/03/06
Authority	Paper 3921/07	Financial Regulation Review	22/03/07
Authority	Paper 3976/08	Financial Regulation Review	27/03/08
Authority	Paper 4051/09	Financial Regulation Review	23/04/09
Authority	Paper 4088/10	Financial Regulation Review	22/04/10
Authority	Paper A/4145/12	Financial Regulation Review	19/04/12

APPENDIX ATTACHED

Appendix A Financial Regulations 2015

LIST OF ABBREVIATIONS

The Trust Lee Valley Leisure Trust Limited
PCR 2015 Public Contract Regulations 2015

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LEE VALLEY REGIONAL PARK AUTHORITY

FINANCIAL REGULATIONS **20122015**

Approved March 2004
Updated & Approved March 2005
Updated & Approved March 2006
Updated & Approved March 2007
Updated & Approved March 2008
Updated & Approved March 2009
Updated & Approved April 2010
Updated & Approved April 2012
Updated & Approved April 2015

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FINANCIAL PROCEDURES

Section 1 Status of Financial Regulations

1. Financial regulations provide the framework for managing the Authority's financial affairs and are deemed to be part of the Lee Valley Regional Park Authority's constitution. They apply to every Member and officer of the Authority and anyone acting on its behalf.
2. The regulations identify the financial responsibilities of the full Authority, Committee Members, the Chief Executive, ~~the Monitoring Officer~~ the Monitoring Officer (Director of Corporate Services) and ~~the Corporate Director of Resources & Business Development~~ Director of Finance & Resources, ~~and other Directors~~. Members and chief officers should maintain a written record where decision making has been delegated to members of their staff, including seconded staff. Where decisions have been delegated or devolved to other responsible officers, references to the Director in the regulations should be read as referring to them.
3. All Members and officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
4. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes to the full Authority for approval. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is also responsible for reporting, where appropriate, breaches of financial regulations to Authority.
5. The Authority's ~~detailed~~ financial procedures, setting out how the regulations will be implemented, are contained within these financial regulations.
6. Directors are responsible for ensuring that all staff are aware of the existence and content of the Authority's financial regulations and other internal regulatory documents and that they comply with them.
7. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is responsible for issuing advice and guidance to underpin the financial regulations that Members, officers and others acting on behalf of the Lee Valley Park are required to follow.
8. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources can allow exceptions to these regulations if it is believed that the interests of the Authority would be best served if the regulations were not applied. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources must keep a written record of any exceptions and submit an annual report to full Authority summarising such decisions. In the scenario of a sustained absence of the Director of Finance & Resources, the Chief Executive, in consultation with the Chairman of the Authority, will seek to appoint a suitably qualified person (for a period to be determined) to discharge the statutory financial functions of the Authority while that absence is resolved. As deputy Section 151 officer the Assistant Director Finance & Resources WHO is authorised to act on behalf of the Corporate Director of Resources & Business Development Director of Finance & Resources ~~in agreeing exceptions in her/his absence.~~

Section 2 - Financial Regulations - Summary

Financial Regulation A - Financial Management

Introduction

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

The Full Authority

10. The Full Authority is responsible for adopting the Lee Valley Regional Park's Standing Orders & Financial Regulations and for approving the budget and policy framework within which the Chief Executive and Directors operate.

Executive Committee

11. The Executive Committee is responsible for proposing the budget and policy framework to the full Authority, and for discharging executive functions in accordance with the policy framework and budget. Executive responsibilities are laid out within the Authority's Standing Orders
12. Executive decisions can be delegated by this committee to the Chief Executive or a Director or another officer as is appropriate.
13. The Chief Executive and/or Individual Directors must consult with other relevant officers before taking a decision within their delegated Authority. In doing so, the individual must take account of all legal, financial and risk management issues that may arise from the ate decision.
14. The Executive Committee is responsible for scrutinising the Chief Executive or Director decisions before or after they have been implemented and for holding that Officer Director to account. It is also responsible for making recommendations on future policy options and for reviewing the general policy and service delivery of the Authority.
15. The Executive Committee exercises an overview and scrutiny function in relation to financial matters, including audit issues, fundamental service reviews, performance management and other general matters and reports to the full Authority as appropriate.
- 15-16. All Executive Committee responsibilities are laid out within the Authority's Standing Orders.

Audit Committee

- 16-17. The Audit Committee is responsible for approving the Authority's annual Financial Statements and Accounts including the Authority's Annual Governance Statement. The Committee is responsible for reviewing the external auditor's reports and the annual audit letter and the Corporate Director of Resources & Business Development Director of Finance & Resources' annual report on internal audit
- 17-18. It is responsible for the system of internal financial control and to manage the Authority's risk management programme including Health & Safety

18-19. It will consider and approve the Authority's Whistle Blowing arrangements. It will receive reports resulting from Whistle ~~B~~blowing and/or, fraud and corruption audit investigations. All Audit Committee responsibilities are laid out within the Authority's Standing Orders

Scrutiny Committee

19-20. The Scrutiny Committee is responsible to review performance and to scrutinise the activities of the Authority and to make recommendations to Executive Committee. It will also consider matters referred to it from Executive Committee.

20-21. All Scrutiny Committee responsibilities are laid out within the Authority's Standing Orders

The Statutory Officers

Head of Paid Service (Chief Executive)

21-22. The Chief Executive is responsible for the corporate and overall strategic management of the Authority as a whole. He must report to and provide information for the full Authority and all other committees. The post is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the Authority.

Monitoring Officer (~~Assistant Director of Legal & Property Services~~ Director of Legal and Corporate Services.)

22-23. ~~The Monitoring Officer~~ Director of Corporate Services is responsible for reporting any actual or potential breaches of the law or maladministration to the full Authority and for ensuring that procedures for recording and reporting key decisions are operating effectively.

23-24. ~~The The Monitoring Officer~~ Director of Corporate Services must ensure that Executive decisions and the reasons for them are made public. ~~The The Monitoring Officer~~ Director of Corporate Services must also ensure that Members are aware of decisions made by the Directors and of those made by officers who have delegated executive responsibility.

24-25. ~~The The Monitoring Officer~~ Director of Corporate Services is responsible for advising all Members and officers about who has Authority to take a particular decision.

25-26. ~~The The Monitoring Officer~~ Director of Corporate Services is responsible for advising the Authority about whether a decision is likely to be considered contrary to, or not wholly in accordance with, the Authority's budget and policy framework.

26-27. ~~The Monitoring Officer~~ The Director of Corporate Services, together with the ~~Corporate Director of Resources & Business Development~~ Director of Finance &

Resources, is responsible for advising full Authority about whether a decision is likely to be considered contrary to, or not wholly in accordance with the budget.

27-28. Such actions include:

- initiating a new policy
- committing expenditure in future years above the approved budget level
- interdepartmental transfers above virement limits
- causing total net expenditure to increase beyond the approved budget.

28-29. ~~The Monitoring Officer~~ Director of Corporate Services is responsible for maintaining the Authority's Standing Orders.

Chief Financial Officer (~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources)

29-30. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources has statutory duties in relation to the financial administration and stewardship of the Authority, which cannot be overridden. The statutory duties arise from:

- Lee Valley Regional Park Act 1966
- 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 ~~2003~~2011
- The Local Government Finance Act 2003
- The Local Government Act 2003 (Part 1)

30-31. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is responsible for:

- 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 the key financial controls necessary to secure sound financial management
- providing financial information
- preparing the revenue budget and capital programme
- treasury management and banking.

31-32. Section 114 of the Local Government Finance Act 1988 requires the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources to report to the full Authority 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.

32-33. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources must also make a report under this section if it appears that the expenditure of the Authority (including expenditure it is proposing to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to meet that expenditure.

33-34. Section 114 of the 1988 Act also requires:

- the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally.
- the Authority to provide the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources with sufficient staff, accommodation and other resources, including legal advice where this is necessary, to carry out the duties under section 114.

Chief Executive and Directors

34-35. The ~~Chief Executive and/or~~ Directors are responsible for ensuring that Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

35-36. It is the responsibility of ~~the Chief Executive and/or~~ Directors to consult with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources and seek approval on any matter liable to affect the Authority's finances materially, before any commitments are incurred.

Other Financial Accountabilities

Virement

36-37. The full Authority is responsible for agreeing procedures for virement of expenditure between budget headings.

Treatment of Year-end Balances

37-38. The full Authority is responsible for agreeing guidelines for the carrying forward of under and overspendings on budget headings.

Accounting Policies

38-39. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is responsible for selecting accounting policies and ensuring that they are applied consistently.

Accounting Records and Returns

39.40. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is responsible for determining the accounting procedures and records for the Authority.

Annual Statement of Accounts

40.41. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is responsible for ensuring that the annual statement of accounts is prepared in accordance with the relevant codes of practice on local Authority accounting in the United Kingdom.

44.42. The Audit Committee is responsible for approving the annual statement of accounts.

Financial Regulation B - Financial Planning

Introduction

42.43. Full Authority is responsible for approving the Authority's budget and policy framework proposed by the Executive Committee. In terms of financial planning, the key elements are:

- corporate plans
- the budget
- the capital programme

Preparation of Corporate Plans

43.44. The Chief Executive is responsible for proposing corporate plans to the Executive Committee for consideration before their submission to the full Authority for approval.

Revenue and Capital Budgeting

Budget Format

44.45. The general format of the budget will be approved by the full Authority and proposed by the Executive Committee on the advice of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources. The draft budget should include allocation to different services and projects, proposed levy levels and the impact on Resrves, if appropriate, contingency funds.

Budget Preparation

45.46. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is responsible for ensuring that a revenue budget is prepared on an annual basis for consideration by the Executive Committee before submission to full Authority. Full Authority may amend the budget or ask the Executive Committee to reconsider it before approving it.

46.47. It is the responsibility of Directors to ensure that budget estimates reflecting agreed service plans are submitted to the Executive Committee and that these estimates are prepared in line with guidance issued by the Executive Committee and ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

Budget Monitoring and Control

47-48. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for providing appropriate financial information to enable budgets to be monitored effectively. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources must monitor and control overall expenditure and income against budget allocations and report to the Executive Committee or Authority on the Lee Valley Regional Park's overall position on a regular basis.

48-49. It is the responsibility of ~~the Chief Executive~~ and Directors to control income and expenditure within their area and to monitor performance. They should report on variances within their own areas and take necessary action to avoid exceeding their budget allocation and alert the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources to any problems.

Resource Allocation

49-50. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for developing and maintaining a resource allocation process that ensures due consideration of the full Lee Valley Park Regional Park's policy framework and legal constraints.

Preparation of the Capital Programme

50-51. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by the Executive Committee considering the capital programme financing requirements for the forthcoming year.

Guidelines

51-52. Guidelines on budget preparation are issued to ~~the Chief Executive~~ and Directors by the Executive Committee following agreement with the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources. The guidelines will take account of:

- legal requirements
- medium-term planning prospects
- corporate plans
- available resources
- spending pressures
- best value and other relevant government guidelines
- other internal policy documents
- cross-cutting service issues.

Maintenance of Reserves

52-53. It is the responsibility of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources to advise the Executive Committee and/or full Authority on prudent levels of reserves.

Financial Regulation C - Risk Management and Control of Resources

Introduction

53-54. It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Authority. This should include the proactive participation of all those associated with planning and delivering services.

Risk Management

54-55. The Audit Committee is responsible for approving the Authority's risk management policy statement and strategy and for reviewing the effectiveness of risk management. The Executive Committee is responsible for ensuring that proper insurance exists where appropriate.

55-56. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is responsible for preparing the Authority's risk management policy statement, for promoting it throughout the Park and for advising the Executive Committee on proper insurance cover where appropriate.

Internal Control

56-57. Internal control refers to the systems of control devised by management to help ensure the Park's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Park's assets and interests are safeguarded.

57-58. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other provisions that govern their use.

58-59. It is the responsibility of ~~the Chief Executive~~ and Directors to establish sound arrangements, consistent with guidance given by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources, for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

Audit Requirements

59-60. The Accounts and Audit Regulations 2011 require every local Authority to maintain an adequate and effective internal audit.

60-61. The Audit Commission is responsible for appointing external auditors to each local Authority. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998. The Audit Commissions in-house work ~~has~~ will be ~~been~~ outsourced for ~~2012/13-the 2014/15-accounts~~ since 2013/14. The Authority's appointed auditor ~~is~~ will be ~~Ernst & Young~~ KPMG.

61-62. The Authority may, from time to time, be subject to audit, inspection or investigation by other external bodies such as HM Revenue & Customs, who have statutory rights of access.

Preventing Fraud and Corruption

62-63. The Chief Executive and ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources are responsible for the development and maintenance of an anti-fraud and anti-corruption policy. This forms part of the Authority's Staff Handbook.

Assets

63-64. Directors should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Treasury Management and Banking

64-65. The Authority has adopted CIPFA's *Code of Practice for Treasury Management in Local Authorities*.

65-66. The full Authority is responsible for approving the Treasury Management Policy Statement setting out the matters detailed in paragraph 15 of CIPFA's *Code of Practice for Treasury Management in Local Authorities*. The policy statement is proposed to the full Authority by the Executive Committee. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources has delegated responsibility for implementing and monitoring the policy statement.

66-67. All money in the hands of the Authority is controlled by the officer designated for the purposes of section 151 of the Local Government Act 1972, referred to in the code as the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources or his^{or} appointed deputy.

67-68. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for the opening and closing of bank accounts in the name of the Authority.

68-69. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for reporting to Executive Committee a proposed treasury management strategy for the current financial year at the June committee as part of the annual report on Treasury Management.

69-70. All Executive Committee decisions on borrowing, investment or financing shall be delegated to the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources, who is required to act in accordance with CIPFA's *Code of Practice for Treasury Management in Local Authorities*.

70-71. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for reporting to the Executive Committee each financial year on the activities of the treasury management operation and on the exercise of their delegated treasury management powers. This report will comprise an annual report on treasury management for presentation by the end of June of the succeeding financial year.

Staffing

71-72. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources, in consultation with the Chief Executive, is responsible for determining how officer support for executive and non-executive roles within the Authority will be organised.

72-73. The Chief Executive is responsible for providing overall management to staff. The Chief Executive will also be responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job. The Chair and Vice Chair of the Executive Committee will be responsible for the appraisal and remuneration of the Chief Executive, and for the revision of ~~Corporate~~ Directors, Assistant Directors & Heads of Service pay sales.

73-74. Directors are responsible for controlling total staff numbers by:

- advising the Executive Committee on the budget necessary in any given year to cover estimated staffing levels
- adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs.

Financial Regulation D - Systems and Procedures

Introduction

74-75. Sound systems and procedures are essential to an effective framework of financial accountability and control.

General

75-76. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is responsible for the operation of the Authority's accounting systems, the form of accounts and the supporting financial records. Any changes made by Directors to the existing financial systems or the establishment of new systems must be agreed with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources before they are implemented. However, Directors are responsible for the proper operation of financial processes in their own departments.

76-77. Any changes to agreed procedures made by Directors to meet their own specific service needs should be agreed with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources in advance.

77-78. Directors should ensure that their staff receive relevant financial training.

78-79. Directors must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Purchasing of computer equipment and software must be referred to the Director of Finance & Resources Assistant Director Resources & Business Development who will liaise with the for the attention of the Director of Business Support (LVL), Head of Performance & Information who will register usage.

79-80. The holding of data on any computer system is governed under the Data Protection Act 1998. Computer Systems whether purchased by the Authority or not, and used for Authority business and holding personnel data must be registered through the Authority's Data Protection Officer. The Director of

Business Support (LVL) ~~The Head of Performance & Information~~ is carrying out the role of the Authority's Data Protection Officer.

80-81. Divulging of information held on computers to outside parties may not be made without the express consent of the Data Protection Officer.

Income and Expenditure

84-82. It is the responsibility of Directors to ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify staff authorised to act on the Director's behalf, in respect of committing expenditure, payments and income collection, together with the limits of their Authority. The Executive Committee is responsible for approving procedures for writing-off debts as part of the overall control framework of accountability and control.

Payments to Employees and Members

82-83. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for the payments of salaries and wages to all staff, including payments for overtime, and for payment of allowances to Members.

Taxation

83-84. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for advising Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Authority.

84-85. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for maintaining the Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Trading Accounts/Business Units

85-86. It is the responsibility of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources to advise on the establishment and operation of trading accounts and business units.

Financial Regulation E - External Arrangements

Partnerships

86-87. Forming partnerships with other local public, private, voluntary and community sector organisations to achieve our Regional goals is a key objective for the Lee Valley Regional Park Authority.

87-88. The Authority will appoint Member representation relating to partnerships. Representation of the Authority on partnership and external bodies will be decided by full Authority at its Annual General meeting.

88-89. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. The Chief Executive in conjunction with the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources and ~~Assistant Director of Legal & Property Services~~Director of Legal and Corporate Services must also consider the overall corporate governance arrangements and legal issues when arranging

contracts with external bodies. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources in conjunction with the appropriate Director must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

89-90. Directors are responsible for ensuring that the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is consulted on the progress of negotiations and that appropriate approval is granted prior to the conclusion of any negotiations with partner organisations.

External Funding

90-91. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Authority's accounts.

Work for Third Parties

91-92. The full Authority is responsible for approving the contractual arrangements for any work for third parties or external bodies unless this is delegated to a Committee of the Authority or Directors.

Section 3 - Financial Regulations – Details

Financial Regulation A - Financial Management

- Financial Management Standards
- Managing Expenditure
- Accounting Policies
- Accounting Records & Returns
- Annual Statement of Accounts

Financial Management Standards

Why Is This Important?

92-93. All staff and Members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

Key Controls

93-94. The key controls for financial management standards are:

- to ensure their promotion throughout the Authority
- to have a system in place to review compliance with financial standards
- to undertake regular comparisons of performance indicators and benchmark standards and report these to the Scrutiny Committee.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources

94-95. To ensure the proper administration of the financial affairs of the Authority.

95-96. To set the financial management standards and to monitor compliance with them.

96.97. To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards of finance ~~staff~~ throughout the Authority.

97.98. To advise on the key strategic controls necessary to secure sound financial management.

98.99. To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

Responsibilities of Directors

99.100. To promote the financial management standards set by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources in their departments and to monitor adherence to the standards and practices, liaising as necessary with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

100.101. To promote sound financial practices in relation to the standards, performance and development of staff in their departments.

Managing Expenditure

Virement and In-year Changes to the Budget

Why Is This Important?

101.102. The scheme of virement is intended to enable the Authority, Directors and their staff to manage budgets with a degree of flexibility within the overall budget framework determined by the full Authority, and therefore to optimise the use of resources.

Key Controls

102.103. Key controls for the scheme of virement are:

- it is administered by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources in accordance with the Financial Regulations. Any variation from this scheme requires the approval of the full Authority
- the overall revenue budget is drawn up by the Executive Committee and approved by the full Authority. Directors and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is, switching resources between approved budget headings
- virement does not create additional overall budget liability. Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should not support recurring revenue expenditure from one-off sources of savings or additional income, or create future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Directors must plan to fund such commitments from within their own budgets
- the capital programme is drawn up by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

and approved by Executive and contains details of approved expenditure on capital schemes.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

~~403-104.~~ To approve virements up to £50,000. This includes any commitment from the Authority's contingency agreed by Authority when the annual budget is set.

~~404-105.~~ To report and seek approval for virements in excess of £50,000 and up to £250,000 in budget monitoring reports submitted to Executive Committee.

~~405-106.~~ To report and seek approval from full Authority for virements in excess of £250,000.

~~406-107.~~ To report and seek Executive Committee approval for:

- the use of revenue and capital reserves, in addition to that already planned, up to £100,000 for a particular matter in any financial year
- increasing capital expenditure which can be funded through additional external resources, capital receipts or credit approvals.

~~407-108.~~ To report and seek the approval of the Chief Executive (in consultation with the Chairman of Authority, and the Chairman for Executive Committee) to the exercise of the virement powers' of the Authority where a matter is urgent.

Responsibilities of Directors

~~408-109.~~ To exercise virement on budgets under their control for amounts up to £50,000 on any one budget head during the year, following agreement with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

~~409-110.~~ In conjunction with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources to report and seek approval for virements in excess of £50,000 and up to £250,000 in budget monitoring reports submitted to the Executive Committee, which must specify the proposed expenditure and the source of funding, and must explain the implications in the current and future financial years.

~~410-111.~~ In conjunction with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources to report and seek approval for virements in excess of £250,000 to the full Authority, which must specify the proposed expenditure and the source of funding, and must explain the implications in the current and future financial year.

~~411-112.~~ Fortuitous savings or additional income exceeding £50,000 cannot be used for virement purposes. These must be reported to the Executive Committee for consideration of how these additional monies are to be used. Fortuitous savings are deemed to be savings not already assumed in the budget.

~~412-113.~~ In conjunction with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources, to report to and seek the prior

approval (within the limits set out above) ~~of the Authority~~ for any revenue expenditure where:

- it is proposed to vire between budgets managed by different Directors
- where the proposed virement is likely to have an adverse effect on any agreed performance indicator.

443.114. _____ Where an approved budget (a lump sum budget or contingency) is intended for allocation during the year, funding may be used without further approval, provided that:

- the amount is used in accordance with the purposes for which it has been established
- the Executive Committee has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to full Authority.

Treatment of Year-end Balances

Why Is This Important?

444.115. _____ The rules below cover arrangements for the transfer of resources between accounting years, i.e. a carry forward.

Key Controls

445.116. _____ Appropriate accounting procedures are in operation to ensure that carried forward totals are correct.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

446.117. _____ To administer the scheme of carry forward within the guidelines approved by the full Authority.

447.118. _____ To report all overspendings and underspendings on service estimates carried forward to the Executive Committee.

Responsibilities of Directors

448.119. _____ Any overspending on service estimates in total on revenue budgets, under the control of the Director and which are determined by the Executive Committee are to be carried forward to the following year, unless the Authority determines otherwise.

449.120. _____ ~~50% of M~~ managed underspendings and/or additional income on service estimates under the control of the Director may be carried forward and invested in the service, subject to:

- reporting to the Executive Committee the source of the managed underspending or additional income and the proposed application of any carry forward
- subsequent approval of the Executive Committee

Accounting Policies

Why Is This Important?

420.121. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is responsible for the preparation of the Authority's statement of accounts, in accordance with proper practices as set out in the format required by the relevant codes of practice on local Authority accounting in the United Kingdom, for each financial year ending 31st March.

Key Controls

424.122. The key controls for accounting policies are:

- systems of internal control are in place that ensure that financial transactions are lawful
- suitable accounting policies are selected and applied consistently
- proper accounting records are maintained
- financial statements are prepared which present fairly the financial position of the Authority and its expenditure and income.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources

122.123. 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 31st March each year, and covers such items as:

- separate accounts for capital and revenue transactions
- the basis on which debtors and creditors at year end are included in the accounts
- details on substantial provisions and reserves
- fixed assets
- depreciation
- capital charges
- work in progress
- stocks and stores
- deferred charges
- accounting for value added tax
- government grants
- leasing

Responsibilities of Chief Executive and Directors

423.124. To adhere to the accounting policies and guidelines approved by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.

Accounting Records and Returns

Why Is This Important?

424.125. Maintaining proper accounting records is one of the ways in which the Authority discharges its responsibility for stewardship of public resources. The

Authority has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the Authority's resources.

Key Controls

425-126. _____ The key controls for accounting records and returns are:

- all Members, finance staff and budget managers operate within the required accounting standards and timetables
- all the Authority's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis
- procedures are in place to enable accounting records to be reconstituted in the event of systems failure
- reconciliation procedures are carried out to ensure transactions are correctly recorded
- prime documents are retained in accordance with legislative and other requirements.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

426-127. _____ To determine the accounting procedures and records for the Authority. Where these are maintained outside the Finance Section, the Directors should consult with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

427-128. _____ To arrange for the compilation of all accounts and accounting records under their direction.

428-129. _____ To comply with the following principles when allocating accounting duties:

- separating the duties of providing information about sums due to or from the Authority and calculating, checking and recording these sums from the duty of collecting or disbursing them
- officers with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

429-130. _____ To make proper arrangements for the audit of the Authority's accounts in accordance with the Accounts & Audit Regulations 2011 ~~03~~ (as amended).

430-131. _____ To ensure that all claims for funds including the levy and grants, for which he or she is responsible for, are made by the due date.

431-132. _____ To prepare and publish the audited accounts of the Authority for each financial year, in accordance with the statutory timetable and with the requirement for the Audit Committee to approve the statement of accounts in accordance with the statutory timetable.

432-133. To administer the Authority's arrangements for under and overspendings to be carried forward to the following financial year.

433-134. To issue guidance on the retention of financial documents relating to minimum periods for retention and ensure that these timescales are complied with.

Responsibilities of Directors

434-135. To consult and obtain the approval of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources before making any changes to accounting records and procedures.

435-136. To comply with the following principles when allocating accounting duties:

- separating the duties of providing information about sums due to or from the Authority and calculating, checking and recording these sums from the duty of collecting or disbursing them
- employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

436-137. To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements.

437-138. To ensure the proper retention of financial documents in accordance with guidance issued by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources relating to minimum periods for the retention of document.

438-139. To supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.

439-140. To ensure that all claims for funds, including grants, which the Director is responsible for, are made by the due date.

Annual Statement of Accounts

Why Is This Important?

440-141. The Authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Audit Committee is responsible for approving the statutory annual statement of accounts.

Key Controls

441-142. The key controls for the annual statement of accounts are:

- the Authority is required to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.
- the Authority's statement of accounts must be prepared in accordance with proper practices as set out in the relevant codes of practice on local Authority accounting in the United Kingdom.

Responsibilities of ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources

142-143. ____ To select suitable accounting policies and to apply them consistently.

143-144. ____ To make judgements and estimates that are reasonable and prudent.

144-145. ____ To comply with Statements of Recommended Practice.

145-146. ____ To sign and date the statement of accounts, stating that it presents fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31st March.

146-147. ____ To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

Responsibilities of Directors

147-148. ____ To comply with accounting guidance provided by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources and to supply information in the format, and by the date, requested.

Financial Regulation B - Financial Planning

- Performance Plans
- Revenue & Capital Budgeting
- Maintenance of Reserves

Performance Plans

Why Is This Important?

148-149. ____ The Authority has a responsibility to produce performance plans. The purpose of performance plans is to explain overall priorities and objectives, current performance, and proposals for further improvement. External audit can report on whether the Authority has complied with best practice in respect of the preparation and publication of Performance Plans.

Key Controls

149-150. _____ The key controls for performance plans are:

- to ensure that all relevant plans are produced and that they are consistent
- to produce plans to meet the timetables set
- to ensure that all performance information is accurate, complete and up to date
- to provide improvement targets which are meaningful, realistic and challenging.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources

150-151. To advise and supply, as appropriate and in conjunction with Directors, the financial information that needs to be included in performance plans.

151-152. To contribute to the development of corporate and service targets and objectives and performance information.

152-153. To ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

Responsibilities of Directors

153-154. To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.

154-155. To contribute to the development of performance plans.

155-156. To contribute to the development of corporate and service targets and objectives and performance information.

156-157. To advise and supply, as appropriate and in conjunction with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources, the financial information that needs to be included in performance plans.

Revenue and Capital Budgeting Format of the Budget

Why Is This Important?

157-158. The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, the operation of cash limits, and sets the level at which funds may be reallocated within budgets.

Key Controls

158-159. The key controls for the budget format are:

- the format complies with all legal requirements
- the format complies with CIPFA's Best Value Accounting – Code of Practice
- the format reflects the accountabilities of service delivery

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

159-160. To advise the Executive Committee on the format of the budget that is approved by full Authority.

Responsibilities of Directors

160-161. To comply with accounting guidance provided by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

Budgets and Medium-Term Planning

Why Is This Important?

161.162. The LVRPA Authority is a large public organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Authority's plans and policies.

162.163. The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of the Authority. Budgets (spending plans) are needed so that the Authority can plan, authorise, monitor and control the way money is allocated and spent.

163.164. Medium-term planning over five years involves a planning cycle in which managers develop their own plans. As each year passes, another future year will be added to the medium term plan. This ensures that the Authority is always preparing for events in advance.

Key Controls

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

- budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Executive Committee for their budgets and the level of service to be delivered
- 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.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

165.166. To prepare and submit reports on budget prospects, for the Executive Committee, including resource constraints. Reports should take account of medium term prospects, where appropriate.

166.167. To prescribe the detailed format for the preparation of revenue estimates, for submission and approval by the full Authority, in accordance with the Authority's general directions.

167.168. To prepare and submit reports to the Executive Committee on the aggregate spending plans of departments and on the resources available to fund them, identifying, where appropriate, the implications for the levy.

168.169. To advise on the medium term implications of spending decisions.

169.170. To encourage the best use of resources and value for money by working with Directors to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.

170.171. To advise the full Authority on proposals in accordance with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources responsibilities under section 151 of the Local Government Act 1972.

Responsibilities of Directors

471.172. To prepare estimates of income and expenditure, with guidance from the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources, to be submitted to the Executive Committee.

472.173. To prepare budgets that are consistent with any relevant cash limits, with the Authority's annual budget cycle and with guidelines issued by the Executive Committee. The format will be prescribed by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources in accordance with the full Authority's general directions.

473.174. To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.

474.175. In accordance with the laid-down guidance and timetable issued by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources, to prepare detailed draft revenue proposals and capital bids for consideration by the Executive Committee.

475.176. When drawing up draft budget requirements, to have regard to:

- spending patterns and pressures revealed through the budget monitoring process
- legal requirements
- policy requirements as defined by Authority in its approved policy framework
- initiatives already under way.

Resource Allocation

Why Is This Important?

476.177. A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised and that resources are fairly allocated, in order to fulfil all responsibilities. Resources may include staff, money, equipment, goods and materials.

Key Controls

477.178. The key controls for resource allocation are:

- resources are acquired in accordance with the law and using an approved authorisation process
- resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for
- resources are securely held for use when required
- resources are used with the minimum level of waste, inefficiency or loss for other reasons.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources

478.179. To advise on methods available for the funding of resources, such as the levy, grants from Central Government and borrowing requirements.

~~179-180.~~ To advise on the suitability of proposals to introduce/modify financial procedures to control resources (e.g. stock control systems).

~~180-181.~~ To assist in the allocation of resources to budget managers.

Responsibilities of Directors

~~181-182.~~ To work within cash limits and to utilise resources allocated, and furthermore to allocate resources, in the most efficient, effective and economic way.

~~182-183.~~ To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

Revenue Budget Preparation, Monitoring and Control

Why Is This Important?

~~183-184.~~ Proper budget management ensures that, once the budget has been approved by full Authority, resources are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Authority to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

~~184-185.~~ By continuously identifying and explaining variances against budgetary targets, the Authority can identify changes in trends and resource requirements at the earliest opportunity. The Authority itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the Authority, in total does not overspend, each service is required to manage its own expenditure within the cash limited budget allocated to it.

~~185-186.~~ Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should not support recurring revenue expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Directors must plan to fund such commitments from within their own budgets.

~~186-187.~~ For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area or cost centre. However, budgetary control may take place at a more detailed level if this is required by the Director's scheme of delegation.

Key Controls

~~187-188.~~ The key controls for managing and controlling the revenue budget are:

- budget managers should be responsible only for income and expenditure that they can influence
- there is a nominated budget manager for each budget heading
- budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities

- budget managers follow an approved certification process for all expenditure
- income and expenditure are properly recorded and accounted for
- performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget
- specific budget approval is given for all expenditure
- budget managers are appropriately trained to carry out their budgetary control responsibilities.

Responsibilities of the Corporate Director of Resources & Business Development
Director of Finance & Resources

488-189. To establish an appropriate framework of budgetary management and control that ensures that:

- budget management is exercised within annual cash limits unless the full Authority agrees otherwise
- each Director has available timely information on expenditure and income on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities
- expenditure is committed only against an approved budget head
- officers responsible for committing expenditure comply with relevant guidance and financial regulations
- each cost centre has a single named manager, determined by the relevant Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision making processes that commits expenditure
- significant variances from approved budgets are investigated and reported by budget managers monthly.

489-190. To administer the Authority's scheme of virement (as detailed in Financial Regulations 96 to 108).

490-191. To submit reports to the Executive Committee and to full Authority, in consultation with the relevant Director, where a Director is unable to balance expenditure and resources within existing approved budgets under their control.

491-192. To prepare and submit reports on the Authority's projected income and expenditure compared with the budget on a regular basis.

Responsibilities of Directors

492-193. To maintain budgetary control within their departments, in adherence to the principles above, and to ensure that all income and expenditure is properly recorded and accounted for.

493-194. To ensure that an accountable budget manager is identified for each item of income and expenditure incurred by the department within each Director's cash limit. As a general principle, budget responsibility should be aligned as closely as possible to the decision making that commits expenditure.

- 194-195. To ensure that budgetary provision is identified for all expenditure incurred.
- 195-196. To ensure that spending remains within the service's overall budget allocation, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are projected.
- 196-197. To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively.
- 197-198. To prepare and submit, to Executive Committee, reports on projected expenditure and income compared with the budget, in the form prescribed by and in accordance with, the timetable and guidelines issued by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.
- 198-199. To ensure prior approval by the full Authority or Executive Committee (as appropriate) for new proposals, of whatever amount, that:
- create financial commitments in future years
 - change existing policies, initiate new policies or cease existing policies
 - materially extend or reduce the Authority's services.
- 199-200. To ensure compliance with the scheme of virement.
- 200-201. To agree with the relevant Director where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Director's level of service delivery.

Capital Programme

Why Is This Important?

- 201-202. Capital expenditure (including use of capital grants and PFI/PPP projects) involves acquiring or enhancing fixed assets with a long term value to the Authority, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.
- 202-203. Capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

Key Controls

- 203-204. The key controls for capital programmes are:
- specific approval by the full Authority for the programme of capital expenditure
 - expenditure on capital schemes is subject to the agreement of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources and the approval of Executive Committee

- a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for agreement by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources and approval of Executive Committee
- proposals for improvements and alterations to buildings must be approved by the appropriate Director
- schedules for individual schemes within the overall budget approved by the full Authority must be submitted to the Executive Committee
- development and maintenance of the corporate asset management plan
- accountability for each proposal is accepted by a named manager
- progress and expenditure should be monitored and compared to the approved budget.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources

204-205. _____ To issue guidance relating to the strategy and controls for capital schemes. The definition of 'capital' will be determined by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources, having regard to Government regulations and accounting requirements.

205-206. _____ To collate capital estimates jointly with Directors and the Chief Executive and to submit them to Executive Committee full Authority for approval. Full Authority approval is required where a Director proposes to bid for, or exercise additional borrowing approval, not anticipated in the capital programme.

206-207. _____ To prepare and submit monitoring reports to the Executive Committee on the projected income, expenditure and resources compared with the approved estimates and to recommend action where necessary to ensure that capital expenditure is fully funded.

207-208. _____ To administer the Authority's scheme of virement.

Responsibilities of Directors

208-209. _____ To comply with guidance concerning capital schemes and controls issued by the Director of Finance and Resources.

209-210. _____ To submit a prioritised list of bids as part of the annual capital budgeting process representing the schemes required to deliver departmental strategy.

210-211. _____ To ensure that agreement for all capital expenditure proposals are obtained from the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources and approval of Executive Committee prior to a scheme's commencement, and that capital expenditure budgets are not exceeded.

211-212. _____ To prepare returns of projected estimated final costs of schemes, in the approved capital programme, for submission to the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.

212-213. To ensure that adequate records are maintained for all capital contracts.

213-214. To ensure compliance with the Authority's scheme of virement.

214-215. To prepare and submit an annual report, in consultation with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources, on the completion of all contracts where the final expenditure exceeds the approved contract sum.

215-216. To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources and, if applicable, approval of the scheme through the capital programme.

216-217. To consult with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources and to seek Executive Committee approval where the Director proposes to bid for supplementary credit approvals or grants to be issued by Government departments or others to support expenditure that has not been included in the current year's capital programme.

Maintenance of Reserves

Why Is This Important?

217-218. This Authority must decide the level of general reserves it wishes to maintain before it can decide the levy. Reserves are maintained as a matter of prudence. They enable the Authority to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.

Key Controls

218-219. To maintain reserves in accordance with the relevant codes of practice on local Authority accounting in the United Kingdom and agreed accounting policies.

219-220. For each reserve established, the purpose, usage and basis of transactions should be clearly identified.

220-221. The establishment of reserves and incurring of expenditure from reserves should be authorised by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

221-222. To advise the Executive Committee and ~~for~~ full Authority on prudent levels of reserves, and to take account of the advice of the external auditor in this matter.

Responsibilities of Directors

222-223. To ensure that resources are used only for the purposes for which they were intended.

Financial Regulation C - Risk Management and Control of Resources

- Risk management
- Internal Controls
- Audit Requirements
- Preventing Fraud & Corruption
- Assets
- Treasury Management & Banking
- Staffing

Risk Management

Why Is This Important?

223-224. All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is concerned with evaluating the measures an organisation already has in place to identify risks and mitigate those identified risks including recommending the action the organisation needs to take to control these risks effectively.

224-225. It is the overall responsibility of the Audit Committee to approve the Authority's risk management strategy, and to promote a culture of risk management awareness throughout the Authority.

Key Controls

225-226. The key controls for risk management are:

- procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Authority
- a monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis
- managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives
- provision is made for losses that might result from the risks that remain
- procedures are in place to investigate claims within required timescales
- acceptable levels of risk are determined and insured against where appropriate
- the Authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibilities of the Corporate Director of Resources & Business Development **Director of Finance & Resources**

226-227. To prepare and promote the Authority's risk management strategy/policy statement.

- | ~~227-228.~~ To develop risk management controls in conjunction with other Directors.
- | ~~228-229.~~ To include all appropriate employees of the Authority in a suitable fidelity guarantee insurance.
- | ~~229-230.~~ To effect corporate insurance cover, through external insurance and internal funding, and to arrange for the negotiation of claims in consultation with other officers.
- | ~~230-231.~~ To report to each Audit Committee meeting on the effectiveness of the Authorities risk management processes including new key risks identified and key residual risks which remain uncontrolled.
- | ~~231-232.~~ To determine the regularity of risk identification and assessment exercise to be carried out by Directors.

Responsibilities of Directors

- | ~~232-233.~~ To notify the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources immediately of any loss, liability or damage that may lead to a claim by or against the Authority, together with any information or explanation required by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources or the Authority's insurers.
- | ~~233-234.~~ If any assets covered by insurance are damaged or stolen, Directors must not order replacements, remedial repairs or other work - except for emergency measures to prevent further damage or loss occurring - until the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources has been consulted. Damage or loss arising from malicious acts should be reported to the police.
- | ~~234-235.~~ To notify the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.
- | ~~235-236.~~ To notify the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources promptly of any significant acquisitions or disposals of assets or any alteration to the scope or level of services provided, particularly where the risk of accident, injury, loss or damage is likely to increase.
- | ~~236-237.~~ On a regular basis, the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources will forward to Directors schedules of assets covered by insurance. Directors must examine the schedules and ensure that the details of those assets are correctly recorded and that the scope and level of insurance cover are adequate and consistent with the Authority's corporate insurance arrangements.
- | ~~237-238.~~ To provide the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources with any information that is needed and in the timescale required, to enable the Director to manage the Authority's insurances effectively.

238-239. To take responsibility for risk management, having regard to advice from the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources and other specialist officers (e.g. crime prevention, fire prevention and health and safety).

239-240. To ensure that there are regular reviews of risk within their departments and to report the outcomes of these reviews to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

240-241. To consult with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources on the terms of any indemnity that the Authority is requested to give.

241-242. To ensure that officers or anyone covered by the Authority'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.

Internal Controls

Why Is This Important?

242-243. The Authority uses internal controls to manage and monitor progress towards strategic objectives.

243-244. The Authority has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.

244-245. The Authority faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are used to manage these risks.

245-246. The system of internal controls is established in order to provide measurable achievement of:

- efficient and effective operations
- reliable financial information and reporting
- compliance with laws and regulations
- risk management.
- safeguarding of assets

Key Controls

246-247. The key controls and control objectives for internal control systems are:

- key controls should be reviewed on a regular basis and the Authority should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively
- 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

- financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems
- an effective **internal**-audit function that is properly resourced. It should operate in accordance with the principles contained in CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, the standards for the professional practice of Internal Audit of the Institute of Internal Auditors, and with any other statutory obligations and regulations.

Responsibilities of the Corporate Director of Resources & Business Development **Director of Finance & Resources**

247-248. To assist the Authority to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

Responsibilities of Directors

248-249. To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.

249-250. To review existing controls in the light of changes affecting the Authority and to establish and implement new ones in line with guidance from the **Corporate Director of Resources & Business Development** **Director of Finance & Resources**. Directors should also be responsible for removing controls that are unnecessary or not cost or risk effective, for example, because of duplication.

250-251. To ensure staff have a clear understanding of the consequences of lack of control.

Audit Requirements

Internal Audit

Why Is This Important?

251-252. 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 and Audit Regulations 2011, Regulation 6, more specifically require that a 'relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems'.

252-253. Internal audit is an independent and objective appraisal function established by the Authority for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

Key Controls

253-254. The key controls for internal audit are:

- that it is independent in its planning and operation
- the Audit & Compliance function has, (where appropriate) direct access to the Chief Executive, all levels of management and directly to elected Members
- ~~internal~~ auditors 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 United Kingdom and the standards for the professional practice of Internal Audit of the Institute of Internal Auditors.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

254-255. To ensure that ~~internal~~ auditors have the Authority to:

- access Authority premises at reasonable times
- access all assets, records, documents, correspondence and control systems
- receive any information and explanation considered necessary concerning any matter under consideration
- require any officer of the Authority to account for cash, stores or any other Authority asset under their control
- access records belonging to third parties, such as contractors, when required
- directly access the Chief Executive, the Authority Members, Executive Committee, Audit Committee and all levels of management.

255-256. To approve the strategic and annual audit plans, which take account of the characteristics and relative risks of the activities involved.

256-257. To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

Responsibilities of Directors

257-258. To ensure that ~~internal~~ auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.

258-259. To ensure that auditors are provided with any information and explanations that they seek in the course of their work.

259-260. To consider and respond promptly to recommendations in audit reports.

260-261. To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

261-262. To notify the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources immediately of any suspected fraud, irregularity, improper use or misappropriation of the Authority's property or resources. Pending investigation and reporting, the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources should

take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

~~262-263.~~ To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are approved by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

External Audit

Why Is This Important?

~~263-264.~~ The Local Government Finance Act 1982 set up the Audit Commission, which is responsible for appointing external auditors to each local Authority in England and Wales. The external auditor has rights of access to all documents and information necessary for audit purposes.

265. The Local Audit and Accountability Act 2014 received Royal Assent on 30 January 2014. The Act makes it possible for the Audit Commission to close, in line with Government expectations, on 31 March 2015, 30 years after it was established.

266. An independent company created by the Local Government Association (Public Sector Audit Appointments Limited) will be responsible for overseeing the Commission's current external audit contracts with audit firms from 1 April 2015 until December 2017 or up to 2020. It will manage the contracts and exercise statutory powers to appoint auditors, set and determine fees. The professional conduct of auditors will continue to be regulated by the professional accountancy bodies. From 2017 or up to 2020, Recognised Supervisory Bodies will determine the eligibility of local public auditors and register them and, in turn, they will be recognised and supervised by the Financial Reporting Council. The Financial Reporting Council's Audit Quality Review team will monitor the local public audits carried out by auditors through new regulatory arrangements.

267. The National Audit Office will produce and maintain the Code of Audit Practice and provide supporting guidance to auditors from 1 April 2015.

~~263-~~

~~264-268.~~ The basic duties of the external auditor are defined in a the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires the Audit Commission to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditor's objectives to review and report upon:

- the financial aspects of the audited body's corporate governance arrangements
- the audited body's financial statements

- aspects of the audited body's arrangements to manage its performance, including the preparation and publication of specified performance information.

269. The Comptroller and Auditor General will be a prescribed person to whom whistleblowing disclosures can be made in respect of local public bodies under the Public Interest Disclosure Act 1998 from 1 April 2015. Appointed auditors retain their status as a prescribed person under the Act.

270. The Authority's accounts are scrutinised by the external auditors, who must be satisfied that the statement of accounts 'presents fairly' the financial position of the Authority and its income and expenditure for the year in question and complies with the legal requirements.

265-271. The National Audit Office will publish information previously provided by the Audit Commission. The NAO will become the owner of *Council Accounts: A Guide to Your Rights*, often referred to as the guide to the electorate's rights with regard to the audit of their local authority. Public Sector Audit Appointments Limited will continue to publish Auditing the Accounts and quarterly and annual reports on auditor compliance and audit quality.

Key Controls

266-272. External auditors are appointed ~~by the Audit Commission~~ normally for a minimum period of five years. The ~~National Audit Office Audit Commission~~ prepares a code of audit practice, which external auditors follow when carrying out their audits.

~~Responsibilities of the Corporate Director of Resources & Business Development~~ Director of Finance & Resources

267-273. To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.

268-274. To ensure there is effective liaison between external and internal audit.

269-275. To work with the external auditor and advise the full Authority, Executive Committee, Audit Committee and Directors on their responsibilities in relation to external audit.

Responsibilities of Directors

270-276. To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.

274-277. To ensure that all records and systems are up to date and available for inspection.

Preventing Fraud and Corruption

Why Is It This Important?

272-278. The Authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Authority.

273-279. The Authority's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

274-280. The Authority also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact will act towards the Authority with integrity and without thought or actions involving fraud and corruption.

Key Controls

275-281. The key controls regarding the prevention of financial irregularities are that:

- the Authority has an effective anti-fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption
- all Members and staff act with integrity and lead by example
- senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt
- the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded
- whistle blowing procedures are in place and operate effectively
- legislation, including the Public Interest Disclosure Act 1998 and Bribery Act 2010 is adhered to.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

276-282. In conjunction with the Chief Executive to develop and maintain an anti-fraud and anti-corruption policy and review annually the fraud response plan.

277-283. To maintain adequate and effective internal control arrangements.

278-284. To ensure that all suspected financial irregularities are investigated thoroughly and where appropriate reported to the Audit Committee, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources to determine with the Crown Prosecution Service whether any prosecution will take place.

Responsibilities of Directors

279-285. To ensure that all suspected financial irregularities are reported to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

280-286. To instigate the Authority's disciplinary procedures where the outcome of a fraud investigation indicates improper behaviour.

281-287. To ensure that where financial impropriety is discovered, the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is informed.

~~282-288.~~ To maintain a departmental register of interests in which any hospitality or gifts accepted are recorded.

Assets

Security

Why Is This Important?

~~283-289.~~ The Authority holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up to date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

Key Controls

~~284-290.~~ The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software and information are:

- resources are used only for the purposes of the Authority and are properly accounted for
- resources are available for use when required
- resources no longer required are disposed of in accordance with the law and the regulations of the Authority so as to maximise benefits
- an asset register is maintained for the Authority - assets are recorded when they are acquired by the Authority and this record is updated as changes occur with respect to the location and condition of the asset
- all staff are aware of their responsibilities with regard to safeguarding the Authority's assets and information, including the requirements of the Data Protection Act and software copyright legislation
- all staff are aware of their responsibilities with regard to safeguarding the security of the Authority's computer systems, including maintaining restricted access to the information held on them and compliance with the Authority's information technology usage policy.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

~~285-291.~~ To ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of £5,000.

~~286-292.~~ To receive the information required for accounting, costing and financial records from each Director.

~~287-293.~~ To calculate capital charges and depreciation for all properties and maintain the asset management revenue account.

~~288-294.~~ To ensure that assets are valued in accordance with the relevant codes of practice on local Authority accounting and the Royal Institution of Chartered Surveyors (RICS) in the United Kingdom. This is the responsibility of the Head of Property Services.

Responsibilities of the ~~Assistant Director of Legal & Property Services~~ Director of Legal and Corporate Services.

~~289-295.~~ To keep a register of all land and buildings owned by the Authority. The register will hold information about: the purpose for which the land/building is held; description; location and ordnance survey map reference; purchase details; the nature of the Authority's interest; rents and any other charges payable; restrictive covenants; and any tenancies or other interests granted.

~~290-296.~~ There must be a valuation of all of the major assets of the Authority. A five year rolling programme of assets to be valued must be maintained, having been agreed with the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources and a minimum of 25% of assets must be revalued each year with every property having at least one interim valuation. Valuations of assets exceeding £15m must be made annually. Information on asset valuations, purchases and sales must be provided to the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources for inclusion in the asset register in accordance with the timetable set by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources. These valuations must include the estimated lives of assets and componentisation of value.

Property - Disposals of Land, or an Interest in Land, or Licence Agreements

~~291-297.~~ Disposals of land, an interest in land (including easements and wayleaves) or licence agreements for terms in excess of 3 years shall only be authorised with the express approval of the Executive Committee or Authority.

~~292-298.~~ The Chief Executive or his authorised deputy has delegated power on behalf of the Authority to grant a disposal of land, an interest in land or a licence agreement for terms of up to 3 years to be sealed if necessary in accordance with standing orders.

Rent Reviews

~~293-299.~~ Rents fixed for a period in excess of 5 years, shall only be authorised with the express approval of the Executive Committee or Authority.

~~294-300.~~ The Chief Executive or his authorised deputy has delegated power on behalf of the Authority to agree rents for periods of up to 5 years.

Responsibilities of Directors

~~295-301.~~ To ensure that all leased assets are identified, appropriately marked, maintained and a register kept to include location to ensure that they are available for return to lessors at the end of the lease period in accordance with the terms of the lease.

~~296-302.~~ To ensure that lessees and other prospective occupiers of Authority land and buildings are not allowed to take possession of, or enter, the land/building until a lease or agreement, in a form approved by the Director, in consultation with the ~~Assistant Director of Legal & Property Services~~Director of Legal and Corporate Services.

~~297-303.~~ To ensure the proper security and safe custody of all buildings and vehicles, equipment, furniture, stock, stores and other property belonging to the Authority and under their control.

~~298-304.~~ Where land or buildings are surplus to requirements, the Director should declare the property surplus, and instruct the ~~Assistant Director of Legal & Property Services~~Director of Legal and Corporate Services. to deal with the

property in accordance with its statutory responsibilities under the Park Act 1966.

- 299-305. To ensure that no Authority asset is subject to personal use by an employee or Member without proper authorisation.
- 300-306. To ensure that the department maintains a register of moveable assets in accordance with arrangements defined by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.
- 301-307. To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- 302-308. To consult the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 303-309. To ensure cash holdings on premises are kept to a minimum and within prescribed insurance and safe limits.
- 304-310. To ensure that a schedule is kept of the officers in their departments who hold keys to safes and similar receptacles, and that keys are carried on the person of those responsible at all times; loss of any such keys must be reported to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources as soon as possible.
- 305-311. To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Authority in some way.
- 306-312. To ensure that the Authority's policies on information and internet security are complied with.

Inventories

- 307-313. To maintain adequate records of items of furniture, equipment, vehicle and plant, above £200 in value.
- 308-314. To carry out an annual check of all items on the inventory in order to verify location, review condition and to take appropriate action in relation to any surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras, phones and media equipment ~~video recorders~~ should be identified with security markings as belonging to the Authority.
- 309-315. If an item is lost, stolen or disposed of, this must be recorded against the entry in the inventory.
- 310-316. The Authority's property should only be moved from Authority premises for official purposes with the permission of an authorised officer and a record should be kept of all authorised removals.

Stocks and Stores

311-317. To make arrangements for the care and custody of stocks and stores in their department.

312-318. To ensure that adequate records are kept and that reasonable levels are maintained which are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.

Cash

313-319. To ensure that cash holdings do not exceed the maximum amount set by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources and are transferred at least weekly to the Authority's bank accounts.

314-320. To ensure that cash handling is carried out in accordance with guidance issued by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

315-321. To ensure that cash held in any safe does not exceed the amount of the insurance limit for that safe.

316-322. To notify the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources of cash lost or stolen immediately. Stolen cash which is not covered by insurance can only be written-off with the agreement of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

317-323. To ensure that under no circumstances are personal cheques cashed out of monies held on behalf of the Authority.

Lost Property

318-324. Any property left on Authority premises and regarded as lost must be disposed of in accordance with procedures agreed with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

Intellectual Property

Why Is This Important?

319-325. Intellectual property is a generic term that includes inventions and writing. If these are created by an employee or consultant during the course of employment, then, as a general rule, they belong to the employer. Various Acts of Parliament cover different types of intellectual property.

320-326. 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.

Key Controls

321-327. In the event that the Authority decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with the Authority's approved ~~intellectual property~~ procedures.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

~~322-328.~~ ____ To develop and disseminate good practice through the Authority's ~~intellectual property~~ procedures.

Responsibilities of Directors

~~323-329.~~ ____ To ensure that controls are in place to ensure that officers do not carry out private work in the Authority's time and that staff and consultants are aware of the Authority's rights with regard to intellectual property.

Asset Disposal

Why Is This Important?

~~324-330.~~ ____ It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the regulations of the Authority.

Key Controls

~~325-331.~~ ____ Assets for disposal are identified and disposed of at the most appropriate time, and only when it is in the best interests of the Authority, and best price is obtained, bearing in mind other factors, such as environmental issues. For items of significant value, disposal should be by competitive tender or public auction.

~~326-332.~~ ____ Procedures should protect staff involved in the disposal of assets from accusations of personal gain.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

~~327-333.~~ ____ To issue guidelines representing best practice for the disposal of assets.

~~328-334.~~ ____ To ensure 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.

Responsibilities of Directors

~~329-335.~~ ____ To authorise the disposal and write-off of redundant furniture, fittings, equipment, plant and machinery, and stocks, in accordance with guidance issued by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

~~330-336.~~ ____ Before disposal to check if the asset is subject to leasing arrangements. If the asset is leased, disposal must be in accordance with the terms of the lease.

~~331-337.~~ ____ To ensure that any surplus plant, vehicles, furniture or equipment is sold by public tender or auction unless the financial interest of the Authority is better served by disposal in some other way.

~~332-338.~~ Not to sell assets to an officer of the Authority without the approval of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.

~~333-339.~~ To ensure that income received for the disposal of an asset is properly banked and accounted for.

Treasury Management and Banking

Why Is This Important?

~~334-340.~~ Many millions of pounds pass through the Authority's books each year. This means that adherence to the CIPFA Treasury Management Code of Practice is important. This code aims to provide assurances that the Authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Authority's capital sum.

Key Controls

~~335-341.~~ That the Authority's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management, and with the Authority's Treasury Management policy statement and strategy.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources

~~336-342.~~ To arrange borrowings and investments for the Authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management, and the Authority's Treasury Management policy statement and strategy.

~~337-343.~~ To report once a year on treasury management activities to the Executive Committee.

~~338-344.~~ To open and operate bank accounts as are considered necessary. All accounts must be in the name of the Authority.

~~339-345.~~ To order, store and control all cheques drawn on the Authority's main bank accounts.

~~340-346.~~ To ensure that all investments of money are made in the name of the Authority.

~~341-347.~~ To ensure that all securities that are the property of the Authority and the title deeds of all property in the Authority's ownership are held in the custody of the appropriate Director.

~~342-348.~~ To effect all borrowings in the name of the Authority.

~~343-349.~~ To act as the Authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Authority.

~~344-350.~~ To provide officers of the Authority with cash or bank imprest accounts or credit cards to meet minor expenditure on behalf of the Authority and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the prescribed amount.

- 345-351. _____ To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.
- 346-352. _____ To reimburse imprest holders as often as necessary to restore the imprests.
- 347-353. _____ To provide guidance on how imprest accounts are to be operated and how records are to be kept of payments and reimbursements.

Responsibilities of Directors

- 348-354. _____ Directors who have control of their own bank accounts must work to arrangements approved by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources, and must ensure that accounts do not become overdrawn.
- 349-355. _____ To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of full Authority.
- 350-356. _____ To arrange for all trust funds to be held, wherever possible, in the name of the Authority. All officers acting as trustees by virtue of their official position shall deposit securities, etc. relating to the trust, with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources, unless the deed otherwise provides.
- 351-357. _____ To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.
- 352-358. _____ Where unofficial funds are held on behalf of third parties, to arrange for their secure administration, including an annual audit, and to maintain written records of all transactions in accordance with guidance issued by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.
- 353-359. _____ To maintain a list of officers in their departments who are authorised to manage imprest accounts.
- 354-360. _____ To notify the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources when an authorised officer leaves the department in a timely fashion and to ensure that the imprest advanced is accounted for to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources, unless responsibility for the imprest is transferred to a different officer. In which case the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources should be notified of the new account holder.
- 355-361. _____ To agree with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources the procedure for reimbursing expenditure imprest accounts.
- 356-362. _____ To ensure that income received is not paid into an imprest account.
- 357-363. _____ To ensure that officers:

- maintain an imprest account in accordance with guidance issued by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources on the operation of imprest accounts
- do not allow a bank account, in which an imprest account is held to become overdrawn
- do not, under any circumstances, allow personal cheques to be cashed, or personal loans to be made, from monies held in an imprest account
- obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained in the name of the Authority
- make adequate arrangements for the safe custody of the account
- produce upon demand by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources cash and all vouchers to the total value of the imprest amount
- record transactions promptly
- reconcile and balance the account to the total of the sum advanced, at least monthly; with a copy of the reconciliation sheet signed and retained by the imprest holder.

Staffing

Why Is This Important?

358-364. Staffing costs represent a significant proportion of on-going revenue expenditure and it is crucial that these resources are managed and costs controlled in an effective manner.

Key Controls

359-365. The key controls for staffing are:

- an appropriate staffing strategy and policy exists, in which staffing requirements and budget allocation are matched
- procedures are in place for forecasting staffing requirements and cost.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources

360-366. To determine, in consultation with the Chief Executive, how officer support for executive and non-executive roles within the Authority will be organised.

361-367. To provide overall management to staff.

362-368. To ensure that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.

363-369. To ensure that budget provision exists for all existing and new employees.

364-370. To act as an advisor to Directors on areas such as national insurance and pension contributions, as appropriate.

365-371. The payment of salaries and wages or other emoluments shall be made ~~only by the Corporate Director of Resources & Business Development~~Director of Finance & Resources under arrangements approved and controlled by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources's department.

Responsibilities of Directors

366-372. To produce an annual staffing budget.

367-373. To ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).

368-374. To ensure that the staffing budget is not exceeded without due Authority and that it is managed to enable the agreed level of service to be provided.

369-375. To control total staff numbers by adjusting the staffing, to a level that can be funded within the approved budget, varying the provision as necessary within that constraint in order to meet changing operational needs.

370-376. To ensure that the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is immediately informed if the staffing budget is likely to be materially over or underspent.

371-377. To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.

372-378. Directors shall immediately notify the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources of all appointments, resignations, absences or any other changes which may affect the pay of an employee or ex-employee.

Financial Regulation D - Financial Systems and Procedures

- General
- Income & Expenditure
- Taxation

General

Why Is This Important?

373-379. Departments are increasingly reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

374-380. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources has a professional responsibility

to ensure that the Authority's financial systems are sound and must be notified, in advance, of any new developments or changes.

Key Controls

~~375-381.~~ The key controls for systems and procedures are:

- basic data exists so that the Authority's objectives, targets, budgets and plans to be formulated
- performance is communicated to the appropriate managers on an accurate, complete and timely basis
- early warning is provided of deviations from target, plans and budgets that require management attention
- operating systems and procedures are secure
- data is backed up on a regular basis.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

~~376-382.~~ To make arrangements for the proper administration of the Authority's financial affairs, including to:

- issue advice, guidance and procedures for officers and others acting on the Authority's behalf
- determine the accounting systems, form of accounts and supporting financial records
- establish arrangements for audit of the Authority's financial affairs
- approve in advance any new financial systems to be introduced
- approve in advance any changes to be made to existing financial systems.

Responsibilities of Directors

~~377-383.~~ To ensure that accounting records are properly maintained and held securely.

~~378-384.~~ To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

~~379-385.~~ To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.

~~380-386.~~ To incorporate appropriate controls to ensure that, where relevant:

- all input is genuine, complete, accurate, timely and not previously processed and properly authorised
- all processing is properly authorised and is carried out in an accurate, complete and timely manner
- output from the system is complete, accurate and timely
- data is backed up on a regular basis.

- 384.387._____ To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud, error or malpractice.
- 382.388._____ To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- 383.389._____ To ensure that systems are documented and staff trained in operations.
- 384.390._____ To consult with ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources before changing any existing system or introducing new systems.
- 385.391._____ To establish a scheme of delegation identifying officers authorised to act upon the Director's behalf in respect of placing orders, payments and income collection, including variations, and showing the limits of their Authority.
- 386.392._____ To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- 387.393._____ To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.
- 388.394._____ To ensure that the Authority's IT usage policy is complied with.
- 389.395._____ To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, or accident.
- 390.396._____ To comply with the copyright, designs and patents legislation and, in particular, to ensure that:
- only software legally acquired and installed by the Authority is used on its computers
 - staff are aware of legislative provisions
 - in developing systems, due regard is given to the issue of intellectual property rights.

Income and Expenditure

Income

Why Is This Important?

- 394.397._____ Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is a requirement to obtain income in advance of supplying any services as this improves the Authority's cash flow and also avoids the time and cost of administering debts.

Key Controls

392-398. The key controls for income are:

- all income due to the Authority is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed
- all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery
- all money received by an officer on behalf of the Authority is paid without delay ~~to the Corporate Director of Resources & Business Development~~ Director of Finance & Resources, ~~as directed~~, to the Authority's bank account, and is properly recorded as directed by the Director of Finance & Resources. The responsibility for cash collection should be separated from, that for identifying the amount due, and that for reconciling the amount due to the amount received
- effective action is taken to pursue non-payment within defined timescales
- formal approval for debt write-off is obtained
- appropriate write-off action is taken within defined timescales
- appropriate accounting adjustments are made following write-off action
- all appropriate income documents are retained and stored for the defined period in accordance with guidance issued by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources
- money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.
- each year there will be an annual review of income, rents and charges undertaken by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources and the ~~Director of Leisure and Environment~~ and reported to the Executive Committee. Between annual reviews, amendments to charges or charges for specific events may be approved by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources. Where these amendments are estimated to affect the budgeted level of income in a cost centre by more than 5% the amendment(s) must be discussed with the chairman and/or the Vice Chairman of Executive Committee and then reported to the next meeting of the Executive Committee.
- the Authority has developed and adopted internal procedures designed to prevent the use of its services for money laundering in accordance with the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

393-399. To agree arrangements for the collection of all income due to the Authority and to approve the procedures, systems and documentation for its collection and accounting for VAT.

- | ~~394.400.~~_____ To approve the format of official receipts (receipt books, tickets and similar items) and procedures for the control and supply of these to departments.
- | ~~395.401.~~_____ To use debt recovery procedures to collect any income due to the Authority which has not been paid within specified time limits.
- | ~~396.402.~~_____ To approve the arrangements for the writing-off of irrecoverable debts up to a limit of £2,000 each. At the end of the financial year to report to Authority summarising the debts that have been written off under delegated Authority. All sums over £2,000 require the prior approval of the full Authority
- | ~~397.403.~~_____ To ensure that appropriate accounting adjustments are made following any write-off action.
- | ~~398.404.~~_____ To ensure money collected and deposited is reconciled to the bank account on a monthly basis.

Responsibilities of Directors

- | ~~399.405.~~_____ To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly, in line with corporate policies.
- | ~~400.406.~~_____ To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- | ~~401.407.~~_____ To agree the form of official receipts with the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.
- | ~~402.408.~~_____ To ensure that official receipts are issued whenever payments are made in cash.
- | ~~403.409.~~_____ To determine when payments are made by cheque whether receipts should be issued.
- | ~~404.410.~~_____ All new proposals to generate additional income to the Authority should only be implemented following ~~consultation~~ a full business appraisal reviewed by the Business Capital Programme Development Group (CPBDG); consultation with the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources as to any VAT implications and the approval of Executive Committee.
- | ~~405.411.~~_____ To hold securely receipts, tickets and other records of income for the appropriate period.
- | ~~406.412.~~_____ To ensure that at least two officers are present when post is opened so that money received by post is properly identified and recorded.
- | ~~407.413.~~_____ To ensure that income is locked away and safeguarded against loss or theft.
- | ~~408.414.~~_____ To ensure the security of cash handling and that there is a record of every transfer of money between officers of the Authority. The receiving officer must sign for the transfer and the transferor must retain a copy.

- 400-415. To ensure that only up to approved levels of cash are held on premises.
- 410-416. To ensure that income is paid fully and within seven days of receipt into the appropriate Authority's bank account in the form in which it is received. Appropriate details should be recorded onto paying-in slips to provide a management trail.
- 411-417. To ensure income is not used to cash personal cheques or other payments.
- 412-418. To ensure that when income is due to the Authority and the payment is not to be made at the time, an account is raised promptly in a form approved by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources. Where income relates to the provision of goods and services which are not part of a continuous supply, accounts must be raised within 14 days of the transactions being completed to comply with VAT regulations.
- 413-419. To seek to achieve payment by direct debit in situations where regular payments are due to the Authority. General arrangements for payment by direct debit should be approved by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.
- 414-420. To ensure that accounts raised require payments to be made to the Authority and that income is coded to the appropriate head of account. Where appropriate, VAT must be separately identified on both the account and the coded income.
- 415-421. To advise the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources of income due to the Authority from contracts, leases or any other form of agreement.
- 416-422. To assist the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources in collecting debts they have originated and to keep sufficiently detailed records to allow debts to be recovered through legal action and to reclaim VAT payments when bad debts are written-off.
- 417-423. To authorise an adjustment to the accounts, in consultation with the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources, if a mistake has been made in raising an invoice.
- 418-424. To require advance payments for goods, services or materials in all cases, ~~where practicable~~. Advance payments can be in cash, credit/debit cards or cheques backed by a banker's guarantee card but cheques not backed by a guarantee card must be cleared before goods, services or materials are supplied. Relevant documentation must be raised to account for advanced payments including VAT.
- ~~419. To consult the Corporate Director of Resources & Business Development~~Director of Finance & Resources about any proposal to arrange to accept payments by credit cards, debit cards, switch cards, internet, or similar means.

420-425. To notify the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources of outstanding income relating to the previous financial year as soon as possible after 31st March in line with the timetable for closure of accounts.

Ordering and Paying for Work, Goods and Services

Why Is This Important?

424-426. Public money should be spent with demonstrable probity and in accordance with the Authority's policies. Public authorities have a statutory duty to achieve best value in part through economy and efficiency. The Authority's procedures should help to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Authority's contract and procurement rules.

General

422-427. Official orders must be issued for all work, goods or services to be supplied to the Authority, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases, procurement in conjunction with purchase cards, or other exceptions as agreed by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources (these exceptions, particularly with regard to use of purchase cards, do not preclude Directors from establishing departmental limits at which orders should be issued, where it is considered that there should be a written agreement confirming what is being provided). All orders placed should be on an official order form.

423-428. Each order must conform to any guidelines approved by the full Authority on corporate procurement policies and the standardisation of supplies and materials.

424-429. Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of the Authority's contracts.

425-430. Oral orders can only be given in cases of extreme urgency and must be confirmed by an official order, in writing or other authorised media, as soon as possible.

426-431. Apart from petty cash and other payments from advance accounts, the normal method of payment from the Authority shall be by cheque or through the banks' automated clearing system (BACS) or other electronic transfers of funds drawn on the Authority's bank accounts by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources. Any arrangements for making payments by these means must be approved by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.

Key Controls

427-432. The key controls for ordering and paying for work, goods and services are:

- all goods and services are ordered by authorised persons and are correctly recorded
- all goods and services shall be ordered in accordance with the Authority's contract and procurement rules

- goods and services received are checked to ensure they are in accordance with the order. Goods should not be received by the person who placed the order
- payments are not made unless goods have been received by the Authority, to the correct price, quantity and quality standards. Payments should not be authorised by the person who authorised the order
- all payments are made to the correct person/supplier, for the correct amount and are properly recorded, regardless of the payment method
- all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with guidance issued by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources and all expenditure is accurately recorded against the right budget, any exceptions are corrected and VAT is recorded against the departmental VAT code
- in addition, the use of e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.
- where a specialist supplier is required to supply goods, but will only commence work subject to receipt of a deposit. ~~The A-Corporate Director of Finance & Resources or their deputy~~ is able to authorise this advance payment of the deposit subject to written assessment of the perceived risk at the time and limited to £10,000. The risk assessment should look to analyse the most recent set of approved trading accounts as well seeking bank and other references.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

~~428-433.~~ To ensure that all the Authority's financial systems and procedures are sound and properly administered.

~~429-434.~~ To approve any changes to existing financial systems and to approve any new systems before they are introduced.

~~430-435.~~ To approve the form of official orders and associated terms and conditions.

~~431-436.~~ To make payments from the Authority's funds on the Director's authorisation that the expenditure has been duly incurred in accordance with financial regulations.

~~432-437.~~ To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.

~~433-438.~~ To make payments to contractors on the certificate of the project consultant, architect, or appropriate Director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified. These payments to be made to contractors using authenticated receipts raised by departments.

- 434.439. To provide advice on making payments by the most economical means.
- 435.440. To enter into agreements for the supply of telephone exchanges, telephone equipment, answering machines, photocopiers, ~~facsimile machines~~, mobile cell-phones, pagers etc. on behalf of the Authority.
- 436.441. To enter into agreements for the supply of computer equipment and software on behalf of the Authority.

Responsibilities of Directors

- 437.442. To ensure that ~~unique pre-numbered~~ official orders are used for all goods and services, other than for exceptions agreed by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.
- 438.443. To ensure that orders are only used for goods and services provided to the department.
- 439.444. To ensure that officers do not use official orders to obtain goods or services for their private use.
- 440.445. To ensure that only authorised officers sign orders and to maintain and make available to the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources an up-to-date list of authorised officers, or, by agreement with the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources, the category of post holders in their departments who are authorised to place orders. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the Authority's approach to procurement. Value for money should always be achieved.
- 441.446. To ensure that all orders state the nature, quantity, and agreed or estimated costs of the works, goods or services being ordered. The order must also state the address for deliveries and the address to which the invoice should be sent.
- 442.447. To ensure that no order exceeding £100 is placed with any other supplier for goods, works or services already covered by central purchasing contracts, without the written agreement of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.
- 443.448. To ensure that a copy of every order (or record in any other authorised media) is kept and marked with the details of payments made for the works, goods or services covered by that order. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources will approve alternative arrangements where computerised purchasing systems are in use.
- 444.449. To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories or stores records.

445-450. To ensure that invoices are properly certified for payment (or the operation of other, authorised arrangements) and for submitting invoices to the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources for payment. The authorisation of any payment should be carried out by a different officer from the person who authorised the order.

446-451. To ensure that payment is not made unless a proper VAT invoice (excluding purchase card transactions for payments under £5,000 to VAT compliant suppliers who are exempt) has been received, checked, coded and certified for payment, confirming:

- receipt of goods or services
- that the invoice has not previously been paid
- that expenditure has been properly incurred and is within budget provision
- that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
- correct accounting treatment of VAT
- that the invoice is correctly coded
- that discounts have been taken where available
- that appropriate entries will be made in accounting records.

447-452. Payments should not normally be made if goods or services have not been received by the Authority. However, if, in exceptional circumstances, it is deemed necessary to make a payment in advance of goods and services being supplied, to ensure that the agreement of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources has been obtained before the order is placed. This excludes direct recipients of Sports Development and other grants where it is agreed ~~by the relevant Director~~ that the grant should be made payable in advance. Such advance payment of grants will be supported by a signed grant agreement which details clear beneficial outputs for the Authority.

448-453. To ensure that two authorised members of staff are involved in the ordering, receiving and payment process. A different officer from the person who signed the order and a different officer from the person checking a written invoice, should authorise the invoice.

449-454. To ensure that the department maintains and reviews periodically a list of officers approved to authorise invoices. Names of authorising officers together with specimen signatures (particularly in relation to business credit cards, weekly returns and petty cash claims) shall be forwarded to the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.

450-455. To ensure that payments are never made on a photocopied or faxed invoice, statement or other document other than the formal invoice. In **exceptional** circumstances when a copy invoice needs to be certified for payment, to clearly endorse the copy invoice with a statement that it is a copy and that payment has not already been made.

- 451.456. ____ To encourage suppliers of goods and services to receive payment by the most economical means for the Authority. However, payments made by direct debit should have the prior approval of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.
- 452.457. ____ To ensure that the department obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality.
- 453.458. ____ To comply with procurement procedures for placing orders, where appropriate, out to competitive quotation or tender. These procedures must comply with the Authority's separate contract and procurement rules covering:
- General issues
 - Budget identification, specifications and evaluation
 - Exceptions to the competitive process
 - Directors' Authority and delegation
 - Thresholds for the relevant competitive processes, including EC thresholds
 - Submission, receipt and opening of competitive bids, including late bids
 - Evaluation
 - Post tender negotiation
 - Acceptance of tenders, bids or quotations
 - Contract records, signing and sealing
 - Issues relating to contracts in operation
 - Miscellaneous
- 454.459. ____ With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- 455.460. ____ Not to enter into agreements for the supply of telephone exchanges, telephone equipment, ~~answering machines~~, photocopiers, ~~facsimile machines~~, ~~mobile cell phones~~, ~~paggers~~ etc. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is the only officer authorised to do this.
- 456.461. ____ Not to enter into agreements for the supply of computer equipment and software. The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is the only officer authorised to this. Orders for such equipment should be placed in accordance with the procedures set by the IT usage policy.
- 457.462. ____ To ensure that a budgetary control system is established that enables commitments incurred, by placing orders, to be shown against the appropriate

budget allocation so that they can be taken into account in budget monitoring reports.

458.463. To notify the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources of outstanding expenditure relating to the previous financial year as soon as possible after 31st March in line with the final accounts timetable.

459.464. To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.

460.465. To notify the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.

461.466. To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with guidance issued by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.

Payments to Employees and Members

Why Is This Important?

462.467. Staff costs are the largest item of expenditure for this Authority. It is therefore important that payments are accurate, timely, made only where they are due for services to the Authority and that payments accord with individuals' conditions of employment and contract. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are authorised.

Key Controls

463.468. The key controls for payments to employees and Members are:

- proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to: starters, leavers, variations and enhancements, and that payments are made on the basis of timesheets or claims
- ~~monthly frequent~~ reconciliation of payroll expenditure against approved budgets
- all appropriate payroll documents are retained and stored for the defined period, in accordance with guidance issued by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources
- all expenditure, including VAT, is accurately recorded against the right department and any exceptions are corrected
- that Inland Revenue regulations are complied with.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources

464.469. To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed, on the due date.

- 465-470. To record and make arrangements for the accurate and timely payment of tax, national insurance, superannuation and other deductions.
- 466-471. To make arrangements for payment of all travel, subsistence and expense claims only in accordance with the Authority's approved policies and procedures. All claims can only be paid if they are signed off by the employee's designated line manager. Where a business credit card is used this must also have the designated line manager's written authorisation in advance of the commitment and in accordance with the Authority's approved policies and procedures. All relevant documentation must be up-to-date and current to the period of the claim, for example, car insurance for business purposes.
- 467-472. To make arrangements for paying Members' allowances.
- 468-473. To provide advice and encouragement to secure payment of salaries and wages by the most economical means.

Responsibilities of Directors

- 469-474. To ensure appointments are made in accordance with the regulations of the Authority and approved establishments, grades and scale of pay and that adequate budget provision is available.
- 470-475. To notify the appropriate Human Resources officer of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.
- 471-476. To ensure that adequate and effective systems and procedures are operated, so that:
- payments are only authorised to bona fide employees
 - payments are only made where there is a valid entitlement
 - conditions and contracts of employment are correctly applied
 - employees' details listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- 472-477. To ensure that the department maintains and reviews periodically a list of officers approved to authorise payments, together with specimen signatures, and to ensure that only authorised officers authorise payments.
- 473-478. To ensure that payroll transactions are processed only through the payroll system. Directors should give careful consideration to the employment status of individuals retained on a self-employed consultant or subcontract basis. The Inland Revenue applies a tight definition for employee status, and in cases of doubt, advice should be sought from the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.
- 474-479. To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the

~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is informed where appropriate.

475-480. To ensure that the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.

476-481. To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with guidance issued by the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources.

Taxation

Why Is This Important?

477-482. Like all organisations, the Authority is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

Key Controls

478-483. The key controls for taxation are:

- budget managers are provided with relevant information and kept up to date on tax issues
- budget managers are instructed on required record keeping
- all taxable transactions are identified, properly carried out and accounted for within stipulated timescales
- records are maintained in accordance with instructions
- returns are made to the appropriate authorities within the stipulated timescale.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources

479-484. To complete all HM Revenue & Customs returns regarding Pay As You Earn (PAYE).

480-485. To complete a quarterly return of VAT inputs and outputs to HM Revenue & Customs.

481-486. To provide details to the Inland Revenue of deductions made under the Construction Industry Tax Deduction Scheme.

482-487. To maintain up-to-date guidance for Authority employees on taxation issues in the tax manual.

483-488. To maintain an up-to-date register of VAT de minimis payments in accordance with the VAT Act 1994.

Responsibilities of Directors

484-489. To ensure that the correct VAT liability is attached to all income due and that all claims for VAT recoverable on purchases complies with Customs and Excise regulations and all output tax is properly identified and recorded.

- 485.490. To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- 486.491. To ensure that the Authority is not put at risk in any funding arrangements by identifying the correct VAT treatment in accordance with the VAT Act 1994.
- 487.492. To ensure that all persons employed by the Authority are added to the Authority's payroll and that tax is deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
- 488.493. To follow the guidance on taxation issued by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources in the tax guidance manual.

Financial Regulation E - External Arrangements

- Partnerships
- External Funding

Partnerships

Why Is This Important?

- 489.494. Partnerships ~~are likely to~~ play a key role in delivering regional strategies and in helping to promote and improve the well-being of the area. Public authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Public authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.
- 490.495. The Lee Valley Regional Park Authority will mobilise investment, bid for funds, champion the needs of the Park and the levied authorities and harness these energies with other organisations. We will be measured by what we achieve in partnership with others.

General

- 491.496. The main reasons for entering into a partnership are:
- the desire to find new ways to share risk
 - the ability to access new resources
 - to provide new and better ways of delivering services
 - to forge new relationships.
- 492.497. A partner is defined as either:
- ~~an~~ an organisation (private, public or voluntary) undertaking, part funding or participating as a beneficiary in a project or
 - a partner is:
 - a body whose nature or status gives it a right or obligation to support the project.

494-498. Partners participate in projects by:

- acting as a project deliverer or sponsor, solely or in conjunction with others
- acting as a project funder or part funder
- being the beneficiary group of the activity undertaken in a project.

495-499. 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 interests of the partnership's aims and objectives
- to be open about any conflict of interests that might arise
- to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors
- to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
- to act wherever possible as ambassadors for the project.

Key Controls

496-500. The key controls for the Authority's partners are:

- if appropriate, to be aware of their responsibilities under the Authority's financial regulations and the contract and procurement rules
- to ensure that risk management processes are in place to identify and assess all known risks
- to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise
- to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences
- to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

497-501. To advise on effective controls that will ensure resources are not squandered.

498-502. To advise, as appropriate, on the key elements of funding a project, including:

- a scheme appraisal for financial viability in both the current and future years
- risk appraisal and management
- resourcing, including taxation issues
- audit, security and control requirements

- carry-forward arrangements.

499-503. To ensure that the accounting arrangements are satisfactory.

Responsibilities of Directors

500-504. To consult with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources as necessary, on a scheme's appraisal for financial viability in both the current and future years.

501-505. To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

502-506. To provide the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources with all necessary information.

503-507. To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

504-508. To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Authority.

505-509. To ensure that all agreements and arrangements are properly documented.

506-510. To provide appropriate information to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources to enable a note to be entered into the Authority's statement of accounts concerning material items.

External Funding

Why is This Important?

507-511. 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 this Authority. Funds from external agencies ~~such as the National Lottery and the single regeneration budget~~ provide additional resources to enable the Authority to deliver services to the region. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and conditions and may not be flexible enough to link to the Authority's overall plan.

Key Controls

508-512. The key controls for external funding are:

- to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
- to ensure that funds are acquired only to meet the priorities approved in the policy framework by the full Authority
- to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources

~~509-513.~~ To ensure that all funding notified by external bodies is received and properly recorded in the Authority's accounts.

~~510-514.~~ To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.

~~511-515.~~ To ensure that audit requirements are met.

~~512-516.~~ The officer ~~Where he or she is specifically~~ responsible for submitting grant claims, must ~~to~~ ensure that all claims for funds are made by the due date.

Responsibilities of Directors

~~513-517.~~ To maintain adequate supporting documentation to enable claims for funding to be maximised.

~~514-518.~~ To ensure that all claims for funds are made by the due date.

~~515-519.~~ To ensure that the project progresses in accordance with the agreed project plan and that all expenditure is properly incurred and recorded.

~~516-520.~~ To inform the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources of any possible match funding requirements of future agreements.

Section 4 - Financial Regulations – Detailed Guidance Notes

Disposal and Write-Off Procedures for Moveable Assets

~~517-521.~~ This guidance note is issued in accordance with the requirements of the Park Authority's Financial Regulations, and is intended to provide guidance to all staff involved in the disposal and/or write off of Authority assets (other than land and properties).

~~518-522.~~ Procedures covering the collection, disposal and redeployment of desktop computer equipment within the Authority and consequently all such equipment which is no longer suitable for use within a section/department will become subject to the IT usage policy for the recycling or disposal of IT equipment.

~~519-523.~~ It is a requirement of Financial Regulations that where surplus plant, vehicles, furniture, equipment and stock items (owned by the Authority and not leased) are to be disposed of, they should be sold by competitive tender or public auction unless the interests of the Authority would be better served by disposal in some other way. Before any disposal takes place, checks must be carried out to ensure that the assets are owned by the Authority and are not subject to a leasing arrangement. Leased assets can only be disposed of in accordance with the terms of the lease.

~~520-524.~~ The practical effect of this regulation is that, apart from IT equipment, disposals are generally at the discretion of Directors. Vehicles and plant with a significant residual value (equal to or greater than £5,000) should be disposed of

at auctions or by tender, but furniture and equipment and other miscellaneous items with low residual values may be disposed of by a variety of means. The process of disposal should be transparent, fair and should achieve the best price.

521-525. Where assets or stock are to be disposed of either because they are considered to be surplus to requirements or damaged or obsolete, the approval of the Director must be sought. The submission to the Directors, which must be authorised by a line manager, should outline the reasons for the disposal and authorisation in writing must be obtained from the Directors before disposal takes place. An independent examination of the items or stock should be carried out by the line manager before any request for disposal is submitted. This procedure is also applicable in circumstances where it is considered that the items or stock to be disposed of have no value and are to be scrapped.

522-526. Approval of the method of disposal must be obtained from the relevant Director. The Director's approval together with the record of the disposal (cross referenced to the banking of income received) must be retained for audit purposes. The proposed method of disposal needs to be one which is considered to net the largest income - having due regard to the value and costs associated with disposal (including administrative time involved). In certain circumstances where assets have minimal value it may be considered more cost effective to simply scrap the items.

523-527. Disposal must not be made to employees of the Authority unless agreed by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources. This arrangement is in place to safeguard against any potential abuse, and to act as a protection against potential allegations of impropriety.

524-528. Directors are responsible for ensuring that accurate inventories of items of furniture, equipment, vehicles and plant, under their control, are kept at all times, and that physical checks are carried out at least once per year to verify the existence of these assets. Any deficiency revealed by physical check must be reported to the relevant Director with a request for permission to write off the missing asset if appropriate. A similar request should also be made in cases where items are found to have been stolen.

525-529. Any deficiencies or surpluses of stock will normally be found when stock checks are carried out. These deficiencies may be written off by Directors provided the adjustments are properly certified by authorised officers with the reasons for the write off shown in the stock records. However, any discrepancies should be thoroughly investigated and verified before a request for write off is submitted.

526-530. Any loss due to theft should be reported to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources and, if appropriate, this may be forwarded on to the police following internal investigation, whether it relates to physical assets or stock. A report outlining the circumstances should be submitted with the request for write off.

527-531. When the need to write-off any asset or stock arises, officers responsible for keeping the relevant inventory or stock records should submit a written request to their Director asking for permission to write-off the items. The request should give a detailed description of the item(s), quoting any serial numbers or reference numbers where appropriate. The authorising officer should reserve the right to examine the items to be written off and should do so from time to time.

~~528-532.~~ In the event of stolen items or stock being written off and subsequently recovered, they should be written back on to the relevant inventory or stock records.

~~529-533.~~ Details of any write offs must be recorded in the appropriate inventories or stock records, and copies of authorisations from Directors together with any other relevant documentation must be retained for audit purposes.

Guidance for the Disposal of IT Equipment

Introduction

~~530-534.~~ The process detailed below covers the collection and disposal of Desktop Computer Equipment within Lee Valley Regional Park Authority. (apart from that equipment covered by special contractual arrangements).

~~531-535.~~ Lee Valley Regional Park Authority has invested heavily in an IT infrastructure providing computer users with access to on-line systems used to provide a vast array of services.

~~532-536.~~ This equipment is upgraded and replaced in accordance with a rolling programme as performance or technological changes dictate.

~~533-537.~~ Older equipment may often not be suitable for redeployment as a result of outdated technology, fault or failure and it may be costly to repair. In the majority of cases this is the likelihood. Such equipment must be disposed of in an environmentally friendly manner and in accordance with the latest European regulations relating to the disposal of computer equipment. Before any equipment or media is disposed of, the Authority has to ensure that all data has been completely removed to comply with the Authority's policy on Information Technology usage and the Data Protection Act.

~~534-538.~~ All equipment which is no longer suitable for use within a Department will become subject to ~~the an~~ Authority procedure policy for the Recycling or Disposal of IT Equipment.

Procedures for Disposing of Surplus IT Equipment

~~535-539.~~ Managers responsible for equipment which becomes surplus to requirements should advise the IT manager who will ensure:

- All data is removed from surplus PC's
- Where necessary that any old ~~floppy~~-disc's or storage media tape cartridges are destroyed
- Update the relevant inventory records to reflect the movement of equipment.

~~536-540.~~ Where equipment can be re-deployed elsewhere within the disposing section's Department, arrangements and suitability must be agreed by the IT manager and transfer of the equipment will be carried out by IT personnel only.

~~537-541.~~ Equipment that cannot be redeployed within the disposing section's Department automatically becomes subject to Authority Policy for the Recycling and Disposal of IT Equipment.

538-542. Collections by the contractor will be scheduled from Myddelton House on a quarterly basis, but this may vary depending on the volume of equipment.

Contract and Procurement Rules

- General
- Budget Identification, Specification & Evaluation
- Exceptions to the Competitive Process
- Thresholds for the Relevant Competitive Process, Including EU Thresholds
- Procurement Options
- Submission, Receipt, Opening of Competitive Bids, Including Late Bids
- Evaluation
- Acceptance of Tenders, Bids or Quotations
- Contract Records, Signing & Sealing
- Issues Relating to Contracts in Operation
- Officers Code of Conduct
- Interest of employees in contracts
- Hospitality & Gifts

General

539-543. In all cases where Financial Regulations are not to be followed with regard to tendering, relevant Member approval must be obtained in advance to waive Financial Regulations.

540-544. For the purposes of these rules a contract is an agreement for:

- the carrying out of work
- the purchase lease or hire of goods
- concession
- or the supplying of a service to the Authority.

541-545. Unless specified otherwise the term Director, where it appears in these rules, applies to the Directors with budget holding and service responsibility and any person authorised from time to time by the Directors to discharge their responsibilities under these rules.

542-546. Directors must ensure that officers are aware of the provisions Code of Conduct for Local Government Employees including that:-

- Employees have a responsibility to declare any links or personal interests that they may have with purchaser, suppliers and/or contractors, if they are engaged in contractual or purchasing decisions on behalf of the Authority.
- Employees shall not invite bids from any individual or organisation with whom they have a family, personal or financial relationship.

- Employees must not seek or receive any gift or personal inducement in connection with the procurement of works, goods or services.

~~543-547.~~ All Directors must maintain a record of pecuniary and non pecuniary interests that will ensure compliance with the Code of Conduct for Employees and the Local Government Act 1972 (Section 117). It is incumbent on individuals to ensure that all interests are appropriately declared and are kept up to date. If an officer's work involves contact with any individual or organisation with whom they have a family, personal or financial relationship that officer must notify their Directors in writing.

~~544-548.~~ Information supplied to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources by potential contractors must be treated as confidential and must not be divulged to a third party unless required by UK legislation.

~~545-549.~~ Competitive procurement does not apply when it is determined whether in a Best Value Review or otherwise that the works or services shall be delivered in house. However, written explanations should be produced if in-house provision is excluded from the competitive process rules.

~~546-550.~~ The procurement procedures set out in these rules do not apply to:-

- Private Finance Initiatives in which case the Director should seek legal advice and that of the Corporate Director of Resources & Business Development Director of Finance & Resources as to the appropriate procedures to follow.

~~547-551.~~ A proposed contract must not be divided to avoid the competitive procurement requirements of these rules.

~~548-552.~~ Contracts that are to be funded from main stream capital or regarded as capital by the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources in accordance with any guidance issued must be submitted to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources for comment as soon as a proposal is known by the Director.

~~549-553.~~ A contract can only be extended where the original contract provided for an extension. Contracts which allow an extension whose value was originally below the EU threshold can only be extended where the extended value does not exceed the relevant EU Threshold. Whenever it is intended to let a contract for works, goods or services the appropriate procurement procedures must be followed. Unless the original contract provided for extension, contracts must not be extended beyond the period of the contract or the EU threshold where the contract originally let was below the relevant EU threshold

~~550-554.~~ Where the Authority purchases goods, works and services by reference to its published Terms & Conditions of contracts, these may only be superseded by an industry standard/model form of agreement (i.e. Joint Contracts Tribunal, New Engineering Contract) or where a separate specific Contract Document has been agreed by the ~~Assistant Director of Legal & Property Services~~ Director of Legal and Corporate Services. These published Terms & Conditions may only be varied with the written agreement of the Director of Finance and Resources. No Terms & Conditions put forward at any time by a supplier or contractor will form part of a contract unless these are of a specialist nature and agreed jointly by the Director of Finance & Resources and

~~the Assistant Director of Legal & Property Services~~ Director of Legal and Corporate Services.

551-555. Directors must ensure that all contracts contain specific contract conditions, these being:-

- conditions relating to Bribery and Corruption
- anti-collusion certificate
- the right of termination in the event of a breach of contract.

552-556. In addition, contract conditions for liquidated and ascertained damages should be included wherever appropriate.

553-557. Wherever liquidated and ascertained damages could be invoked then they must be pursued and recovered (-unless there is written approval from the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources and Chief Executive to waive the right to recover such damages). This would be reported as part of the annual Financial Regulation waiver report to Authority.

554-558. Where any contract is to be supervised or managed on the Authority's behalf by a consultant or other third-party specialist (termed 'managing agents' in these rules), the contract documents must state that the managing agents must submit any documents, plans or vouchers that Authority officers require in order to verify payments.

555-559. The ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources is the only officer authorised to enter into agreements for the supply of ICT Equipment (**save in respect of purchases of items with a value of less than £100 which shall not be used in connection with the Authority's network and other infrastructure**) Orders for such equipment should be placed in accordance with the procedures set by the IT usage policy. This applies to all ICT Equipment supplied to the Authority including:

- Computer equipment and software
- Telephone exchanges
- Telephone equipment
- Answering machines
- Photocopiers/Multifunctional devices
- Facsimile machines
- Mobile phones
- Pagers etc.

Budget Identification, Specification, and Evaluation

556-560. Before any order for works, services or supplies is placed a Director must determine the expected value of any such purchase in order to ensure that

the correct procurement process is chosen and in order to identify ~~that~~ there is a full funding source for the full value of the contract.

~~557-561.~~ In circumstances where it is considered necessary, (i.e. for procurement values exceeding £250,000) a technical specification will need to be ~~prepared~~ determined to establish what is required, ~~and~~ to what standard and to define, ~~especially in respect of defining~~ the required characteristics of materials, goods or services, in a manner that fulfils the use for which it is intended.

~~558-562.~~ Specifications must be written in a manner to ensure genuine competition is secured and that competitive bids can be submitted and evaluated on a fair and equitable basis. Specifications should, wherever possible be based around what the works, services or supplies are expected to achieve. An outline business case to justify the purchase, including expected costs, budget provision and associated risks must be produced.

Specifications must include the following:-

- Performance and functional requirements
- Sustainability
- Equal access to organisations with no unjustified obstacles to competition
- Accessibility criteria for disabled persons or include suitability for all users

~~559-563.~~ All invitations to compete must state the method of evaluation, which must be either on the basis of **lowest price** or the ~~most economically advantageous~~ Best Price Quality Ratio. If the ~~most economically advantageous~~ Best Price Quality Ratio route is chosen the evaluation **must** include price/value for money and this **must** account for a minimum of 50% of any scoring/weighting and officers must ensure that the invitation to compete outlines the items that will be taken into account when evaluation is undertaken, such matters to be taken into account must include, but are not limited to:-

- Compliance with the specification
- Price/Value for money
- Economic and Financial capacity,
- Technical or Professional capacity,

~~560-564.~~ The following non commercial matters shall not be considered in relation to the selection, evaluation and award of a tender bid or quotation:

- Whether the terms on which the contractor contracts with its sub contractors constitutes, in the **case** of contracts with individuals, contracts for the provision by them of their services as self-employed persons
- Any involvement of the business activities or interests of a contractor with an irrelevant field of Government policy
- The country or territory of origin of the supplies
- The location in any country or territory of the business interests or activities or interests of the contractor

- Any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees
- Financial support or lack of financial support by contractors for any institution to or from which the Authority gives or withholds support

Exceptions to the Competitive Process

561-565. Subject to the following paragraph exceptions to the competitive procedures apply in the following circumstances:-

- Where it is determined whether in a Best Value Review or otherwise that the works or services in question shall be delivered in house. In such case no contract is being entered into and these rules do not apply
- goods are to be bought at an auction and the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources has agreed, in writing, that the Authority's interests will be best served by purchase through auction and has agreed an upper limit for bids
- the reason for the goods, services or works is of extreme urgency brought about by events unforeseeable by the Authority, but the circumstances invoked to justify the extreme urgency must not be attributable to the Authority.
- prices are controlled by Government order
- Goods or services are received from another Public Authority under the terms of a contract already subjected to a competitive process which complies with Public Procurement Regulation 2006/2015
- Where a Local Authority, public body or consortium of public bodies has secured beneficial arrangements for the purchase of goods or services through its own tendering system which complies with Public Contract Procurement Regulations 2006-2015 then the use of such contracts will be deemed to satisfy the procurement rules of the Authority.
- Where pursuing the competitive process would result in an infringement of other laws, for example, copyright laws.

~~562.~~ Where the estimated value of the contract is less than the EU Threshold £50,000 a Director in agreement with the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources may determine whether an exception of the rules apply within the scope of the Public Contract Procurement Regulations 201506. ~~Provided that under no circumstances should the decision be made by the person responsible for the design and subsequent award of the contract in question.~~ Where it is determined an exception applies the decision and the reasons for the decision must be recorded in writing and reported to full Authority as part of the annual report to Members regarding the waiving of Financial Regulations. -

~~563.~~ 566. Where the expected value of a contract requires compliance with the Public Contract Regulations 2006-2015 or European Union Directives on Procurement procedures or the European Union Directives on concession contracts then an exemption cannot be granted.

Thresholds for the Relevant Competitive Process, Including EU Thresholds

~~564-567.~~ Procurement procedures can differ according to the nature and value of the proposed contract, and are set by European law, United Kingdom law and the Authority's own rules.

~~565-568.~~ The appropriate procurement procedure should be determined by reference to the estimated value of the contract. Contracts must not be artificially divided either by value or across financial years in order to avoid the effect of the rules.

~~566-569.~~ The value payable under a contract will be calculated based on:-

- The sum expected to be payable under the contract if the term of the contract is fixed for 12 months or less;
- The sum expected to be payable under the contract if the term is fixed for more than 12 months; or
- Where the contract is for a term longer than 48 months or if the term is indefinite or uncertain the value will be the amount expected to be payable in respect of each month of the period multiplied by 48,

Where the procurement requirement is a single requirement for goods or services or for carrying out of a work or works and a number of contracts have been entered into or are to be entered into to fulfil that requirement, the estimated value for the purpose of calculating the threshold of the procurement is the aggregate of the value which the Authority expects to be payable under each of those contracts.

Where the requirement is over a period for goods or services and for that purpose enters into a series of contracts or a contract which under its terms is renewable the estimated value shall be calculated by aggregating the value of the consideration payable under the contracts which:-

- i. have similar characteristics; and
- ii. are for the same type of goods or services

during the last financial year or the period of 12 months, and by adjusting the amount to take account of any expected changes in quantity and cost of goods to be purchased or hired or services to be provided in the period or the relevant time.

Estimated Value up to £1,000

~~567-570.~~ Goods and Services up to £1,000 can be commissioned on the basis of one formal quote, subject to that good/service being of a one-off nature and in the opinion of the officer concerned represents good value for money and delivery capability before the order is placed. Orders should be placed in accordance with the normal procedures outlined in these Financial Regulations including the aggregation rules outlined in FR 566

Estimated Value between £1,000 and £105,000

~~568-571.~~ Providing the procedures outlined throughout these rules have been followed then at least two competitive quotes must be obtained and documented

by the Director giving ~~en~~ consideration to value for money and delivery capability before an order is placed. Orders should be placed in accordance with the normal procedures outlined in these Financial Regulations including the aggregation rules outlined in FR 566.

Estimated Value between £510,000 and £2025,000

~~569-572.~~ Providing the procedures outlined throughout these rules have been followed then at least three competitive quotes must be obtained and documented by the Director given consideration to value for money and delivery capability before an order is placed. Orders should be placed in accordance with the normal procedures outlined in these Financial Regulations including the aggregation rules outlined in FR 566

Estimated Value between £25,000 and the E.U. Thresholds £20,000 – £50,000

~~570. These contracts must be let by following the competitive procurement procedures as defined in the Public Contract Regulations 2015. These contracts must be let by a simple procurement procedure which is open, transparent and equitable as set out below:~~

- ~~• An external advertisement is placed and as a minimum be published in one portal website created for contract advertising and the LVRPA website~~
- ~~• A simple technical specification of the requirements must be prepared~~
- ~~• The principle of award is stated in the documentation to ensure non-discrimination and equal treatment and these are followed in the evaluation and award of the contract~~
- ~~• Consideration is given to value for money and delivery capability~~

~~Orders should be placed in accordance with the normal procedures outlined in these Financial Regulations including the aggregation rules outlined in FR 566. Advertisements must comply with the “EU Commission Interpretive Communication applicable to contract awards not (or not completely) subject to the provisions of the Public Procurement Directive” and as a minimum be published in one portal website created for contract advertising and the LVRPA website using the appropriate standard template.~~

~~573. Advertisements must comply with the Public Contract Regulations 2015 and as a minimum be published on the Authority website using the appropriate standard template and the Contract Finder portal as defined in PCR2015.~~

~~574. Contract award notices must be placed on the Contract Finder portal as required by Public Contract regulations 2015.~~

Contracts with an Expected Value between £50,000 and the E.U. Thresholds

~~571. These contracts must be let by one of the competitive procurement procedures defined in Part 3 of the Public Contract Regulations 2006 “Procedures Leading to the Award of a Public Contract” and set out below:-~~

- ~~• Open Competitive Tendering~~
- ~~• Restricted Procurement~~
- ~~• Negotiated Procedure~~

- ~~Competitive Dialogue Procedure~~
- ~~Framework Agreements~~
- ~~Dynamic Purchasing Systems and Electronic auctions~~
- ~~Central Purchasing Bodies~~
- ~~Select List~~

~~The method selected should be deemed to provide "Value for Money, and only be used when it is considered cost effective and in the Authority's best interest. A project delivery plan and strategy should also be obtained for major projects.~~

~~572. Advertisements must comply with the "EU Commission Interpretive Communication applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directive" and as a minimum be published in one portal website created for contract advertising and the LVRPA website using the appropriate standard template. Where it is deemed appropriate in special cases such as small contracts for which there is a only a local market, a minimum of one "Local means of Publication" will be used such as a local newspaper or municipal announcement journal.~~

~~573. Every company or person who expresses an interest in response to an advert to any form of Tender, will within 14 days of the closing date for expressions of interest, be sent full details of the goods, works or services for which tenders are invited, together with the closing date for tenders and the Authority's requirements as to the form and procedures for submission of tenders~~

Restricted Procurement Process

~~574. Where a "Restricted" method of procurement is used, a Pre-Qualification Questionnaire must be provided to all applicants setting out the information that the Corporate Director of Resources & Business Development Director of Finance & Resources needs to undertake a financial appraisal, the criteria by which respondents will be selected to receive invitations to tender and the information needed for that selection to be made.~~

~~575. A group of not less than three officers will review the completed questionnaires returned to the Authority except where an Authority approved e-selection portal is used and, using only the criteria set out in the questionnaire, select not less than three companies or individuals to receive full details of the goods, works or services for which tenders are invited, together with the closing date for tenders and the Authority's requirements as to the form and procedures for submission of tenders.~~

~~576. The Corporate Director of Resources & Business Development Director of Finance & Resources must be asked to undertake a financial appraisal of the companies selected to submit tenders as soon as the selection has been agreed.~~

~~577. The regulations about receipt and evaluation procedures are set out below.~~

Framework Agreements

~~578-575. _____ Directors may compile a framework agreement list of contractors able to supply goods, services or works which fall within their department's responsibilities or utilise a Central Purchasing Body a framework agreement as defined by the Public Contract Regulations 2015 including Central Purchasing Bodies.~~

~~579-576.~~ Where a framework agreement list of contractors exists for the required works, supplies and services, then any such list must be used to invite tenders for the goods, works or services identified in the job specification.

~~580-577.~~ A framework agreement list of contractors will contain the names of all companies and individuals who have been appointed from a selection process based on a general specification for the appropriate goods, works or services to the Authority

578. Advertisements to appoint contractors to a Framework Agreement must be published in line with the Public Contract Regulations 2015.

~~581. Advertisements to appoint contractors to a Framework Agreement must be published at least once in every 5 years and comply with the EU Commission Interpretive Communication applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directive. Where a Framework Agreement is advertised by the Authority it should be published as a minimum in one portal website created for contract advertising and the LVRPA website using the appropriate standard template. Where it is deemed appropriate in special cases such as small contracts for which there is a only a local market, a minimum of one "Local means of Publication" will be used such as a local newspaper or municipal announcement journal.~~

~~582-579.~~ Where the procurement process and contract expressly stated that a continuing financial viability of the supplier is a requirement then ~~the Corporate Director of Resources & Business Development~~ Director of Finance & Resources will conduct a financial appraisal take such steps as necessary to establish satisfaction ensuring about the continued financial viability of individuals and companies in a framework agreement list of contractors.

~~583. Where Directors have concern about the ability of appointed contractors to provide goods, services or works to the Authority's requirements, they shall be suspended from the Framework Agreement. Appeals against suspension can be made to the Corporate Director of Resources & Business Development~~ Director of Finance & Resources.

Dynamic Purchasing Systems and Electronic auctions

~~584-580.~~ Goods, works or services that are to be procured using the Dynamic Purchasing System or Electronic auctions must be submitted to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources for comment as soon as a proposal is known. These methods should only be used if there is no central framework agreement or Central purchasing body in operation for the goods and services required.

~~585-581.~~ Contracts to be procured by Dynamic Purchasing System or Electronic Auctions must follow the Public Procurement Regulation 201506 or EU directives for Procurement.

Central Purchasing Bodies

~~586-582.~~ Goods, works or services that are to be procured using a Central Purchasing Body must be submitted to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources for comment as soon as a proposal is known by the Director. These methods should be used if there is no central framework agreement in operation for the goods and services required or when other procurement methods, would not produce advantages to the Authority.

~~587-583. _____ Contracts to be procured from a Central Purchasing Body must have been set up in line with Public Contract Procurement Regulations 2006-2015 or EU Directives for Procurement and the Procurement section must test due diligence has been carried out.~~

Select List

~~588. Directors may compile select list of contractors able to supply goods and services which fall within their department's responsibilities when the services fall within Part B Services of the EU Directives for Procurement and Public Contract Regulation 2006-Reg 5 (2).~~

~~589. Where a select list of contractors exists for the required works, supplies and services, then any such list should be used to select the organisation appointed.~~

~~590. A select list of contractors will contain the names of all companies and individuals who have expressed an interest in being included and who have satisfied the Corporate Director of Resources & Business Development Director of Finance & Resources as to their financial viability and satisfied the relevant Directors that they can supply goods, works or services to the Authority's specification and in appropriate quantities.~~

~~591. A select list of contractors must record the categories and contract value of the goods, services and works for which each contractor on the list has been approved.~~

~~592. Advertisements to appoint contractors to a Select List must be published at least once in every 5 years published in one portal website created for contract advertising and LVRPA website using the appropriate standard template. Where it is deemed appropriate in special cases such as small contracts for which there is a only a local market, a minimum of one "Local means of Publication" will be used such as a local newspaper or municipal announcement journal.~~

~~593. Every company or person who expresses an interest in response to the advertisement must, within 14 days of the closing date for expressions of interest, be sent a specification and detailed form setting out the information required in order to consider their inclusion on a select list, and advising that the Corporate Director of Resources & Business Development Director of Finance & Resources will undertake an investigation into their financial viability.~~

~~594. Every company or person who satisfies the Authority's requirements, and satisfies the Corporate Director of Resources & Business Development Director of Finance & Resources as to their financial viability, will be placed on the respective select list and must be invited to submit tenders in accordance with procedures set by the Corporate Director of Resources & Business Development Director of Finance & Resources. Those contractors who are considered unsuitable for inclusion on the select list must be notified in writing as soon as possible. Individuals or companies who fail to submit tenders in response to invitations will be treated as a nil return.~~

~~595. If a contractor fails on two consecutive occasions to submit a tender, the Director responsible for maintaining the Select list must review that contractor's continued inclusion and must notify the Corporate Director of Resources & Business Development Director of Finance & Resources, in writing, of the outcome of the review.~~

~~596. The Corporate Director of Resources & Business Development Director of Finance & Resources will take such steps as necessary to establish satisfaction~~

~~about the continued financial viability of individuals and companies on select lists of contractors.~~

~~597. Where Directors have concern about the ability of appointed contractors to provide goods, services or works to the Authority's requirements, they shall be suspended from the Select list. Appeals against suspension can be made to the Corporate Director of Resources & Business Development/Director of Finance & Resources.~~

Contracts with an Expected Value above European Union (EU) Thresholds

~~598. Contracts with an expected value above the EU thresholds must be procured in accordance with the Public Contract Regulations 2006-2015, Public Services (Social Value) Act 2012, EU Directive on Concession Contracts and any subsequent amendment regulations and all relevant EU Directives that cover works, supplies, services and concessions and any subsequent amendment regulations and all relevant EU Directives that cover works, supplies and services.~~

~~584. The Public Services (Social Value) Act applies to the pre-procurement stage of above threshold contracts for services and requires that officers consider how what is to be procured may improve social, environmental and economic wellbeing of the park and also consider the need to consult.~~

Submission, Receipt, Opening of Competitive Bids, Including Late Bids

~~Contracts with an Expected Value of below £50,000~~

~~600. Each department will need to establish a formal system for administrating the receipt of competitive offers/bids.~~

~~601. A record should be established; detailing a unique reference number for the contract the title of the contract and the return date for the quotation.~~

~~602. The Director must prepare the invitation to compete to include:-~~

- ~~• a covering letter or e-mail detailing when the quotation, offer or bid should be returned (date and time)~~
- ~~• state that the tender, bid or quotation must be returned in a sealed envelope which is clearly marked 'Tender' and which indicates the subject of the tender. No other identifying marks must be included on the envelope. Envelopes and parcels marked in this way will be addressed/delivered to the Director or an officer designated for that purpose and must be kept, unopened, until they are due to be opened.'~~

~~603. Quotation envelopes, or electronic returns on receipt, should remain unopened. Quotation envelopes should be date and time stamped and recorded on a quotation return sheet. The unopened quotation return envelopes should be kept in a secure area (safe or cabinet or electronic system) until the due time for opening.~~

~~604. Quotation returns should be opened at the same time on or after the closing date and time by at least two officers, independent of the Lead Officer. Only those quotations received within the predetermined return time and date should be opened.~~

~~605. Quotations received after the specified closing date and time but before the other quotations have been opened may be considered if there is clear evidence that it was dispatched or posted early enough to be received in due time during the course of dispatch or post. No quotation received after the other quotations~~

~~have been opened shall be considered. Any quotation rejected for late delivery should be held unopened until an order has been placed. Once an order has been placed any quotations that were returned late should be opened and returned to the respective organisation(s) explaining, in writing, that their quotation was disqualified from consideration as it was received after the closing date.~~

~~606. Within 2 working days of being opened, all quotations will be delivered to the lead officer or any other officer responsible for evaluating the quotations.~~

~~607. All quotations, including the returned envelopes, should be retained on file for the period a contract/service is let.~~

~~608. The lead officer or other technically competent officer will undertake an evaluation of the quotations received, before placing an order. Evaluation should be completed within 20 working days.~~

~~609. Whenever a consultant or contractor is contacted to submit an expression of interest in a contract that they are required to respond and that these responses are retained whether the response is negative or positive.~~

Contracts with an Expected Value of above £2550,000

~~610.585. Every invitation to submit a tender, bid or quotation must state that the tender, bid or quotation must be returned in a sealed envelope which is clearly marked 'Tender' and which indicates the subject of the tender or where an e-procurement method is used the submitted tender must be deposited in an electronic tender box which cannot be accessed until the defined date of opening Dynamic Purchasing System is using the electronic system provided or Electronic Auction are used to the e-mail address identified in the documentation. No other identifying marks must be included on the envelope. Envelopes and parcels marked in this way will be delivered to the Chief Executive or an officer designated for that purpose and must be kept, unopened, until they are due to be opened.~~

~~611.586. All tenders, bids or quotations over £2550,000 received by the Authority must be held unopened until the date and time set in the invitation when all the tenders received will be opened at the same time on or after the closing date and time by at least two officers, independent of the Lead Officer and (where the contract value exceeds £75,000) an Authority Member. Only those quotations received within the predetermined return time and date should be opened.~~

~~612. For those contracts not subject to Public Contract Regulations 2006, the timetable for evaluation should be set out in the Invitation. Where it is not possible to complete the evaluation within the timescale specified in the Invitation the individuals or companies submitting the tenders shall be informed and given an estimate of the revised timescale.~~

~~613.587. Officers should not be involved in opening, evaluating or awarding tenders from any individual or organisation with whom they have a family, personal or financial relationship.~~

~~614.588. No tender received after the other tenders have been opened shall be considered. Any tender rejected for late delivery shall be immediately returned to the sender by the Director and no details within the tender shall be recorded or disclosed.~~

~~615. A tender received after the due date and time but before the other tenders have been opened may be considered if there is evidence that it was dispatched or~~

~~posted early enough to be received in due time during the normal course of dispatch or post.~~

~~616-589.~~ The ~~Corporate Director of Resources & Business Development~~Director of Finance & Resources or other officer designated for the purpose will keep a record of all tenders over £~~2550~~2550,000 received. The lead officer, will retain all quotations, including the returned envelopes, for a period of two years.

~~617-590.~~ Within 2 working days of being opened, all tenders over £~~5025~~5025,000 will be delivered to the Director or any other officer responsible for evaluating the tenders.

Evaluation

~~591.~~ The Director responsible for issuing the invitation to tender will evaluate the tenders received or may appoint another technically competent officer to do the evaluation. ~~The evaluation for a will be carried out by:-~~

- ~~Contract with an Expected Value of above £25,000 to EU Threshold, will be carried out by at least one person and checked and validated by a member of the Procurement section~~
- ~~Contracts with an Expected Value above the EU Threshold, will be carried out by at least two persons and checked and validated by a member of the Procurement section.~~

~~619-592.~~ Officers may not be involved in evaluating tenders from any individual or organisation with whom they have a family, personal or financial relationship.

~~620. For these contracts not subject to EU Directives on Procurement or UK Competitive Tendering procedures, the timetable for evaluation should be set out in the Invitation. Where it is not possible to complete the evaluation within the timescale specified in the Invitation the individuals or companies submitting the tenders shall be informed and given an estimate of the revised timescale.~~

~~624-593.~~ The criteria for award of tenders and the method of evaluation must accord with the evaluation choices, as outlined in FR559 to FR560 and may be either the lowest price OR the ~~most economically advantageous~~Best Price Quality Ratio. This evaluation will be based on the responses received compared to the criteria outlined in the tender document and linked to the subject matter of the specification to determine the submission with the lowest price or the ~~most economically advantageous~~Best Price Quality Ratio tender.

~~622-594.~~ The principles of scoring tenders for evaluation purposes will follow the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance of evaluating tenders unless an alternative procedure is agreed by the ~~Corporate Director of Resources and Business Development~~Director of Finance & Resources prior to the contract advertisement/notice

~~623-595.~~ Following the evaluation and a decision on the successful submission, all individuals/organisations who submitted an offer will be notified of the decision/outcome in writing by the most rapid means of communication practicable. The notice shall include:-

- The criteria for the award of the contract;
- The ranking of the individual/organisation in the evaluation against the total submissions received;
- Where practicable the score obtained; and

- The name of the individual/organisation to be awarded the contract.

~~624-596.~~ Tenders, bids or quotations should not be amended to correct errors after they have been submitted. However, when the Chief Executive ~~and Corporate Director of Resources & Business Development~~ Director of Finance & Resources and the ~~relevant Director~~ agree that it is in the Authority's interests, an amendment to a tender to correct a genuine error made in good faith can be accepted.

~~625. Where a professional institute or body has developed standard procedures for dealing with amendments to tenders, those procedures should be followed.~~

~~597.~~ A written record must be kept, by the Director, of the amendment and of the agreement ~~amongst the three relevant officers~~ and of the agreement of the Chief Executive that this is in the Authority's interests.

~~626-598.~~ Where a professional institute or body has developed standard procedures for dealing with amendments to tenders, those procedures should be followed.

Acceptance of Tenders, Bids or Quotations

~~627.~~ Directors can accept any tender bid or quotation which is the lowest price or the ~~most economically advantageous~~ Best Price Quality Ratio submitted to the Authority in accordance with the criteria specified in the Invitation. ~~Before accepting any tender, bid or quotation, the Directors must be satisfied that there is sufficient provision in the revenue or capital budget.~~

~~627-599.~~ A written record of the evaluation should be prepared and retained by the Director. The record should include the criteria for evaluation, the weightings and weighted scores and the persons responsible for the evaluation and the outcome of the process.

After notification as in FR 624 and where the contract value is above ~~£7550,000~~ a mandatory standstill period will then come into effect of 10 days (or 15 days if the bidders are notified other than by electronic means) before the contract can be awarded in line with EU Directives and UK legislation. This is in order to allow unsuccessful bidders a reasonable amount of time to decide whether to request a review of the decision.

~~628-600.~~ The Chief Executive or Directors must obtain the Chief Executive's and Corporate Director of Resources & Business Development ~~Director of Finance & Resources~~ written approval before accepting a tender, bid or quotation which is not the lowest submitted but which is the ~~most economically advantageous~~ Best Price Quality Ratio to the Authority. The ~~officer~~ Director must explain, in writing, to the Chief Executive ~~/and Corporate Director of Resources & Business Development~~ Director of Finance & Resources/Director of Corporate Services (whichever is applicable) the reasons which make a tender, bid or quotation which is not the lowest submitted the ~~most economically advantageous~~ Best Price Quality Ratio to the Authority.

~~629-601.~~ A written record of the evaluation should be prepared and retained by the Director. The record should include the criteria for evaluation, the weightings and weighted scores and the persons responsible for the evaluation and the outcome of the process. Where a tender is deemed abnormally low an explanation of the price/cost proposed in the tender will be required before the tender is accepted and written record retained of the explanation. The tender will be rejected where it is established that the tender is abnormally low because it

does not comply with the requirements of the specification and tender requirements.

Contract Records, Signing and Sealing

630-602. Whenever a contract is to be agreed in excess of £250,000 it shall be in writing. Where the terms of the contract are materially different from the Authority's Standard Terms and Conditions the documentation must be submitted for legal advice for agreement before being signed on behalf of the Authority.

631-603. All documentation forming contractual agreements must be authorised as follows:

- Up to £50,000 – signed by duly authorised officer.
- £50,000 to £0.5m – signed by two duly authorised officers (unless the contract is required to be entered into under seal).
- >£0.5m – entered under seal following approval ed in accordance with Authority Standing Orders

632-604. The Authority's common seal should be used where Members have agreed the contract and a minute exists to that effect made.

633-605. The Chief Executive or A Director must not authorise work to start until the contract has been completed and signed. In exceptional circumstances and where the work is urgent, a Director may authorise work to start if the legal advice or **(where applicable) the duly authorised signatories** confirms in writing that a contract is being prepared. In such a case the authorisation must be in the form of an official order and must clearly and specifically state all the relevant terms and conditions.

Issues Relating to Contracts in Operation

634-606. Payment for materials off site should only be made in accordance with the contract conditions. Directors must ensure that the contractor has proper ownership of the materials before authorising payment.

607. If a contractor fails to comply with the conditions of a contract, the Director must take reasonable measures to secure compliance. If these measures are unsuccessful, the matter should be referred promptly for legal advice and action undertaken where necessary to protect the Authority's interests.

635. should be invoked.

636-608. Works shall not be undertaken outside the scope of accepted contracts without the written consent of the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources which must be obtained before a Director authorises work.

637-609. If a contractor makes a claim on a matter which is not clearly within the terms of a contract, the Director must not negotiate a settlement until the claim has been referred to legal for advice about the Authority's legal liability, and to the ~~Corporate Director of Resources & Business Development~~ Director of Finance & Resources for advice about the financial considerations.

638-610. Neither the Chief Executive or a No Director may enter into an agreement to be financed by deferred payments unless the necessary legal advice has given written approval to the contractual arrangements and the Corporate Director of Resources & Business DevelopmentDirector of Finance & Resources has given written approval to the financial provisions.

639-611. Except for contracts based on schedules of rates, all contracts must clearly and specifically state quantities, and/or schedule of works, quality, price, duration, delivery arrangements and all other relevant terms. The basis of any variation from the stated terms must also be clearly specified.

Officers Code of Official Conduct

640-612. Pecuniary Interests, Hospitality, Gifts Etc.

641-613. The National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service for all employees in the public services states that "employees will maintain conduct of the highest standard; such that public confidence in their integrity is sustained."

642-614. In particular, attention is drawn to the regulations regarding the declaration of officers' interests in Contracts and the rules regarding the acceptance of gifts from outside bodies and organisations in accordance with the Public Bodies Corrupt Practices Act 1889 and the Prevention of Corruption Act 1906/1916.

643-615. In order to protect the good name of the AuthorityPark all employees are required to adhere to the following code:-

Interest of Employees in Contracts

644-616. If an employee has a direct interest in a contract (e.g. as a company director or shareholder in the organisation concerned) which has, or is proposed to be, entered into by the Authority, they should immediately inform their Director. They must also confirm their interest in writing to the Chief Executive.

645-617. Similarly, if a spouse/partner or close family are employees, owners, directors or shareholders in an organisation entering into or proposing to enter into a contract with the Authority an employee should immediately inform their Director. They must also confirm their interest in writing to the Chief Executive.

646-618. Any personal friendships with contractors or their employees, which might, in the public view be thought to influence an employee's judgement, must be declared to the relevant Director and the Chief Executive in writing.

647-619. In all three of the above cases officers must make sure that they take no part in the negotiations with that contractor or potential contractor and distance themselves from the ordering, invoicing and supervision of the contract if the organisation is successful.

648-620. No fee or reward of any kind may be accepted from a consultant or contractor employed or proposing to be employed by the Authority.

649-621. With regard to the issue of "Interests of Employees in Contracts", a register has been established and held on the Chief Executive's behalf by the Committee & Member Services Manager. Existing declarations of interest already lodged will have been entered in the register after discussion with the

employee concerned. Any new declarations of interest (to include those of spouse/partner or close family) will be entered when they are received in writing.

Hospitality and Gifts

- 650.622. Small, relatively cheap gifts from outside bodies and organisations, such as calendars and diaries etc., marked with the donor's name are acceptable.
- 651.623. All offers of gifts such as drink, food, clothing, watches and jewellery are NOT ACCEPTABLE and should be declined.
- 652.624. Invitations from organisations having or likely to have contractual relationships with the Authority to functions that bear no relationship to the job, must NEVER be accepted, e.g. invitations and/or free tickets to sporting, entertainment or other cultural Wimbledon or Covent Garden events.
- 653.625. Invitations from a single contractor to private meals, including and invitations to a spouse/partner SHOULD NOT be accepted.
- 654.626. ALL OFFERS FROM CONTRACTORS, OUTSIDE BODIES AND ORGANISATIONS IN CONNECTION WITH THE ABOVE SHOULD BE IMMEDIATELY REPORTED TO AND RECORDED BY THE RELEVANT DIRECTOR IN THE REGISTER KEPT BY THE COMMITTEE & MEMBER SERVICES MANAGER ON BEHALF OF THE AUTHORITY
- 655.627. It is acceptable for officers to participate in a working lunch with a contractor, or potential contractor, so long as the Authority would offer, as host, to the contractor on Authority premises. It is important that the relevant Director is consulted and kept informed. It should be noted that the declaring of hospitality/gifts does NOT legitimise its acceptance. The register to record all offers of gifts and hospitality made to officers (whether accepted or refused) is held by the Committee & Member Services Manager.
- 656.628. These guidelines are given not only to retain the good name of the Authority but also for officers own personal protection. Failure to comply could result in disciplinary action taken against the officer concerned.
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