

## Agenda for a meeting of the Governance and Audit Committee to be held on Tuesday, 25 April 2017 at 11.00 am in Committee Room 1 - City Hall, Bradford

### Members of the Committee – Councillors

CONSERVATIVE	LABOUR	LIBERAL DEMOCRAT
M Pollard	Johnson Thornton Swallow	J Sunderland

### Alternates:

CONSERVATIVE	LABOUR	LIBERAL DEMOCRAT
Ellis	Farley Watson	Fear

### Notes:

- This agenda can be made available in Braille, large print or tape format on request by contacting the Agenda contact shown below.
- The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Agenda Contact who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions to the meeting should be aware that they may be filmed or sound recorded.
- If any further information is required about any item on this agenda, please contact the officer named at the foot of that agenda item.

### From:

Parveen Akhtar  
City Solicitor  
Agenda Contact: Fatima Butt - 01274 432227  
Phone: 01274 432227  
E-Mail: fatima.butt@bradford.gov.uk

### To:



## A. PROCEDURAL ITEMS

### 1. ALTERNATE MEMBERS (Standing Order 34)

The City Solicitor will report the names of alternate Members who are attending the meeting in place of appointed Members.

### 2. DISCLOSURES OF INTEREST

(Members Code of Conduct - Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

*Notes:*

- (1) *Members may remain in the meeting and take part fully in discussion and voting unless the interest is a disclosable pecuniary interest or an interest which the Member feels would call into question their compliance with the wider principles set out in the Code of Conduct. Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (2) *Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (3) *Members are also welcome to disclose interests which are not disclosable pecuniary interests but which they consider should be made in the interest of clarity.*
- (4) *Officers must disclose interests in accordance with Council Standing Order 44.*

### 3. MINUTES

**Recommended –**

**That the minutes of the meeting held on 28 March 2017 be signed as a correct record (previously circulated).**



(Fatima Butt – 01274 432227)

#### 4. **INSPECTION OF REPORTS AND BACKGROUND PAPERS**

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Fatima Butt - 01274 432227)

### **B. BUSINESS ITEMS**

#### 5. **MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) JOINT ADVISORY GROUP HELD ON 26 JANUARY 2017**

The Council's Financial Regulations require the minutes of meetings of the WYPF be submitted to this Committee.

In accordance with the above the Director of West Yorkshire Pension Fund will submit **Document "AJ"** which reports on the minutes of the meeting of the WYPF Joint Advisory Group held on 26 January 2017.

**Recommended-**

**That the minutes of the WYPF Joint Advisory Group held on 26 January 2017 be considered.**

(Rodney Barton – 01274 432317)

#### 6. **AUDIT STRATEGY MEMORANDUM 2016/17 - BRADFORD METROPOLITAN DISTRICT COUNCIL**

The External Auditor will submit **Document "AK"** which reports on the Audit Strategy Memorandum that sets out the plan for the external audit of City of Bradford Metropolitan District Council for 2016/17.

**Recommended-**

**That the Audit Strategy Memorandum for the City of Bradford Metropolitan District Council for 2016/17 be considered.**



(Steve Appleton – 01274 432392)

**7. ROLE OF THE REGIONAL SCHOOLS COMMISSIONER AND THEIR RELATIONSHIP WITH THE LOCAL AUTHORITY**

This Committee at its meeting held on 26 February 2016 considered a report on Children's Services Governance and Audit (Document "AD") and resolved amongst other things, that a further report be presented to the Committee on the role of the Regional Schools Commissioner and their relationship with the Local Authority.

In accordance with the above the Strategic Director, Children's Services will submit **Document "AL"** which provides the information requested by Members.

**Recommended-**

**That the report (Document "AL") be received for information.**

(Judith Kirk – 01274 431078)

**8. INTERNAL AUDIT PLAN 2017/18**

The purpose of this report is to inform the Committee of the Internal Audit Plan for the financial year 2017/18, giving the Committee the opportunity to contribute to the plan. It seeks to demonstrate that Internal Audit adds value to the Council by providing independent and objective assurance of risks to internal control within the Council's systems and processes. The Audit Plan reflects internal stakeholders' needs and the expected needs of the Council's external auditors for 2017/18.

The delivery of the audit plan will assist with risks within the systems reviewed being managed to an acceptable level through improvement in internal control. This provides the external auditors with audit assurance on the Council's fundamental financial systems.

The Strategic Director of Corporate Services will submit **Document "AM"** which reports on the Internal Audit Plan and details the work planned for the financial year 2017/18.

**Recommended-**

**That the Internal Audit Plan for 2017/18 be reviewed and approved.**

(Mark St Romaine – 01274 432888)

**9. AMENDMENTS TO THE CONSTITUTION - FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS**

The City Solicitor will submit **Document "AN"** which provides members with details of the annual review of the Financial Regulations and Contracts Standing Orders Sections of the Council's Constitution and makes recommendations for their amendment.



**Recommended-**

- (1) That the Committee consider the proposed amendments to the Constitution listed in Appendices 1 and 2 attached to Document “AN” and consider which, if any, should be recommended to Council for adoption and implementation.
- (2) That the City Solicitor reports any recommendations to Council and ensures the agreed amendments are implemented.
- (3) That the City Solicitor be granted delegated authority to make consequential amendments to the Constitution as a result of the recommendations approved by Council.

432888) (Mark St Romaine – 01274  
(Duncan Farr – 01274 434588)

**10. REVIEW OF THE CONSTITUTION**

The City Solicitor will submit **Document “AO”** which provides Members with details of proposed amendments to the Constitution for recommendation to Council.

**Recommended-**

**That the proposed amendments to the Constitution set out in Appendices 1 to 8 of Document “AO” be recommended to Council for adoption.**

(Michael Bowness – 01274 432496)

THIS AGENDA AND ACCOMPANYING DOCUMENTS HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER



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## Report of the Director, West Yorkshire Pension Fund to the meeting of Governance and Audit Committee to be held on 25 April 2017.

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**AJ**

**Subject:**

**Minutes of West Yorkshire Pension Fund (WYPF) Joint Advisory Group held on 26 January 2017.**

**Summary statement:**

**The Council's Financial Regulations require the minutes of meeting of the WYPF Joint Advisory Group to be submitted to this committee.**

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Rodney Barton  
Director

**Portfolio:**

**Leader of Council and Corporate**

Report Contact: Rodney Barton  
Phone: (01274) 432317  
E-mail: [Rodney.barton@bradford.gov.uk](mailto:Rodney.barton@bradford.gov.uk)

**Overview & Scrutiny Area:**

**Corporate**



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# Minutes of a meeting of the WYPF Joint Advisory Group held on Thursday, 26 January 2017 at Aldermanbury House, Godwin Street, Bradford BD1 2ST

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Commenced  
1300  
Concluded 1420

## Present –

<p><b><u>Bradford Members</u></b> Councillors: Miller Thornton Lal</p>	<p><b><u>Calderdale Members</u></b> Councillors: Lynn Metcalf</p>
<p><b><u>Kirklees Members</u></b> Councillors: Richards</p>	<p><b><u>Leeds Members</u></b> Councillors: Davey Dawson Harrand</p>
<p><b><u>Wakefield Members</u></b> Councillors: Jones Speight</p>	<p><b><u>Trades Union Members</u></b> Mr Greenwood (UNISON) Mr Chard (GMB)</p>
<p><b><u>Scheme Members</u></b> Mr Sutcliffe Ms W Robinson</p>	

Apologies: Liz Bailey, Councillor S Baines, Councillor F Fadia, Councillor E Firth and  
Councillor R Forster

## **Councillor Thornton in the Chair**

### 19. DISCLOSURES OF INTEREST

All those present who were members or beneficiaries of the West Yorkshire Pension Fund disclosed, in the interests of transparency, an interest in all relevant business under consideration.

**Action:** City Solicitor



**20. MINUTES**

**Resolved –**

**That the minutes of the meeting held on 28 July 2016 be signed as a correct record.**

**21. INSPECTION OF REPORTS AND BACKGROUND PAPERS**

There were no appeals submitted by the public to review decisions to restrict documents.

**22. REVISED ESTIMATES 2016/17 AND ORIGINAL ESTIMATES 2017/18**

The Director, West Yorkshire Pension Fund, provided a report (**Document “N”**) which presented the revised estimates 2016/17 and original estimates 2017/18.

The report included a summary of combined Pensions Administration and Investment Management budgets, showing variances against the original estimates for 2016/17 and 2017/18 variances against the revised estimates for 2016/17.

It was noted that WYPF was significantly cheaper than other funds. Members questioned why the budget estimate for the full staffing structure remained when there were less than that number presently employed. It was explained that the budget had been retained to enable the fund to react to the need for additional specialist staff which may be required for investment pooling and to provide the capacity for future shared services. Assurances were provided that staffing proposals would be scrutinised to ensure the filling of posts was justified.

The report revealed that the Civic contract was to be extended in 2017; the new contract would be more expensive and negotiations were ongoing. It was queried if the new contract would be significantly more expensive and if a tender process had been applied. In response it was explained that negotiations were ongoing when the report was written and were being undertaken to ensure value for money was received. A move had previously been made, via a tender process, to Civica from a previous supplier and large savings had been made. The system was flexible and the support was good. It was felt that if the contract went to tender the price would be much higher. Some market testing would, however, be carried out to confirm if that was the right course of action.

**Resolved –**

**That the revised budget estimate for 2016/17 of £9.01m and original estimate for 2017/18 of £10.19m be approved.**

***ACTION: Director, West Yorkshire Pension Fund***



## 23. 2016 ACTUARIAL VALUATION

The report of the Director, West Yorkshire Pension Fund, (**Document “O”**) informed Members that the triennial actuarial valuation of the West Yorkshire Pension Fund was being prepared based on the situation at 31 March 2016 and would determine the level of employers’ contributions for the period 1 April 2017 to 31 March 2020.

The report indicated that WYPF was likely to be 94% funded compared to the situation at 31 March 2013 when it was 96% funded. As a result each of the five District Councils would see an increase in the total of their primary and secondary (deficit) contributions of less than 2% based on the theoretical contributions (2017/18)

A Member acknowledged that three years ago assumptions would have been amended to prevent increases to employers contributions. New government regulations had reduced the funds control. He explained that, as a result of those regulations, increased contributions were inevitable.

Assumptions used in calculating contributions reported in Appendix A to Document “O” were questioned and it was suggested that 3.25% seemed a high rate for general pay increases. In response it was explained that the assumptions were made for a 20 year period. It was known that a period of correction followed a lower pay phase. It was felt that 1.25% above the inflation rate was conservative and would have a very small impact.

Document “O” revealed a number of significant events including the result of the Referendum on the UK’s membership of the EU on 23 June and the US presidential election on 8 November 2016. In part due to the depreciation in the value of sterling the returns achieved on the Fund since the valuation had been very strong; the Administering Authority had asked the Fund Actuary to take that into account when setting the contributions for 2017/18. A view that the impact of those factors would be temporary was raised and it was explained that there was the ability to amend in the next year. All financial directors were aware of the requirement to rebalance the expected return should be fund be devalued.

### **Resolved –**

- (1) That the report be noted.**
- (2) That, subject to consultation with all stakeholders, the draft Funding Strategy Statement, contained in Document “O” be approved.**

***ACTION: Director, West Yorkshire Pension Fund***



**24. INVESTMENT REFORM CRITERIA AND GUIDANCE - INVESTMENT POOLING**

The Director, West Yorkshire Pension Fund, presented a report (**Document “P”**) which advised Members of progress on the Government’s work with Local Government Pension Schemes (LGPS) administering authorities to ensure that they pool investments to reduce costs significantly while maintaining overall investment performance.

The report revealed that representatives of the Pool had met with the Minister on 19 December. The Minister had welcomed the commitment to investment in infrastructure and the intention for the GLIL joint venture to become regulated to allow other pools to join in. (GLIL is a £1.3billion infrastructure joint venture between Northern Pool participants and one other partner. There was limited questioning on other aspects of the presentation. A formal response had been received in January 17 and was tabled for information.

**Resolved –**

**That the continued development of pooling arrangements, subject to the Governments response, be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

**25. DEVELOPMENTS WITHIN THE WEST YORKSHIRE PENSION FUND**

The Director, West Yorkshire Pension Fund, presented a report (**Document “Q”**) which set out developments within the Fund in the last year covering changes in employers, membership, Performance and Benchmarking, Employer and Customer Service Surveys, Internal Dispute Resolution Procedure Cases and External Business.

A Member commented that some information had been replicated in different tables in two tables within the report. In response it was explained that there had been some formatting issues when the report had been produced. It was also explained that work was being undertaken on KPIs as it was acknowledged that an 85% target was not appropriate for all work types. Some work streams would require a higher priority and the KPIs would be amended to reflect priority,

**Resolved –**

**That the report be noted.**

***ACTION: Director, West Yorkshire Pension Fund***



## 26. PENSIONS REGULATOR'S CODE OF PRACTICE AND REGISTER OF BREACHES OF THE LAW

The report of the Director, West Yorkshire Pension Fund, (**Document “R”**) informed Members that in accordance with the Public Service Pensions Act 2013, from April 2015 all Public Service Pension Schemes came under the remit of the Pensions Regulator.

Appended to the report was a copy of the Pensions Regulator Code of Practice 14; the Pensions Regulator Code of Practice and WYPF compliance 2017 and the Register of Breaches 2016. Members were asked to note the WYPF's response to the Pension Regulator's requirements

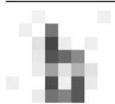
Document “R” was presented in two sections and explained that from April 2015 all Public Service Pension Schemes came under the remit of the Pensions Regulator. Compliance with the Pension Regulators Code of Practice was discussed.

The second element of the report was concerned with the Breaches Register which the Fund was required to have in place. Appended C to Document “R” contained the register of breaches in 2016/17 and identified that there were only two breaches:-

- Employers must pay by 19th the contributions deducted from Members. Procedures were in place to assist employers including the setting up of Standing Orders to ensure contributions were paid at the appropriate time.
- A 100% target was set for the production of Annual Benefit Statements. Members were advised that this would always be impossible to achieve as, inevitably, there would be contact detail changes of which the Fund were not informed. It was explained that efforts towards that target continued and, as of the meeting date, a 99.1% target had been achieved.

In response to discussions about payments of Member contributions by employers concern was expressed that changes to education funding allowing trusts to sub contract services could exacerbate that issue.

In response it was explained that staff were aware and all contributions were paid before the next due date. The issue was targeted on two levels. Employers must produce payroll records and this was acted upon immediately. If they failed to supply payment after two 'strikes' they were charged regulatory interest and performance fee. Employers were also advised that they would be reported to the Pensions Regulator.



The charge incurred from late payment was questioned and Members were advised that this was the Bank of England base rate plus 1%. An administration charge was also applied for any additional work required by the WYPF. The implementation of charges had resulted in a significant improvement. It was agreed to provide Members with additional information about the regulatory interest and the performance fees charged.

A suggestion was made that benchmark marks against other authorities be published, however, it was reported that each Pension Authority had different payroll methods and comparisons would be difficult.

There had been a previous discussion about uploading the Risk Register to the WYPF website and it had been agreed not to 'name and shame' employers. Members were assured that the Risk Register would be discussed at each meeting.

A Member suggested that small companies operating in other authorities could benefit from intelligence sharing in the future. It was confirmed that WYPF did share intelligence as part of a group which met four times per year with other Metropolitan Authorities.

**Resolved –**

**(1) That the summary of results of WYPF compliance against the Pensions Regulators Code of Practice be noted.**

**(2) That all entries and actions contained in the Breaches Register be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

**27. SHARED SERVICE PARTNERSHIP WITH LINCOLNSHIRE PENSION FUND**

West Yorkshire Pension Fund's (WYPF) shared service partnership to provide a pensions administration service for Lincolnshire Pension Fund (LPF) commenced from 1 April 2015.

The report of the Director, West Yorkshire Pension Fund, (**Document "S"**) provided an update on the partnership to date.

An administration update explained that Lincolnshire Pension Fund had been brought into line with service standards. Statistics revealing the performance against key areas of work for the period April 2016 to December 2016 were included in the report.



The response to Life Certificates and Death Grant Nominations were reported together with the savings received following the implementation of the National Fraud Initiative. Membership numbers were provided and revealed an increase of 700; the cost per member had reduced and complimentary feedback had been received from members and employers. Nominations received in the LCG Investment Awards; the Pensions Age Awards and the National Framework for Third Party Administration were also reported.

It was explained that the Death Grant Nomination exercise had been rolled out to pensioner members and to date 40% had been returned.

**Resolved -**

**That the report be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

**28. PENSIONS ADMINISTRATION STRATEGY AND COMMUNICATIONS POLICY 2017/18**

The report of the Director, West Yorkshire Pension Fund, (**Document “T”**) advised Members that, as part of the Local Government Pension Scheme (LGPS) Regulations 2013, West Yorkshire Pension Fund (WYPF) prepared a written statement of the authority’s policies in relation to such matters as it considered appropriate in relation to procedures for liaison and communication with scheme employers and the levels of performance which the employers and WYPF were expected to achieve.

The Pensions Administration Strategy and Communications Policy was produced last year and approved by the WYPF Joint Advisory Group (JAG). The strategy would be brought before WYPF JAG each year to review and approve, particularly if there were any new regulations and revisions to working practices.

It was confirmed that there were no changes to the Pensions Administration Strategy. The Communications Policy had been updated to reflect activities planned for 2017-18 which included implementation of member self service for which a pilot had already commenced.

**Resolved -**

**That the Pension Administration Strategy and the Communications Policy 2017/18, contained in Document “T”, be approved.**

***ACTION: Director, West Yorkshire Pension Fund***



**29. EXTERNAL BUSINESS - PENSIONS ADMINISTRATION FOR THE FIREFIGHTERS PENSION SCHEMES**

Members were aware that West Yorkshire Pension Fund (WYPF) provided a shared service partnership to provide a pensions administration service for seven Fire Authorities.

The report of the Director, West Yorkshire Pension Fund, (**Document “U”**) provided an update on the business to date. The report provided information on performance against key areas of work for the period 1 April 2016 to 31 December 2016 and membership numbers. It was explained that this was a complex area to administer but WYPF had an experienced fire authority team and it was hoped that the shared partnership would increase from the current seven fire authorities.

Document “U” revealed that all the Fire Authorities had moved to a shared service arrangement which meant that the cost of administration was shared equally between the WYPF and each Fire Authority and they all paid the same amount of a cost per member basis. The annual income generated from the partnership was reported as £171, 901.

In response to questions it was confirmed that the Ambulance Service was included in the National Health Service Pension scheme.

**Resolved –**

**That the report be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

**30. CIPFA BENCHMARKING REPORTS**

West Yorkshire Pension Fund had taken part in the CIPFA Benchmarking Club for Pensions Administration. The report of the Director, West Yorkshire Pension Fund, (Document “V”) provided information about the costs of the Fund’s pensions administration service and compared those costs with other LGPS funds who were part of the CIPFA Benchmarking Club.

Document “V” reported that 38 LGPS funds had reported their administration costs, membership details, workload and staff movements to CIPFA who analysed and reported on the data in comparative tables and graphs. The benchmarking related to the membership administration function of the Fund and did not cover investments. Officers from the Fund also met with representatives from the other metropolitan funds to exchange information, share best practice and develop next year’s survey.





The summary results detailed in Appendix 1 to Document “V” compared WYPF with all members of the benchmarking club. The Fund had the fifth lowest annual cost per member. Appendix 2 compared WYPF to other large funds. The Fund had the third lowest annual cost per member amongst larger funds (over 100,000 members).

Key points of interest in the report included comparisons with costs per member; staff per member; IT; payroll; communications; sickness; staff turnover and experience and historical performance.

It was questioned if sickness absence statistics considered the ratio of staff per member and suggested that such statistics could demotivate staff and place them under greater strain. In response it was acknowledged that the pensions industry was an environment where performance was measured. Assurances were provided that staff were fully appraised to ensure they were able to carry out their roles and their good performance was acknowledged. Efforts were made to ensure that although the work was stressful the work place was pleasant and a fun place to be. The sickness figures compared had been distorted due to some long term absence issues.

During discussions about electronic communication a Member asked that the fact that not all Members would have email be considered.

**Resolved –**

**That the report be noted.**

***ACTION: Director, West Yorkshire Pension Fund***

### **31. TRAINING, CONFERENCES AND SEMINARS**

Members were aware that the training of Joint Advisory Group Members to understand their responsibilities and the issues they would be dealing with was a very high priority.

The Director, West Yorkshire Pension Fund submitted a report (**Document “W”**) providing details of training courses, conferences and seminars which may assist Members. Full details of each event were available at the meeting.

Members gave consideration to attending the training courses, conferences and seminars set out in Document “W”.

**No resolution was passed on this item.**

Chair

**Note: These minutes are subject to approval as a correct record at the next meeting of the WYPF Joint Advisory Group.**



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## **Report of the External Auditor to the meeting of Governance and Audit Committee to be held on 25 April 2017.**

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**Subject:** **AK**

**Audit Strategy Memorandum 2016/17**

### **Summary statement:**

**The Audit Strategy Memorandum sets out the plan for the external audit of City of Bradford Metropolitan District Council for 2016/17.**

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Mark Kirkham  
Partner  
Mazars LLP  
Report Contact: Steve Appleton  
Phone: (01274) 432392  
E-mail: [steve.appleton@mazars.co.uk](mailto:steve.appleton@mazars.co.uk)

## **1. SUMMARY**

The Audit Strategy Memorandum sets out our audit plan for 2016/17. The document:

- describes our approach to the audit opinion on the accounts;
- includes our assessment of the significant risks of material misstatement in the accounts; and
- outlines the proposed testing strategy to address the identified risks.

We have identified significant risks of material misstatement relating to:

- management override of controls which is common to all entities subject to audit; and
- revenue recognition which is also common to most entities subject to audit;
- the high degree of estimation uncertainty relating to pension liabilities; and
- accounting for the valuation of land and buildings for schools converting to academy status

This is a major audit so Mazars have appointed an engagement quality control reviewer (EQCR) to review quality.

## **2. BACKGROUND**

International Standards on Auditing (ISAs) require external auditors to communicate with Those Charged with Governance (TCWG) on a number of matters (see page 8 of the Audit Strategy Memorandum for full details) including significant audit risks and how the auditor proposes to address them.

## **3. OTHER CONSIDERATIONS**

None.

## **4. OPTIONS**

Not applicable.

## **5. FINANCIAL & RESOURCE APPRAISAL**

Not applicable.

## **6. RISK MANAGEMENT AND GOVERNANCE ISSUES**

None.

## **7. LEGAL APPRAISAL**

Not applicable.

## **8. OTHER IMPLICATIONS**

### **8.1 EQUALITY & DIVERSITY**

Not applicable.

### **8.2 SUSTAINABILITY IMPLICATIONS**

Not applicable.

### **8.3 GREENHOUSE GAS EMISSIONS IMPACTS**

Not applicable.

### **8.4 COMMUNITY SAFETY IMPLICATIONS**

Not applicable.

### **8.5 HUMAN RIGHTS ACT**

Not applicable.

### **8.6 TRADE UNION**

Not applicable.

### **8.7 WARD IMPLICATIONS**

Not applicable.

## **9. NOT FOR PUBLICATION DOCUMENTS**

None.

## **10. RECOMMENDATION**

That the Governance and Audit Committee consider the Audit Strategy Memorandum for City of Bradford Metropolitan District Council for 2016/17.

## **11. APPENDICES**

The Audit Strategy Memorandum for City of Bradford Metropolitan District Council.

## **12. BACKGROUND DOCUMENTS**

None.

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# **Audit Strategy Memorandum**

**City of Bradford Metropolitan District Council**

**For the year ended 31 March 2017**



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Our reports are prepared in the context of Public Sector Audit Appointment’s ‘Statement of responsibilities of auditors and audited bodies’. Reports and letters prepared by appointed auditors and addressed to members, directors or managers are prepared for the sole use of the audited body and we take no responsibility to any member, director or manager in their individual capacity or to any third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy organisation, and is a limited liability partnership registered in England with registered number OC308299. A list of partners’ names is available for inspection at the firm’s registered office, Tower Bridge House, St Katharine’s Way, London E1W 1DD.

We are registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C001139861.



# Executive summary

## Purpose of this report

The Audit Strategy Memorandum sets out our audit plan in respect of the audit of City of Bradford Metropolitan District Council ('the Council') for the year ending 31 March 2017, and forms the basis for discussion at the Governance and Audit Committee meeting on 25 April 2017.

The plan sets out our proposed audit approach and is prepared to assist you in fulfilling your governance responsibilities. The responsibilities of those charged with governance are defined as overseeing the strategic direction of the entity and obligations related to the accountability of the entity, including overseeing the financial reporting process. We have determined that the Governance and Audit Committee is those charged with governance for the purpose of our audit.

<b>Timing of our work</b>	Our audit will be delivered in four main phases as outlined in page 8 of this report. The statutory deadline for the completion of our audit work is 30 <sup>th</sup> September 2017.
<b>Financial Statements audit</b>	<p><b>Significant risks</b></p> <p>We have identified the following areas on which we will carry out specific audit procedures to mitigate the risks of material misstatements in the Council's financial statements:</p> <ul style="list-style-type: none"><li>• management override of controls;</li><li>• revenue recognition;</li><li>• estimation uncertainty for pension liabilities; and</li><li>• accounting for the valuation of land and buildings of schools converting to academy status.</li></ul> <p><b>Materiality</b></p> <p>At the planning stage of the audit we have set materiality for the financial statements as a whole at £11.205m. In reporting the results of our work we do not report identified misstatements below a clearly trivial level. We have set this level at £0.336m.</p>
<b>Value for Money conclusion</b>	The work we carry out to form a conclusion on whether the Council has proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources is summarised on page 10. At this stage we have identified one significant risk in respect of our VFM work. This relates to sustainable resource deployment and reflects the ongoing need for the Council to meet the challenges associated with reductions in the amount of money available to fund services.
<b>Independence</b>	We have considered any actual, potential or perceived threats to our independence on page 18. We are satisfied that our proposed safeguards are sufficient to remain independent, as shown on page 18.

# Audit scope and approach

## **The scope of our work**

The detailed scope of our work as your appointed auditor for 2016/17 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 ('the 2014 Act') and are summarised below.

### Opinion on the financial statements

We are responsible for forming and expressing an opinion on the financial statements. Our audit is planned and performed so to provide reasonable assurance that the financial statements are free from material error and give a true and fair view of the financial performance and position of the Council for the year.

Our audit does not relieve management, or the Governance and Audit Committee, as those charged with governance, of their responsibilities.

### Value for Money conclusion

We are required to conclude whether the Council has proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our Value for Money work in greater detail later in this report.

### Whole of Government Accounts (WGA)

We report to the NAO on the consistency of the Council's financial statements with its WGA submission.

### Electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and consider any objection made to the accounts by an elector. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.

## **Our response to the risk of fraud**

International Standards on Auditing (ISAs) require us to obtain reasonable assurance that the financial statements are free from material fraud and/or error. There are a range of ways in which fraud may arise in the context of your financial statements and we formally consider the risk of fraud as part of our planning work and design appropriate procedures to mitigate risks identified. We maintain an appropriate level of professional scepticism throughout the audit and are mindful that a material misstatement due to fraud is possible, however our audit should not be relied upon to identify all such misstatements.

Management and the Governance and Audit Committee, as those charged with governance also have responsibilities in respect of fraud. They are responsible for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with laws and regulations.

Our enquiries will focus on:

- what role the Governance and Audit Committee has in relation to fraud and how it is kept informed of fraud related matters by management;
- what anti-fraud measures you have in place and how your policies and procedures are monitored; and
- whether you are aware of any actual, alleged or suspected fraud.

We have formally written to you, in your role as those charged with governance, making the enquiries above.

### Our approach to obtaining assurance over service organisations

There are material entries in your financial statements where the Council is dependent on an external organisation. We call these entities service organisations. In Appendix A, we outline our approach to understanding the services received from each organisation and the approach we intend to take to obtain sufficient appropriate evidence over items of account that derive from them.

### Our use of experts and other auditors

#### Management and auditor experts

There are material entries in your financial statements which are provided by management experts. For some of these entries, we will use our own expert to provide us with the assurance we require in relation to the work of your expert.

In addition to setting out information in respect of service organisations, Appendix A also summarises management's experts and our planned audit approach to obtaining assurance over their work.

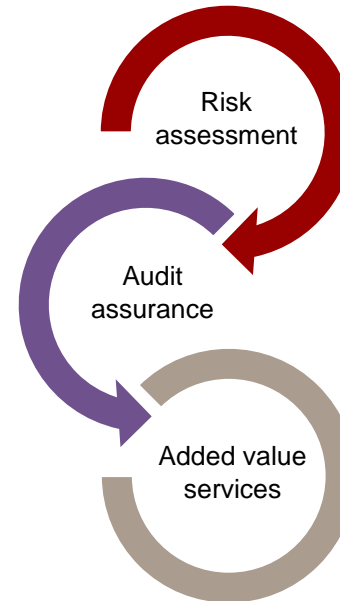
#### Internal audit

Where appropriate, we will seek to rely on work performed by internal audit where it provides us with the required assurance. We meet with internal audit to discuss their work programme and findings, and factor this in when determining the most efficient testing strategy.

We plan to take a wholly substantive audit approach and will not therefore be placing direct reliance on internal audit work in 2016/17. We will continue to liaise with internal audit to inform our risk assessment.

### Audit efficiency and our use of IT

Innovative and integrated use of IT drives the efficiency and effectiveness of our audit. Your audit team uses the latest IT-based audit solutions and is supported by a team of IT auditors each of whom have extensive knowledge of the public sector and providing assurance and advisory services across the public sector.



We know that all organisations are different and face different risks. Our audit platform is modern and flexible and allows us to tailor our audit approach to the specific risks relevant to the Council, while ensuring compliance with underlying auditing standards.

We focus on the risks to your business continuity and those that give rise to a risk of material misstatement in the financial statements. Your audit team has access to a full suite of data analytics tools which allow them to determine the most effective and efficient testing strategy using IT-audit techniques where appropriate.

# Significant risks and key judgements

## Identified significant risks

As part of our planning procedures we have considered whether there are risks of material misstatement in the Council's financial statements that require special audit consideration. Although we report identified significant risks at the planning stage of the audit, our risk assessment is a continuous process and we regularly consider whether new significant risks have arisen and how we intend to mitigate these risks. Where we identify any significant risks in addition to those set out below, we will report these to the Governance and Audit Committee as part of our Audit Completion Report.

Significant risk	How we will mitigate the risk
<p><b>Management override of control</b></p> <p>In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such overrides could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.</p>	<p>We will address this risk by performing audit work in the following areas:</p> <ul style="list-style-type: none"> <li>• accounting estimates affecting amounts included in the financial statements;</li> <li>• consideration of identified significant transactions outside the normal course of business; and</li> <li>• journals recorded in the general ledger and other adjustments made in preparation of the financial statements.</li> </ul>
<p><b>Revenue recognition</b></p> <p>In accordance with international standards on auditing (ISA 240) we presume there is a risk of fraud in respect of the recognition of revenue because of the potential for inappropriate recording of transactions in the wrong period.</p> <p>ISA 240 allows the presumption to be rebutted but, given the Council's range of revenue sources we have concluded that there are insufficient grounds for rebuttal.</p>	<p>We will evaluate the design and implementation of controls to mitigate the risk of income being recognised in the wrong period. In addition, we will undertake a range of substantive procedures including:</p> <ul style="list-style-type: none"> <li>• testing receipts in the pre and post year end period to ensure they have been recognised in the right year;</li> <li>• testing a sample of adjustment journals; and</li> <li>• obtaining direct confirmation of principal year-end bank balances and testing the reconciliations to the ledger.</li> </ul>
<p><b>Estimation uncertainty for pension liabilities</b></p> <p>The financial statements contain material pension entries in respect of the retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.</p>	<p>We will discuss with key contacts any significant changes to the pension estimates prior to the preparation of the financial statements. In addition to our standard programme of work in this area, we will:</p> <ul style="list-style-type: none"> <li>• evaluate the management controls you have in place to assess the reasonableness of the figures provided by the actuary; and</li> </ul>

	<ul style="list-style-type: none"> <li>consider the reasonableness of the actuary's output, referring to an expert's report on all actuaries nationally which is commissioned annually by the National Audit Office.</li> </ul>
<p><b>Accounting for the valuation of land and buildings for schools converting to academy status</b></p> <p>During 2016/17, there have been a large number of local authority maintained schools converting to academy status. The conversion process involves removal of the school assets from the Council's balance sheet and due to the scale of the conversions during the year, this increases the risk of material misstatement.</p>	<p>As part of our work we will evaluate the management controls in place, designed to ensure that all schools, which achieve academy status during the year are appropriately excluded from the Council's balance sheet.</p> <p>We will test a sample of school assets to confirm that land and buildings have been accounted for correctly in the financial statements.</p>

### Management judgement

We recognise that within your financial statements there are specific accounting transactions and disclosures where management has exercised judgement. We consider these areas require specific audit focus and the area that we consider to be the key area of judgement is set out in the following table together with our planned audit approach.

Area of Key Judgement	How we will address this area of judgement
<p><b>Valuation of land and buildings</b></p> <p>Land and buildings are the Council's highest value assets. Management use in house valuation services, as an expert, to determine the value of property to be included in the financial statements.</p>	<p>We will review:</p> <ul style="list-style-type: none"> <li>the scope and terms of the engagement with the valuer; and</li> <li>how management use the valuer's report to value land and buildings in the financial statements.</li> </ul> <p>We will write to the valuer to obtain information on the methodology and their procedures to ensure objectivity and quality.</p> <p>We will also consider evidence of regional valuation trends.</p>

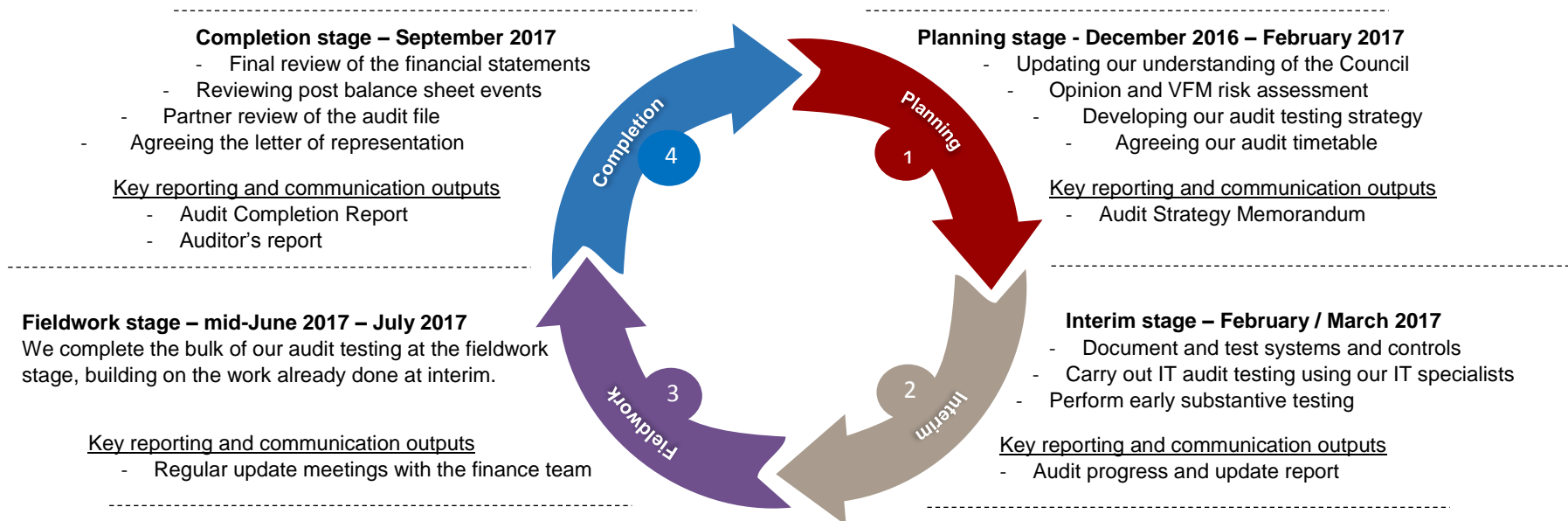
# Timetable and communication

## Our approach to communication

International Standards on Auditing require us to communicate a number of matters with you at various points during the audit cycle. Later in this section we outline exactly how we will communicate with the Governance and Audit Committee as those charged with governance. As well as being an integral part of our responsibilities under auditing standards, we see two-way communication with the Governance and Audit Committee and the Council's staff as being critical to building a robust knowledge of your business, the risks and challenges you face and the plans you have in place to meet those challenges.

## Audit timetable

The diagram below outlines the main phases of your audit, when each will be carried out and the outputs that you will receive at each stage. This is underpinned by a 'no surprises' approach to communication that ensures management and the Governance and Audit Committee are kept aware of significant issues on a timely basis. We intend to issue our Audit Strategy Memorandum in April 2017, our Audit Completion Report in September 2017 and our Annual Audit Letter in October 2017.



### Key communication points

ISA 260 'Communication with those charged with governance' and ISA 265 'Communicating deficiencies in internal control to those charged with governance and management', require us to communicate a number of matters to you. These matters are set out below.

Matter to be communicated	Audit Strategy Memorandum	Audit Completion Report
Our responsibilities in relation to the audit of the financial statements and our wider responsibilities	✓	
Planned scope and timing of the audit	✓	
Significant audit risks and areas of management judgement	✓	
Confirmation of our independence	✓	✓
Responsibilities for preventing and detecting errors	✓	
Materiality	✓	✓
Fees for audit and other services	✓	
Significant deficiencies in internal control		✓
Significant findings from the audit		✓
Significant matters discussed with management		✓
Conclusions on the significant audit risks and areas of management judgement		✓
Summary of unadjusted misstatements		✓
Management representation letter		✓
Our proposed audit report		✓

In addition to the matters outlined above which we are required to communicate under auditing standards, we also communicate regularly with the Governance and Audit Committee through our Audit Progress Reports, presented on a quarterly basis. We also report to the Council on an annual basis to summarise our work and main conclusions through our Annual Audit Letter.

# Value for Money Conclusion

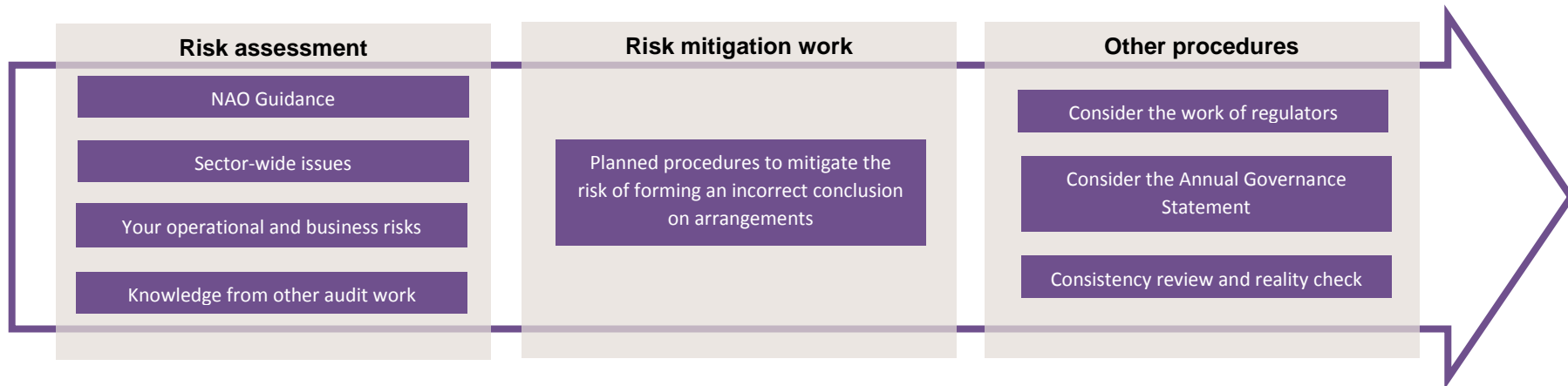
## Our approach to Value for Money work

We are required to form a conclusion as to whether the City of Bradford Metropolitan District Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our conclusion, and sets out the criterion and sub-criteria that we are required to consider.

The overall criterion is that, 'in all significant respects, the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.' To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are provided set out by the NAO:

- informed decision making
- sustainable resource deployment
- working with partners and other third parties

A summary of the work we undertake to reach our conclusion is provided below.



## Significant Value for Money risks

The NAO's guidance requires us to carry out work at the planning stage to identify whether or not a risk to the VFM conclusion exists. Risk, in the context of our VFM work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Council being inadequate. As outlined above, we draw on our deep understanding of the Council and its partners, the local and national economy and wider knowledge of the public sector.


For 2016/17, we have identified a risk for our VFM conclusion. A summary of the risk and the work we intend to undertake to ensure we reach the correct conclusion is set out in the following table.




Value for Money conclusion risk	Work we intend to carry out
<p>The Council faces significant financial pressure from reduced funding and increasing demand for some services. The challenge to identify and implement savings is increasingly difficult as by the year end the Council will have reduced spending by over £218m since 2011/12.</p> <p>The VFM risk is that we will not be able to reach a safe conclusion without undertaking further work to assess the Council's arrangements to achieve the planned balanced position for the next two years and to identify further plans to bridge the funding gaps for 2019/20 (£19.7m) and 2020/21 (£49m).</p>	<p>We will review the Council's arrangements for:</p> <ul style="list-style-type: none"> <li>• monitoring budgets and ensuring that identified savings are being achieved;</li> <li>• revising the medium term financial plan; and</li> <li>• developing plans to bridge the funding gap for future years through the outcome led planning and budgeting process.</li> </ul> <p>We will also review a sample of project plans for saving proposals and consider the arrangements in place for delivery.</p>

**Initial audit risk assessment**


We undertook our initial risk assessment, based on the sub-criteria, using ratings with the following definitions.

- 

Low

No audit risks to our vfm conclusion identified to date and no further work planned.
- 

Medium

Not considered to be an audit risk at this stage, however, risk indicators to be followed up as further information becomes available.
- 

Significant

Significant audit risk identified (as reported above). This denotes risk to us as auditors, it is not an assessment or rating of the Council's arrangements.

Our risk assessment, by sub criteria, is shown in the tables that follow. We will also continue to monitor the Council's arrangements through:

- ongoing meetings with officers; and
- ongoing review of relevant meeting agenda papers and minutes where decisions relevant to our responsibilities are taken.

Sub-criteria	Proper arrangements	Audit risk rating at planning stage	Arrangements at City of Bradford MDC
<b>Informed decision making</b>	Acting in the public interest, through demonstrating and applying the principles and values of sound governance	Low	<ul style="list-style-type: none"> <li>• Governance structure in place.</li> <li>• Arrangements for internal challenge and review.</li> <li>• Annual Governance Statement compliant with the CIPFA / SOLACE Delivering Good Governance Framework.</li> <li>• Constitution on the website and subject to annual review and update.</li> <li>• Quarterly finance and twice-yearly performance reports to Executive.</li> </ul>
	Understanding and using appropriate and reliable financial and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management.	Low	<ul style="list-style-type: none"> <li>• Budget aligned to purposes, priorities and ambitions set out in the Council Plan</li> <li>• Relevant financial and other information available to support decision making and performance management.</li> <li>• We are not aware of data quality problems in respect of financial and performance information.</li> <li>• Frequent updates on the financial position between the annual updates of the Medium Term Financial Plan.</li> <li>• Consistent data in financial reports.</li> </ul>
	Reliable and timely financial reporting that supports the delivery of strategic priorities.	Low	<ul style="list-style-type: none"> <li>• Regular and timely financial reporting.</li> <li>• Outturn for 2016/17 forecast to be close to budget.</li> <li>• Outturn has historically been reasonably close to projections in quarterly financial reports.</li> <li>• Track record of delivering planned savings and efficiencies in prior years with small underspends in each of the last 3 years.</li> </ul>
	Managing risks effectively and maintaining a sound system of internal control.	Low	<ul style="list-style-type: none"> <li>• Risk management arrangements in place.</li> <li>• Risk register reviewed throughout the year by the Corporate Management Team.</li> <li>• Annual governance statement prepared, reviewed and approved by members.</li> <li>• Regular reporting by Internal Audit on internal control.</li> </ul>

Sub-criteria	Proper arrangements	Risk rating at planning stage	Arrangements at City of Bradford MDC
<b>Sustainable resource deployment</b>	Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.	Significant	<ul style="list-style-type: none"> <li>• A comprehensive three year Medium Term Financial Plan in place which incorporates longer financial outlook to 2022/23</li> <li>• Development of outcome led planning and budgeting process.</li> <li>• Balanced budget for 2017/18 and 2018/19 budget with detailed savings plans developed.</li> <li>• The financial outlook remain highly challenging as additional indicative savings required of £19.7m for 2019/20 and a further £49m for 2020/21.</li> </ul>
	Managing and utilising assets effectively to support the delivery of strategic priorities.	Low	<ul style="list-style-type: none"> <li>• Capital investment plan for £264m over 4 years reflects strategic priorities.</li> <li>• Asset register and management plan in place.</li> <li>• Asset management plan in place.</li> <li>• Significant savings in recent years from rationalising the estate to better fit the reduced size of the Council.</li> </ul>
	Planning, organising and developing the workforce effectively to deliver strategic priorities.	Low	<ul style="list-style-type: none"> <li>• HR performance indicators such as sickness within the corporate indicator set reported twice yearly.</li> <li>• HR Strategy focused on talent management and plugging skill gaps as the scale of the Council continues to reduce.</li> <li>• Training programme to equip staff for the challenges ahead.</li> </ul>

Sub-criteria	Proper arrangements	Risk rating at planning stage	Arrangements at City of Bradford MDC
<b>Working with partners and other third parties</b>	Working with third parties effectively to deliver strategic priorities.	Low	<ul style="list-style-type: none"> <li>• District Plan sets out long-term ambitions for the district and outlines priorities for action.</li> <li>• Representation on relevant outside bodies.</li> <li>• Various policies and framework for partnership working established.</li> </ul>
	Commissioning services effectively to support the delivery of strategic priorities.	Low	<ul style="list-style-type: none"> <li>• Successful in reducing costs and savings proposals include working with partners.</li> <li>• Better Care Fund Plan being implemented with Section 75 agreement for a pooled budget with CCGs.</li> </ul>
	Procuring supplies and services effectively to support the delivery of strategic priorities.	Low	<ul style="list-style-type: none"> <li>• Use established national and regional procurement frameworks to maximise purchasing power.</li> <li>• Alternative delivery models already in place for some former council services (e.g. libraries) and more planned or being researched.</li> <li>• Broadway (Westfield) shopping centre delivered on time and in budget contributing towards city centre regeneration.</li> </ul>

# Fees

## Fees for work as the Council's appointed auditor

At this stage of the audit we are not planning any divergence from the scale fees set by Public Sector Audit Appointments Ltd (PSAA) as communicated to you in our fee letter on 12<sup>th</sup> April 2016.

Area of work	2016/17 proposed fee	2015/16 final fee
Code audit work	£185,317 plus VAT	£185,317 plus VAT
Housing Benefit Subsidy certification	£19,733 plus VAT	£16,520 plus VAT

## Fees for non-audit work

We do not currently expect to undertake any additional work outside the scope of our Public Sector Audit Appointment contract.

# Our team



**Mark Kirkham - Partner**

**Email:** mark.kirkham@mazars.co.uk

**Phone:** 0113 387 8850

Mark has been a partner at Mazars since 2015 and prior to that he had been an engagement lead since 2002. Mark has extensive experience in a number of sectors and this is his fifth year as the engagement lead for the Council's external audit.



**Steve Appleton – Senior Manager**

**Email:** steve.appleton@mazars.co.uk

**Phone:** 0788 128 3340

Steve has been a senior manager since 2012 having extensive experience of the public sector. He will manage and coordinate the different parts of the audit and be the key point of contact for the finance team and internal audit.



**Nicola Hallas - Team-leader**

**Email:** nicola.hallas@mazars.co.uk

**Phone:** 0788 128 3559

Nicola has over 10 years' public sector audit experience. She has been involved with the Council audit for a number of years.

In accordance with our internal policies for audit quality and risk management, we consider the audit of the Council to be a 'major audit'. As a result, and in line with the requirements of International Standards on Quality Control (ISQC) 1, the firm has appointed an Engagement Quality Control Reviewer to the Council's audit who will bring an additional level of quality control to the engagement team.

# Appendix A – Service organisations and experts

## Service organisations

As we outline in the main body of this report, the Council makes use of service organisations. ISA 402 defines a service organisation as one that provides services to another entity that form part of that entity's information systems relevant to financial reporting. The table below sets out the service organisations that we have identified as part of our planning work together with a description of how we intend to obtain assurance over the entries in your financial statements that are derived from them.

Service organisation	Services provided	Planned audit approach
Data-plan and Working for Schools. These are the two material providers.	Payroll service for schools that use an external provider to pay employees rather than the Council's payroll service.	Sufficient appropriate audit evidence is held at schools for us to substantively test schools' external payroll without contacting the service organisations.

As outlined above, we intend to rely on service auditor reports to provide us with assurance that controls at the service organisation are operating effectively. ISA 402 requires us to carry out a range of audit procedures to determine whether the service auditor report provides sufficient appropriate audit evidence about the effectiveness of controls. Where we determine that a report does not provide sufficient appropriate audit we will need to consider the most efficient and effective alternative method of obtaining this evidence and will discuss this with management.

## Experts

The Council also uses experts to provide entries in its financial statements. The table below outlines the areas of the financial statements where we expect the Council to use experts and an explanation of the approach we will take to obtaining assurance over those entries.

Financial statement area	Management's expert	Planned audit approach
Defined benefit liability and associated IAS 19 entries and disclosures	Actuary (Aon Hewitt)	Use National Audit Office's consulting actuary (PWC) to confirm we can rely upon information provided by management's expert.
Property, plant and equipment valuations	In house valuer (Estates and Property)	Use National Audit Office's consulting valuer (Gerald Eve) to consider the reasonableness of the approach taken by management's expert.
Financial instruments: fair value estimates	Capita	Use assurance provided by the National Audit Office to confirm we can rely upon fair value estimates provided by management's expert

# Appendix B – Independence

We are required by the Financial Reporting Council to confirm to you at least annually in writing, that we comply with the Auditing Practices Board's Ethical Standards. In addition we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

Based on the information provided by you, and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement, there are no relationships between us, and any of our related or subsidiary entities, and you, and your related entities, creating any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

- all partners and staff are required to complete an annual independence declaration;
- all new partners and staff are required to complete an independence confirmation and also complete computer-based ethical training;
- rotation policies covering audit engagement partners and other key members of the audit team who are required to rotate off a client after a set number of years; and
- use by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement partner.

We wish to confirm that in our professional judgement, as at the date of this document, we are independent and comply with UK regulatory and professional requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with either Mark Kirkham or Steve Appleton.

Prior to the provision of any non-audit services, Mark Kirkham will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence. The following table outlines the potential threats to our independence and the safeguards put in place.



Issue	Perceived threat	Safeguards and procedures
A member of the audit team has a close relation working as a senior manager in the Corporate Fraud Unit.	The close family relationship might be perceived as a threat to our independence.	The member of staff is not involved in audit work relating to benefits, fraud or value for money.
Mazars provides a no charge insolvency support service including issuing to the Council weekly notifications detailing personal insolvencies in the area, submission of council claims and ad hoc insolvency advice.	Management: The perceived threat is that provision of the service may involve management functions.	The services do not involve the exercise of any management functions or decision making.  The Engagement Lead and audit team have no involvement in the provision of the service.
Mazars has engaged with West Yorkshire Joint Services (WYJS) to provide assurance on the development of a transfer pricing methodology by WYJS.	Management: The perceived threat is that provision of the service may involve management functions.	The services do not involve the exercise of any management functions or decision making.  The Engagement Lead and audit team have no involvement in the provision of assurance work on WYJS's transfer pricing methodology.

# Appendix C - Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole. Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- have a reasonable knowledge of business, economic activities and accounts;
- have a willingness to study the information in the financial statements with reasonable diligence;
- understand that financial statements are prepared, presented and audited to levels of materiality;
- recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and
- will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit.

Whilst planning our audit, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

We discuss with management any significant misstatements or anomalies that we identify during the course of the audit and we report in our Audit Completion Report all unadjusted misstatements we have identified other than those which are clearly trivial, and obtain written representation that explains why these remain unadjusted.

# Appendix D – Our added value

Our primary responsibilities as the Council’s external auditor are outlined in the main body of this report. As your external auditor we are ideally placed to provide added value in delivering those responsibilities and the diagram below provides a summary of how we do this.

## Insight

Analysis of emerging issues shared regularly with you through our Audit Progress Reports.

Sharing knowledge from our membership of a range of professional networks including those hosted by the ICAEW and NAO.

Regular updates from our public services advisory team on lessons learned from its work across the UK public sector.

## Expertise

Specialist public sector financial reporting advisory service, providing expert analysis of emerging accounting issues.

A dedicated IT audit and advisory team, with expertise and experience of providing services across the public sector.

Provision of annual accounting workshops attended by your finance team.

## Support for continuous improvement

Clear and open communication, allowing for a sensible basis of resolving emerging issues.

Internal control recommendations and follow-up work in conjunction with internal audit.

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## Report of the Strategic Director of Children's Services to the meeting of Governance and Audit Committee to be held on 25th April 2017.

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Subject:

**AL**

**Report on the Role of the Regional Schools Commissioner and their relationship with the Local Authority**

**Summary statement:**

The Regional Schools Commissioner (RSC) is a role which has been implemented to monitor performance and intervene to ensure that underperforming academies improve. The function is also to decide on the creation of new academies and ensure that the sponsor market meets local need. The RSC is advised by a Headteacher Board and works closely with a range of different partners including local authorities.

RSCs act in the name of the Secretary of State for Education, and are accountable to her and to the National Schools Commissioner.

---

Michael Jameson  
Strategic Director Children's Services

**Portfolio:**

**Education, Employment and Skills**

Report Contact: Judith Kirk  
Phone: (01274) 431078  
E-mail: [Judith.kirk@bradford.gov.uk](mailto:Judith.kirk@bradford.gov.uk)

**Overview & Scrutiny Area:**

**Children's**



## 1. SUMMARY

The Regional Schools Commissioner (RSC) is a role which has been implemented to monitor performance and intervene to ensure that underperforming academies improve. The function is also to decide on the creation of new academies and ensure that the sponsor market meets local need. The RSC is advised by a Headteacher Board and works closely with a range of different partners including local authorities.

RSCs act in the name of the Secretary of State for Education, and are accountable to her and to the National Schools Commissioner.

## 2. BACKGROUND

- 2.1 The establishment of Regional Schools Commissioners (RSCs) has shifted operational decision-making from DfE ministers and officials providing an infrastructure for leaders to play a wider role across the system.
- 2.2 Within an increasingly school-led system, the responsibility for taking action to improve outcomes lies with the governing board or academy trust. When an academy trust is failing to improve a school that has been identified as failing or coasting, it is important that Regional Schools Commissioners are able to take action. RSCs act in the name of the Secretary of State for Education, and are accountable to her and to the National Schools Commissioner.
- 2.3 Ministers receive regular reports from the RSCs in order to maintain oversight of the programmes and stay informed about significant operational matters across the regions.

RSCs escalate decisions to the National Schools Commissioner or the relevant minister that are: sensitive; raise issues of interpretation of government policy; relate to urgent safeguarding or extremism concerns

- 2.4 The RSCs are supported and held to account by a board of outstanding academy headteachers and sector leaders, many of whom are directly elected by the sector. Working with their Headteacher Board (HTB), RSCs are well placed, to identify and commission the most appropriate support and interventions for an underperforming school or academy. RSCs have tight parameters over when intervention is permitted. Academies will not be subject to intervention if their educational performance, financial management and governance are of a high standard.
- 2.5 The RSC has a number of core functions:
  1. Intervening with under-performing academies and free schools to ensure that high quality support is commissioned to improve them quickly through:

Tackling educational underperformance in academies and free schools  
Intervening in academies where governance is inadequate



Taking action against poorly performing sponsors and multi-academy trusts

2. Tackling underperformance in maintained schools by providing them with support from a strong sponsor through:
3. Working with the regional Headteacher Boards to approve the conversion of new academies
4. Approving new sponsors and the creation of multi-academy trusts by:  
  
Considering applications from sponsors to operate in a region or regions  
Taking decisions on the creation and growth of multi-academy trusts
5. Ensuring that the pipeline of outstanding free school proposers is secure and capable of delivering new schools by:  
  
Advising on free school applications  
Proposals for new free schools under the LA free school presumption arrangements
6. Taking decisions on changes to academies and free schools by:  
  
Deciding changes to admission arrangements  
Considering exemptions from providing Christian collective worship

2.6 As a Local Authority we work very closely with the RSC and her officers specifically with regard to improving standards in all Bradford schools and new sponsors. The relationship is positive and essential in order to promote improved outcomes for young people across the District. The RSC is also a member of the Education Improvement Strategic Board for the District.

The LA will challenge the RSC when there are concerns regarding the standards of education in academies. Equally the challenge from the RSC is with regard to maintained schools.

The relationship with the RSC has to be strong for a number of different reasons including:

- a) All the young people education in a school in Bradford irrespective of the school status are Bradford young people.
- b) The Strategic Director of Children's Services has responsibility for safeguarding of young people across the District.
- c) School places and sufficiency are statutory functions of the LA yet the LA can no longer, through legislation, open new schools. Free Schools are the remit of the Department for Education.
- e) Special Educational Needs provision and how this is delivered across the District.
- f) An on-going dialogue regarding areas such as exclusions, children missing education and vulnerable groups.



A positive relationship with the RSC is essential in order to ensure there is no fragmentation of learning for young people across the District in this changing educational landscape.

**3. OTHER CONSIDERATIONS**

None

**4. FINANCIAL & RESOURCE APPRAISAL**

None

**5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

None

**6. LEGAL APPRAISAL**

None

**7. OTHER IMPLICATIONS**

**7.1 EQUALITY & DIVERSITY**

None

**7.2 SUSTAINABILITY IMPLICATIONS**

None

**7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

None

**7.4 COMMUNITY SAFETY IMPLICATIONS**

None

**7.5 HUMAN RIGHTS ACT**

None

**7.6 TRADE UNION**

None





**7.7 WARD IMPLICATIONS**

None

**7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS  
(for reports to Area Committees only)**

None

**8. NOT FOR PUBLICATION DOCUMENTS**

None

**9. OPTIONS**

None

**10. RECOMMENDATIONS**

It is recommended that the Governance and Audit Committee receive this report for information.

**11. APPENDICES**

None

**12. BACKGROUND DOCUMENTS**

None



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**Report of the Strategic Director of Corporate Services to the meeting of the Governance and Audit Committee to be held on 25 April 2017.**

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**AM**

**Subject:**

**INTERNAL AUDIT PLAN 2017/18**

**Summary statement:**

**This report outlines the Internal Audit Plan for the financial year 2017/18. The delivery of the audit plan will assist with risks within the systems reviewed being managed to an acceptable level through improvement in internal control.**

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Stuart McKinnon-Evans  
Strategic Director of Corporate Services

**Portfolio:**

**Corporate**

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E-mail:  
[mark.stromaine@bradford.gov.uk](mailto:mark.stromaine@bradford.gov.uk)

**Improvement Area:**

**Corporate**

## **1. SUMMARY**

- 1.1 The purpose of this report is to inform the Governance and Audit Committee of the Internal Audit Plan for the financial year 2017/18, giving the Committee the opportunity to contribute to the plan. It seeks to demonstrate that Internal Audit adds value to the Council by providing independent and objective assurance of risks to internal control within the Council's systems and processes. The Audit Plan reflects internal stakeholders' needs and the expected needs of the Council's external auditors for 2017/18.
- 1.2 The delivery of the audit plan will assist with risks within the systems reviewed being managed to an acceptable level through improvement in internal control. This provides the external auditors with audit assurance on the Council's fundamental financial systems.
- 1.3 This Internal Audit Plan details the work planned for the financial year 2017/18.

## **2. BACKGROUND**

### **Internal Audit Plan 2017/18**

- 2.1 The Council's Constitution gives the Governance and Audit Committee the responsibility of approving the Internal Audit Plan.
- 2.2 The Internal Audit Plan details the work planned for the 2017/18 financial year. The plan demonstrates that Internal Audit's resources are managed effectively and that the coverage is appropriate to allow the Head of Internal Audit, Insurance, Information Governance and Risk to gain sufficient evidence to be able to form an opinion on the internal control systems of the Council that it has reviewed.
- 2.3 This 2017/18 Internal Audit Plan is the third year of a three year plan that was designed to cover 2015/16 to 2017/18. The three year plan examined the Council's corporate risk register and the financial flows to ensure that internal audit resources are directed appropriately and that the Council's assurance processes are maintained. The 2017/18 plan is based on this original review but incorporates any known new changes to the Council's risk profile. In addition the 2017/18 plan takes into account any slippage from the 2016/17 Internal Audit Plan.
- 2.4 In 2018/19 it is envisaged that a new three year plan will be adopted which will take into account the new environment and financial envelope the Council will operate in. These changes are likely to be very significant.
- 2.5 Performance against the plan is expected to be very challenging in 2017/18, as it was in 2016/17. The section's reduced resources give it very limited capacity to absorb unforeseen audit issues and unplanned work. Its performance will be reported to the Governance and Audit Committee in the Internal Audit Half Year Monitoring statement in November 2017 and in the Annual Audit Report in June/July 2018.
- 2.6 In order to comply with PSIAS, Internal Audit must adopt a Quality Assurance and Improvement Plan. This is a combination of an Internal and External Assessment process. Doncaster Council is planning to perform the external assessment of Bradford Internal Audit in the second half of 2017/18.

### **3. OVERVIEW AND SCRUTINY COMMITTEE CONSIDERATION**

3.1 Not Applicable.

### **4. OTHER CONSIDERATIONS**

4.1 There are no other considerations.

### **5. OPTIONS**

5.1 Not applicable.

### **6. FINANCIAL AND RESOURCE APPRAISAL**

6.1 There are no direct financial consequences arising from this report. The work of Internal Audit adds value to the Council by providing management with an assessment on the effectiveness of internal control systems, making, where appropriate, recommendations that if implemented will reduce risk.

### **7. RISK MANAGEMENT**

7.1 The work undertaken within Internal Audit is primarily concerned with examining risks within various systems of the Council and making recommendations to mitigate those risks. The key risks examined in our audits are discussed with management at the start of the audit and the action required from our recommendations is verified as implemented by Strategic Directors.

### **8. LEGAL APPRAISAL**

8.1 The Accounts and Audit Regulations 2015 requires the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The Council achieves this by complying with the Public Sector Internal Audit Standards (PSIAS), which it does by following the CIPFA Local Government Application Note. The Internal Audit Plan needs to be approved by the Governance and Audit Committee to ensure compliance with the PSIAS.

### **9. OTHER IMPLICATIONS**

#### **9.1 Equal Rights**

The Audit Plan seeks assurance that the Council fulfils its responsibilities in accordance with its statutory responsibilities and its own internal guidelines. When carrying out its work, Internal Audit will review the delivery of service to ensure that either appropriate charges have been made, or that the service provided is in accordance with the formal decision making process of the Council.

#### **9.2 Sustainability implications**

When reviewing Council Business Internal Audit will be examining the sustainability of the activity and to ensure that mechanisms are in place so that services are provided within the resources available

### **9.3 Greenhouse Gas Emissions Impacts**

There are no impacts on Gas Emissions.

### **9.4 Community safety implications**

There are no direct community safety implications.

### **9.5 Human Rights Act**

There are no direct Human Rights Act implications.

### **9.6 Trade Union**

There are no implications for the Trade Unions arising from the report.

### **9.7 Ward Implications**

Internal Audit will undertake specific audits through the year which will ensure that the decisions of council are properly carried out.

## **10. NOT FOR PUBLICATION DOCUMENTS**

10.1 None.

## **11. RECOMMENDATIONS**

11.1 That the Committee reviews and approves the Internal Audit Plan for 2017/18.

## **12. APPENDICES**

12.1 Appendix 1 – Internal Audit Plan 2017/18

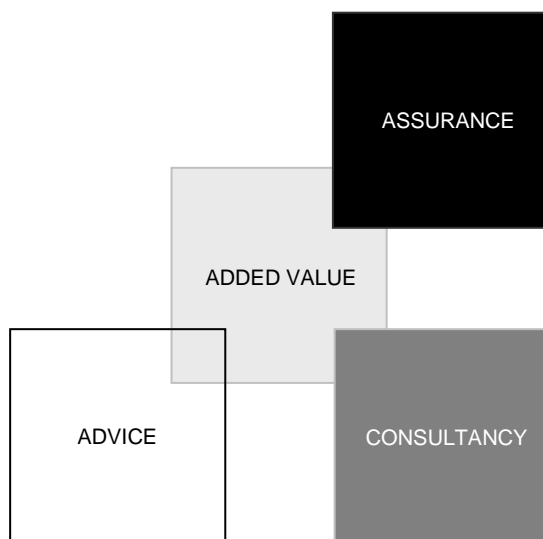
## **13. BACKGROUND DOCUMENTS**

13.1 Accounts and Audit Regulations 2015.

13.2 Public Sector Internal Audit Standards.

13.3 The CIPFA Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards.

# INTERNAL AUDIT PLAN 2017/18



## INTRODUCTION

One of the requirements of the “Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note” is that an Annual Internal Audit Plan is produced and approved by the Governance and Audit Committee. Compliance with the PSIAS and the Local Government Application Note is a requirement of the Accounts & Audit Regulations 2015.

The plan has been developed in consultation with Stuart McKinnon-Evans, the Strategic Director of Corporate Services and Section 151 Officer of the Council, and the service departments. In order to prevent duplication of work and to ensure that the required audit assurances on the Council’s financial systems are provided, the 2017/18 plan will be shared, as is normal practice, with the Council’s external auditors. Internal Audit is committed to maintaining a strong working relationship with External Audit co-planning the internal and external audit programmes as required. Regular meetings will be held with the External Auditors throughout the year in order to share mutually beneficial information relating to risks and controls.

This Internal Audit Plan details the work planned for the financial year 2017/18.

*Mark St Romaine*

Head of Internal Audit, Insurance, Information Governance and Risk

March 2017

### **Circulation:**

Members  
Stuart McKinnon-Evans  
Mark Kirkham  
All Staff

Governance and Audit Committee  
Strategic Director of Corporate Services  
Director and Engagement Lead, Mazars  
Internal Audit



## **1. KEY AIMS**

### **1.1 The key aims of Internal Audit are to:-**

- Support the Governance and Audit Committee.
- Independently review, appraise and report on the adequacy of the systems of financial control throughout the Council and act as a catalyst for positive change and continual improvement.
- Provide assurance to Management that identified risks are controlled to an acceptable level and emerging risks and proposed developments reviewed are also adequately governed and managed with appropriate controls built in.
- Be a source of advice on risk and control issues to service managers on operational matters and the impact of change
- Champion and promote good practice and support the Council in its wider business objectives.
- Assist in promoting an environment and culture which will help deter and identify suspected fraud.
- Add value to the Council by identifying any improvements during the day to day audit activity.
- Provide required assurance to Government Departments on the entitlement to and application of specific funds.
- Work in partnership with External Audit to minimise duplication of the audit resource.

## **2. EXTERNAL ASSESSMENT OF INTERNAL AUDIT**

2.1 In order to comply with PSIAS, Internal Audit must adopt a Quality Assurance and Improvement Plan. This is a combination of an Internal and External Assessment process. Over the last three years Councils in West and South Yorkshire established a peer review process which allows each Council to comply with the external assessment element of the PSIAS. In 2015/16 Bradford Internal Audit conducted the external assessment of Barnsley and Doncaster is planning to do the review of Bradford Internal Audit in the second half of 2017/18.

## **3. JOINT WORKING WITH WAKEFIELD**

3.1 In September 2014 the Council entered into a Service Level Agreement (SLA) with Wakefield Council, for Bradford to provide its Head of Internal Audit and Insurance to manage Wakefield's Internal Audit & Risk Service. The Service Level Agreement also required a Business Plan to be prepared to determine an option appraisal for future service delivery. A draft Business Plan is in place awaiting to be approved by senior management at Bradford and Wakefield.

3.2 Joint working with Wakefield was developed further in 2015/16 with Wakefield's Computer Auditor working on a part time basis with Bradford. The two Councils have also entered into a Service Level Agreement to jointly deliver Corporate Fraud Investigations. In 2017/18, as in 2016/17, the Internal Audit Plans for both councils will be shared and the Audit Managers will look to jointly develop work programmes and for expertise in specific audit services to be enhanced.

#### **4. MK INSIGHT**

- 4.1 One of the barriers to joint working between Bradford and Wakefield has been that both services use different processes for conducting audits and managing the Internal Audit plan. In order to reduce this barrier, Bradford Council's Internal Audit Service purchased 10 Licences for MK Insight at the end of 2015/16. MK Insight is an integrated Internal Audit ICT package which delivers a complete range of Internal Audit functionality from planning, to reporting including time recording and working paper preparation. This will replace the collection of manual and Microsoft based documents and out of date in house packages currently operated by Bradford Council. As Wakefield Council also uses MK Insight this will facilitate the opportunity for increased joint working between the two Councils' Internal Audit Services and also enable agile working by Bradford's Internal Audit Team.
- 4.2 Following a period of training and development MK Insight started to be used by the Internal Audit Team in January 2017, is to become fully operational in 2017/18 and is to be used to produce and deliver the 2017/18 audit plan. It is estimated that the implementation of MK Insight will take up approximately 90 resource days in 2017/18.

#### **5. RESOURCES AVAILABLE**

- 5.1 The total net resources available to Internal Audit are 1,877 person days (7.2 FTE) which is the same as the resources available in 2016/17. There are currently no further staffing changes planned to the Internal Audit establishment in 2017/18.

#### **6. INTERNAL AUDIT PLAN SUMMARY 2017/18**

- 6.1 The Internal Audit Plan details the work planned for the 2017/18 financial year. The plan demonstrates that Internal Audit's resources are managed effectively and that the coverage is appropriate to allow the Head of Internal Audit, Insurance, Information Governance and Risk to gain sufficient evidence to be able to form an opinion on the internal control systems of the Council that it has reviewed.
- 6.2 This 2017/18 Internal Audit Plan is the third year of a three year plan that was designed to cover 2015/16 to 2017/18. The three year plan examined the Council's corporate risk register and the financial flows to ensure that internal audit resources are directed appropriately and that the Council's assurance processes are maintained. The 2017/18 plan is based on this original review but incorporates any known new changes to the council's risk profile and takes into account any work carried forward from 2016/17.
- 6.3 In 2018/19 it is envisaged that a new three year plan will be adopted which, will take into account the new environment and financial envelope the Council will operate in. These changes are likely to be very significant.
- 6.4 The summary of the Internal Audit Plan for 2017/18 in person days, by type of audit activity, is shown in Appendix A. The plan initially showed a resourcing gap but has been brought into balance after undertaking a prioritisation process, based on risk, materiality and service knowledge which has seen a number of audits deferred into future years, and some removed from the three year plan altogether. A summary of these changes is given in Appendix D.
- 6.5 It should be noted that whilst the audit plan is now balanced, some of the deferred audits, which relate to significant risks, would have been performed in 2017/18 if Internal Audit had sufficient capacity.

- 6.6 The resources available to Internal Audit are the same as last year, which after three years of experiencing a resource gap, caused by the unplanned reduction of 3 FTEs in 2014/15, are now in line with the expected capacity forecasted in the original three year plan. There are no planned changes to the Service's structure during the 2017/18 financial year.
- 6.7 Performance against the plan is expected to be very challenging in 2017/18, as the balanced plan gives the Service very limited capacity to absorb unforeseen audit issues and unplanned work, without it affecting the delivery of planned core audit work. Over the last four years the number of audit reports produced by the team has halved from 160 in 2013/14 to approximately 80 reports per annum.
- 6.8 During the year progress against the audit plan will be regularly monitored to ensure that audit resources are efficiently and effectively deployed. The performance will be reported to the Governance and Audit Committee in the Internal Audit Half Year Monitoring Statement in November 2017 and in the Annual Audit Report in June/July 2018.
- 6.9 The majority of assignments will be completed during the year but as is normal working practice some will inevitably be finalised in the following financial year. The annual plan may change during the year, subject to capacity constraints, to reflect any significant events or new risks that occur through the year.

## **7 BREAKDOWN OF AUDIT ACTIVITY**

The following sections provide a breakdown of the major productive areas covered in the Internal Audit Plan, by audit activity type, together with an indication of some of the key considerations in each area.

### **7.1 Service Assurance Based Internal Audit Activity**

Previous years' plans were focused on financial issues however PSIAS require Internal Audit to take a broader view on the Council's business risks and objectives. In order to facilitate this, it was agreed that Internal Audit would review the control environment supporting the Council's Corporate risks. An assurance mapping exercise was performed on the Council's Corporate risk register to identify the possible work Internal Audit could complete to benefit the Council. This was used to produce a new three year audit plan.

The 2017/18 audit plan looks to provide a broader view of audit coverage, as there is provision in the plan to perform audits that will look at controls which focus on organisational rather than financial issues. These audits will, on a cyclical basis, focus on providing assurance regarding the risk management of a sample of the corporate risks as stated in the Corporate Risk Register. In 2017/18 Internal Audit is planning to review three strategic risks: Governance Resilience; Safeguarding Children; and Regeneration and Investment attraction into the District.

In addition, the audit plan will look to deliver more service assurance based internal audit activity than in previous years. These are included within the significant systems area of the plan, see Appendix C.

### **7.2 Fundamental Financial Systems**

The work undertaken by Internal Audit helps the Strategic Director of Corporate Services and External Audit to fulfil their statutory responsibilities. Fundamental financial systems are those systems that have a material impact on the Council's accounts, for example

Council Tax. These audits ensure that there are adequate controls to support the Annual Governance Statement and influence the level of External Audit testing.

Appendix A shows that a total of 307 days has been allocated to fundamental financial systems work for 2017/18. This is an increase of 5% on the 292 days allocated in 2016/17.

The approach to auditing fundamental financial systems was changed in 2015/16 due to the reduction in resources. The approach now only centres on in depth auditing, on a three year cycle, of the controls operating within an element of the fundamental financial systems. This is the prime basis of the Head of Internal Audit, Insurance, Information Governance and Risk's assurance statement. The previously performed annual high level review of key risk and controls within each identified fundamental system will no longer be performed.

Details of the fundamental financial systems planned coverage for 2017/18 are shown in Appendix B.

### **7.3 Significant Systems**

The audit risk assessment identifies all the significant audit risks. The work on significant systems of the Council, which are operational within Services, supports the assurance statement on the internal control systems of the Council. On a three year cycle, Internal Audit aims to cover most of the Council's significant systems.

Details of the planned 3 year coverage of core significant departmental systems is shown in Appendix C. This also includes new systems that are financially significant, as highlighted through the assurance mapping exercise and issues raised by senior management.

Appendix A shows that 413 days has been allocated to significant systems work for 2017/18, which is an increase of 27% on the 324 days allocated in 2016/17.

The principal reason for this increase in planned significant systems work is Internal Audit's response to the procurement issues that were identified in 2016/17.

### **7.4 School Audits**

Schools operate under delegated financial and governance arrangements and have responsibility for significant levels of resources. The audit plan each year includes time for the review of the systems within schools and providing advice to schools.

Each year audits are undertaken at a number of individual schools deemed higher risk due, for example, to the level of support they need from the School Funding Team or significant changes at the school. These audits assess the mitigation of risks at the school across seven key areas. The 2017/18 plan includes capacity to perform eight school audits during the year, which are two school audits less than in 2016/17 due to resourcing issues within the audit team and the increasing number of academy conversions. The position regarding academy conversions will continue to be monitored throughout 2017/18 to ensure audit resources are focussed appropriately in the context of this changing landscape.

In addition, there is an allocation of time to perform a themed review of procurement across maintained schools. This is in response to poor procurement practices that have been identified in schools.

Further, there is an allocation of time relating to the Schools Financial Value Standard, (SFVS), an Education Funding Agency initiative consisting of 25 questions which School Governing Bodies must discuss annually with their Heads and Senior Staff. All maintained schools, except those that meet certain exception criteria, are required to complete an annual SFVS assessment and return it to the Council by the 31 March.

The SFVS also places a requirement on the Strategic Director of Corporate Services to have in place a system of audit for schools which gives adequate assurance over their standards of financial management and to take into account the SFVS returns when setting the audit plan for schools. This must be declared within an annual position statement which also details the number of schools carrying out the self assessment. There is an allocation of time within the plan for analysis of the assessments in order to inform the audit plan and the Strategic Director of Corporate Service's position statement.

Completion of the SFVS is the responsibility of individual schools, however there is an allocation of time in the audit plan to provide schools with training on the completion of their SFVS assessments. The aim of the training is to equip Governing Bodies with the skills needed to produce a good quality SFVS assessment by ensuring that effective financial management is in place in school. This has proved to be an effective use of audit resources as good practice on financial management principles can be disseminated to many schools during one training session. Positive feedback has also been received from delegates on the training delivered to date.

Appendix A shows that the number of resources allocated to schools work for 2017/18 is 147 days, which is a decrease of 14% on the 171 days allocated in 2016/17.

## **7.5 Computer Audit**

A total of 60 days has been allocated to computer audit in 2017/18, which is consistent with the days allocated in 2016/17 and is to be delivered entirely through the computer audit services bought in from Wakefield Council. In 2017/18 Internal Audit's planned computer audit coverage relates to Accreditation and Standards, and Systems & Technical.

## **7.6 Grants**

There are no significant differences in the number of grants and funding streams known to require certification in 2017/18 compared to 2016/17, although, as in previous years there is always potential for Internal Audit to receive notification of new grant certifications during the year.

Grant work has been allocated 70 days within the 2017/18 plan to complete the certifications listed below.

Cycle City Ambition Grant 2016/17  
Disabled Facilities Grant 2016/17  
Families First Funding  
Highways Challenge Fund Grant 2016/17  
Local Authority Bus Subsidy Grant 2016/17  
Highway Flood Recovery Grant 2016/17  
PE & Sport Grant 2016/17  
WCA Local Transport Block Funding 2016/17  
West Yorkshire Plus Transport Fund 2016/17

## **7.7 Follow Up Audits**

The Chief Executive and Strategic Directors have responsibility, in accordance with Financial Regulations, to ensure that agreed action on Internal Audit report recommendations has been implemented; and on an annual basis Internal Audit seek written confirmation of the level of progress of implementation.

In addition, a sample of follow up audits are carried out to confirm that actual progress is in line with that stated.

During 2017/18 Internal Audit will look to enhance the way in which recommendations are monitored with the aim of encouraging more timely implementation of recommendations and improving the accuracy of the annual Director's sign off.

Appendix A shows that the number of resources allocated to follow ups in 2017/18 is 55 days, which is a significant reduction from the 2016/17 allocation of 93 days, due to the number of high priority recommendations requiring following up reducing, as a consequence of fewer audits being performed than in prior years.

## **7.8 Advice & Controls Awareness**

Advisory and control awareness work is mainly demand led and includes advice on system design. This has been allocated 66 days in 2017/18, which is consistent with the 2016/17 allocation of 64 days.

## **7.9 Audits Deferred and Deleted from the 2017/18 Plan**

Details of the audits deferred and deleted from the initial Internal Audit Plan 2017/18 to match the level of available resources is shown in Appendix D. The appendix shows the rationale for their removal and also includes those audits that were originally planned in the 3 year plan for 2017/18 that will now be deferred to 2018-19, or are not planned to be performed at all.

## **8. West Yorkshire Pension Fund (WYPF)**

The WYPF Internal Audit Plan (see Appendix E) is for 170 days commissioned work that is split between investments and the administration of pensions. The volume and value of transactions is used to initially determine the frequency of an audit and necessitates that some of the key financial systems are reviewed more frequently than others. Consideration is also given to the significance of previous recommendations made, new legislation, new systems and the Director's priorities. The timing or frequency of an audit may change if a system is changed or Internal Audit is asked to bring forward a specific audit or has specific concerns. If new systems are introduced these will be prioritised to be audited once the system is embedded.

WYPF have written to Internal Audit in March 2017 expressing that they would like to significantly increase the number of internal audits days commissioned annually by up to 50% in future. This increase is expected to come into effect during 2017/18 subject to Internal Audit securing additional resources.

## **Investments**

Equities are audited every year due to the value of the investments, (69.1% of WYPF's market value at 31.12.15). In addition, at least one of the other asset classes is also audited. The choice of additional asset class to be audited each year depends on the value of asset class, changing investment priorities, the Director's view and whether there is a new area of investment activity.

Treasury Management is currently being audited on an annual basis following the banking crisis and the increased risk to cash holdings. The Financial Controller has also requested that we carry out a Quality Check on the WYPF statement of accounts on an annual basis.

## **Pensions**

Ensuring that New Pensions and Lumps Sums are correctly calculated and paid is crucial to the success of the system because all future payments are based on this calculation. Therefore this area is audited annually, using a different pensioner type each year.

|

Transfers Out is audited every three years, whilst AVC Arrangements are audited every five years. Reimbursement of Agency Payments is to be audited in 2017/18 which will include the arrangement with Lincolnshire Pension Fund.

All of the other pension audits occur at least once in every five years subject to agreement with the Financial Controller.

## **Contingency**

The WYPF Internal Audit Plan also contains a contingency to accommodate requests for additional work during the year.

## INTERNAL AUDIT PLANS FOR 2017/18 AND 2016/17 BY AUDIT ACTIVITY

	2016/17 Plan	2017-18 Plan
	2016-17	2017-18
Full Time Equivalents	7.2	7.2
	Days	Days
Fundamental Financial Systems	292	307
Significant Systems including corporate risks	324	413
Schools	171	147
Computer Audit	60	60
Grants	65	70
Follow-up Audits	93	55
Probity Audits	0	0
Advice & Control Awareness	64	66
West Yorkshire Pension Fund Administration	171	170
Management: Plan Delivery	96	93
Management: Technical	107	141
Training	21	22
MK Insight	60	45
Management and Overheads	150	88
Non-BMDC Audit	184	194
Contingency Provision	15	6
<b>TOTAL PRODUCTIVE TIME</b>	<b>1873</b>	<b>1877</b>



## FUNDAMENTAL SYSTEMS – 2017/18 PLANNED COVERAGE

<b>Accounts Receivable</b>	Enforcement (all revenue streams)
<b>Benefits</b>	Payments
<b>Cash, Banking, Investments and Loans</b>	Investments and Loans
<b>Capital</b>	Capital Schemes
<b>Council Tax / NNDR</b>	Enforcement (all revenue streams)
	Valuation/Billing/Liability
<b>Human Resources</b>	HRplus
<b>Payroll</b>	Certification of Pension Contributions
	Payroll Processing
	Statutory Payments (Maternity etc)
<b>Procurement</b>	Compliance with Corporate Contracts & Frameworks
	Contract Management Review

## CORE DEPARTMENT SYSTEMS INCLUDING SCHOOLS – 2017/18 PLANNED COVERAGE

<b>Childrens' Services</b>	ContrOCC & Liquidlogic
	Looked After Children & Care Leavers
	OLA's and Private Providers
	SEN Placements
	Transitional Planning (cross cutting with Adults)
<b>Corporate Services</b>	Budget Savings
	Grants certification
	Grants to Voluntary Organisations
	Insurance
<b>Health &amp; Wellbeing</b>	Commissioned Care – Nursing, Residential & Respite
	ContrOCC & System One
	Public Health Contracts/Service Delivery
	Transitional Planning
<b>Place</b>	s106 and Community Infrastructure Levy
	Transport incl vehicle repairs and maintenance, fuel recharge – has links with (school) transport review
	Waste Management (£13.2m exp in 14/15)
<b>Schools</b>	Financial Control & Governance Reviews
	Procurement
	SFVS Assessment
	Sixth Form Funding

## AUDITS DEFERRED FROM THE 2017/18 PLAN (AND 2016/17 PLAN)

### 1. Deferrals - 2017/18 Plan

Audit	Deferred To	Rationale
BACES	19-20	Audited in 15-16
Early Years	19-20	Audited in 15-16
Demographic Change	18-19	Equalising Corporate risk coverage
Trade Refuse and Recycling Income	18-19	Capacity reasons/reprioritising
Maintenance of Cohesive Communities	18-19	Capacity reasons/equalising audit plan
Partnership Delivery Strategic Risk	19-20	Capacity reasons/equalising audit plan
Public Health Priorities	19-20	Capacity reasons/equalising audit plan
Accounts Receivable invoicing	19-20	Capacity reasons/reprioritising
Payroll Expenses/Allowances	19-20	Capacity reasons/reprioritising
Capital accounting	19-20	Low risk
Self Directed Support (Adults)	19-20	Low risk, ongoing support is already being provided
Assisted Purchase Scheme	18-19	Low risk
Discretionary Benefits	18-19	Low risk
Data Quality/Performance Management	19-20	Capacity reasons/reprioritising
Music & Arts Service	19-20	Low risk
Building Maintenance	18-19	Capacity reasons/reprioritising
Corporate Fraud	19-20	Low risk
Members' Allowances	18-19	Low risk
School Catering	18-19	Capacity reasons/reprioritising
Civil Enforcement Parking/Fines & Summonses	18-19	Capacity reasons/reprioritising
Theatre Ticket Charges & Admissions	19-20	Capacity reasons/reprioritising
Bank reconciliation/unallocated cash	18-19	Reduce audit coverage, previously audited annually and no issues, External Audit also review annually

### 2. Deferrals - 2016/17 Plan

A total of 23 audits were deferred from the 16/17 Audit Plan, reducing approx. 400 days from the Plan to match to available resources. The details of 12 deferred audits were reported to Governance and Audit Committee on 15 April 2016 in the Audit Plan, and of a further 5 deferred audits, on 1 December 2016 in the Half Year Monitoring Report.

The remaining 6 deferred audits from the 16/17 Plan are listed here for completeness.

Audit	Deferred To	Rationale
Grants to Voluntary Organisations	17-18	Capacity reasons/coverage provided by Keighley Youth Services Review
Capital accounting - Highways Infrastructure Revaluation	17-18	The audit requirements to this accounting change not yet determined*
Revenue Enforcement	17-18	Capacity reasons/equalising audit plan
Payroll expenses and allowances	17-18	Capacity reasons/equalising audit plan
Transitional Planning	17-18	Capacity reasons/organisational change
Regeneration & investment into District: Strategic risk	17-18	Capacity reasons/equalising Regeneration's audit plan
Payment of Foster Allowances	18-19	Capacity reasons/organisational change

\* It has been recently announced that this revaluation will not now take place

WYPF Plan 2017/18 to 2019/20			
	2017/18	2018/19	2019/20
<b>Pensions Administration</b>			
Admission of New Bodies			X
Annual Benefit Statements			X
AVC arrangements	X		
Life Certificates			
Local Government Scheme Contributions		X	
New Pensions and Lump Sums – Death in Service, Post Retirement & Dependent Benefits			
New Pensions and Lump Sums – Deferred Pensions	X		
New Pension and Lump Sums - Fire Service		X	
New Pension and Lump Sums – Flexible Retirements			
New Pensions and Lump Sums – Ill Health Pensions		X	
New Pensions and Lump Sum – Normal and Early Retirements			X
Pensioners Payroll		X	
Purchase of Additional Pension			
Reimbursement of Agency Payments	X		
Transfers In			X
Transfers Out	X		
WYPF ICT			
<b>Investments</b>			
Annual Accounts Verification	X	X	X
Compliance with the IAP Panel's Investment Decisions/Policies			
Direct Property			X
Equities	X	X	X
Foreign Unit Trusts (Property and Other)			X
Fund of Hedge Funds			
Global Bonds		X	
Stock Lending	X		
Treasury Management (Short term Lending)	X	X	X
UK and Overseas Private Equities		X	
UK Fixed and Index Linked Public and Corporate Bonds	X		X
UK Unit Trusts (Property and Other)	X		
Verification of Assets	X		

## Report of the City Solicitor to the meeting of the Governance and Audit Committee to be held on 25 April 2017

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**Subject:**

**AN**

**Amendments to the Constitution**

### **Summary statement:**

This report provides members with details of the annual review of the Financial Regulations and Contracts Standing Orders Sections of the Council's Constitution and makes recommendations for their amendment.

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**Portfolio:**

**Leader  
Overview & Scrutiny Area:**

**Corporate**



## **1. Summary**

- 1.1 This report provides members with details of the annual review of the Financial Regulations and Contracts Standing Orders Sections of the Council's Constitution and makes recommendations for their amendment.

## **2. Background**

- 2.1. During the municipal year 2016/17, Finance Officers have undertaken their annual review of Financial Regulations to ensure they properly reflect appropriate governance procedures for the Council. This report sets out the proposals for amendments to deliver those changes and improvements. The Committee is asked to consider the proposed amendments to the Constitution for recommendation to Council for formal approval on the 16 May 2017 and seeks delegated authority to the City Solicitor to implement the proposed amendments.

## **3. Amendments to the Financial Sections of the Constitution**

- 3.1 There are a number of changes to Financial Regulations. Below is a list of the main changes.
- a) The role of Section 151 Officer is now held by the Strategic Director of Corporate Services. These changes have already been reflected in Financial Regulations
  - b) An Alternative Delivery Model Steering Group has been established within the Department of Corporate Services. This reviews the processes, arrangements and safeguards supporting the transfer of existing services from Council control. A new financial regulation has been prepared which requires the group to be consulted when there are proposals for transferring services.
  - c) Financial Regulations now refer to the need for payments to staff to comply with IR35 to ensure appropriate reporting to the inland revenue occurs.
  - d) The need for all officers to undertake Information Governance training annually is incorporated into the regulations
  - e) As the use of cheques has reduced significantly the requirement for Financial Regulation 35 has diminished and has been removed entirely.

These have been annotated on Appendix 1, which highlights the changes to financial regulations.

- 3.2 Contract Standing Orders were substantially re-written in 2015 following the publication of new public contract regulations in February 2015. A relatively small number of amendments are now proposed to improve clarity on the policy and procedures for both procurement and contracting. Other than general formatting and simplifications below is a list of the main changes that are proposed:

- a) Within the definitions re-introduction of an 'Appropriate Officer' and removal of the 'Chief Officer' role; so that Contracts Standing Orders are consistent with the Council's Financial Regulations

- b) In line with the Council's senior management re-structure removal of references to the post Assistant Director of Commissioning and Procurement, replacing this with the Assistant Director of Finance and Procurement.
- c) Requiring that the use of any pre-qualification or selection criteria, used in short listing organisation eligible to bid for Council contracts follow mandatory guidance issued by the Secretary of State.
- d) Clarifying the choice between open tender adverts using Contracts Finder, or seeking quotes for contracts estimated to be valued between £25k and £100k.
- e) Requiring the use of an Exception to Competition Requirement to be undertaken by the Authorised Officer in consultation with the Assistant Director of Finance and Procurement.
- f) Requiring the Authorised Officer to follow an escalation process should outturn contractual costs exceed estimated costs by either less than 25%, 25% to 50%, or by more than 50%
- g) Including adherence to IR35 and CIS legislation for instances including; consultancy work, self employment, personal service companies, limited companies substantially owned by a Director and CIS register building contractors.

The aim is to improve overall control of procurement so that the law is followed, value for money obtained and exceptions are properly authorised. The effect of these on contract standing orders is shown as tracked changes in Appendix 2

#### **4. Financial and Resource Appraisal**

- 4.1 The resources required to amend the Constitution can be met from existing provision.

#### **5. Legal Appraisal**

- 5.1 Article 17 of the Constitution requires the Monitoring Officer to take steps to make himself/herself aware of the strengths and weaknesses of the Constitution and make recommendations for improvement.
- 5.2 The review and development of the Constitution is undertaken in compliance with the provisions of the Local Government Act 2000, regulations and guidance made and issued under the Act.

#### **6. Other implications**

- 6.1 There are no equal rights, sustainability, community safety, Human Rights Act or trade union implications of this report.

#### **7. Not for publication documents**

- 7.1 None

## **8. Recommendations**

- 8.1 That the Governance and Audit Committee consider the proposed amendments to the Constitution listed in Appendices 1 and 2 attached to this report and consider which, if any, should be recommended to Council for adoption and implementation.
- 8.2 That the City Solicitor reports any recommendations to Council and ensures the agreed amendments are implemented.
- 8.3 That the City Solicitor be granted delegated authority to make consequential amendments to the Constitution as a result of the recommendations approved by Full Council.

## **12. Appendices**

Appendix 1 - Draft amendments to Financial Regulations.

Appendix 2 - Draft amendments to Contract Standing Orders.



## Appendix 1

### PART 3F Financial Regulations

#### GENERAL

#### 1 Application

- 1.1 These Financial Regulations are made in accordance with the provisions of section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2003 and subsequent amendments to provide for the proper administration of the Council's financial affairs. The Strategic Director Corporate Services has overall responsibility for this administration. More detailed guidance is contained in Financial Advice Notes and other procedures issued by the Strategic Director Corporate Services.
- 1.2 In these Financial Regulations "Appropriate Officer" means the Chief Executive, Strategic Directors, Directors, City Solicitor or any other officer designated by resolution of the Executive.
- 1.3 In these Financial Regulations "Appropriate Member" for the purposes of paragraph 16.4.2 means the portfolio holder for the service area required to comply with the Financial Regulations and the Ward members where the proposed expenditure has implications for a specific Ward.
- 1.4 These Regulations state the principles of financial control and administration, which must be followed by all officers of the Council. Failure to comply with these Financial Regulations may result in disciplinary action against the officer(s) concerned. Appropriate Officers must certify annually their compliance with internal controls.
- 1.5 In applying these Financial Regulations, all officers shall have regard to the duty of Best Value under the Local Government Act 1999.
- 1.6 The Governance and Audit Committee may alter these Financial Regulations on the recommendation of the Strategic Director Corporate Services.
- 1.7 The Strategic Director Corporate Services may allow specific exceptions to these Financial Regulations where in his/her opinion it is in the Council's interest. The Strategic Director Corporate Services must keep a record of these exceptions and report these to the Governance and Audit Committee on an annual basis.
- 1.8 The Strategic Director Corporate Services can alter the financial limits in these regulations because of changes in the value of money. S/he must report any alterations to the next meeting of the Governance and Audit Committee.
- 1.9 All amounts quoted in these Financial Regulations refer to values excluding Value Added Tax.

- 1.10 In applying these Financial Regulations, all officers shall comply with the Budget and Policy Framework Procedure Rules set out in Part 3C of the Constitution and implement the specific further requirements and best practice advice provided by the Strategic Director Corporate Services.

## **FINANCIAL CONTROLS AND PROCEDURES**

### **2 Accounting Control**

- 2.1 The Strategic Director Corporate Services is responsible for approving and controlling the Council-wide accounting and financial systems. Appropriate Officers must comply with these accounting and financial systems.

### **3 Audit Arrangements**

- 3.1 The Strategic Director Corporate Services must monitor, review and report on:
- 3.1.1 The soundness and adequacy of financial management control systems and how they are implemented.
  - 3.1.2 How far established policies, plans and procedures are complied with and the financial effect.
  - 3.1.3 How far assets, resources and interests are accounted for and safeguarded from losses due to fraudulent offences, waste, extravagance and inefficiency.
- 3.2 S/he can visit all premises to see cash, stores and other property. S/he has access to any documents and all other data sources s/he thinks necessary. S/he can ask any officer for any information and explanations s/he thinks necessary and may produce a report. The officer concerned then has two months to respond to the report detailing the intended action to be taken on the report's recommendations. The Appropriate Officers are responsible for appropriate procedures being in place to ensure that the intended action has been implemented. The Strategic Director Corporate Services must take to the Governance and Audit Committee the Annual Internal Audit Plan, the Annual Internal Audit Report and any other report relevant to Internal Audit. The Strategic Director Corporate Services must inform the Governance and Audit Committee every year about any replies to reports which are still outstanding.
- 3.3 If any officer suspects or knows of any losses or irregularities concerning cash, property, stores or other financial matters s/he must inform the Corporate Fraud Unit at once and discuss action to take. The Strategic Director Corporate Services must report serious losses and irregularities to the Governance and Audit Committee.

### **4 Statement of Accounts**

- 4.1 Each year the Strategic Director Corporate Services must produce to the Executive an outturn report for the previous financial year showing income and expenditure on both capital and revenue account compared against estimates.
- 4.2 Each year the Strategic Director Corporate Services must produce the Council's Statement of Accounts (which shall include the Annual Governance Statement) and submit them to the Governance and Audit Committee.

## **5 Payments to Staff**

- 5.1 Appropriate Officers are responsible for arrangements for paying employees in accordance with rules issued and systems established by the Strategic Director Corporate Services. [Payments to staff must comply with IR35.](#)
- 5.2 The Appropriate Officer is responsible for the accuracy of all information passed to the Strategic Director Corporate Services that is used for making payments to staff and the Strategic Director Corporate Services is responsible for the accuracy of payments made in accordance with information received.
- 5.3 Appropriate Officers or their nominees should maintain an up to date signatory list of all officers approved by them to manually authorise all payroll and related documents.
- 5.4 Appropriate Officers or their nominees should authorise staff who can have Chief Position status on MSS. Only staff with Chief Position status can authorise electronic payroll and related documents including starters and leavers for their staff.

## **6 Banking Arrangements**

- 6.1 The Strategic Director Corporate Services controls the Council's bank and giro accounts and is responsible for all procedures.
- 6.2 All cheques, giros, promissory notes and any other financial instruments and other orders for payment can be signed only by the Strategic Director Corporate Services or other officers authorised by her/him.

## **7 Borrowing and Credit Arrangements**

- 7.1 The Chief Executive and Strategic Director Corporate Services exclusively can negotiate loans to the Council.
- 7.2 Appropriate Officers must consult the Strategic Director Corporate Services before entering into any property lease, finance lease or other contract for the use of an asset which may be deemed a credit arrangement and controlled under Sections 7 and 8 of the Local Government Act 2003.

## **8 Investments**

- 8.1 The Chief Executive and Strategic Director Corporate Services exclusively can make investments. S/he must put them under the name of the Council and/or the appropriate Trust Fund. Investments can include loans made, to for profit and not for profit organisations providing the purpose of the loan is consistent with the Council's priorities.

## **9 Treasury Management**

- 9.1 The Treasury Management function shall be carried out by the Strategic Director Corporate Services in accordance with the Code of Practice on Treasury Management in the Public Service produced by CIPFA and in accordance with the Treasury Policy Statement and Treasury Management Practices/Schedules approved by the Governance and Audit Committee.
- 9.2 All Council money (excluding cash controlled by schools under delegated budgets) shall be under the control of the Strategic Director Corporate Services.
- 9.3 All operational decisions on borrowing, investment or financing (except for schools under delegated budgets) shall be made by the Strategic Director Corporate Services or officers nominated under the Scheme of Delegation contained in the Treasury Management Practices/Schedules.
- 9.4 Each year the Strategic Director Corporate Services shall present to Governance and Audit Committee the following reports on Treasury:
- 9.4.1 A Treasury Strategy for Borrowing and Annual Investment Strategy which subsequently will also be presented to Council.
- 9.4.2 An Annual Investment Report on Treasury for the preceding year

## **10 Value Added Tax**

- 10.1 Appropriate Officers must fully consider and take into account the VAT implications of all policy decisions.
- 10.2 Where a capital project is proposed which involves expenditure in any of the VAT exempt activity areas Appropriate Officers must:
- 10.2.1 Ensure that the VAT implications are taken into account during the planning stage.
- 10.2.2 Liaise with the Strategic Director Corporate Services on any capital proposals which may have exempt implications; and

10.2.3 Ensure that any report to members states that the VAT exempt implications have been considered within the financial implications section of the report.

10.3 Any proposal to change the method by which a service is provided should be notified to the Strategic Director Corporate Services.

## **11 Partnerships, Joint Ventures and Companies in which the Council is a Guarantor or has a Share Holding Interest**

11.1 Where it is proposed that the Council be involved in a partnership arrangement or a joint venture or where the Council is to be a guarantor of a company limited by guarantee or a shareholder of a company, the Appropriate Officer shall first consult with the Strategic Director Corporate Services and City Solicitor on the proposals, and shall agree arrangements to provide for the effective monitoring in each case of the arrangement, Joint Venture or company operation.

[11.2 All proposals for the transfer of in house services to an external provider must be considered by the Alternative Delivery Model Steering Group to ensure adequate safeguards are in place.](#)

11.23 This Regulation does not apply to investments under Regulation 9 or pension fund investments under Regulation 34.

## **PROCUREMENT OF GOODS, WORKS AND SERVICES**

### **12 Contract Standing Orders**

12.1 Any officer of the Council who is either responsible for, or undertakes, procurement of goods, works and services on behalf of the Council, or behalf of any other body for whom the Council acts, must follow the procurement regulations set out in the Council's Contract Standing Orders.

## **EXPENDITURE REQUIREMENTS**

### **13 Expenditure Limits**

13.1 Appropriate Officers may spend up to the total budgeted resources for their services in the most efficient and cost effective manner and deploy those resources flexibly in order to meet the objectives and policies for those services as approved in the Council's budget and policy framework, provided that:

13.1.1 Budget for capital charges and/or statutory charges may not be vired for other purposes.

- 13.1.2 Portfolio holders are consulted before the Appropriate Officer transfers resources under their delegated control but between Portfolio Holders' remits.
- 13.1.3 Requests for virement of revenue over £100,000 from the control of one Appropriate Officer to another are to be approved by Council unless agreed by all three leaders of the three largest political groups represented on the Council.
- 13.2 Where a request for virement of revenue over £100,000 is approved in accordance with Standing Order 13.1.3 above the officer seeking approval will notify all elected members of Council of that approval within 5 working days.
- 13.3 The Strategic Director Corporate Services will report all approvals given under Standing Order 13.1.3 to the Executive, as part of the Quarterly Financial Report.
- 13.4 Appropriate Officers are responsible for all expenditure incurred.
- 13.5 Appropriate Officers may make variations within their total budget but where any such variations will have a financial impact on another Council department they must consult with the department concerned.
- 13.6 Appropriate Officers shall not incur expenditure beyond the total budgeted provision, nor make commitments or variations in staffing levels which would lead to increases in expenditure in future years beyond approved limits. Appropriate Officers must inform the Strategic Director Corporate Services immediately if it appears to them that the total expenditure incurred by their services (including expenditure they propose to incur) is likely to exceed the approved budget.

## **14 Better Use of Budget**

- 14.1 In order for Appropriate Officers to manage their budgets more effectively, they may:
  - 14.1.1 Underspend their allocation and carry the balance forward to the following year, or,
  - 14.1.2 Overspend their allocation and deduct the amount overspent from the following year's budget, provided that by carrying a balance forward this would not create an overspending in the following year.
- 14.2 Any action taken under paragraph 14.1.1 or 14.1.2 above must be agreed with the Strategic Director Corporate Services.

## **15 Procure to Pay and Miscellaneous Payments**

- 15.1 Appropriate Officers, or their nominees, are responsible for authorising purchases or miscellaneous payments, and should ensure that either of these is necessary

and that there is a budget on the correct financial code to cover such expenditure, before giving approval.

- 15.2 Appropriate Officers should ensure that staff and managers responsible for purchasing goods, services and works are properly trained to follow the procure to pay process and to use SAP Procure to Pay
- 15.3 Officers who have been delegated responsibility for buying goods, services or works as part of their duties, are responsible for following the procure to pay process properly. This includes ensuring that the Council's requirements are clearly articulated to the supplier or contractor (on the purchase order), that expenditure is correctly coded and that contracted suppliers are used where possible.
- 15.4 Appropriate Officers should review and document the access that is given to staff and managers to the SAP Procure to Pay system at least on an annual basis to ensure it is up to date.

## **CAPITAL EXPENDITURE**

### **16 Expenditure Arrangements**

- 16.1 Appropriate Officers shall ensure that the potential effects of capital expenditure on the Council's VAT position are properly considered in accordance with Regulation 10.
- 16.2 All Capital Investment proposals must be supported by a business case approved by both the Project Appraisal Group and the Portfolio Holder. These proposals must be evaluated in terms of value for money risk, deliverability and fit within the overall Capital Programme. Only proposals with approved business cases can be included in the Capital Plan.
- 16.3 Appropriate Officers shall ensure that every scheme involving capital expenditure is approved for inclusion in the Capital Investment Plan before any commitment is made, and in this respect:
  - 16.3.1 Schemes to be financed from an approved revenue budget or to be fully financed from capital grant may be approved by the Strategic Director Corporate Services, and
  - 16.3.2 All schemes other than those approved by the Strategic Director Corporate Services in accordance with 16.3.1 must be agreed by the Project Appraisal Group before submission to the Executive for approval.
- 16.4 Appropriate Officers shall ensure that:
  - 16.4.1 The scheme is designed and specified within the approved costs in the Capital Investment Plan (which will be shown at outturn prices) in consultation with the Strategic Director Corporate Services where appropriate.

- 16.4.2 Appropriate Members are consulted on plans and detailed estimates for schemes over £75,000.
- 16.4.3 Where appropriate, Government or any other source of external funding approvals have been received.
- 16.4.4 The tender to be accepted does not exceed the technical officer's estimate of the tender price (as reflected in the Capital Investment Plan) by more than:
- 16.4.4.1 10% or £100,000, whichever is the lesser, for schemes costing over £75,000.
  - 16.4.4.2 15% or £7,500, whichever is the lesser for schemes costing £75,000 and below.
- 16.5 Appropriate Officers shall ensure compliance with all current policies on capital expenditure including the requirement to refer schemes (excluding schemes that are entirely funded by external grants) to the Executive immediately prior to entering into any completely new commitments. In addition Appropriate Officers shall be responsible for keeping both the appropriate Executive member with portfolio and the Strategic Director Corporate Services advised of schemes; and shall ensure that the resultant revenue consequences of a capital scheme can be financed within their approved revenue budget.

## **17 Monitoring the Capital Investment Plan**

- 17.1 Each Appropriate Officer must ensure that annual spending on capital schemes does not exceed the approved cost.
- 17.2 Once a scheme has started an Appropriate Officer must report to the Executive at the point at which it becomes apparent that the cost of a capital scheme will exceed the approved figure in the Capital Investment Plan by more than the amounts referred to in 16.4.4.
- 17.3 Additional works to an approved scheme beyond the original scheme proposals exceeding the approved figure in the Capital Investment Plan may only be authorised by the Executive.
- 17.4 Where the approved cost of schemes is reliant on funding from specific resources such as supplementary credit approvals and grants, Appropriate Officers must secure the funding before entering into commitments.
- 17.5 Capital expenditure and funding form part of the financial monitoring reports prepared for the Executive which must include the benefits of investment. Each Appropriate Officer will monitor capital spending and resources and provide information in accordance with the timetable and guidelines issued by the Strategic Director Corporate Services.



## INCOME REQUIREMENTS

### 18 Income Arrangements

- 18.1 When the authority provides goods or discretionary services to bodies or individuals external to the Council, Appropriate Officers must ensure
- 18.1.1 A sound business case is established
  - 18.1.2 The Council has legal authority to carry out the service
  - 18.1.3 All relevant financial, employment and legal aspects have been properly considered and
  - 18.1.4 The Council is not exposed to unreasonable or disproportionate financial or other risk
- 18.2 Appropriate Officers are responsible for arrangements for the collection, receipt, recording, banking and safe-keeping of all Council income in accordance with rules issued by the Strategic Director Corporate Services.
- 18.3 Appropriate Officers are responsible for all arrangements for credit facilities and accounting for doubtful debts in accordance with rules issued by the Strategic Director Corporate Services. The Council's Accounts Receivable System must be used for the recording and collection of credit income due and the recovery of all outstanding debt unless other arrangements have been agreed with the Strategic Director Corporate Services. Arrangements whereby customers self-bill should not be entered into.
- 18.4 All contracts where the Council agrees to provide a service for a fee must be in writing and state the services to be provided, the price to be paid, the payment agreement and the time within which the contract is to be performed.
- 18.5 Credit notes must only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt and once it is confirmed that the debt is not payable. Credit notes must be approved by the relevant Appropriate Officer or their nominated Senior Officers before they are raised.
- 18.6 The Strategic Director Corporate Services must approve the writing-off of debts and other losses except where s/he has specified the level of small value debts below £100 for which Appropriate Officers can give approval. S/he may also nominate senior officers within his/her department to approve write-offs.

## **19 Prevention of Money Laundering**

- 19.1 In accordance with the Money Laundering Regulations 2007, the Council will not accept cash payments in excess of €15,000. For practical purposes, this limit is set at £9,000 subject to Financial Regulation 1.8.
- 19.2 All officers must adhere to guidance issued by the Strategic Director Corporate Services on compliance with Money Laundering Regulations

## **20 Review of Fees, Charges and Concessions**

- 20.1 The introduction of any fee, charge or concession, or removal of any subsidy must be approved by the Executive unless it is required by legislation or is in accordance with approved policy or strategy.
- 20.2 The Appropriate Officer must review fees charges and concessions annually; including circumstances where there is a legal power to charge but no charge is currently applied.
- 20.3 The annual review must have regard to relevant policies and strategies, cost of service and budget implications and inflation. In particular where there is a requirement for a service to break even or to generate a surplus, the review must have regard to this requirement.
- 20.4 Appropriate Officers may vary fees charges and concessions in line with inflation forecasts stated by the Strategic Director Corporate Services.
- 20.5 Proposed variations to fees, charges and concessions other than in line with inflation forecasts must be referred to the Executive, except that minor variations may be made by the Appropriate Officer after consultation with the appropriate Executive portfolio holder subject to any budgetary consequences being managed within existing service revenue budgets.

## **21 Grant Applications and Claims**

- 21.1 Appropriate Officers are responsible for arrangements for the submission of grant applications to outside agencies, the certification of claims and the proper management of monies received in accordance with the Corporate Standard 3.
- 21.2 The Strategic Director Corporate Services must be informed of all grant applications in excess of £100,000 at the time of application; and the result of all such grant applications as soon as this is known.

## **MANAGEMENT OF ASSETS**

### **22 Asset Register**

- 22.1 The Strategic Director Corporate Services will keep the asset register of the Council and will issue procedures for its maintenance and valuation.
- 22.2 Appropriate Officers must ensure that all assets which are used by or are the responsibility of their services are recorded in accordance with rules laid down by the Strategic Director Corporate Services. Appropriate Officers must supply such information to the Strategic Director Corporate Services as may be required by her/him from time to time.

### **23 Keeping Inventories and Stock Control**

- 23.1 Appropriate Officers must keep inventories of equipment, plant and machinery in accordance with rules issued by the Strategic Director Corporate Services. Inventories must be regularly reviewed and all items physically checked at least annually.
- 23.2 Stock held for re-sale must be valued at the lower of cost or net realisable value. Where valuation on this basis would result in a reduction in the overall carrying value of the range of stock held at a particular establishment of more than 10%, the Strategic Director Corporate Services must be consulted as to the appropriateness of the valuation. Any stock losses should be dealt with under Financial Regulation 3.3.

### **24 Property Marking**

- 24.1 Wherever possible, all portable and/or attractive equipment, plant and machinery that belongs to the Council must be visibly and permanently marked to show that it is the property of Bradford Council. In the case of new equipment the Appropriate Officer must first check to ensure that marking will not invalidate the warranty. Leased items will be marked as such where marking is acceptable to the Lessor.

### **25 Control of Assets**

- 25.1 Appropriate Officers are responsible for the safekeeping and proper use of all Council assets and other resources under their control.

### **26 Private Property**

- 26.1 When an Appropriate Officer has to look after private property s/he must make a complete inventory of the property under her/his custody and make arrangement for its safekeeping.

### **27 Private Funds**

- 27.1 Appropriate Officers must ensure that when an employee because of her/his job has to look after money that does not belong to the Council s/he must keep it separate from the Council's money and make arrangements for its recording and safekeeping.
- 27.2 A private fund can only be set up with the approval of an Appropriate Officer.
- 27.3 Private funds must be audited every year by two independent individuals or one CCAB qualified accountant. Copies of the audited accounts must be sent to the Appropriate Officer.
- 27.4 The Strategic Director Corporate Services can see all records and vouchers for private funds. S/he must be told of any funds which do not comply with all these requirements.

## **28 Land and Buildings**

- 28.1 Appropriate Officers must consult with the Strategic Director Corporate Services before acquiring or disposing of land or buildings by whatever means (purchase, sale, lease, tenancy or licence). The Strategic Director Corporate Services shall ensure compliance with all relevant current legislation, policies and protocols
- 28.2 The Strategic Director Corporate Services shall be consulted on the annual asset disposal plan and will approve all asset disposals before contract exchange.

## **29 Disposal of Assets**

- 29.1 When disposing of any other asset, Appropriate Officers must ensure the Council's Land and Property Disposal Policy and the Community Asset Transfer Policy is followed.

## **INFORMATION MANAGEMENT**

### **30 Computer and Information Management**

- 30.1 Appropriate Officers shall make adequate arrangements for the protection, identification, security, recording and proper use of all:
  - 30.1.1 Computer hardware/software and associated technologies owned by or accessible to the Council.
  - 30.1.2 Council information systems, manual and electronic, including the control of access to premises where information is processed.
- 30.2 Appropriate Officers shall have regard to the provisions of the British Standard Code of Practice for Information Security Management (BS 7799) or any replacement thereof for the time being in force when considering the protection and security of personal, financial, sensitive and confidential information.

- 30.3 All officers must comply with the Council's guidelines relating to the use of computer hardware, software, related technologies, E-mail and the Internet. [All Officers must undertake Information Governance update training annually.](#)

## **INSURANCE ARRANGEMENTS**

### **31 Insurance Cover**

- 31.1 The Strategic Director Corporate Services will arrange all insurance cover and keep a record of details.
- 31.2 Appropriate Officers must immediately tell the Strategic Director Corporate Services about:
- 31.2.1 New risks to be insured.
  - 31.2.2 Alterations to existing insurance cover required.
  - 31.2.3 Insured Assets which have been disposed of.
- 31.3 Each year Appropriate Officers must check that insurance cover is adequate.

### **32 Insurance Claims**

- 32.1 The Appropriate Officer, immediately s/he is aware of any loss, liability or damage which may involve a claim, must notify the Strategic Director Corporate Services who will negotiate and/or arrange settlement in accordance with any insurance arrangements made.

## **PENSION FUND**

### **33 Pension Arrangements**

- 33.1 The Governance and Audit Committee has legal and strategic responsibility for the West Yorkshire Pension Fund. The WYPF Joint Advisory Group and the WYPF Investment Advisory Panel have been established to support and assist the Governance and Audit Committee. All decisions of the Joint Advisory Group and the Investment Advisory Panel are reported to the Governance and Audit Committee.
- 33.2 The Director, West Yorkshire Pension Fund will control the management of the pension function in accordance with pension regulations and legislation, the decisions of the Joint Advisory Group, and the decisions of the Governance and Audit Committee.

- 33.3 The investment of the funds of the West Yorkshire Pension Fund shall be carried out by the Director, West Yorkshire Pension Fund in accordance with investment regulations, the decisions of the Investment Advisory Panel and the decisions of the Governance and Audit Committee. All investments shall be in the name of City of Bradford Metropolitan District Council on behalf of the West Yorkshire Pension Fund.
- 33.4 The Strategic Director Corporate Services is responsible for the preparation of the year end accounts for the West Yorkshire Pension Fund.

## **PUBLIC ACCOUNTABILITY REQUIREMENTS**

### **34 Rules for Officers**

- 34.1 An officer of the Council must not, in connection with her/his office of employment, accept any fee or reward whatsoever other than his/her proper remuneration.
- 34.2 An officer must not receive or give or offer any gift or bribe or personal inducements in connection with the Council's business.
- 34.3 An officer must not use Council property, assets or materials for other than the purposes of the Council. Permission of the Appropriate Officer must be sought for use of Council property, assets and materials for other purposes and such permission may only be given if it can be shown that such use is in the Council's interests.
- 34.4 An officer must not subordinate his/her duty to the Council to his/her private interests or put herself/himself in a position where her/his duty and private interests conflict.
- 34.5 If any officer suspects or knows of any financial loss or irregularity they must inform the Corporate Fraud Unit immediately.
- 34.6 An officer must comply with the Employee Code of Conduct.

### **~~35 Cashing of Cheques~~**

- ~~35.1 The cashing of personal cheques (whether drawn against the Council's bank account or any other) by any officer is prohibited except with the specific approval of the Strategic Director Corporate Services.~~

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## PART 3G Contracts Standing Orders 2016/17

### Definitions

- 'Aggregation' is the combining together of the total contract value from separate contracts where they meet a single requirement for works, goods or services or where a series of contracts within a twelve month period are for the same type of goods or services.
- 'Appropriate Officer' is the Chief Executive, Strategic Directors, Director, City Solicitor or any other officer designated by resolution of the Executive.
- 'Authorised Officer' is any officer permitted by an ~~Chief Officer~~ Appropriate Officer to authorise orders and contracts as per clause 2.4.
- 'Best Value for Money' is the optimum combination of whole life costs, quality and benefits, including economic, environmental and social value to meet the customer's requirement.
- 'Bradford District' is the geographical area administered by the Council.
- 'Call Off' is a separate purchase from an existing framework agreement that creates a binding contract. The framework agreement sets out: terms and conditions, standards and prices although further competition may be permitted. The full EU procurement rules do not apply provided the rules were followed in the setting up of the framework agreement and the contractor(s) on the framework have already met the required technical capability and financial standing to perform the contract.
- ~~'Chief Officer' is the Chief Executive, Strategic Directors, Director, City Solicitor or any other officer designated by resolution of the Executive.~~
- 'Contract' means a formal agreement between the Council and any Contractor made by issue of a letter of acceptance or official order for:
  - the supply of works, goods or services including consultants
  - a call-off from a framework agreement
  - an arrangement where no payment is made but there is financial value to the Contractor e.g. a catering concession

It does not include employment and property contracts or grant agreements.

- 'Contracts Finder' is the government a portal for information on public sector contracts contracts over £10,000 with the government and its agencies <https://online.contractsfinder.businesslink.gov.uk/>
- 'Contract Value' is the total monetary value over its full duration, including any extension options (not the annual value).
- 'Contract and Grant Register' ~~a record of all grants and contracts except one-off purchases under £5,000.~~ the Council's database of all contracts, commissioned activity,

purchase orders, framework agreements, and other legally enforceable agreements with a value exceeding £5,000 and grants of any value.

- ‘Contractor’ an individual or organisation that contracts with the Council to provide works, goods or services.
- ‘Controlled Entities’ a subsidiary company of the Council where the Council exercises control similar to that over its own departments, the subsidiary carries out at least 80% of its activity for the Council and there is no direct participation of private capital.
- ‘Corporate Contract’ is an agreement procured in consultation and for the benefit of more than one Council department. More details can be found on Bradnet <http://intranet.bradford.gov.uk/working-day/corporate-contracts>.
- ‘Council’ means the ~~local authority or~~ City of Bradford Metropolitan District Council.
- ‘DPS or Dynamic Purchasing System’ is an electronic process for commonly used purchases that are generally available and is open throughout the contract period to any new supplier that meets the selection criteria.
- ‘Electronic Auction’ is a process whereby suppliers who have submitted admissible tenders can revise their original prices or values during the period of the auction.
- ‘EU Procurement Rules’ are the Directions and Regulations implemented by the UK to set out the law on public procurement.
- ‘EU Thresholds’ the financial threshold at which the EU Procurement rules are applicable.
  - As of 1<sup>st</sup> January 2016 these are: Works (maintenance and construction) €5,186,000 (£4,104,394) and Services and Supplies €207,000 (£164,176).
  - Social, Health and some other services will have a threshold of €750,000 (£589,148) and a new light touch regime has been introduced.
- ‘Exception to Competition Log’ a record held by the Assistant Director Finance and Procurement of all contracts awarded without competition because the contract meets one or more of the requirements listed in CSO 9.1 ~~a record of all contracts awarded without competition as a result of the contract meeting one of the requirements listed in CSO 10.1 now incorporated as separate fields in the Contract and Grant Register.~~
- ‘Framework Agreement’ an agreement which sets out the terms and conditions under which the Council can make specific purchases (“call-off”) from a Contractor(s) to provide services, goods or works at agreed standards and prices. If the Council calls off services, goods or works from the Contractor then a binding contract comes into place.
- ‘Grant’ for the purposes of these contract standing orders means a formal agreement giving financial assistance to an individual or organisation to assist in meeting its general purpose or objectives but where the specific supply of goods, works or services is not required in return. There may be award criteria, performance targets

and conditions on how the money is spent and Officers should monitor these in accordance with the terms of the grant agreement.

- 'Light touch regime' applies to social, health and some other services as listed in Schedule 3 of the Public Contracts Regulations where a higher threshold applies below which the Council has more freedom on the procurement procedures to apply providing they are sufficient to comply with the principles of transparency and equal treatment of suppliers.
- 'Local Supplier' is any supplier that provides works, goods or services from a location within the Bradford District or where a substantial number of any employees working directly on the contract are resident in the Bradford District.
- 'Officer' means employee(s) of the Council.
- 'OJEU' is the Official Journal of the European Union which is the publication in which all tenders from the public sector above relevant financial thresholds must be published.
- ~~'Procurement Risk Assessment Form' a form which evaluates the overall risk of the procurement by assessing the likely impact of the procurement in terms of key criteria such as: corporate priorities, equalities, community benefits, information security, complexity, timescale, value.~~
- 'Public Service Mutual' an organisation which has left the Council parent body but continues to deliver public services. Mutuals are organisations in which employee control plays a significant role in their operation.
- 'Quotation' a formal written offer to execute works, purchase supplies, or provide services at a stated price of a value less than £100k.
- 'Sheltered workshop' an organisation that employs a proportion of disadvantaged or disabled workers which allows the supplier to be eligible to bid for certain types of contracts which can be specifically reserved to organisations meeting the criteria.
- 'SIRO' Senior Information Risk Owner is the person with overall accountability and responsibility for information governance. Currently the Strategic Director Corporate Services.
- 'Tender' a written offer to supply or purchase goods, execute works or provide services at a stated price of a value more than £100k.
- 'TUPE' means the Transfer of Undertakings (Protection of Employment) Regulations 2006.
- 'Whole Life-Cycle Costs' is an estimate of the total costs of works, goods or services over their life. It is a combination of the purchase price, implementation and operating costs, procurement and contract management costs, disposal costs less any residual value.

- ‘YORtender’ is the procurement portal ~~for the Yorkshire and Humber region used by the Council –(www.yortender.co.uk)– which must be used for obtaining quotes or tenders all contracts over £5,000.~~

## 1 Introduction

- 1.1 The purpose of Contract Standing Orders is to set clear rules by which the Council spends money on works, goods and services. The rules apply to any contract or grant that results in payment being made by the Council.
- 1.2 Public procurement must be undertaken in accordance with principles enshrined in EU and national legislation. The Council must always act to promote competition and to ensure that each procurement is conducted as an open, transparent and fair competition. The Council must avoid practices which may restrict or distort competition.
- 1.3 All amounts quoted in these Standing Orders are exclusive of recoverable VAT.
- 1.4 Any dispute or difference as to the interpretation of these Standing Orders shall be resolved by the City Solicitor.
- 1.5 The Assistant Director ~~Commissioning Finance~~ & Procurement shall undertake a formal review of Contract Standing Orders on an annual basis which will be reported to the Governance and Audit Committee.

## 2 Compliance

- 2.1 Failure to comply with these Contract Standing Orders result in disciplinary action against the officers concerned.

2.2 Every contract made by or on behalf of the Council for works, goods and services and all Council employees engaged to act in any capacity to manage or supervise a contract must comply with:-

- EU Procurement ~~rules where applicable~~ Directives
- All relevant statutory provisions including the Public Contracts Regulations 2015, competition law and Public Services Acts (e.g. Social Value, Care Act 2014)
- The Council’s Constitution including these Standing Orders, the Council’s Financial Regulations and the Council’s Procurement policies
- The Council’s strategic objectives and policies

2.3 All Council employees and organisations engaged on the Council’s behalf shall ensure that all procurement activity is undertaken with regard to high standards of probity and in a manner which avoids any conflicts of interest. Any conflicts of interest that do arise shall be dealt with in accordance with the Council’s ‘*Code of Practice in relation to Conflicts of interest and Registration of interests*’ available from the Human Resources intranet pages.

2.4 In applying these Standing Orders, all officers shall have regard to the duty of Best Value under the Local Government Act 1999.

- 2.5 Within limits specified by him/her, an ~~an Chief Officer~~Appropriate Officer may permit other officers to authorise orders and contracts in their own names on behalf of the Council. Any orders or contracts made shall remain the responsibility of an ~~an Chief Officer~~Appropriate Officer. ~~Chief Officer~~Appropriate Officers must maintain an up to date record of authorised officers.
- 2.6 All orders for works, goods or services must be placed using the Council's approved systems in advance of the invoice being received and coded to the appropriate account codes. Miscellaneous payments must only be used where the payments is not as a result of a purchase. For example, a refund, grant payment or third party payment
- ~~2.6 With regard to new major projects all officers must comply with the approved Project Management Framework documents.~~
- 2.7 Exemption from these Standing Orders shall only be ~~awarded~~used in exceptional circumstances and following authorisation by either:
- 2.7.1 The Executive after considering a report by an ~~an Chief Officer~~Appropriate Officer; or
- 2.7.2 An ~~an Chief Officer~~Appropriate Officer obtains the agreement of the Strategic Director Corporate Services and the City Solicitor. ~~A~~The ~~Chief Officer~~Appropriate Officer must retain written reasons of the decision.
- 2.8 Exemptions authorised under Standing Order 2.7.2 will be reported to Governance and Audit Committee on a quarterly basis.
- 2.9 All ~~Chief Officer~~Appropriate Officers are responsible for ensuring compliance by their staff and shall report all breaches to the Assistant Director of ~~Commissioning and Procurement~~Finance and Procurement.
- ~~2.10 Failure to comply with these Contract Standing Orders and the Commissioning Framework may result in disciplinary action against the officers concerned.~~

### 3 Social, Economic, Environmental and Ethical Considerations

- 3.1 In formulating proposals for a services contract, the Authorised Officer must consider the Public Services (Social Value) Act implications and whether and to what extent any ethical, social or environmental aspects of procurement should be taken into account. These would include: the Council's Fair Trade Policy, sustainability, equality and diversity, living wage, means of production and community benefit (including maximising employment and training opportunities within the District).
- 3.2 Where appropriate and always subject to EU law and Public Contract Regulations, the Authorised Officer should ensure tenders or quotes are framed in such a way to encourage local suppliers, small and medium sized companies (SME's) and third sector organisations such as social enterprises to bid. This may includes dividing the contract into lots.

## 4 Pre-Contract Requirements for all Contracts

4.1 The procurement of works, goods or services should be done through existing approved arrangements where they exist. These include:

- In-house provision
- Corporate contracts, framework agreements or DPS

4.1 Other arrangements should be considered and used where it can be evidenced that they provide best value for money:

- Contracts, framework agreements or DPS established by central purchasing bodies (Crown Commercial Services, YPO etc.) or other public body
- Collaborative or shared service arrangements with another public body
- Alternative delivery vehicles such as Controlled Entities (Teckal) or Public Service Mutuals
- Sheltered workshops
- Other approved e-procurement solutions (e.g. purchasing cards)

4.3 Where the Council has an in-house provision and the estimated contract value is less than £100,000, external suppliers can only be used when the Strategic Director providing such in-house provision confirms that they are unable to meet the requirements on that occasion due to insufficient resources, skills or capacity.

4.4 If the estimated contract value is more than £100,000, the Strategic Director providing such in-house service may also be required to clearly demonstrate that they provide best value for money.

~~4.5 In the event that the Strategic Director providing such in-house provision is able to sub-contract the works, goods or services to an external supplier, they must obtain the agreement of the Strategic Director requiring the works, goods or services before doing so.~~

4.5 All procurement processes will be proportionate to the total value of the contract (see Table 1), the nature of the works, goods or services and the Council will produce clear accessible documentation which must be available in electronic format.

4.6 Before inviting tenders or quotations, the Authorised Officer must:

4.7.1 for contracts with a total estimated contract value in excess of £2m, report details to the relevant Overview and Scrutiny Committee using the ~~agreed pre-contract reporting process determined by the Assistant Director of Commissioning & Procurement~~ standard Committee report template. For clarity, details of call-off contracts from a framework or DPS do not need to be separately reported providing the original framework has been reported except where the relevant Overview and Scrutiny Committee request a separate report.

4.7.2 have carried out, where appropriate pre-procurement engagement with the market (including talking to suppliers, clients and other stakeholders) to

understand the availability, strengths and weaknesses of markets and to develop the specification and the best value for money procurement and contractual approach. Pre-engagement with the market must be done in such a way that ensures the subsequent procurement process remains open, fair and transparent with no supplier gaining an unfair advantage which would distort competition.

4.7.3 consider whether a framework agreement, DPS or electronic auction is appropriate and would deliver best value for money seeking advice from the Assistant Director of ~~Commissioning and Procurement~~Finance and Procurement where necessary

~~4.7.4 divide the contract into separate lots or indicate in the procurement document the main reasons why this would not provide value for money~~

4.7.4 be satisfied that a written and clear specification has been prepared which will form the basis of the contract.

4.7.5 where there is a significant supply risk and for all contracts valued over £100,000, complete a procurement risk assessment form (~~held by Commissioning and Procurement~~available on Bradnet) and produce and maintain a documented risk log

4.7.6 consider at the outset any equality and diversity implications that may require an equality impact assessment to be undertaken

4.7.7 consider at the outset any TUPE implications

4.7.8 consider at the outset any data protection, information security or data processing implications that may require additional schedules or terms and conditions and need the SIRO to be notified

4.7.9 consider at the outset any implications from the Social Value Act

4.7.10 prepare and document an estimate of the whole life-cycle costs including where appropriate any on-going costs and/or disposal costs and ensure that the cost is within the approved current and future budget provision for both capital and revenue expenditure

4.7.11 ensure that all evaluation criteria including sub-criteria have been determined in advance, put in order of relative importance or weighting and published in the tender documentation. ~~This includes any selection criteria used to evaluate the supplier and award criteria used to evaluate the tender or quote.~~Selection criteria must be relative and proportionate following statutory guidance issued by the Secretary of State.

4.7.12 ensure that electronic versions of all the appropriate and approved forms of procurement documentation is available through an internet portal immediately on publication of any advert

4.8 Before entering into any contract, the Authorised Officer must

4.8.1 be sure that they have the necessary authority to enter into the contract and that these Standing Orders, the Council's Financial Regulations and procurement advice have been complied with, and that the proposed contract represents best value for money

4.8.2 be satisfied about the technical capability of such proposed contractor; and

4.8.3 where there is a significant supply risk and all contracts which exceed £100,000, consult with the Strategic Director Corporate Services and the Assistant Director of ~~Commissioning and Procurement~~Finance and Procurement to agree appropriate checks on the financial and resource capacity of the contractor to perform the contract and to agree what, if any, security should be provided for performing the contract. Forms of security include such as: parent company guarantee, Director's guarantee and performance bonds.

4.9 Authorised Officers are responsible for arrangements to ensure the proper control and use of Council ordering and contracting procedures, in accordance with guidance issued by the Strategic Director Corporate Services and City Solicitor.

4.10 All quotations and tenders must be undertaken using the Council's standard template documentation unless prior approval has been obtained from the Assistant Director of ~~Commissioning and Procurement~~Finance and Procurement

## ~~5~~ **Selective Tendering From Approved Lists**

~~5.1~~ ~~Selective tendering from an approved list does not comply with the new regulations when inviting bids for a total contract value over £25,000 and must not be used.~~

## 5 **Contracts under £25,000**

~~6.1~~ ~~For contracts valued at below £25,000, there are minimal competition requirements and the Authorised Officer concerned should proceed in a manner to enable the most efficient management of the service but must use a local supplier where the supply base is available.~~

5.1 The Authorised Officer must be able to demonstrate best value for money and ~~may~~ **must** invite quotes using local suppliers ~~only~~ where the supply base is available. All quotations must be in writing.

5.2 Officers shall retain a written record of actions taken and the reasons.

5.3 Invitations to quote over £5,000 must use the Council's procurement portal, ~~Yortender~~ YORtender and all contracts over £5,000 must be recorded on the Contract and Grant Register.

## 6 **Contracts between £25,000 and £100,000**

6.1 The Authorised Officer must either:



6.1.1 seek at least 4 written quotations by selecting suppliers registered on YORtender inviting a minimum of two local suppliers where the supply base is available, or

6.1.2 advertise an open invitation to tender using both YORtender and Contracts Finder

~~or advertise an invitation to tender for a proposed contract of an estimated contract value of over £25,000 and up to £100,000 inviting a minimum of two local suppliers where the supply base is available. All invitations to quote or invitations to tender for contracts must use the Council's procurement portal, YORtender and also Contracts Finder. A record must be kept of the reasons for accepting a quotation or tender.~~

6.2 If 4 quotations or tenders cannot be obtained owing to insufficient suitable suppliers prepared to quote or provide tenders, then the Authorised Officer must keep a record of this.

6.3 No pre-qualification questionnaire is permitted during the procurement stage ~~under the EU threshold but~~ suitable assessment questions ~~which are relevant and proportionate may be asked~~ to assess eligibility are part of the Council's template procurement documents. Only the winning bidder(s) will be required to submit certificates and documents as evidence of their legal and financial standing and technical or professional ability in addition to specific requirements relating to insurance, health and safety, equality, environmental management etc.

## 7 **Contracts over £100,000**

7.1 Where the contract value is likely to exceed the EU threshold, taking account of the rules of aggregation, it must be tendered in accordance with the relevant EU procurement rules. ~~The exception to, unless~~ this rule is through an existing framework or DPS agreement that has been established via a compliant EU procurement process.

7.2. Before commencing any process for the procurement of works, goods or services with an estimated contract value in excess of £100,000 or any process which involves a proposed service transfer or the development of a strategic partnership, the Authorised Officer must consult the Assistant Director of ~~Commissioning and Procurement~~ Finance and Procurement.

7.3 For contract values of £100,000 or more, contractors must be appointed by one of the procedures under Contract Standing Order ~~9-8~~

7.4 All tenders shall be advertised and available for download on the YORtender system and Contracts Finder. Standard template documentation must be used

7.5 All tenders above the relevant EU threshold must be advertised in the OJEU.

## 8 **Procurement Procedures**

8.1 The **open procedure** under which all those interested may respond to the advertisement by submitting a tender. This is often the most expedient system and enables all of the suppliers in the market that wish to engage in the process to

submit a tender. There is no pre-qualification questionnaire (PQQ) or short-listing stage prior to invitation to tender (ITT).

8.2 The **restricted procedure** under which a selection is made of those who respond to the advertisement and only they are invited to submit a tender. This procedure can only be used for tenders above the EU threshold for goods and services. ~~For clarity this procedure can be used for works contracts above the EU threshold for goods and services but below the EU threshold for works.~~

8.3 The following procedures apply to more strategic, complex or high value projects and must be done in consultation with the Assistant Director Finance and Procurement as there are limited circumstances under which this process can be used.

8.4 The **competitive dialogue procedure** under which a selection is made of those who respond to the advertisement and the Council enters into dialogue with potential bidders to develop one or more suitable solutions on which the chosen bidders submit a tender. This can be used where the contract is complex and cannot be purchased “off the shelf”

8.5 The **competitive procedure with negotiation** under which a selection is made of those who respond to the advertisement and only they are invited to submit a tender. The Council may then open negotiations to seek improved offers. ~~This applies to more strategic, complex or high value projects and must be done in consultation with the Assistant Director Commissioning and Procurement as there are limited circumstances under which this process can be used.~~

8.6 The **innovation partnership procedure** under which a selection is made of those who respond to the advertisement and the Council uses a negotiated approach to invite suppliers to submit innovative ideas to meet a need where there is no suitable existing “product” on the market. The partnership can be awarded to more than one supplier.

~~9.6 The Public Contracts Regulations contain both mandatory and discretionary grounds for exclusion of a supplier from the tender process which now includes previous poor performance. The time limits are five and three years respectively but if a supplier provides evidence to demonstrate its current reliability this must be evaluated in light of the seriousness of the misconduct and relevance of the exclusion criteria.~~

## 9 **Exceptions to Requirements of Competition**

9.1 Subject to the statutory requirements for procurement processes above EU thresholds and provided that the market for a proposed contract has been investigated and it can be demonstrated that departure from these Rules is justifiable and provides overall value for money, no procurement process is required where one or more of the following exceptions apply:

9.1.1 the purchase of proprietary or patented goods or materials or services which, in the opinion of the Authorised Officer in consultation with the Assistant Director Finance and Procurement, are obtainable only from one supplier, and where no reasonably satisfactory alternative is available;

- 9.1.2 the execution of works or the supply of goods or services are controlled by a statutory body
- 9.1.3 the execution of works or supply of goods or services are of a specialised nature which, in the opinion of the Authorised Officer in consultation with the Assistant Director Finance and Procurement, are carried out by only one supplier, and where no reasonably satisfactory alternative is available;
- 9.1.4 the execution of works or supply of goods or services for which the Authorised Officer in consultation with the Assistant Director Finance and Procurement can demonstrate that no genuine competition can be obtained;
- 9.1.5 the purchase of a named product required to be compatible with an existing installation as approved by the Authorised Officer in consultation with the Assistant Director Finance and Procurement;
- 9.1.6 procurements made through or on behalf of any consortium, local authority, statutory or similar body provided that tenders or quotations are invited and contracts placed in accordance with national or EU legislation;
- 9.1.7 obtaining work or supplies from the Industrial Services Group or other in-house service provider;
- 9.1.8 special education, health or social care contracts, if in the opinion of the Authorised Officer and following consultation with the Assistant Director of ~~Commissioning and Procurement~~ Finance and Procurement, it is considered in the Council's interests and to meet its obligations under relevant legislation;
- 9.1.9 the execution of works or the supply of goods and services that are required so urgently as not to permit compliance with the requirements of competition. However these should be immediately reported to the Assistant Director Finance and Procurement.
- 9.1.10 carrying out, with the approval of the Strategic Director Corporate Services, security works where the publication of documents or details in the tendering process could prejudice the security of the works to be done.

9.2 The Authorised Officer must retain written reasons justifying the decision to use Standing Order 10.1 and be able to demonstrate that best value for money has been obtained.

9.3 Any contract awarded using an exception to competition shall be notified to the Assistant Director Commissioning & Procurement ~~and recorded~~ who will record the contract in the "Exceptions to Competition Log".

## **10 Submitting and Opening Tenders and Quotations**

10.1 Every invitation to tender or request for a quotation must state that a tender or quotation will only be considered if it is received by the specified closing date and

time ~~by the Council's approved on-line electronic tender process via YORtender~~, or for quotes below £5,000 at the specified ~~place in a sealed envelope with the word "QUOTATION" and the title of the contract written on it~~. ~~The Authorised Officer must keep the envelopes received in secure custody date and time.~~

**10.2** All tenders or quotations for each contract must be opened ~~together~~ by ~~two~~ officers appointed by the Authorised Officer at a prescribed time.

**10.3** The Authorised Officer must keep a record of all tenders and quotations.

**10.4** The Authorised Officer ~~shall after~~ must consultation with the Assistant Director Finance and Procurement disqualify a tender or quotation which fails to comply with the requirements of this Standing Order and must return the tender or quotation to the tenderer or quotation provider stating the reason for the disqualification.

## **11 Errors in Tenders and Quotations**

**11.1** Prior to acceptance of any tender or quotation received, any arithmetic error or other minor discrepancy made in good faith can be corrected by the City Solicitor after consultation with the Authorised Officer in one of the following two ways:

**11.1.1** The tenderer shall be given details of the error(s) found during the examination of the tender and shall also be given the opportunity of confirming without amendment or withdrawing the tender; or

**11.1.2** Amending the tender to correct genuine arithmetic error(s) provided that in this case, apart from these genuine arithmetic errors, no other adjustment, revision or qualification is permitted.

**11.2** A written record must be kept of all such amendments

## **12 Post Tender and Quotation Negotiations**

**12.1** In the interests of ensuring an open, fair and transparent process, negotiation following receipt of tenders is only permissible in limited circumstances.

**12.2** No negotiation ~~must be undertaken~~ is permitted following receipt of final tenders where the tender was subject to EU procurement rules ~~except where the "competitive procedure with negotiation" or "innovation partnership" has been used~~.

**12.3** The Authorised Officer may, after consulting with the Assistant Director of ~~Commissioning and Procurement~~ Finance and Procurement, and where it is intended to obtain better value for money, authorise negotiations with one or more tenderers or quotation providers where s/he considers that none of the tenders or quotations are acceptable and it is in the Council's interests to do so.

**12.4** Negotiation on behalf of the Council should be conducted by two or more Authorised Officers and a written record kept of the negotiation.

## **13 Accepting Tenders and Quotations**

- 13.1** Prior to accepting a tender or quotation the Authorised Officer must evaluate all tenders and quotations received in accordance with the evaluation criteria issued with the tender documentation.
- 13.2** The Authorised Officer can only accept the most economically advantageous tender or quotation ~~using whole-life costs~~ and must record the reasons for acceptance.
- 13.3** The Authorised Officer must investigate any tender considered to be abnormally low, ~~and disregard any bid based on approaches in breach of environmental or social law.~~
- 13.4** All suppliers who submit a tender or quotation should be notified in writing of their success or failure in a timely manner using the standard documents and offered feedback.
- 13.5** For all tenders covered by the EU procurement rules, the minimum statutory standstill period is required between notification of the award decision and final contract award.
- 13.6** All contracts over £5,000 must be awarded on the YORtender system and all contracts over £25,000 must also be awarded on Contracts Finder. All contracts above the EU threshold must also be published in OJEU.
- 13.7** For every contract, framework or DPS agreement over the EU threshold, a written report must be retained which includes details of:
- the winning bid,
  - the suppliers involved,
  - results of any selection process,
  - the value and subject matter of the contract,
  - justification for using any negotiated type procedure,
  - any decision not to award,
  - reasons for not using electronic communications,
  - any conflict of interest,
  - reasons for rejecting abnormally low bids.

## **14 Contract Extensions, Variations or Novation**

- 14.1** The Authorised Officer can extend a contract by any value subject to the extension being permitted within the scope and terms of the original procurement and contract and before the expiry date.
- 14.2** An options appraisal must be undertaken to determine if it represents best value for money to extend the contract and any approval required must be sought in a timely manner
- 14.3** The Authorised Officer must make every effort to negotiate improved terms with regard to the cost and quality of the goods or services.

- 14.4** No extension shall be made until funding has been secured in accordance with the Council's Financial Regulations or any other similar requirement.
- 14.5** All contract variations must be carried out within the scope of the original contract and must not materially affect or change the contract.
- 14.6** A new procurement will be required if the proposed variation has a material change where one or more of the following are met;
- 14.6.1** the variation introduces new conditions which had they been part of the original procurement procedure would have allowed other candidates to be selected to bid or the contract to be awarded to another tenderer
  - 14.6.2** the variation changes the economic balance in favour of the contractor
  - 14.6.3** the variation extends the scope of the contract considerably
- 14.7** Contract variations which are not within the scope of the original contract ~~are also permitted where:~~ must be reported to:
- 14.7.1** ~~additional works, goods or services are required and a change of contractor cannot be made for economic or technical reasons or would cause significant operational disruption~~ the Assistant Director of the Service if the value of the variation is less than 25%,
  - 14.7.2** ~~the variation could not have been foreseen and does not alter the overall nature of the contract~~ the Strategic Director of the Department if the value of the variation is greater than 25%, and
  - 14.7.3** ~~any increase in price is still within the financial threshold of the original procurement and does not exceed 50% of the initial contract value~~ the Strategic Director of Corporate Services if the value of the variation is greater than 50%.
- 14.8** In the event that a Supplier ceases to provide the work, goods or services whether as a result of insolvency, company restructuring, company purchase, termination of the contract or any other reason then the Authorised Officer must consult with the Assistant Director of ~~Commissioning and Procurement~~ Finance and Procurement before novating or assigning the contract to a new Supplier

## **15 Written Contracts**

- 15.1** The Authorised Officer must ensure every contract is in writing.
- 15.2** Every contract with a contract value of £100,000 or more must be executed under seal as a Deed with the common seal of the Council by the City Solicitor where:
- the Council wishes to enforce the Contract for more than 6 years after its end (e.g. for land or construction works); or
  - it is required by parties to the Contract; or

- the price paid or received under the Contract is a nominal price and does not reflect the value of the goods/services; or
- the City Solicitor deems it necessary taking into account the nature of the contract

~~16.3 Contact the City Solicitor where a contract is required to be sealed as a Deed, for example property and construction contracts or where the documents need to be retained for more than six years after the end of the contract.~~

15.3 Otherwise the following rules for signature apply:

- any contract with a total value over £2 million must be signed by an Chief Officer~~Appropriate Officer~~
- any contract with a total value less than £2million must be signed by a Senior Officer (3<sup>rd</sup> tier Manager or above,) except
- where the total contract value is less than £100,000 and more than £25,000 in which case an Authorised Officer can sign within the limits specified by an Chief Officer~~Appropriate Officer~~ as per contract standing order 2.4.

15.4 All contracts with the exception of one-off purchases below £5,000 shall be recorded on the Contract and Grant Register.

15.5 A briefing note ~~is required~~should be submitted to the Assistant Director Finance and Procurement using the prescribed document for all new contracts or extensions to contracts where the total contract value is over £100,000

## 16 Professional Services, ~~and Consultants~~ and Intermediary Employment

16.1 An Authorised Officer may only appoint external consultants providing professional or consulting services if such services are not available within the Council or if Council officers providing them do not have the resources to meet the needs of the Authorised Officer.

16.2 Inline with HMRC IR35 and CIS rules the Authorised Officer must identify the employment status of workers providing works or services in instances including the following:

- Consultancy work
- Self employed contractors
- The engagement of a worker through a limited company or other body
- The use of a Personal Services Company
- The engagement of a CIS registered contractor

16.3 The Authorised Officer must consult the Assistant Director Finance and Procurement for all Construction Industry Scheme (CIS) contractor appointments and payments.

~~17.2 An Authorised Officer must consult with the Strategic Director providing such services before making an external appointment.~~

## **17 Contract Conditions**

~~17.1~~ The Council's Standard terms and conditions, ~~available on bradnet, should~~conditions should be entered ~~into wherever possible~~ for all contracts. ~~If this is not possible a supplier will be asked to submit their terms which must be formally approved by the City Solicitor prior to entering into the contract. Any exception must be reported to the City Solicitor and the Assistant Director Finance and Procurement.~~

~~17.2~~ The above rule shall not apply to:

- UK government standard documentation or government sponsored schemes such as Academies and amendments may be made for best value for money or project specific reasons.
- Construction and/or engineering contracts where bespoke conditions based on accepted industry practice are used e.g. JCT, NEC3 or ICE

~~18.3 All written contracts shall contain:~~

- ~~details of the work, goods or services to be provided~~
- ~~full details of the prices to be paid, frequency and any discounts~~
- ~~the period or times over which the contract is to be performed~~
- ~~suitable provisions that state that valid undisputed invoices will be paid by the Council within 30 days and a condition requiring contractors to include similar provisions in their contracts, and so on down the supply chain~~
- ~~a termination clause relating to circumstances where there has been a breach of EU law on public procurement particularly where this results from a change in the awarded contract~~

## **18 Leases and Other Credit Agreements**

~~18.1~~ The Authorised Officer must ensure that prior to entering into any lease or credit arrangement which has a capital cost, the cost must first be approved for inclusion in the Capital Investment Plan in accordance with Financial Regulations relating to capital expenditure.

## **19 Grants**

~~19.1~~ The Authorised Officer must follow the Council's principles, processes and template documents as appropriate for awarding grants prior to entering into any grant arrangements

~~19.2~~ Before awarding any grant with an estimated value in excess of £100,000, the Authorised Officer must consult the Assistant Director of ~~Commissioning and Procurement~~Finance and Procurement.



- | **19.3** All grant agreements shall be recorded in the Contract and Grant Register.
- | **20 Payment for Work on Account**
- | **20.1** The Strategic Director Corporate Services will make payments on account only on certificates (or other forms approved by the Strategic Director Corporate Services) which have been issued by the Authorised Officer, or the Architect/Engineer/Supervising Officer appointed to deal with a particular contract.
- | **20.2** ~~As a general principal p~~Payment for goods, works and services are not to be made in advance of delivery other than in a low contract value and low risk situation.
- | **21 Claims**
- | **21.1** The Authorised Officer must inform the City Solicitor of all claims by or against suppliers which are the subject of formal dispute resolution or litigation between the Council and the supplier.
- | **22 Contracts Where Members Have an Interest**
- | **22.1** Where no competitive tendering process has been undertaken, no supplier or organisation in which a member has an interest, may be chosen or appointed unless the member's interest has been disclosed in accordance with the Members' Code of Conduct.

**TABLE 1**

<b>Value Band</b>	<b>Total Contract Value</b>	<b>Procurement Options</b>	<b>Additional procedures</b>
1	£0 - £24,999	<ul style="list-style-type: none"> <li>• <del>Minimal competition requirement but</del> Must demonstrate value for money</li> <li>• Must use in-house or corporate contract</li> <li>• Must use local supplier if available</li> <li>• Consider using purchasing card for low value, low risk purchases</li> <li>• Invite one or more quotes if appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• All quotes in writing</li> <li>• Use Yortender for quotes over £5,000</li> <li>• All contracts over £5,000 to be entered in the Contract &amp; Grant Register</li> </ul>
2	£25,000 - £99,999	<ul style="list-style-type: none"> <li>• Must use in-house or corporate contract</li> <li>• Consider availability of an existing suitable framework or DPS arrangement (call-off)</li> <li>• Consider if exception to competition applies</li> <li>• Minimum of four quotes inviting at least two local suppliers if available</li> <li>• Formal tender process</li> </ul>	<ul style="list-style-type: none"> <li>• All quotes in writing</li> <li>• Use Yortender for quotes or formal tender</li> <li>• All contracts to be entered in the Contract &amp; Grant Register</li> </ul>
3	£100,000 – EU threshold	<ul style="list-style-type: none"> <li>• Must use in-house or corporate contract</li> <li>• Consider availability of an existing suitable framework or DPS arrangement (call-off)</li> <li>• Consider if exception to competition applies</li> <li>• Formal tender process</li> </ul>	<ul style="list-style-type: none"> <li>• All proposed contracts must be referred to Commissioning &amp; Procurement</li> <li>• Complete Procurement Risk Assessment Form</li> <li>• Use Yortender for formal tender</li> <li>• Complete briefing note for contract award and extensions</li> <li>• All contracts to be entered in the Contract &amp; Grant Register</li> </ul>
4	Above EU threshold	<ul style="list-style-type: none"> <li>• Must use in-house or corporate contract</li> <li>• Consider availability of an existing suitable framework or DPS arrangement (call-off)</li> <li>• Full EU tender process with advert published in OJEU</li> </ul>	<ul style="list-style-type: none"> <li>• All proposed contracts must be referred to Commissioning &amp; Procurement for consultation and advice</li> <li>• Complete Procurement Risk Assessment Form</li> <li>• Use Yortender for formal tender</li> <li>• Complete briefing note for contract award and extensions</li> <li>• Report to Overview &amp; Scrutiny for contracts over £2million</li> <li>• All contracts to be entered in the Contract &amp; Grant Register</li> </ul>

## **Report of the City Solicitor to the meeting of Governance and Audit Committee on 25 April 2017**

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**AO**

**Subject:**

**Review of the Constitution**

**Summary statement:**

**This report provides Members with details of proposed amendments to the Constitution for recommendation to Council.**

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Parveen Akhtar  
City Solicitor

**Portfolio:**

**Corporate**

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**Improvement Area: Corporate**



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## 1. Summary

- 1.1 This report provides Members with details of proposed amendments to the Constitution for recommendation to Council.

## 2. Background

- 2.1 Article 14 of the Constitution requires the Monitoring Officer to maintain an up-to-date version of the Constitution and is authorised to make such amendments to the Constitution and related documents as may be necessary, but not including any changes of substance, to reflect and take account of changes in legislation, guidance, Council policy, decision of the Council and the Executive, and drafting changes and/or improvements.
- 2.2 Article 17 of the Constitution requires the Monitoring Officer to take steps to make himself/herself aware of the strengths and weaknesses of the Constitution and make recommendations for improvement. Changes to the Constitution can only be made following approval by the full Council or by the Monitoring Officer, as at paragraph 2.1 above.
- 2.3 This report concerns proposals for amendments to the Constitution.

## 3. Proposed Amendments to the Constitution

- 3.1 Appendix 1 to this report sets out proposed amendments to Article 11A – Health and Wellbeing Board. The Board at its meeting on 29<sup>th</sup> November approved the changes which are indicated in bold.
- 3.2 Appendix 2 to this report sets out proposed amendments to Article 11 (Standards Committee). The Committee at its meeting on 2<sup>nd</sup> March 2017 approved the changes which are indicated in bold. An addition to article 14 is also recommended by the City Solicitor regarding her approval for the engagement of external legal suppliers.
- 3.3 Appendix 3 to this report sets out proposed amendments to Article 8 (Regulatory and Appeals Committee) to reflect the change to the designation of the one of the officers responsible in relation to miscellaneous licensing.
- 3.4 Appendix 4 to this report sets out proposed amendments to Article 8 (Regulatory and Appeals Committee) to reflect a change in legislation and the correction of errors in relation to planning delegations.
- 3.5 Appendix 5 to this report sets out proposed amendments to Article 8 (Regulatory and Appeals Committee) to reflect a change in legislation and the addition of functions in relation to Social Services Appeals and Housing and Non-Domestic Rates Appeals.
- 3.6 Appendix 6 to this report sets out a recommendation to amend Article 14 to refer to the full Article referred to in recording decisions.
- 3.7 Appendix 7 to this report sets out a recommendation to amend Para 1.2 of the Member and Officer Planning Code to make clear that members who have pre-

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determined a planning application may not speak as an objector or supporter of the application whether they are a member of the Committee or an alternate member.

3.8 Appendix 8 to this report contains the Protocol for Webcasting of Council Meetings which should be added to the Constitution.

#### **4. Financial and Resource Appraisal**

4.1 The resources required to amend the Constitution can be met from existing provision.

#### **5. Legal Appraisal**

5.1 Any legal implications are reflected in the Appendices.

#### **6. Other Implications**

6.1 There are no equal rights, sustainability, community safety, Human Rights Act or trade union implications of this report.

#### **7. Not for Publication Documents**

7.1 None

#### **8. Recommendations**

8.1 That the proposed amendments to the Constitution set out in Appendices 1 to 8 of this report be recommended to Council for adoption.

#### **9. Appendices**

Appendix 1	Proposed amendments to Article 11A (Health and Wellbeing Board)
Appendix 2	Proposed amendments to Article 11 (Standards Committee)
Appendix 3	Proposed amendments to Article 8 (Miscellaneous Licensing)
Appendix 4	Proposed amendments to Article 8 (Planning delegations)
Appendix 5	Proposed amendments to Article 8 (Social Services and Housing and Non-Domestic Rates Appeals)
Appendix 6	Proposed amendments to Article 14 (Records of decisions made)
Appendix 7	Proposed amendment to Member and Officer Planning Code of Conduct
Appendix 8	Protocol for Webcasting of Council Meetings

#### **10. Background Papers**

None

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## Health and Wellbeing Board

**Current Roles and Functions**

- 11A.4 The Committee shall have the following roles and functions:
- 11A4.1 To provide democratic accountability for the use of public resources to improve health and wellbeing and reduce health and social inequalities.
- 11A4.2 To promote integration in the commissioning and provision of health and social care services across the district.
- 11A4.3 To engage with Commissioners in the development and overseeing of local commissioning plans and priorities.
- 11A4.4 To oversee the production and approval of the Joint Strategic Needs Assessment and the Pharmaceutical Needs Assessment.
- 11A4.5 To oversee the production and approval of the joint health and wellbeing strategy.
- 11A4.6 To provide collective system leadership and a local interface for both planning and governance through engagement with the NHS Commissioning Board, Public Health England, Local Partnerships and providers, including the voluntary community and faith sector and to undertake all statutory duties.
- 11A4.7 To receive reports from the Integration and Change Board.

**Revised Roles and Functions**

- 11A4.1 To provide local democratic accountability for the use of public resources to improve health and wellbeing and reduce health and social inequalities
- 11A4.2 To promote integration in the commissioning and provision of health and social care services across the District.
- 11A4.3 **To oversee and be assured that joint commissioning arrangements are in place for health and social care through the Bradford Health and Care Commissioners, and that joint commissioning responsibilities are being effectively discharged to address needs and reduce inequalities.**
- 11A.4 To oversee the production of the Joint Strategic Needs Assessment and the Pharmaceutical Needs Assessment
- 11A.5 To oversee the production of the Joint Health and Wellbeing Strategy
- 11A4.6 To provide system leadership and a local interface for both planning and governance through engagement with the NHS Commissioning Board, Public Health England, Local Partnerships and providers, including the Voluntary, Community and Faith Sector, and to undertake all statutory duties.
- 11A4.7 **To hold health and social care system leaders to account through the Integration and Change Board to ensure the Sustainability and Transformation Plans for Bradford and Craven (formerly the Five Year Forward View for Bradford and Craven) and West Yorkshire (as it relates to Bradford District) are delivered.**

**Current Composition**

- 11A.2 The Health and Wellbeing Board shall comprise of the following:
- a) The Leader of the Council
  - b) The Elected Member portfolio holder for Children and Young People's Service.
  - c) The Elected Member portfolio holder for Adult Services and Health.
  - d) One opposition Elected Member.
  - e) The Accountable Officer from each of the local Clinical Commissioning Group across the District and a clinician from the CCG if the Accountable Officer is not a clinician.
  - f) The Chief Executive of the Council
  - g) The NHS Area Commissioning Team Director.
  - h) One member from the major NHS providers (Airedale NHS Foundation Trust, Bradford Teaching Hospitals Foundation Trust or Bradford District Care Trust).
  - i) The Director of Public Health.
  - j) The Strategic Director of Adult and Community Services.
  - k) The Strategic Director of Children's Services.
  - l) One Member from Healthwatch Bradford and District.
  - m) One Member from the voluntary, community and faith sector elected through the Bradford Assembly.

### Revised Composition

- 11A.2 The Health and Wellbeing Board shall comprise of the following:
- a) The Leader of the Council
  - b) The Chief Executive of the Council
  - c) The Elected Member portfolio holder for Health and Wellbeing
  - d) One opposition Elected Member
  - e) The Accountable Officer for the District's Clinical Commissioning Groups and a clinician from each CCG if the Accountable Officer is not a clinician
  - f) The NHS Area Team Director
  - g) The Director of Public Health
  - h) The Strategic Director of Health and Wellbeing.
  - i) The Strategic Director of Children's Services.
  - j) One member from Bradford HealthWatch
  - k) One member from the Voluntary, Community and Faith Sector, elected through Bradford Assembly.
  - l) One full and **two co-opted** representatives of the three main NHS providers.
  - m) **One co-opted** representative of the Community Interest Companies (representing primary care).

**11A2.1 The Board may co-opt further members, as required, from provider organisations.**

**11A2.3 Named alternates can be provided for the members of the Health and Wellbeing Board except the representatives of the Clinical**



**Commissioning Groups who are able to ask any clinician on the CCGs to alternate for them.**

**The co-opted representatives indicated are non-voting unless the Council decides otherwise.**

**11A2.4 The Board shall report to the Bradford District Partnership as required.**

**11A2.5 Sub-groups that report directly to the Board shall include the Bradford Health and Care Commissioners and the Integration and Change Board.**

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**Standards Committee Role in respect of Dispensations to Permit Voting****1. Background**

- 1.1 Under the Localism Act 2011, where a Member has a “Disclosable Pecuniary Interest” in a matter to be considered or being considered at the meeting that Member must withdraw from the meeting, and not speak or vote on the matter unless a dispensation has been granted. Failure to observe this prohibition is potentially a criminal offence.
- 1.2 Under the Localism Act 2011, the Council, on written request, is permitted to grant dispensations where:-
- So many members of the decision-making body have disclosable pecuniary interests in a matter that it would "impede the transaction of the business";
  - Without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the outcome of any vote on the matter;
  - The authority considers that granting the dispensation is in the interests of persons living in the authority's area;
  - Without a dispensation, each member of the Executive would be unable to participate on a particular matter; or
  - The authority considers that it is otherwise appropriate to grant a dispensation
- 1.3 A dispensation can be granted in respect of a particular meeting or for a period not exceeding four years.

**2. Considerations**

- 2.1 The roles and functions of the Committee are set out in Article 11 of the Constitution, however, consideration of a request for a dispensation is not included. Reference to a dispensation appears only in paragraph 18 of the Members’ Code of Conduct which is set out in Part 4A of the Constitution (“unless the Member has requested and been granted a dispensation by the Standards Committee”).
- 2.2 Members are asked to consider the addition of a new paragraph 11.4.8 to Article 11, to read:-

***11.4.8 Considering and deciding upon requests for dispensations from elected Members and Voting Co-opted Members.***

And that the current paragraph 11.4.8 be renumbered to be 11.4.9 (making recommendations on any matter arising from any report).

- 2.3 It is also suggested that Part Two of the Members Code of Conduct have a **new paragraph 24 headed “Grant of Dispensations” which sets out the provisions in paragraph 1.2 of this report and advises Members that they must direct requests for a dispensation to the City Solicitor in the first instance.**
- 2.4 Requests for dispensations will be considered by the Standards Committee. If necessary, a meeting will be called with less notice than the five days required by the Constitution, as permitted under paragraphs 9.3 and 9.4 of the Access to Information Procedure Rules in Part 3B of the Constitution.
- 2.5 If, however, a request is received which, in the time available, it would not be possible to convene a meeting of the Standards Committee, the Monitoring Officer should be authorised to consider it and take a decision in accordance with the provisions of Article 14 of the Constitution (delegation of functions) after consultation with the Chair of Standards Committee – **New Article 14.8 – *The Monitoring Officer is authorised (after consultation with the Chair of Standards Committee) to consider and take a decision on an application for a dispensation from a member (to permit speaking and voting on a matter where otherwise a disclosable pecuniary interest would prevent it), in circumstances where a decision of the Standards Committee cannot be obtained in the time available.***
- 2.6 The prohibition against speaking and voting does not apply in relation to anything done for the purpose of deciding whether to grant a dispensation.
- 2.7 A dispensation may not apply where a member is prohibited from participating on grounds other than the DPI provisions of the Localism Act or in some circumstances where the member is biased or has predetermined the matter.
- 2.8 The existing Article 14.8 should be **deleted** in view of the abolition of the Standards Board for England - ***14.8 The Monitoring Officer will receive and act on reports made by ethical standards officers and decisions of the case tribunals.***

### **Approval by the City Solicitor of External Legal Spend**

- 2.9 Contract Standing Order 4.3 provides “Where the Council has an in-house provision and the estimated contract value is less than £100,000, external suppliers can only be used when the Strategic Director providing such in-house provision confirms that they are unable to meet the requirements on that occasion due to insufficient resources, skills or capacity”.
- 3.0 In order to make clear that the same restriction applies to external legal support, the following is suggested **“As the Council possesses an in-house legal service, external suppliers can only be used when the City Solicitor confirms that they are unable to meet the requirements on that occasion due to insufficient resources, skills or capacity” as an addition to Article 14 (Article 14.14) .**



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**Current wording in the Constitution:**

8.7.2 Miscellaneous Licences Panel

**Composition**

8.7.2.1 The Miscellaneous Licences Panel shall comprise seven members of Council.

**Quorum**

8.7.2.2 The quorum of the Miscellaneous Licences Panel shall be four members.

**Functions**

8.7.2.3 The Miscellaneous Licences Panel shall discharge the functions of the Regulatory and Appeals Committee in paragraph 8.4.1 in relation to the registration and licensing matters undertaken by the City Solicitor and Assistant Director, Environmental and Regulatory Services. (As to which see below)

The functions of the Committee are to:

8.4.1 Determine applications for licenses, permissions, permits registrations and issue any other regulatory documents in relation to:

8.4.1.1 The registration and licensing matters undertaken by the City Solicitor and Assistant Director Economic Development and Property (excluding those that are the responsibility of the Licensing Committee under Article 10).

**Proposed wording:**

8.7.2 Miscellaneous Licences Panel

**Composition**

8.7.2.1 The Miscellaneous Licences Panel shall comprise seven members of Council.

**Quorum**

8.7.2.2 The quorum of the Miscellaneous Licences Panel shall be four members.

**Functions**

8.7.2.3 The Miscellaneous Licences Panel shall discharge the functions of the Regulatory and Appeals Committee in paragraph 8.4.1.1 in relation to the registration and licensing matters undertaken by the City Solicitor and **Assistant Director, Waste, Fleet and Transport Services.**

The functions of the Committee are to:

- 8.4.1 Determine applications for licences, permissions, permits, registrations and issue any other regulatory documents in relation to:
  - 8.4.1.1 The registration and licensing matters undertaken by the City Solicitor and Assistant Director **Waste, Fleet and Transport Services** (excluding those that are the responsibility of the Licensing Committee under Article 10).



**Planning Delegations: Proposed revisions indicated in bold.**

Para 8.4.2

Determine all major planning applications (as defined by the Town and Country Planning (General Development Procedure) Order 1995.

***This should now read Town & Country Planning (General Management Procedure)(England) Order 2015***

Para 8.4.3

Determine all planning applications in connection with premises or land within the area identified in the plan annexed to the Members Agreement concerning the former Bradford Urban Regeneration Company dated 6 February 2003 as amended by Council on 16 October 2007.

***Any planning matters relating to land in which the Council has an interest must be dealt with by Members so the above could be amended to read “Determine all planning applications in connection with premises or land in which the Council has an interest.”***

Para 8.7.1.3

Bradford Area Planning Panel – last line ‘excludes those areas identified in Article 8.4.2’; ***this should be amended to 8.4.3.***

Para 8.7.1.4.4

Refers to the Area Planning Panels discharging functions referred under the Licensing Act 2003 (para 8.4.1.5). ***It is suggested that para 8.4.1.5 be deleted and the reference to it in 8.7.1.4.4. Licensing matters would fall either to the Licensing Committee or the Bradford District Licensing Panel.***

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## Social Services and HNDR Appeals

### Current wording in the Constitution:

- 8.6.2 Social Services appeals in relation to access to personal files, the National Health Service and Community Care Act 1990, matters under the disabled persons legislation, and Section 17 of the Health and Social Services and Social Security Adjudications Act 1983/contributions policy

### Proposed Wording

Social Services appeals in relation to access to personal files, the National Health Service and Community Care Act 1990, matters under disabled persons legislation, **appeals against refusal of a subject access request, and appeals in relation to the application of the contributions policy/ refusal of a needs assessment under the Care Act 2014.**

### Current wording in the Constitution:

- 8.6.3 Housing and non-domestic rates appeals in relation to grants for renovation improvement and repair, discretionary housing payments, the application of wheeled bin refuse collection arrangements, non-domestic rates relief, access to personal files.

### Proposed Wording

Housing and non-domestic rates appeals in relation to grants for renovation, improvement and repair **(including appeals against refusals of disabled facilities grant in respect of Council and private housing)**, discretionary housing payments, the application of wheeled bin refuse collection arrangements, non-domestic rates relief, access to personal files.

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Records of Decisions Made –Additions in Bold

- 14.25D All written records produced in accordance with article **14.25B** above, together with any background papers, must as soon as reasonably practicable after the record is made, be made available for inspection by members of the public—
  - 14.25D1 at all reasonable hours, at the offices of the Council; and
  - 14.25D2 on the Council’s website.
- 14.25E All written records produced in accordance with article **14.25B** above must be retained and made available for inspection by the public for a period of six years beginning with the date on which the decision, to which the record relates, was made.

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**PART 4B MEMBER AND OFFICER PLANNING CODE OF CONDUCT**

An issue that has been raised on a fairly regular basis over a number of years in respect of the Member and Officer Planning Code of Conduct relates to Predetermination and Bias (Para 4.3 precludes Members of the Regulatory and Appeals Committee or the Area Planning Panels from speaking at a meeting in objection or support to any particular item, whether sitting on the body concerned or being an alternate member).

*4.3 Having disclosed that they could be considered or perceived to have predetermined the outcome of a planning decision then having stood down from the Regulatory and Appeals Committee or relevant panel during discussion of an item it is not appropriate for that member to seek to speak as an objector or supporter of the application or planning proposal in question. Equally, where a Committee or panel member does not sit on the Committee or panel at the meeting in question, but would have had to disclose that they had predetermined the outcome of a planning decision and not participate in that item on the Agenda had such a member been officially in attendance, then it is inappropriate for that member still to attend the meeting to support or oppose the application in question.*

This provision is contradicted by Para 1.2 of the Code:

*1.2 Any references in this Code to members of the area planning panels or the Regulatory and Appeals Committee are also intended to include alternate members only where they sit or propose to sit as a member of an area planning panel or the Regulatory and Appeals Committee.*

This matter has been considered before (Standards Committee, November 2013 and Governance and Audit, January 2014) and Members were happy with the restrictive nature of this provision. It is still, however, causing a problem with interpretation owing to this conflict.

**Members are requested to clarify that Para 4.3 applies to alternates (by adding the words “but this provision shall not apply to Para 4.3 below” to Para 1.2).**

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**City of Bradford Metropolitan  
District Council**

**PROTOCOL FOR WEBCASTING OF  
COUNCIL MEETINGS**

## **Introduction**

The City of Bradford Metropolitan District Council has agreed that certain meetings should be the subject to live web transmission ('web casting'), or recorded for subsequent transmission. Fixed cameras are located within the Council Chamber and Committee Room 1 for this purpose. Exempt or confidential items (included in Part B of any Agenda) will not be web cast. This protocol does not affect existing restrictions in the Council's Standing Orders on the recording, photographing or filming of proceedings by any person other than the Council.

## **Main Provisions**

This protocol has been produced to assist the conduct of web cast meetings and to ensure that in doing so the Council is compliant with its obligations under the Data Protection Act 1998 and the Human Rights Act 1998. Accordingly the following will apply to all meetings to be web cast by the Council:

1. The Lord Mayor or Chair of the meeting has the discretion to terminate or suspend the webcast if in their opinion continuing to web cast would prejudice the proceedings of the meeting. Circumstances that could lead to suspension or termination of web casting include public disturbance or other suspension of the meeting or the potential infringement of the rights of any individual.
2. No exempt or confidential agenda items shall be web cast, and no part of any meeting will be web cast after the Council has voted to exclude the press and public because there is likely to be disclosure of exempt or confidential information.
3. Subsequent to the meeting editing of the webcast may take place if there is a legal reason, confidential personal information was inadvertently disclosed, defamatory comments made or an exceptional circumstance occurs during filming. Requests for the editing of the content of a webcast can be made to the City Solicitor who will authorise any removal of content (if appropriate, in consultation with the Leaders of the two largest political groups on the Council).
4. Subject to paragraph 4 below all archived webcasts will normally be available to view on the Council's website for a period of one month.
5. Archived webcasts or parts of webcasts may be removed from the Council's website if the City Solicitor considers that it is necessary because all or part of the content of the webcast is or is likely to be in breach of the law, for example Data Protection or Human Rights legislation or provisions relating to confidential or exempt information.
  - a) The Council owns the copyright in the webcasts.
  - b) Any elected Member who is concerned about any webcast should raise their concerns with the City Solicitor.
  - c) Webcasts containing personal or confidential information will not be retained or archived.

- d) The Council will endeavour to ensure that children and young people under the age of 16 or any person considered to be vulnerable will not be filmed.
6. If the web cast is halted by a technical reason Public-i will inform the City Solicitor or her representative as soon as is practically possible so the meeting can be informed of what has occurred. The City Solicitor will be informed by Public-i of the explanation why the webcasting failed as soon as possible, what can be done to resume it and/ or recover the lost recording and what action will be taken to prevent a reoccurrence. The political group leaders will be informed of the corrective action being undertaken.
7. A member of the public attending the meeting must indicate if they have concerns about being filmed to the City Solicitor or her representative on arrival. Advice will then be given on the best place to sit in the meeting room to avoid being filmed. If the attendee is making a spoken contribution to the meeting action will be taken to ensure that the webcast operator focuses the camera on the Lord Mayor or Chair. If despite these precautions individuals are filmed, the Council can accept no liability as attendance at the meeting is on the basis that consent is given to filming.

## **Agenda Front Sheets and Signage at Meetings**

Included in each agenda and on signs to be displayed inside and outside the meeting room there will be the following notice:-

### **WEBCASTING NOTICE**

**Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Lord Mayor or Chair will confirm if all or part of the meeting is being filmed.**

**You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy.**

**Generally the public seating areas will not be filmed. However, by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting or training purposes.**

**If you have any queries regarding this, please contact Committee Services on 01274 432241 or [CommitteeSecretariat2@bradford.gov.uk](mailto:CommitteeSecretariat2@bradford.gov.uk) or speak to a Council Officer present at the meeting before its commencement..**

### **Conduct of Meetings**

At the start of each meeting to be filmed, an announcement will be made to the effect that the meeting is being or may be web cast, and that the Lord Mayor or Chair may also terminate or suspend the web casting of the meeting, in accordance with this protocol. This will be confirmed by the Lord Mayor or Chair making the following statement:-

“I would like to remind everyone present that this meeting will be broadcast live to the internet and will be capable of repeated viewing. I have the discretion to terminate or suspend filming, if in my opinion allowing filming to continue would prejudice the proceedings of the meeting. Members are reminded that the cameras are activated by the sound system and that they must switch on microphones when speaking.

Public seating areas will not be filmed, but if any member of the public has concerns they should move to these seats (Mayor/ Chair to indicate the seats not in camera range). If a member of the public is making a contribution to the meeting and does not want to be filmed they must indicate now to my officers. Every effort will be made not to film the contribution but by attending you are consenting to the webcast and the use of your speech”