

Agenda for a meeting of the Governance and Audit Committee to be held on Thursday, 21 April 2022 at 10.30 am in City Hall, Bradford

Members of the Committee – Councillors

LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT
Tait Thornton Godwin	Pollard	Reid

Alternates:

LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT
M Slater Azam T Hussain	Felstead	Sunderland

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
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 24 March 2022 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) LOCAL PENSION BOARD MEETINGS HELD ON 22 MARCH 2022

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

In accordance with this requirement, the Director of West Yorkshire Pension Fund will submit "**Document AE**" which reports on the minutes of the meetings of the WYPF Local Pension Board held on 22 March 2022.

Recommended –

That the minutes of the West Yorkshire Pension Fund Local Pension Board meetings held on 22 March 2022 be considered.

(Caroline Blackburn – 01274 434523)

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

The Director of Finance and IT will submit **Document "AF"** which provides details of the annual review of the Contract Standing Orders and Financial Regulations sections of the Council's Constitution and makes recommendation for their amendment.

Recommended-

That the proposed changes to Contract Standing Orders and Financial Regulations as detailed in Document “AF” be accepted and recommended to Council for approval, to support improvements in the organisations procurement processes and procedures.

(Ian Westlake/Mark St Romaine – 07971 540171)

7. PROPOSED AMENDMENTS TO THE CONSTITUTION FOLLOWING THE ADOPTION BY COUNCIL ON 15 MARCH 2022 OF THE LOCAL GOVERNMENT ASSOCIATION MODEL COUNCILLOR CODE OF CONDUCT WITH AMENDMENTS

Document “AG” provides Members with proposed amendments to the Protocols on Member-Officer Relations, Members Gifts and Hospitality and Members Use of Council Resources including Use of E-mail and the Internet for recommendation to Council, following the adoption by Council on 15 March 2022 of the Local Government Association Model Councillor Code of Conduct with amendments.

Recommended-

(1) That the proposed amendments to:

- a) the Protocol on Member-Officer Relations set out in Appendix 1**
- b) the Protocol on Members Gifts and Hospitality set out in Appendix 2 and**
- c) the Protocol on Members Use of Council Resources including Use of E-mail and the Internet set out in Appendix 3**
- d) the constitution as set out in paragraph 3.3 of Document “AG”**

be recommended to Council for adoption and implementation.

- (2) That the City Solicitor be granted delegated authority to make consequential amendments to the Constitution as a result of any recommendations approved by full Council.**
- (3) That the City Solicitor ensures that any agreed amendments are implemented.**

(Mandy Hill – 07814 779101)

8. INTERNAL AUDIT PLAN 2022/23

The Director of Finance and IT will submit **Document “AH”** which outlines the Internal Audit Plan for the financial year 2022/23. 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.

The 2022/23 Internal Audit plan is a one year plan. This takes into account the work that has been able to be completed in the past two years and the new risks that the Council has been facing. Normally this would have been the fifth year of a five year internal audit planning cycle however due to current uncertainty as to the new working environment a single year programme has been adopted.

Recommended-

That the Internal Audit Plan for 2022/23 be approved.

(Mark St Romaine – 01274 432888)

**9. EXTERNAL AUDITORS ANNUAL REPORT FOR THE 2020/21
AUDIT OF THE CITY OF BRADFORD METROPOLITAN DISTRICT
COUNCIL**

The External Auditor will submit **Document “AI”** which summarises the findings from the audit of the City of Bradford Metropolitan District Council for the year ended 31 March 2021.

Recommended-

That the contents of the Annual Audit Report (Document “AI”) including the identified significant weaknesses in the Value for Money arrangements and the recommendation for improvement set out on page 15 of the report be noted.

(Mark Outterside – 0191 3836339)

**10. EXTERNAL AUDIT STRATEGY MEMORANDUM (ASM) 2021/22
FOR THE WEST YORKSHIRE PENSION FUND**

The External Auditor will submit **Document “AJ”** which sets out the plan for the external audit of the West Yorkshire Pension Fund for financial year 2021-22.

Recommended-

That the West Yorkshire Pension Fund Audit Strategy Memorandum for the financial year 2021-22 (Document “AJ”) be noted.

(Abi Medic – 0113 3942000)



Report of the Director West Yorkshire Pension Fund to the meeting of Governance and Audit Committee to be held on 21 April 2022

AE

Subject:

Minutes of West Yorkshire Pension Fund (WYPF) Local Pension Board meetings held 22 March 2022.

Summary statement:

The role of the Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the LGPS.

City of Bradford Metropolitan District Council (the Council), as Scheme Manager, as defined under section 4 of the Public Service Pensions Act 2013, has delegated legal and strategic responsibility for West Yorkshire Pension Fund (WYPF) to the Governance and Audit Committee.

The minutes of the WYPF Pension Board meeting are to be submitted to this committee.

Rodney Barton
Director

Portfolio:

Leader of Council & Strategic Regeneration

Report Contact: Yunus Gajra
Phone: (01274) 432343
E-mail: Yunus.gajra@bradford.gov.uk

Overview & Scrutiny Area:

Corporate

1. SUMMARY

- The Council's Financial Regulations require the minutes of meeting of WYPF Local Pension Board to be submitted to this committee.

2. APPENDICES

- Appendix A - Minutes of WYPF Local Pension Board meeting of 17 December 2021 (which was postponed until 22 March)
- Appendix B – Minutes of WYPF Local Pension Board meeting of 22 March 2022

Minutes of a meeting of the West Yorkshire Pension Fund Pension Board held on Tuesday, 22 March 2022 in Aldermanbury House, 4 Godwin St, Bradford BD1 2ST

Commenced 10.00 am
Concluded 10.25 am

Present – Members of the Committee

Employer Representatives	Member Representatives
Councillor S Lal (Chair) – Bradford Councillor L Malkin - Wakefield	Mr G Nesbitt – GMB Mr C Sykes – Unison Mr A Jones – Unite the Union

Apologies: M Binks, Councillor L Martin and B Petty

Councillor Lal in the Chair

21. 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

22. MINUTES

Resolved –

That the minutes of the meetings held on 22 June 2021 and 14 September 2021 be signed as a correct record.

Action: City Solicitor

23. INSPECTION OF REPORTS AND BACKGROUND PAPERS

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

24. MINUTES OF THE WEST YORKSHIRE PENSION FUND JOINT ADVISORY GROUP 28 JULY 2021

The report of the Director, West Yorkshire Pension Fund, (**Document “P”**) reminded Members that the role of The Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013, is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and any other such matters as the LGPS regulations may specify.

The Minutes of meeting of WYPF Joint Advisory Group were submitted to the Pension Board to enable the Board to ensure effective and efficient governance and administration of the LGPS.

Members were advised that the minutes of the meeting held on 27 January 2022, containing more up to date information, would be discussed in more detail at the meeting being held later that day.

Resolved –

That the minutes of the meeting on 28 July 2021 be noted.

ACTION: Director, West Yorkshire Pension Fund

25. LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE

The report of the Director, West Yorkshire Pension Fund, (**Document “Q”**) presented an update on changes to the Local Government Pension Scheme (LGPS) 2014 and provided information on associated matters.

The report provided information on a number of topics familiar to Members but particularly attention was drawn to the publication of statistics, on 27 October 2021, by the Department for Levelling Up, Housing and Communities (DLUCH) known as SF3 statistics. Highlights included –

- total expenditure of £13.4 billion
- total income of £17.2 billion, an increase of 7.5 per cent on 2019/20
- employer contributions increased by 32.46 per cent on 2019/20 to £10.2 billion
- employee contributions of £2.4 billion
- the market value of LGPS funds in England and Wales on 31 March 2021 was £332.7 billion, an increase of 22.14 per cent
- there were 6.1 million scheme members on 31 March 2021, 2.0 million active members, 1.8 million pensioners and 2.2 million deferred members
- there were 82,567 retirements in 2020/21, a decrease of 6.4 per cent compared with 2019/20.

The Pension Schemes Act 2021 was also reported. The Act imposed further legal restrictions to members' statutory right to transfer. It was reported that a training session on Freedoms and Choice, Scams and Transfers would be provided at the meeting commencing at 10.30am and would include details of the requirements of the Pensions Act 2021.

26. THE PENSIONS REGULATOR'S SCHEME RETURN

The report of the Director, West Yorkshire Pension Fund (**Document "R"**) reminded Members that all public service pension schemes were legally required to complete an annual scheme returns for the Pensions Regulator (TPR).

The information provided included the scheme name, address and type, membership data and the name and addresses of employers. TRP captured the information in a register and also used it to inform the Pensions Tracing Service which helped people to find lost pensions.

Members were also advised that in addition to registerable information TPR collected additional information each year via the scheme return to build an accurate picture of the landscape so it could regulate effectively and provide relevant educational materials. TPR also used the information to ensure it could contact the relevant people running the schemes.

A notification was received from TPR on 29 September 2021 that the 2021 scheme return must be completed by 10 November 2021. It was confirmed that the scheme return had been completed on 18 October 2021 and a copy was appended to Document "R".

Resolved –

That the contents of the annual scheme return contained at Appendix 1 to Document "R" be noted.

Action: Director, West Yorkshire Pension Fund

27. REGISTER OF BREACHES OF LAW

The Director, West Yorkshire Pension Fund, presented a report (**Document "S"**) which informed Members that, in accordance with the Public Service Pensions Act 2013, from April 2015, all Public Service Pension Schemes now came under the remit of the Pensions Regulator.

Section 70 of the Pensions Act 2004 (the Act) imposed a requirement to report a matter to The Pensions Regulator as soon as it was reasonably practicable where that person had reasonable cause to believe that:

A legal duty relating to the administration of the scheme had not been or was not being complied with, and The failure to comply was likely to be of material significance to The Pensions Regulator in the exercise of any of its functions.

A register of any breaches of the Pensions Code of Practice was maintained in accordance with the WYPF Breaches Procedure. The Register of Breaches 2021/22 was appended to Document “S” Members’ information.

It was explained that the most up to date register would be presented to the meeting being held at 10.30am.

Resolved –

That the report and entries on the Register of Breaches of Law, contained in the appendix to Document “S”, be noted.

ACTION: Director, West Yorkshire Pension Fund

28. TRAINING, CONFERENCES AND SEMINARS

The report of the Director, West Yorkshire Pension Fund, (**Document “T”**) reminded Members that to understand their responsibilities and the issues they would be dealing with was a very high priority. Details of training courses, conferences and seminars were listed in Document “T” to assist Board Members and they were asked to consider attendance at those sessions.

Members were also asked to note the requirement to complete The Pension Regulator’s Toolkit Training detailed in the report.

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 West Yorkshire Pension Fund Pension Board.

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

Minutes of a meeting of the West Yorkshire Pension Fund Pension Board held on Tuesday, 22 March 2022 in Aldermanbury House, 4 Godwin St, Bradford BD1 2ST

Commenced 10.30 am
Concluded 1.00 pm

Present – Members of the Committee

Employer Representatives	Member Representatives
Councillor S Lal (Chair) – Bradford Councillor L Malkin - Wakefield	Mr G Nesbitt – GMB Mr C Sykes – Unison Mr A Jones – Unite the Union

Apologies: Mick Binks, Cllr Lisa Martin and Ben Petty

Councillor Lal in the Chair

29. 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

30. INSPECTION OF REPORTS AND BACKGROUND PAPERS

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

31. MINUTES OF THE WYPF JOINT ADVISORY GROUP LGPS

Officers stated that the audited report and accounts were submitted late as a consequence of Bradford Council's accounts not being submitted on time.

The budget had been approved with the main point that WYPF continued to be a low cost provider.

Accommodation costs had risen due to investment in buildings and other costs such as fuel for heating etc. Work was underway to 'go green' and achieve further savings.

Officers clarified the recruitment statistics as casual staff had been factored in. Despite the impact of vacancies on delivery to clients, the service continued to be good with KPI's being largely met. A figure of £5.09 million outturn against a budget of £5.41 million budget illustrated a good underspend.

WYPF JAG had been advised of the business plan and the work being done and would be taken to JAG when it was completed.

Officers were asked if new clients were actively sought and advised that new members came as a result of successful tender bids or approaches, particularly from fire brigades. Officers also provided details of meetings and governance arrangements for fire authorities. A suggestion will be made to see if the fire brigade would want a union rep to attend their meetings that were being held remotely.

Officers also advised that a section in the business plan relating to investments would be presented at the September Pension board meeting.

Resolved –

That the minutes of the West Yorkshire Pension Fund Joint Advisory Group on 27 January 2022 be noted.

Action: Director, West Yorkshire Pension Fund

32. REGISTER OF BREACHES OF LAW

The Director, West Yorkshire Pension Fund, presented a report (**Document “V”**) which 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.

Section 70 of the Pensions Act 2004 (the Act) imposed a requirement to report a matter to The Pensions Regulator as soon as was reasonably practicable where that person had reasonable cause to believe that:

- a legal duty relating to the administration of the scheme had not been or was not being complied with, and
- the failure to comply was likely to be of material significance to The Pensions Regulator in the exercise of any of its functions.

A Register of Breaches of Law was therefore maintained in accordance with the Pensions Regulator's requirements and WYPF Breaches procedure.

The register was appended to Document “V” and revealed that breaches entered for 2021/22 related to:

- Delays with Prudential updating members' accounts with contributions, which have also delayed the payment of some retirement benefits. This breach is considered to be of material significance due to the number of

members involved and the continuing and prolonged rectification of this issue. As a result, this issue has been reported to the Pensions Regulator.

- Contributions being paid late by employers and therefore not being received by the fund until after the Pension regulators deadline of the 21st day of the following month.
- An outgoing Transfer Value which was paid after the 3 month guarantee date.
- the non-issue of Annual Benefit Statements by the 31 August 2021 for a small number of active members.

Members were advised that the delays with Prudential updating members' accounts had been ongoing for a while and had been reported to The Pensions Regulator.

Late contributions being paid by employers were reducing and demonstrated that measures undertaken by the Fund were having an impact.

The outgoing transfer value issue had been resolved quickly; the member had been kept informed and suffered no detriment.

The none-issue of Annual Benefit Statements by the 31 August deadline was only 0.01% and due to the fund not being informed of changes in address.

Resolved –

That the entries on the Register of Breaches of Law, contained in Document “V”, be noted.

Action: Director, West Yorkshire Pension Fund

33. LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE

The report of the Director of West Yorkshire Pension Fund (**Document “W”**) was submitted to the Board to provide Members with the updates to the Local Government Pension scheme (LGPS) 2014 and information on associated matters.

Officers provided some further information around the consultation by DLUHC that included changes to the LGPS Local Valuation Cycle and employers required to offer LGPS membership, for which a response was still to be published.

The Section 13 report, published in December provided a good summary of the fund's position with some further recommendations. GAD's recommendations were looking for improvements in consistency as not all actuaries were using the same methodologies etc making comparisons difficult.

In relation to the Dashboard, consultations regarding staging dates were underway but timescales would be tight.

It was noted that there was a review of the state pension retirement age underway.

Resolved –

That the report be noted.

Action: Director, West Yorkshire Pension Fund

34. PENSION BOARD TRAINING

The report of the Director, West Yorkshire Pension Fund (**Document “X”**) reminded Members that the role of The Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 was to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and any other such matters as the LGPS regulations may specify.

To be able to assist the Scheme Manager and meet the requirements of the Public Service Pensions Act 2013, Pension Board Members must be able to demonstrate suitable knowledge and skills of the LGPS to effectively scrutinise the decisions made by officers.

To assist Pension Board Members with their knowledge and skills a training presentation was provided regarding Freedoms & Choice, Scams and Transfers.

The presentation revealed that from April 2015 members of a defined contribution pension scheme could access all their pension pots at age 55. Whilst WYPF was a defined benefit scheme and only 25% could be paid as a cash lump-sum a member could transfer to a defined contribution scheme and then access all their pension pot.

A very detailed presentation explaining the legislation; the pitfalls of the legislation including the potential for members to encounter Deliberate Deprivation Rules preventing them accessing future benefits they may require; the potential to fall victim to fraud and scams and the difficulties for the fund as they were unable to give financial advice when it was known that transferring the funds was to the detriment of the Member.

Amendments to the scheme regulations in November 2021 had increased the risk and responsibilities of Pension Funds and included a requirement to warn members of the risks of scams; monitor and report suspicious activity and conduct due diligence.

Following the presentation a Member queried why any person would wish to transfer their pensions from reputable schemes. In response it was acknowledged that it would be very difficult for any high street provider to meet the standards and performance of the WYPF whose benefits were as guaranteed as any could be and not at the mercy of stock markets. There were some very

limited exceptions and an examples of that included a single person without anyone to leave their funds to with a life limiting illness who wished to enjoy their funds whilst they remained well.

It was explained that a member had to identify the reason they wished to move funds to a defined pension scheme although it was understood that the lure of the transfer of large sums of money and ability to access funds prior to retirement age was the rationale. The large figures involved attracted fraud and scams and even without that risk people could find, with expensive transfer costs, they could receive less than 50% of what their funds were worth.

It was reported that the Government took the risk of fraud and scams so seriously there were television adverts placed to make people aware.

The potential impact on the fund if large numbers of members transferred their pensions was questioned and it was explained that potentially very large numbers could impact on investments and employer contributions.

The Occupational and Personal Pension Scheme (Conditions for transfer) Regulations 2021 allowed funds to pause or prevent transfers under certain criteria and it was questioned how many transfers had been stopped. In response it was explained that the regulations had only been in place since November 2021 and nine transfers had been paused for additional information to be provided. It was explained that officers had witnessed a number of transfers that they would have paused prior to November if the regulations had been in place at that time. It was agreed to provide additional information on the numbers after the meeting.

Difficulties experienced were that even with genuine transfers there were delays incurred following the due diligence which had to be applied. In addition, administrators did not have the investment expertise required if transfers were not straightforward. Some funds were utilising a pool of experts or employed internal lawyers.

The presentation revealed that people transferring over £30,000 must receive financial advice and in response to questions it was confirmed that this must be from a person registered to provide pensions advice.

Members were asked if they would like to receive training sessions on individual topics at future Pension Board meetings and it was acknowledged that it would be useful and would allow for a quick response to new legislation. Potential topics suggested included an overview of the LGPS; a reminder of the McCloud journey over the previous four years and, as 45% of complaints received were about ill health retirement it felt it would be good for Members to more fully understand the IDR process. Members were asked to contact officers with additional topics they would like to be covered to supplement other training formats available to them and to enable them to demonstrate their knowledge and skills.

In conclusion Members were advised that for the Fund to consider the TPR transfer pledge it must demonstrate that Members had completed the scams module on the TRP training tool kit. Members were urged to complete that

module and forward the completion certificate to officers before the end of April 2022.

Resolved –

That the training presentation be noted.

Action: Director, West Yorkshire Pension Fund

35. COMMUNICATIONS POLICY

The report of the Director, West Yorkshire Pension Fund (**Document “Y”**) was submitted to the Board as part compliance with the LGPS Regulations 2013. As such, 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 Communications Policy was brought before JAG each year to review and approve and following the January meeting, remained largely unchanged.

Officers advised that Communications were moving over to being online to improve engagement, participation and be more efficient. P60s were to be sent out to pensioners electronically, unless it was specified otherwise by the member. A communications exercise was underway to make this move.

Annual Benefit Statements were going out electronically which it was hoped, would reduce the amount of out of date contact information.

The Communications Policy has been updated to reflect activities planned for 2022-23

Resolved –

That the Communications Policy, contained in Document Y”, be noted.

Action: Director, West Yorkshire Pension Fund

36. PENSIONS ADMINISTRATION STRATEGY 2022/23

The report of the Director, West Yorkshire Pension Fund (**Document “Z”**) was submitted to the Board as part compliance with the LGPS Regulations 2013 that WYPF prepare a written statement of the authority’s policies in relation to such matters 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 was brought before WYPF Joint Advisory Group (JAG) each year to review and approve, particularly if there were any new regulations and revisions to working practices. It was confirmed that the strategy had been presented to the JAG at the January meeting.

Members were advised that the strategy outlined the processes and procedures to allow WYPF and employers to work together in a cost-effective way to administer the Local Government Pension Scheme (LGPS) whilst maintaining an excellent level of service to members and employers.

It was explained that the Pensions Administration Strategy had been updated to reflect new employer flexibilities which came into force in September 2021.

Resolved –

That the Pensions Administration Strategy, contained in Document “Z”, be noted.

Action: Director, West Yorkshire Pension Fund

37. RISK REGISTER

The report of the Director, West Yorkshire Pension Fund (**Document “AA”**) was submitted to the Board to provide details of the identified risks associated with the overall management of the Pension Funds administered by WYPF. The report and risk register were submitted to the Investment Advisory Panel and Joint Advisory Group who both approved it in January 2022.

Officers provided an overview of the combined risk register noting 48 risks, 30 of which were above the acceptable tolerance levels and 18 were below. Any areas flagged as amber or red had a management action plan in place to mitigate them.

Officers and Members briefly discussed the issues around market forces and training opportunities which were on offer throughout the year to address staff turnover in employer members. There was also a brief discussion around salaries which were aligned to Bradford Council's.

Resolved –

That the report be noted.

Action: Director, West Yorkshire Pension Fund

38. 2022 ACTUARIAL VALUATION

The report of the Director, West Yorkshire Pension Board (**Document “AB”**) was presented to inform Members that the next triennial actuarial valuation of the Fund would be prepared based on the situation at 31 March 2022, and would determine the level of employers' contributions from April 2023 onwards.

It was explained that main aims of carrying out an actuarial valuation of the Fund were to:

- Review the financial position of the fund,
- Determine the employer's contribution rates; and
- Ensure that the legal requirements in relation to the actuarial valuation are met.

The Fund's actuary had provided a training session on 8 February 2022 for all Joint Advisory Group, Investment Advisory Panel and Pension Board Members as part of the preparation for the 2022 valuation. A recording of that training session was available should any Member wish to view again or if they had been unable to attend the session.

It was explained that a 'white flag' referred to in paragraph 5.5 of the report, and in relation to the Government Actuary (GAD), asset shock matrix related to the size of the fund's assets and the potential impact on local Councils. Assurances were provided that it did not require any action. This was a general issue and would have attracted an 'amber' flag if there had been broader concerns.

Resolved –

That the report be noted.

Action: Director, West Yorkshire Pension Fund

39. FUNDING STRATEGY STATEMENT (FSS)

The report of the Director, West Yorkshire Pension Fund (**Document "AC"**) was submitted to the Board to update Members as changes to the Funding Strategy Statement follow a review of how liabilities are calculated for non tax-raising bodies whose liabilities become 'orphan' on exit. The FSS was approved at the January meeting of the Joint Advisory Group.

Officers advised that there was a change in calculation of the orphan exit position following advice from the actuary. A meeting had taken place in December with the actuary and those affected to go through the changes. The consultation had gone on for 5 weeks and feedback from employers suggested that they would prefer a longer consultation period. There were no standard periods defined for consultations and those affected did mainly attend. Officers stated that of the 450 employers, only a small number responded to say that the consultation period was not long enough. It could not be avoided as the FSS needed to go to JAG in January, otherwise there would have been a delay in implementation, which could have been detrimental to employers if they left between meetings.

Officers advised that there was only a very small number of 'orphans' when asked by Members about the possible impact which was estimated to be minimal.

A Member raised the subject of Section 188 notice and was advised that big changes in an employers' workforce should be passed onto the fund for information. The guarantor would be the scheme employer.

Resolved –

That the changes to the Funding Strategy Statement, contained in Document "AC", be noted.

Action: Director, West Yorkshire Pension Fund

40. PENSIONS DASHBOARD

The report of the Director, West Yorkshire Pension Fund (**Document “AD”**) was presented to provide an update on the progress of the introduction of the Pensions Dashboard.

The report revealed the objectives of the Pensions Dashboard; proposed legislation (which was in two parts) and the proposed regulatory framework.

It was explained that the Fund was going through preparatory steps in readiness for regulations to be issued later in the year and for the date by which a pension scheme was required to join the Money and Pensions Service (MaPS) pensions dashboard. That date was set out in the proposed secondary legislation. It was known as the staging date and was no later than November 2023.

Members were advised that the dashboard would connect 53 million citizens with their pension providers. This would require the establishment of secure technical systems providing an eco-system connecting members to the fund but would not hold data in itself. The Fund was at an early stage of preparation in what would be a large project of work. In response to questions it was confirmed that the Fund were beginning to sort the infrastructure required. It was explained that the administration needed would be challenging but preparations were as up to date as was possible.

Resolved –

That the report be noted.

Action: Director, West Yorkshire Pension Fund

41. TRAINING, CONFERENCES AND SEMINARS

The report of the Director, West Yorkshire Pension Fund (**Document “AE”**) was submitted to the Board to address the growing need for LGPS funds to demonstrate that their Committee and Board Members possessed the knowledge to carry out their roles effectively. The upcoming introduction of a refreshed CIPFA Knowledge & Skills Framework, the Scheme Advisory Board's Good Governance project (England and Wales), and increasing scrutiny from The Pensions Regulator put expectations on funds on an ever greater level.

The training was compulsory for Members to complete and Officers provided an overview of the training being offered via the link sent to all.

The Pensions Regulation Toolkit training included a section on scams which Officers urged Members to complete to comply with the pledge.

Details of training coming up in June would be re-circulated to Members.

Resolved –

That the requirement to ensure Pension Board Members' knowledge and understanding is up to the required standard be noted.

Action: Director, West Yorkshire Pension Fund

42. EXCLUSION OF THE PUBLIC

Resolved –

That the public be excluded from the meeting during consideration of the Not for Publication report, Document "AF" relating to CEM Benchmarking because information would be disclosed which was considered to be exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972 (as amended).

It was considered that, in all the circumstances, the public interest in maintaining this exemption outweighed the public interest in disclosing the information as it was in the overriding interest of proper administration that Members were made aware of the financial implications of any decision without prejudicing the financial position of the West Yorkshire Pension Fund.

Action: Director, West Yorkshire Pension Fund

43. CEM BENCHMARKING

The report of the Director, West Yorkshire Pension Fund presented a report **(Document AF)** which compared WYPF's pension administration costs and member service with a peer group of other schemes, from both public and private sector, for the year to 31 March 2021.

Resolved –

That the Not for Publication report (Document "AF") be noted.

Action: Director, West Yorkshire Pension Fund

44. EXCLUSION OF THE PUBLIC

Resolved –

That the public be excluded from the meeting during consideration of the Not for Publication Appendix to Document "AG" relating to the minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 27 January 2022 because information would be disclosed which was considered to be exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972 (as amended).

It was considered that, in all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information as it was in the overriding interest of proper administration that Members were made aware of the business implications of any decision without prejudicing the business position of the West Yorkshire Pension Fund

Action: Director, West Yorkshire Pension Fund

45. MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) INVESTMENT ADVISORY PANEL HELD ON 27 JANUARY 2022

The Not for Publication report of the Director, West Yorkshire Pension Fund, (**Document “AG”**) reminded Members that the role of The Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 was to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and any other such matters as the LGPS regulations may specify.

The Minutes of meeting of WYPF Investment Advisory Panel, appended to Document “AG” were submitted to the Pension Board to enable the Board to ensure effective and efficient governance and administration of the LGPS.

Resolved –

That the Minutes of the WYPF Investment Advisory Panel on 27 January 2022, contained in the Not for Publication appendix to Document “AG”, be noted.

Action: Director, West Yorkshire Pension Fund

Chair

Note: These minutes are subject to approval as a correct record at the next meeting of the West Yorkshire Pension Fund Pension Board.

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

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Report of the Director of Finance to the meeting of Governance and Audit Committee to be held on 21st of April 2022

AF

Subject:

Amendments to the Constitution – Contract Standing Orders and Financial Regulations

Summary statement:

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

Equality & Diversity:

The amendments to the Contract Standing Orders and Financial Regulations will ensure appropriate governance processes are in place which allows service objectives to be delivered in accordance with the Council's equality policies.

Chris Chapman
Director of Finance and IT

Portfolio:

Leader

Report Contact:
Ian Westlake / Mark St Romaine
Phone: 07971 540171
E-mail: ian.westlake@bradford.gov.uk
Mark.stromaine@bradford.gov.uk

Overview & Scrutiny Area:

Corporate

1. SUMMARY

- 1.1 This report provides members of the Governance and Audit Committee with details of the annual review of the Contract Standing Orders and Financial Regulations sections of the Council's Constitution and makes recommendations for their amendment.

2. BACKGROUND

- 2.1 The last update of Financial Regulations and Contract Standing Orders and Financial Regulations was approved by Council on 18 May 2021. Officers have undertaken their annual review of Contract Standing Orders and 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.
- 2.2 The City Solicitor will implement any recommendations approved by Council and make consequential amendments to the Constitution.

3. CHANGES TO CONTRACT STANDING ORDERS

- 3.1 There are a number of proposed changes to Contract Standing Orders, these are summarised with reasons for changes in the following table and set out as 'tracked changes' at Appendix 1

Proposed Changes to Contract Standing Orders	
CSO	Summary of Changes
Def	Thresholds The thresholds by which Procurement Legislation becomes applicable are updated every two years. The latest thresholds, now inclusive of VAT, as of 1 st January 2022 are included. E-procurement system (YORtender) The Council has changed the provider of its e-procurement system and the weblink has been updated.
1	Introduction All values that are used in Contract Standing Orders Values for the purpose of identifying the correct Procurement Legislation now include VAT following the publication of Public Procurement Note 10/21 . This is reflected in amendments throughout Contract Standing Orders.
2	Purchase Orders Clarification that Purchase Orders should be raised and provided to suppliers prior to commencement of contracts. Also a reminder that invoices should be sent directly to the Accounts Payable team for prompt payment. Loans

	A note that the Director of Finance should be consulted if there is a consideration to make a loan payment to a supplier.
4	Procurement Plans in line with NPPS Additional wording to emphasis the requirement to publish a forward procurement plan is now part of the National Procurement Policy Statement published in Public Procurement Note 05/21 .
5	In House Services and Existing Arrangements All marketing or communications procurements must be referred to the Marketing and Communications Team in the Office of the Chief Executive to ensure these products or services align with the Council's marketing and communications strategy, and associated policies to ensure compliance with relevant media laws.
7	Pre-Procurement Requirements An additional gateway report to be approved by the Authorised Officer and the Head of Procurement prior to issuing procurement documents to market. This is to ensure that all the Council policies and procedures are complied with. Clarification included so that Financial Services are consulted to ensure that the correct financial assessment criteria is used within procurement documentation.
14	Procurement Procedures Additional wording provided to ensure that where the flexibilities offered to procure Healthcare Services under the Provider Selection Regime of the Heath and Care Bill are to be used appropriate consultation is undertaken with procurement professionals.
19	Approval and Acceptance of Tenders and Quotations Confirmation is added that when a procurement process is abandoned a report is required to be produced and approved to document the decision.
22	Written Contracts Additional wording included highlighting that Letters of Intent should not be used without consultation with the City Solicitor and Director of Finance.
25	Contract Management Named Contract Manager Inclusion of a requirement to ensure the Authorised Officer names a contract manager for every contract the Council enters in to and a record of this is kept on the Contracts and Grants Registers Contract Management Training Inclusion of a requirement that Officers identified as contacts should complete the Government Commercial College Foundation Contract Management Training which is a free accredited online e-learning

	course.
27	Grants Introduction of a new proforma to be completed for all grants awarded to allow the Council to comply with the new UK Subsidy Control Regime
Table 1	All values updated in line with revised thresholds.

4. CHANGES TO FINANCIAL REGULATIONS

- 4.1 There are a number of proposed changes to Financial Regulations, these are summarised with reasons for changes in the following table and set out as 'tracked changes' at Appendix 2:

Proposed Changes to Financial Regulations	
FR	Summary of Changes
5	Payments to Staff The Strategic Director Corporate Resources can delegate tasks to a designated officer.
6	Banking Arrangements Removal of reference to GIRO accounts
8	Strategic Investments Changes the term State Aid to subsidy control
11	Partnerships Joint Ventures and Companies Makes specific reference to wholly owned companies
14	Better use of Budget Correction of References
16	Capital Expenditure Correction of References Specifies schemes funded by Revenue Budgets
17	Monitoring the Capital Investment Plan Correction of References
18	Income Requirements Business cases need to identify the basis of any proposed charges

30	<p>Information Management</p> <p>Reference to where data is held</p> <p>Additional data security standards identified</p> <p>Reference to the Council's Data Protection Policy</p> <p>New regulation on handling data responsibilities and roles of Information Asset Owners and the Council's Data Protection Officer</p>
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5. FINANCIAL & RESOURCE APPRAISAL

- 5.1 There are no financial issues arising from this report.

6. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 6.1 The proposed recommendations are offered to improve the Council's finance and procurement related processes and provide rules to limit risk to the Council.

7. LEGAL APPRAISAL

- 7.1 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.
- 7.2 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.
- 7.3 The review of the Council Standing Orders upholds the obligation placed on the Council by s135 of the Local Government Act 1972.
- 7.4 The Council will ensure that any updates to the Council Contract Standing Orders shall be compliant with all procurement legislation including the Public Contracts Regulations 2015.

8. OTHER IMPLICATIONS

- 8.1 There are no implications in relation to the following:
- Sustainability
 - Greenhouse Gas Emissions
 - Community Safety
 - Human Rights Act
 - Trade Unions
 - Ward Implications

- Area Committee Action Plans
- Corporate Parenting
- Privacy Impact Assessments

9. NOT FOR PUBLICATION DOCUMENTS

9.1 There are no 'not for publication' documents for this report.

10. OPTIONS

- 10.1 The recommended option is for Members of the Governance and Audit Committee to recommend the proposed changes to Contract Standing Orders and Financial Regulations set out in this report for approval to the Council to support improvements in the organisation's finance and procurement processes and procedures.
- 10.2 Member of the Governance and Audit Committee may wish to accept some of the proposed recommendations and, or make their own recommendations.
- 10.3 The 'do nothing' option is not recommended as the proposed changes have been put forwards to support improvements in the Council's finance and procurement processes and procedures.

11. RECOMMENDATIONS

- 11.1 That the proposed changes to Contract Standing Orders and Financial Regulations be accepted and recommended to Council for approval, to support improvements in the organisation's procurement and financial processes and procedures.

12. APPENDICES

Appendix 1: Proposed Contract Standing Orders 2022/2023 with track changes
 Appendix 2 Proposed Financial Regulations 2022/2023 with track changes

13. BACKGROUND DOCUMENTS

13.1 There are no background documents to this report.

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PART 3G Contract Standing Orders 2022/23

Definitions

- 'Appropriate Officer' is the Chief Executive, Strategic Directors, Director, City Solicitor, the Chief Financial Officer (S151 Officer) or any other Officer designated by resolution of the Executive.
- 'Authorised Officer' is any Officer permitted by an Appropriate Officer to authorise orders and Contracts as per clause 2.5.
- 'Best Value' 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.
- 'Concession Contract' means Contracts for pecuniary interest, where the consideration is either; that the Supplier has the right to exploit the works / services that are the subject of the Contract, or where the Supplier has that right together with some payment from the Contracting Authority.
- 'Contract' means a formal agreement between the Council and any Supplier 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 Supplier e.g. a catering concession

For the purposes of these Contracts Standing Orders this definition does not include employment and property Contracts or grant agreements.

- 'Contracting Authorities' mean the State, regional or local authorities, bodies governed by public law, associations formed by one or several of such authorities or on or several of such bodies governed by public law.
- 'Contracts Finder' is the government portal for information on public sector Contracts
- 'Contract Value' is, for works, goods or services the total monetary value over the full duration, including any extension options (not the annual value). For concession Contracts, or other Contracts with low, or nil cost to the Council the total pecuniary value must be considered.

- 'Contracts and Grants Register' the Council's database of all Contracts, commissioned activity, purchase orders, Framework Agreements, and other legally enforceable agreements with a value of £5,000 and above and grants of any value.
- '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 with and for the benefit of more than one Council department. More details can be found on Bradnet.
- 'Council' means the City of Bradford Metropolitan District Council.
- 'DPS or Dynamic Purchasing System' is an electronic procurement 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 procurement process whereby suppliers who have submitted admissible tenders can revise their original prices or values during the period of the auction.
- 'Thresholds' are the financial threshold (inclusive of VAT) at which the Procurement Legislation are applicable.
 - As of 1st January 2022 these are:
 - Works - £ 5,336,937
 - Goods - £ 213,477
 - Service - £1 213,477
 - Social and Other Specific Services (subject to the Light Touch Regime) - £663,540.
 - Concessions - £ 5,336,937
- 'Exception Log' a record held by the Chief Financial Officer of all Contracts valued at £25,000 and above awarded without competition because the Contract meets one or more of the requirements listed in CSO 20.1.
- 'Find a Tender' is the UK e-notification service in which all tenders, from the public sector above relevant Thresholds must be published.
- 'Framework Agreement' an agreement which sets out the terms and conditions under which the Council can make specific purchases ("Call-Off") from a Supplier(s) to provide services, goods or works at agreed standards and prices. If the Council calls off services, goods or works from the Supplier then a binding Contract is formed.
- 'Grant' for the purposes of these Contracts 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 should 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 and other specific services as listed in Schedule 3 of the Procurement Legislation.
- '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.
- 'Procurement Legislation' means the EU Public Contracts Directive (2014), the Public Contracts Regulations 2015 which implement the Directive in UK Law, and any subsequent statutory amendment or re-enactment, or subordinate legislation that may be in place from time to time.
- '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, or provide services or goods at a stated price
- '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.
- 'Supplier' an individual or organisation that Contracts with the Council to provide works, goods or services.
- 'Tender' a formal written offer to execute works, or provide services or goods at a stated price
- 'TUPE' means the Transfer of Undertakings (Protection of Employment) Regulations 2006.
- 'Variation' is a change made to a contract in compliance with the Procurement Legislation and Contract Standing Orders.
- '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 used by the Council (<https://yortender.eu-supply.com>)

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 entered into by the Council. The procurement process covers the full life cycle of activities starting with the identification of need, through to evaluation, purchasing and contract management. Procurement can range from purchasing day to day commodities to purchasing key strategic items such as large capital assets, or commissioning a service or buying an entire service.
- 1.2 Public procurement must be undertaken in accordance with principles enshrined in Procurement 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 values quoted in these Contract Standing Orders are inclusive of Value Added Tax (VAT). Please refer to Bradnet for further details.
- 1.4 Any dispute or difference as to the interpretation of these Contract Standing Orders shall be resolved by the City Solicitor.
- 1.5 The Chief Financial Officer 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 with Contract Standing Orders

- 2.1 Failure to comply with these Contract Standing Orders can 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;-
 - Procurement Legislation
 - 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 Contract Standing Orders, the Council's Financial Regulations and the Council's Procurement Policies
 - The Council's strategic objectives and policies
- 2.3 All Council Officers 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. The Council's Employee Code of Conduct must be followed at all times.
- 2.4 In applying these Contract Standing Orders, all Officers shall have regard to the duty of Best Value under the Local Government Act 1999.

- 2.5 An Appropriate Officer may permit, with limitations, 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 Appropriate Officer. Appropriate Officers must maintain an up to date record of Authorised Officers and submit a copy of the list to the Chief Financial Officer on an annual basis at the commencement of the financial year.
- 2.6 The Chief Financial Officer may delegate some, or part of their responsibilities set out in these Contract Standing Orders to Officers in their service area. A written record of this delegation should be kept for transparency and audit purposes.
- 2.7 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. An official Council purchase order must be provided to the Supplier prior to the commencement of the Contract. Suppliers should be informed that all invoices should be sent direct to the Council's Accounts Payable team for processing
- 2.8 Miscellaneous payments must only be used where the payment is not as a result of a purchase (for example a refund or grant payment). Miscellaneous payments must not be used to:
- Pay suppliers for works, goods or services (including fees in relation to consultancy work and training), or
 - To reimburse employee expense claims or petty cash purchases
 - Pay loans to entities without consultation with the Chief Financial Officer
- 2.9 Non-compliance with Council's procedures and processes for the use of its requisition, ordering and payment systems may result in the Chief Financial Officer removing Officer access.
- 2.10 These Contract Standing Orders must be used, other than in exceptional circumstances which must be authorised by either:
- 2.10.1 The Executive; or
- 2.10.2 The Chief Financial Officer and the City Solicitor.
- after considering a report by an Appropriate Officer. The Appropriate Officer must retain written reasons of the decision.
- 2.11 Authorisation under Standing Order 2.10.2 will be reported to Governance and Audit Committee on a quarterly basis.
- 2.12 All Appropriate Officers are responsible for ensuring compliance by their staff and shall report all breaches to the Chief Financial Officer. All instances of non-compliance will be recorded by Procurement Services and be reported to Strategic Directors on a quarterly basis.

- 2.13 These Contract Standing Orders **do not** apply in relation to the procurement of legal services in respect of a specific matter for the purposes of
- Arbitration conciliation;
 - Judicial proceedings before the courts;

However, no such legal services shall be procured without the approval of the City Solicitor.

3 Social, Economic, Environmental and Ethical Considerations

- 3.1 In formulating proposals for a Contract, the Authorised Officer must consider the Public Services (Social Value) Act and follow requirements set out in the Council's Social Value and Inclusive Growth Policy.
- 3.2 Where appropriate and always subject to Procurement Legislation, the Authorised Officer should ensure that all requests for Tenders or Quotes are framed in such a way as to encourage Local Suppliers, small and medium sized companies (SME's) and third sector organisations such as social enterprises to bid. This may include dividing the Contract into lots.

4 Procurement Plans

- 4.1 After Council has agreed the Council's budget and before commencement of the financial year the Authorised Officer must prepare and maintain an annual procurement plan for all procurements of works, goods or services to be undertaken in the forthcoming financial year.
- 4.2 Procurement plans must be sent to the Chief Financial Officer in order that they can publish a Council wide procurement plan on the Council's website prior to the start of the financial year in line with the National Procurement Policy Statement.

5 In-House Services and Existing Arrangements

- 5.1 In all instances the procurement of works, goods or services should be done through existing approved arrangements where they exist. These include:

5.1.1 In-house provision

5.1.1.1.

Where the Council has an in-house provision and the estimated Contract Value is less than the relevant Threshold external suppliers can only be used when the Appropriate Officer providing such in-house provision confirms that they are unable to meet the requirements on that occasion due to insufficient resources, skills or capacity

5.1.1.2

If the estimated Contract Value is more than the relevant Threshold the Appropriate Officer providing such in-house service may also be required to clearly demonstrate that they provide Best Value.

5.1.2 Corporate Contracts, Framework Agreements or DPS awarded by the Council

5.1.2.1

The use of Council Corporate Contracts / Framework Agreements /DPS awarded by the Council shall be considered in the first instance in consultation with the Head of Procurement for all works, goods and services that have been included in the scope of those arrangements.

- 5.2 Information relating to the above arrangements will be published regularly on Bradnet.
- 5.3 Any requirement to procure IT products or services must first be referred to IT Services within Corporate Resources to ensure that these products or services align with the Council's IT Strategy, Enterprise Architecture Principles and Security policies.
- 5.4 Any requirement to procure marketing or communications products or services must first be referred to the Marketing and Communications Team in the Office of the Chief Executive to ensure these products or services align with the Council's marketing and communications strategy, and associated policies.
- 5.5 Where an existing arrangement or in-house service exists and the Officer is seeking to procure outside of these arrangements must consult with the Head of Procurement, the Authorised Officer is required to maintain a documented audit trail to demonstrate the correct approval has been obtained to procure outside of these arrangements.
- 5.6 Other arrangements should be considered and used where it can be evidenced that they provide Best Value:
 - Contracts, Framework Agreements or DPS established by central purchasing bodies (Crown Commercial Services, YPO etc.) or other public bodies
 - Collaborative or shared service arrangements with another public body
 - Alternative delivery vehicles such as Controlled Entities or Public Service Mutuals
 - Sheltered Workshops

6 Estimating Contract Values

- 6.1 The method for determining the estimated total value of a Contract / income Contract, should be based on the total amount (inclusive of VAT) which the Council expects to pay and / or any other forms of remuneration the Council, Contractor (or a third party) will receive by operation of the Contract over the term of the Contract. Such calculation must include, where relevant any maintenance and on-going support costs. (Example calculation: Estimated Contract Value = (Annual Cost + other forms of remuneration) x Contract

Length)). Estimates should be prepared in advance of inviting tenders or quotations.

- 6.2 In determining the value of a Contract, the Council must also include the potential value of any options to extend that may be built into the Contract and take into consideration the value of all lots where the Contract is going to be broken into lots.
- 6.3 When determining the value of a Framework Agreement the anticipated value of all spend through that Framework Agreement including the spend of any other Contracting Authorities who are able to access the Framework Agreement must be taken into consideration.
- 6.4 Officers must ensure that estimated values must **not** be artificially split (disaggregated) in an attempt to avoid the applicability of these Contract Standing Orders, relevant Procurement Legislation, other legislation or the requirements of the Council's Constitution. Requirements must be calculated based on all Council spend (i.e. the corporate requirement rather than an individual service areas need)
- 6.5 Where a proposed procurement includes two or more types of provision (i.e works, goods or services) the procedure followed shall be based on the provision that characterises the main subject of the Contract in question.

7 Pre-Procurement Requirements

- 7.1 All procurement processes and documentation will be proportionate to the total value of the Contract and the nature of the works, goods or services.
- 7.2 Before commencing procurement activity for Contracts valued at £25,000 (inclusive of VAT) and above the Authorised Officer must undertake the following:

- 7.2.1 **Report to Overview and Scrutiny Committee Contracts valued £2m and above**

For Contracts with a total estimated value of £2m and above report details to the relevant Overview and Scrutiny Committee using the standard Committee report template. Reports are to be taken at an early stage once Officers have a draft procurement strategy and specification to allow members to comment on matters. For clarity, details of call-off Contracts from an existing Framework Agreement or DPS do not need to be separately reported providing the original Framework Agreement or DPS has been reported except where the relevant Overview and Scrutiny Committee request a separate report.

7.2.1.1 Where appropriate this may include a programme of contract procurements where individual contracts exceed £2m. Authorised Officers must provide the report in a timely manner before the commencing procurement activity. Please refer to Bradnet for further guidance.

7.2.2 Obtain approval from the Authorised Officer and Head of Procurement for all contracts valued £100,000 and above

For all contracts with a total estimated value of £100,000 and above a report on the proposed procurement must be approved by the Authorised Officer and the Head of Procurement before procurement documents are issued to the market. For clarity, market engagement, as described at CSO7.2.3 can be carried out prior to approval being obtained, Please refer to Bradnet for further details

7.2.3 Market Engagement

Carry 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 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.

7.2.2.1 Advice must be sought from Procurement Services where it is proposed to use a Prior Information Notice (P.I.N.)

7.2.4 Route to Market

Consider the most appropriate route to market including whether a Framework Agreement, DPS or Electronic Auction is appropriate and would deliver Best Value seeking advice from the Head of Procurement where necessary

7.2.5 Specification Development

Be satisfied that a written and clear specification has been prepared which will form the basis of the Contract.

7.2.6 Risk Assessment

For all Contracts with an estimated Contract Value of more than the Threshold for goods and services, or where there is a significant supply risk (identified using a procurement risk assessment form available on Bradnet) a documented risk log must be maintained by Officers.

7.2.5.1 Any Officer conflict of interests should be dealt with as part of the risk assessment process.

7.2.7 Equality and Diversity Implications

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

7.2.8 Service Transfer or Strategic Partnership Development

Before commencing any process for procuring Contracts which involves a proposed service transfer or the development of a strategic

partnership, the Authorised Officer must consult the Chief Financial Officer.

7.2.9 TUPE implications

Consider at the outset any TUPE implications and schedule in seeking relevant legal and HR assistance

7.2.10 Data Protection

Identify all Contracts involving the processing of personal data, information security or data processing implications that may require additional schedules or terms and conditions considering the General Data Processing Regulation, the Data Protection Act, and the need to notify the SIRO

7.2.11 Social Value

Consider at the outset any implications from the Social Value Act in accordance with the Council's Social Value and Inclusive Growth Policy

7.2.12 Whole Life Costings

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

7.2.13 Evaluation Criteria

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. Selection criteria must be relative and proportionate following statutory guidance issued by the Secretary of State. Details of any financial assessment to be undertaken (CSO 19.8) and the form of contract to be applied (CSO 22) must be included in the tender documentation.

7.2.14 Electronic Documentation

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.

7.2.15 Financial Assessment

Ensure that Financial Services are consulted to ensure the procurement documentation includes financial assessment criteria that is tailored to be proportionate to the Contract being procured.

- 7.3** 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 Chief Financial Officer and the City Solicitor.

- 7.4 All procurement activity must be undertaken using the Council's standard template documentation unless prior approval has been obtained from the Head of Procurement.

8 Framework Agreements and Dynamic Purchasing Systems

8.1 Call-Off Arrangements

- 8.1.1 Where a Call-Off is proposed under an existing Framework Agreement or DPS that has been established by a consortium, collaboration, purchasing organisation or other public body, the Council may consider using this Framework Agreement or DPS if;
- a. The Framework Agreement or DPS has been established by an entity, and via a process, which permits the Council to access those arrangements lawfully;
 - b. It is in the best interest of the Council to access the Framework Agreement or DPS, unless it does not offer Best Value, which must be documented for audit purposes.
- 8.1.2 Before undertaking a Call-Off under any Framework Agreement or DPS, thorough due diligence should be undertaken and advice sought from Procurement Services to confirm it is able to be used and whether it is appropriate to use it.
- 8.1.3 Call-Offs must be awarded based on the criteria identified in the Framework Agreement or DPS.
- 8.1.4 Where a Call-Off is undertaken via a direct award process (which is prescribed in the Framework Agreement), the Contractor must be requested in writing to supply a written submission, that is verified to confirm it can meet the requirements of the Council in accordance with the terms and conditions and pricing established in the Framework Agreement in advance of entering into a Contract unless otherwise prescribed in the Framework direct award call-off procedure.
- 8.1.5. Subject to the due diligence confirming the suitability of the Framework Agreement or DPS, it can be used as a potential route to market without going down one of the procedures outlined at CSO 10 to 13

8.2 Establishing a Framework Agreement / DPS

- 8.2.1 Where the Council is establishing a Framework Agreement or DPS which may be accessed by other Contracting Authorities the estimated Contract Value must take account of all potential work that may be put through the agreement and follow the procedures set out in these Contract Standing Orders.
- 8.2.2 If the Council is establishing a Framework Agreement or DPS in accordance with CSO 8.2.1 reference must be made within the procurement documents explaining that the Framework Agreement or DPS is intended for wider use,

and advice should be sought from the City Solicitor to ensure the terms upon which other Contracting Authorities access those arrangements are clear and offer appropriate protection to the Council.

- 8.2.3 In establishing a Framework Agreement, the total duration (including any extensions) cannot exceed four years except in exceptional circumstances relating to the subject matter of the Framework Agreement. Any proposal to establish a Framework Agreement with a duration exceeding four years should be referred to the Head of Procurement for advice.
- 8.2.4 Where, taking in to account the above, the estimated value of the Framework Agreement or DPS is estimated to be above the relevant threshold, the Authorised Officer must ensure that the names of the other public bodies are included on the Find a Tender notice either individually or by identifiable class.
- 8.2.5 In establishing a Framework Agreement or DPS, the Council must ensure that the terms of the Framework Agreement or DPS make the process by which Contracts under the Framework Agreement or DPS are entered into, and the terms under which they will be entered, is explicitly clear.

9 Concession Contracts

- 9.1 If the Authorised Officer is considering entering into an arrangement which could constitute a Concession Contract, early advice must be sought from Procurement Services and the City Solicitor.

10 Contracts valued up to £24,999 (inclusive of VAT)

- 10.1 Where a Contract has an estimated value up to £24,999, the Authorised Officer must be able to demonstrate Best Value and must select suppliers to obtain quotes from fairly and openly. Local Suppliers must be used wherever possible. All quotations must be obtained in writing.
- 10.2 Where the Contract has an estimated value of up to £24,999 the following records must be kept:
 - (a) A unique reference number for the contract and the title of the contract or purchase order details;
 - (b) Any invitations to quote and the quotations received;
 - (c) A record of the decision to contract and the reasons for it;
 - (d) Communication with the successful Supplier.
- 10.3 To comply with the Local Government Transparency Requirements, details of all Contracts awarded of £5,000 and above must be recorded on the Council's procurement portal, YORtender and on the Contracts and Grants Register. Officers shall retain a written record of actions taken and the reasons using the pro-forma template available on Bradnet.
- 10.3.1 The pro-forma should be completed and details recorded the Contracts and Grants Register prior to a purchase order being created.

11 Contracts between £25,000 and £213,477 (Threshold for Goods and Services) (Inclusive of VAT)

11.1 Contracts that are estimated to be for amounts between £25,000 and £213,477 must be let on a competitive basis on YORtender. The Authorised Officer must determine the most appropriate procedure to undertake.

11.2 The Authorised Officer must either:

11.2.1 use a closed procedure inviting a minimum of four suppliers registered on YORtender including inviting Local Suppliers wherever possible, or

11.2.2 use an open procedure advertising the opportunity to the open market using both YORtender and Contracts Finder

11.3 When using the closed procedure, if the minimum number of Tenders cannot be obtained owing to insufficient suitable Suppliers prepared to tender, then the Authorised Officer must keep a record of this.

11.4 No pre-qualification questionnaire is permitted during the procurement. Suitable assessment questions to assess eligibility are part of the Council's template procurement documents and can be used as part of the overall quality evaluation. Suitability Assessment Questions may only be included within the procurement where they are

- a) Relevant to the subject matter of the procurement; and
- b) Proportionate

11.5 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.

12 Light Touch Regime Contracts Valued £213,477 to the Light Touch Regime Threshold, Concession Contracts Valued £213,477 to the Concession Threshold, Works Contracts Valued £213,477 to the Works Threshold (inclusive of VAT)

12.1 The procurement of Contracts for the provision of Light Touch Regime Services, Concession Contracts and Contracts for works with a value between £213,477 and the relevant Threshold may be undertaken in accordance with procurement procedures as outlined in CSO11.

12.2 Procurement of any such Contracts must, however, be let on a competitive basis, which is advertised to the open market, through YORtender and on Contracts Finder.

12.3 The most common procedures to be used for Contracts within these thresholds are processes broadly equivalent to the Open and Restricted procedures set out in the Procurement Legislation. Where consideration is

given to any other procedure then early advice must be sought from the Head of Procurement.

13 All Contracts valued above the Threshold (inclusive of VAT)

- 13.1 Where the Contract Value is likely to exceed the relevant threshold it must be tendered in accordance with the relevant Procurement Legislation, unless it is to be procured through an existing Framework Agreement or DPS agreement that has been established via a compliant public procurement process.
- 13.2 Suppliers must be appointed by one of the procedures under CSO 14.
- 13.3 All Tenders must be advertised on the YORtender system and Contracts Finder. Standard template documentation must be used.
- 13.4 All Tenders above the relevant Threshold must be advertised on Find a Tender.

14 Procurement Procedures

- 14.1 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 or short-listing stage prior to invitation to tender (ITT).
- 14.2 The **restricted procedure** under which a selection process 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 Threshold for goods and services.
- 14.3 The following procedures apply to more strategic, complex or high value projects and must be done in consultation with the Head of Procurement as there are limited circumstances under which these processes can be used.
- 14.4 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”.
- 14.5 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.
- 14.6 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.

- 14.7 For Contracts for Social and Other Specific Services subject to the Light Touch Regime Authorised Officers have more freedom to design a procurement procedure that is broadly comparable to the procedures described in CSO14. Consideration should be given to the Cabinet Office's guidance on procurement under the Light Touch Regime. The Head of Procurement must be consulted and the Authorised Officer must ensure that principles of transparency and equal treatment are observed.
- 14.8 For Contracts for Healthcare Services, joint commissions with NHS bodies, and contracts fully or partially funded from NHS budgets where it is proposed to procure under the flexibilities of the Health and Care Bill's Provider Selection Regime (PSR) the Head of Procurement must be consulted at the earliest possible opportunity.
- 14.8 The procedure to be undertaken as identified in this CSO 14 must be explained from the outset in the procurement documentation and adhered to throughout.

15 Submitting and Opening Tenders and Quotations

- 15.1 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 via YORtender, or for quotes below £25,000, at the specified date and time.
- 15.2 All Tenders or Quotations for each Contract must be opened by the Officer appointed by the Authorised Officer at a prescribed time.
- 15.3 The Authorised Officer must keep a record of all Tenders and Quotations.
- 15.4 The Authorised Officer shall after consultation with the Head of Procurement disqualify a Tender or Quotation which fails to comply with the requirements of this Contracts Standing Order (15.1) and must inform the bidder or Quotation provider, as soon as possible, stating the reason for the disqualification.

16 Evaluation

- 16.1 An evaluation panel must be convened for all evaluation processes undertaken. Representation on the panel must be from people who have knowledge of the subject area and be proportionate to the size and value of the procurement being undertaken.
- 16.2 For all Contracts, regardless of value, no person with a personal or financial interest in any of the bidders submitting a proposal should be involved in evaluating Tenders or involved in any way in influencing the decision as to which bidder is to be awarded a Contract. A declaration of interest form must be completed prior to the commencement of the evaluation process and held on file by the Authorised Officer.

- 16.3 The evaluation of tenders **must** be in accordance with the evaluation criteria specified in the original tender documents. Under no circumstance should there be a deviation away from this.
- 16.4 Where a bidder submits a qualified or conditional tender, they must be given the opportunity to withdraw the qualification or condition without amendment to the bid submitted. If a bidder fails to do so their bid must be rejected unless it is dealt with as an alteration to their submission in accordance with CSO 17 below.
- 16.5 Where a Tender received appears to be abnormally low, the Council is under a statutory duty to request that the bidder concerned provides a full and detailed response to explain the price / cost proposed. Identifying and dealing with abnormally low bids shall be the responsibility of the Authorised Officer. The Council may reject an abnormally low bid, where the justification doesn't satisfactorily account for the low level of price. Where consideration is being made to the rejection of a bid on these grounds advice must be sought from the Head of Procurement and City Solicitor.

17 Errors in Tenders and Quotations

- 17.1 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 Head of Procurement after consultation with the Authorised Officer in one of the following two ways:
- 17.1.1 The bidder 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
- 17.1.2 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.
- 17.2 A written record must be kept of all such amendments.

18 Post Tender and Quotation Negotiations

- 18.1 In the interests of ensuring an open, fair and transparent process, negotiation following receipt of tenders is only permissible in limited circumstances.
- 18.2 No negotiation is permitted following **receipt of final tenders** where the Tender is above the Threshold.
- 18.3 Where the procurement is below the Threshold, the Authorised Officer may, after consulting with the Chief Financial Officer, and where it is intended to obtain better value for money, authorise negotiations with one or more bidders 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.

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

19 Approval and Acceptance of Tenders and Quotations

- 19.1 For every Contract, Framework Agreement or DPS over the relevant Threshold or £2 million and above in value (whichever is lower) a tender evaluation report must be produced 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.
- 19.2 The tender evaluation report must be approved by an Officer with the appropriate authority and the Head of Procurement prior to notification letters referred to at CSO 19.4 being issued.
- 19.3 The Authorised Officer can only accept the most economically advantageous Tender or Quotation and must record the reasons for acceptance.
- 19.4 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. All notifications should be signed by the relevant Authorised Officer.
- 19.5 For procurements concerning Contracts with values above the relevant Thresholds it is essential that all unsuccessful letters contain the following;
- The award criteria used;
 - The score the bidder obtained against those award criteria;
 - The score the winning bidder obtained;
 - The name of the winning bidder;
 - The characteristics and relative advantages of the winning tender; and
 - Precise details of the standstill period.
- 19.6 For all tenders covered by the Procurement Legislation, the minimum statutory standstill period is required between notification of the award decision and final Contract award.
- 19.7 Whilst the standstill period referred to above is not a legal requirement for below threshold procurements, above threshold procurements under the light touch regime or Call-Offs under Framework Agreements or DPS, it is normal practice to apply a voluntary standstill period to allow an opportunity for unsuccessful aggrieved bidders to challenge / complain and for the Council to satisfactorily deal with such instances before entering in Contract.

19.8 Before entering into any Contract, the Authorised Officer must

19.8.1 be sure that they have the necessary authority to enter into the Contract and that these Contract Standing Orders, the Council's Financial Regulations and procurement advice have been complied with, and that the proposed Contract represents Best Value

19.8.2 be satisfied about the technical capability of such proposed Supplier; and

19.8.3 where a significant supply risk has been identified (in accordance with CSO 7.2.5 and for all Contracts of £213,477 pa and above, or £213,477 (if the Contract is for less than 1 year) for works, goods or services consult with the Chief Financial Officer to agree appropriate checks on the financial and resource capacity of the Supplier 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.

19.9 All Contracts awarded of £5,000 and above must be recorded on the YORtender system and all Contracts valued at £25,000 and above must also be published on Contracts Finder. All Contracts above the Threshold must also be published on Find a Tender.

19.10 For all Contracts and extensions valued at £100,000 and above a briefing note for the Leader of the Council must be produced.

19.11 For every Contract, Framework Agreement or DPS over the relevant Threshold or £2 million and above in value (whichever is lower) which is proposed to be abandoned a tender evaluation report, indicating the reasons for the abandonment, must be approved by an Officer with the appropriate delegated authority and the Head of Procurement prior to abandonment notification letters being issued.

20 Exceptions

20.1 Subject to the statutory requirements for procurement processes above Thresholds no competitive procurement process is required where one or more of the following exceptions apply:

20.1.1 the purchase of proprietary or patented goods or materials or services which, are obtainable only from one supplier, and where no reasonably satisfactory alternative is available;

20.1.2 the execution of works or the supply of goods or services are controlled by a statutory body

20.1.3 the execution of works or supply of goods or services are of a specialised nature which, are carried out by only one supplier, and where no reasonably satisfactory alternative is available;

- 20.1.4 the execution of works or supply of goods or services for which it can be demonstrated that no genuine competition can be obtained;
- 20.1.5 the purchase of a named product required to be compatible with an existing installation;
- 20.1.6 special education, health or social care Contracts, if, it is considered in the Council's interests and to meet its obligations under relevant legislation;
- 20.1.7 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.
- 20.1.8 carrying out, with the approval of the Chief Financial Officer, security works where the publication of documents or details in the tendering process could prejudice the security of the works to be done.
- 20.1.9 The procurement is a unique work or art or artistic performance
- 20.1.10 To allow for the continuation of a contractual arrangement with a Supplier beyond the terms of a Contract, in exceptional circumstances and where the duration of the continued Contractual arrangements is determined in accordance with the timescales required to complete a re-procurement or the decommissioning of the provision
- 20.1.11 The selection of a supplier upon the instruction of a third party, providing all the funding is met by a third party.
- 20.2 All exceptions with a total value of £25,000 and above require the support of the Chief Financial Officer, who is ultimately responsible for procurement within the Council, as well as the relevant Appropriate Officer.
- 20.3 An exception request form must be completed and submitted to the Head of Procurement for comment prior to contract award for every instance of an exception of £25,000 and above. The Authorised Officer must ensure that the market for a proposed Contract has been investigated, and that the Authorised Officer can demonstrate that departure from these Contract Standing Orders is justifiable and provides overall value for money.
- 20.4 The Authorised Officer must retain written reasons justifying the decision to use CSO 20 and be able to demonstrate that Best Value has been obtained.
- 20.5 Any Contract valued at £25,000 and above awarded using an exception shall be notified to the Chief Financial Officer who will record the Contract in the "Exceptions Log".

21 Contract Extensions, Variations, Novation or Termination

Extensions

- 21.1 The Authorised Officer can extend a Contract subject to the extension being permitted within the scope and terms of the original procurement and Contract and before the expiry date.
- 21.2 An options appraisal must be undertaken to determine if it represents Best Value to extend the Contract and any approval required must be sought in a timely manner.
- 21.3 The Authorised Officer must make every effort to negotiate improved terms, at the point of extending the Contract, with regard to the cost and quality of the goods or services.
- 21.4 No extension shall be made until funding has been secured in accordance with the Council's Financial Regulations or any other similar requirement.

Variations

- 21.5 All Contract Variations must be carried out within the scope of the original Contract and must not materially affect or change the Contract.
- 21.6 There are significant limitations upon the Council being able to make such modifications, especially where the Procurement Legislation applies.
- 21.7 When considering a Variation or modification valued £25,000 and above of an existing Contract, advice must be sought in advance from the Head of Procurement and where appropriate the City Solicitor.
- 21.8 Such variations must be approved by:
 - 21.8.1 the Assistant Director of the Service if the value of the variation is less than 25%, or the revised, total Contract Value is less than £100k,
 - 21.8.2 the Strategic Director of the Department if the value of the variation is greater than 25%, and the revised total Contract Value is £100k or above, or
 - 21.8.3 the Chief Financial Officer if the value of the variation is greater than 50% and the total value of the Contract is £100k or above.
- 21.9 Works Contracts variations, subject to CSO 21.6 and 21.7, must be managed in accordance with the relevant works Contract clause(s), and by no later than the next periodic valuation of the works reported in accordance with 21.8.1 to 21.8.3 above
- 21.10 Following the approval of any Variation the relevant notices described at CSO19.9 must be updated and any further notifications required to comply with Procurement Legislation published.

Novations

21.11 In the event that a novation is required because 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 Chief Financial Officer and City Solicitor before novating or assigning the Contract to a new Supplier.

Termination

21.12 Before commencing a process of terminating a Contract with a Supplier for a breach of Contract the Authorised Officer must consult the Chief Financial Officer and City Solicitor.

22 Written Contracts

22.1 The Authorised Officer must ensure every Contract is in writing.

22.2 Every Contract with a Contract Value of £2 million or above must be executed under seal as a Deed with the common seal of the Council by the City Solicitor. Any exception must be agreed by the City Solicitor.

22.3 Every Contract with a Contract Value of less than £2 million should be executed under seal as a Deed with the common seal of the Council by the City Solicitor in the following circumstances:

- the Council wishes to enforce the Contract for more than 6 years after its end (e.g. for land or 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

22.3 Otherwise the following rules for signature apply:

- where the total Contract Value is below £100,000 an Authorised Officer can sign within the limits specified by an Appropriate Officer as per Contract standing order 2.5.
- any Contract with a total value between £100,000 and £2 million must be signed by an Assistant Director or above

22.4 Letters of Intent should not be used unless approved by an Authorised Officer following consultation with the City Solicitor and the Chief Financial Officer.

22.5 All Contracts with the exception of one-off purchases below £5,000 must be recorded on the Contracts and Grant Register.

23 Professional Services, Consultants and Intermediary Employment

- 23.1 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. Approval of the Consultancy and Contractor Procurement Process must be obtained before seeking quotes or tenders.
- 23.2 In line with HMRC IR35 and CIS rules the Authorised Officer must consider guidance available on Bradnet and identify the employment status of the Supplier for tax purposes for the Contract entered into, and notify the Chief Financial Officer. Although not a definitive list, Suppliers providing works or services in the following instances must be considered:
- Services delivered personally by the Supplier
 - Consultancy work
 - Self employed contractors or suppliers
 - 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
- 23.3 For Contracts identified as being within the scope of the IR35 payments can only be made in compliance with IR35 legislation.
- 23.4 The Authorised Officer must consult the Chief Financial Officer for all Construction Industry Scheme (CIS) Contractor appointments and payments.

24 Contract Conditions

- 24.1 The Council's standard terms and conditions should be used for all Contracts subject to CSO24.2. Any exception must be agreed in consultation with the City Solicitor **before** entering in to Contract.
- 24.2 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 or project specific reasons.
 - Construction and/or engineering Contracts where bespoke conditions based on accepted industry practice are used e.g. JCT, NEC or ICE
 - Where Framework Agreements / DPS are being used.

25 Contract Management

- 25.1 The Authorised Officer is responsible for contractual spend over the duration of a Contract, and must scrutinise and challenge supplier performance, costs and progress, and must take appropriate measures and sanctions to improve supplier poor performance.

- 25.2 The Authorised Officer must ensure that an Officer is assigned to manage every Contract. This must be recorded on the Contracts and Grants Register.
- 25.3 The Authorised Officer must ensure that Contract specifications contain suitable key performance indicators to incentivise appropriate service delivery and to highlight poor performance.
- 25.4 The Authorised Officer must undertake suitable due diligence checks of a Supplier's technical and organisational measures to fulfil their obligations as Data Processors under the General Data Protection Regulation.
- 25.5 Any Officer designated with responsibility for managing a Contract should complete the Government Commercial College Foundation Contract Management Training.

26 Leases and Other Credit Agreements

- 26.1 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.

27 Grants

- 27.1 The Authorised Officer must follow the principles, processes and template documents of these Contract Standing Orders as appropriate for awarding grants prior to entering into any grant arrangements.
- 27.2 Grant funding arrangements should be considered carefully to decide whether they are in fact a procurement for the purposes of these Contracts Standing Orders. A genuine Grant funding arrangement is not a procurement. However, Officers should consider whether the purpose that the grant is being provided for could be achieved through a procurement.
- 27.3 Before awarding any grant with an estimated value of £100,000 and above, the Authorised Officer must consult the Chief Financial Officer.
- 27.4 For the purpose of the UK Subsidy Control Regime a 'grant award' proforma must be completed for all grants regardless of value and returned to Procurement Services, prior to award of the grant, who will update the national BEIS database with details of the grant.
- 27.5 All grant agreements shall be recorded in the Contracts and Grant Register.

28 Payment Outside of Standard Procure to Pay Procedures

- 28.1 The Chief Financial Officer will make payments on account only on certificates (or other forms approved by the Chief Financial Officer) which have been issued

by the Authorised Officer, or the architect/engineer/supervising officer appointed to deal with a particular Contract.

- 28.2 An Authorised Officer may where there has been written agreement with the Chief Financial Officer (setting out the parameters) make purchases and payments via a purchasing card. Purchasing cards must only be used in accordance with the Council's Purchasing Card Compliance Policy, any exception to the Policy must be agreed in advance with the Chief Financial Officer.
- 28.3 The Chief Financial Officer will withdraw the use of purchasing cards should the above not be complied with. Instances of non-compliance can result in disciplinary action in accordance with CSO 2.1.
- 28.4 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 or where it is industry practice to do so that has been agreed in writing with the Appropriate Officer.

29 Claims

- 29.1 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.

30 Contracts Where Members Have an Interest

- 30.1 Members shall ensure that all procurement activity which is undertaken has regard to high standards of probity and in a manner which avoids any conflict of interest. The Members' Code of Conduct must be followed at all times.

TABLE 1

Value Band	Total Contract Value	Procurement Options	Additional procedures
1	£0 - £24,999 (Inclusive of VAT)	CSO Section 10 <ul style="list-style-type: none"> • Must demonstrate Best Value • Must use in-house or Corporate Contract where applicable unless otherwise agreed with the Head of Procurement • Must use Local Supplier where possible • Consider using purchasing card for low value, low risk purchases 	<ul style="list-style-type: none"> • All quotes in writing • Contracts of £5,000 and above must be recorded on YORtender • All Contracts of £5,000 and above to be entered in the Contracts & Grant Register
2	£25,000 – Threshold for Goods and Services (Inclusive of VAT)	CSO Section 11 <ul style="list-style-type: none"> • Must use in-house or Corporate Contract where applicable unless otherwise agreed with the Head of Procurement • Consider availability of an existing suitable Framework Agreement or DPS • seek minimum of four quotes inviting local suppliers if available or • Open tender process 	<ul style="list-style-type: none"> • Consider all pre-procurement requirements • All quotes in writing • Use YORtender for quotes or formal tender • £100k and above Complete briefing note for Contract award • All Contracts to be entered in the Contract & Grant Register
3	Light Touch Regime Contracts, Concession Contracts and Works Contracts £213,477 to relevant Threshold (Inclusive of VAT)	CSO Section 12 <ul style="list-style-type: none"> • Must use in-house or Corporate Contract where applicable unless otherwise agreed with the Head of Procurement • Consider availability of an existing suitable Framework Agreement or DPS • Open tender process or process agreed by the Head of Procurement. 	<ul style="list-style-type: none"> • Consider all pre-procurement requirements • Use YORtender for quotes or formal tender • Complete briefing note for Contract award • All Contracts to be entered in the Contracts & Grants Register
4	Above relevant Threshold (Inclusive of VAT)	CSO Section 13 <ul style="list-style-type: none"> • Must use in-house or Corporate Contract where applicable unless otherwise agreed with the Head of Procurement • Consider availability of an existing suitable Framework Agreement or DPS (call-off) • Formal tender process • Full tender process with advert published on Find a Tender in accordance with Thresholds 	<ul style="list-style-type: none"> • All proposed Contracts must be referred to Procurement Services • Consider all pre-procurement requirements • Use YORtender for formal tender • Complete Tender Evaluation Report for Contract award • All Contracts to be entered in the Contract & Grant Register • Report to Overview & Scrutiny for Contracts of £2million and above prior to publishing tender

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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 2015 and subsequent amendments to provide for the proper administration of the Council's financial affairs. The Director of Finance (Chief Financial Officer/S151 Officer) has overall responsibility for this administration. More detailed guidance is contained in Financial Advice Notes and other procedures issued by the Chief Financial Officer.
- 1.2 In these Financial Regulations "Appropriate Officer" means the Chief Executive, Strategic Directors, Directors, City Solicitor, the Chief Financial Officer (S151 Officer) 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 Annually, the Chief Financial Officer will review these Financial Regulations and report any proposed alterations to the Governance and Audit Committee for consideration. The report will then be presented to Council for approval as part of the annual review of the Constitution.
- 1.7 The Chief Financial Officer may allow specific exceptions to these Financial Regulations where in their opinion it is in the Council's interest. The Chief Financial Officer must keep a record of these exceptions and report these to the Governance and Audit Committee on an annual basis.
- 1.8 The Chief Financial Officer can alter the financial limits in these regulations because of changes in the value of money. The Chief Financial Officer 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

Chief Financial Officer. *The budget is approved by full Council in February and may be subsequently varied during the year by full Council.

FINANCIAL CONTROLS AND PROCEDURES

2 Accounting and Financial Systems

- 2.1 The Chief Financial Officer 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 Chief Financial Officer 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.

3.1.4 The effectiveness of risk management, control and governance processes taking into account public sector internal audit standards and guidance.

- 3.2 The Chief Financial Officer or their designated officer

- a) can visit all premises to see cash, stores and other property,
- b) has right of access to any documents and all other data sources considered necessary and
- c) can ask any officer for any information and explanations considered necessary and may produce a report.

The officer concerned must provide promptly and has no more than 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 Chief Financial Officer 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 Chief Financial Officer must inform the Governance and Audit Committee every year about any responses 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 they must inform the Corporate Fraud Unit at once and discuss action to take. The Chief Financial Officer must report serious losses and irregularities to the Governance and Audit Committee.

4 Statement of Accounts

- 4.1 Each year the Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer. Payments to workers must comply with IR35 Regulations.
- 5.2 The Appropriate Officer is responsible for the accuracy of all information passed to the Strategic Director Corporate Resources or their designated Officer that is used for making payments to staff and the Strategic Director Corporate Resources or their designated Officer 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 Chief Financial Officer controls the Council's bank 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 Chief Financial Officer or other officers authorised by the Chief Financial Officer.

7 Borrowing and Credit Arrangements

- 7.1 The Strategic Director Corporate Resources and Chief Financial Officer exclusively can negotiate loans to the Council.
- 7.2 Appropriate Officers must consult the Chief Financial Officer 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 Strategic Investments

- 8.1 The Investment Advisory Group (IAG) will make investment recommendations to the Strategic Director Corporate Resources and oversee a strategy for generating income from investment in other assets, taking into account sources of funds, objectives/purpose, scope of investment (geography, sector, exclusions), risk appetite, duration, return requirements and the economic and regulatory environment.
- 8.2 The Strategic Director Corporate Resources and Chief Financial Officer exclusively can make investments. They 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 and advice relating to subsidy control has been obtained.

9 Treasury Management

- 9.1 The Treasury Management function shall be carried out by the Chief Financial Officer in accordance with the Code of Practice on Treasury Management in the Public Service produced by CIPFA and in accordance with the Treasury Management 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 Chief Financial Officer.
- 9.3 All operational decisions on borrowing, investment or financing (except for schools under delegated budgets) shall be made by the Chief Financial Officer or officers nominated under the Scheme of Delegation contained in the Treasury Management Practices/Schedules.
- 9.4 Each year the Chief Financial Officer shall present to Governance and Audit Committee the following reports on Treasury:
 - 9.4.1 A Treasury Management Policy Statement, Minimum Revenue Provision Strategy and Annual Investment Strategy
 - 9.4.2 An Annual Treasury Management report
 - 9.4.3 and a Mid-Year Treasury update report.

All above reports subsequently will be presented to full Council.

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 Chief Financial Officer 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 Chief Financial Officer.

11 Partnerships, Joint Ventures and Companies which are either wholly owned by the Council or where 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 Chief Financial Officer and City Solicitor on the proposals, and shall agree arrangements to provide for the effective monitoring and governance 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, chaired by the Chief Financial Officer, to ensure adequate safeguards are in place.

11.3 This Regulation does not apply to investments under Regulation 8 or pension fund investments under Regulation 33.

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 Council's Contract Standing Orders.

EXPENDITURE REQUIREMENTS

13 Expenditure Limits

Financial Regulations

- 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 Council's strategic objectives and policies for those services and secure value for money 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 Chief Financial Officer 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 Chief Financial Officer 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, with the written approval of the Chief Financial Officer:
- 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 overspend in the following year.
- 14.2 Any action taken under paragraph 14.1.1 or 14.1.2 above must be agreed with the Chief Financial Officer.
- 15 Procure to Pay and Miscellaneous Payments
 - 15.1 Appropriate Officers, or their nominees, are responsible for authorising purchases or making miscellaneous payments. Officers should ensure that the expenditure is necessary and appropriate and that there is a budget on the correct financial code to cover such expenditure, before giving approval.
 - 15.2 The Miscellaneous Payments process enables payments to be made which are not the result of a purchase, for example a refund, grant payment or third party payment. Miscellaneous Payments must not be used to pay suppliers (for goods, services or works; this includes professional fees/services, particularly to consultants or training providers). It must also not be used to reimburse employee expenses or petty cash purchases.
 - 15.3 The CHAPS, Immediate, Next Day or Future Dated Payments process must not be used to pay suppliers for goods, services or works other than in exceptional circumstances where an invoice is provided and the use of CHAPS is authorised by the Chief Financial Officer.
 - 15.4 Appropriate Officers should ensure that staff are properly trained to follow the procure to pay process, use an approved feeder system and to use SAP Procure to Pay.
 - 15.5 Appropriate Officers should review and document staff access to the SAP Procure to Pay system and any approved feeder system at least on an annual basis to ensure it is up to date and appropriate.

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. The business case for a proposal, fully funded by a revenue budget or capital grant, must demonstrate that it fits within the overall Capital Programme and maximises grant funding.

- 16.3 Capital Investment proposals not fully funded by a revenue budget or capital grant, 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 Investment Plan. Only proposals with approved business cases can be included in the Capital Investment Plan.
- 16.4 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:
 - 16.4.1 Schemes to be financed from an approved revenue budget or to be fully financed from capital grant may be approved by the Chief Financial Officer, and
 - 16.4.2 All schemes other than those approved by the Chief Financial Officer in accordance with 16.4.1 must be agreed by the Project Appraisal Group before submission to the Executive for approval.
- 16.5 Appropriate Officers shall ensure that:
 - 16.5.1 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 Chief Financial Officer where appropriate.
 - 16.5.2 Appropriate Members are consulted on plans and detailed estimates for schemes over £75,000.
 - 16.5.3 Where appropriate, Government or any other source of external funding approvals has been received.
 - 16.5.4 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:
 - 16.5.4.1 10% or £100,000, whichever is the lesser, for schemes costing over £75,000.
 - 16.5.4.2 15% or £7,500, whichever is the lesser for schemes costing £75,000 and below.
- 16.6 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 or revenue budget) to the Executive immediately prior to entering into any completely new commitments. In addition, Appropriate Officers shall be responsible for keeping both the appropriate Portfolio Holder and the Chief Financial Officer 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 16.5.4.1 and 16.5.4.2.
- 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 Chief Financial Officer.

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, the business case to identify the basis of any proposed charge.
 - 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 Chief Financial Officer.

- 18.3 Appropriate Officers are responsible for all arrangements for credit facilities and accounting for doubtful debts in accordance with rules issued by the Chief Financial Officer. 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 Chief Financial Officer. Arrangements whereby customers self-bill should not be entered into unless expressly agreed, in advance, in writing by the Chief Financial Officer.
- 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 Chief Financial Officer must approve the writing-off of debts and other losses except where they have specified the level of small value debts below £100 for which Appropriate Officers can give approval. The Chief Financial Officer may also delegate senior officers within Department of Corporate Resources to approve write-offs.
- 18.7 As an Appropriate Officer, the Director – West Yorkshire Pension Fund (WYPF) must approve the writing-off of debts and other losses relating to WYPF debts only. The Director – West Yorkshire Pension Fund (WYPF) may also delegate senior officers within WYPF to approve WYPF debt write-offs in accordance with the WYPF documented procedures.
- 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 €10,000. For practical purposes, this limit is set at £8,400 subject to Financial Regulation 1.8.
 - 19.2 All officers must adhere to guidance issued by the Chief Financial Officer 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 Chief Financial Officer.
 - 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer. Appropriate Officers must supply such information to the Chief Financial Officer as requested 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 Chief Financial Officer. 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 Chief Financial Officer 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 belong 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, they must make a complete inventory of the property under their custody and make arrangement for its safekeeping.

27 Private Funds

- 27.1 Appropriate Officers must ensure that when an employee because of their job has to look after money that does not belong to the Council they 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 Chief Financial Officer can see all records and vouchers for private funds. The Chief Financial Officer must be told of any funds, which do not comply with all these requirements.

28 Land and Property

- 28.1 Appropriate Officers must consult with the Strategic Director Corporate Resources before acquiring land or property by whatever means (including

purchase, sale, lease, tenancy, licence or option). The Strategic Director Corporate Resources shall ensure compliance with all relevant current legislation, policies and protocols.

28.2 Appropriate Officers must consult with the Strategic Director Corporate Resources before disposing of land or property by whatever means. All disposals of Council land or property must be carried out in accordance with the Land and Property Disposal Policy and, if appropriate, the Community Assets Transfer Policy.

28.3 The Strategic Director Corporate Resources shall be consulted on and will approve all asset disposals before contract exchange.

29 Disposal of Other Assets

29.1 When disposing of any other asset, Appropriate Officers must ensure the Council's Financial Advice Note on Disposal of Assets 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 either hosted on premises or in the cloud.

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 ISO/IEC 27001 Payment Card Industry Data Security Standard and PCI-DSS Public Services Network (PSN), Data Security and Protection Toolkit (DSP Toolkit) or any replacement thereof for the time being in force when considering the protection and security of personal, financial, sensitive and confidential information.

30.1 All officers must comply with the Council's Information Security Policy and guidelines relating to the use of computer hardware, software, related technologies, E-mail and the Internet. All Officers must undertake the mandatory GDPR Protection training annually as stipulated in the Council's Data Protection Policy [and all officers must be aware of the Employee Code of Conduct in regards to the handling of personal data..](#)

30.2 .

- 30.3 All officers must understand their responsibility when handling data that the council holds, which is either created by the Council or provided by partners, agencies, other public and private bodies via a data sharing agreement [and/or other personal data disclosures](#) and seek advice and guidance from the Information Asset Owner (IAO) or the Council's Data Protection Officer.

INSURANCE ARRANGEMENTS

31 Insurance Cover

- 31.1 The Chief Financial Officer will arrange all insurance cover and keep a record of details.
- 31.2 Appropriate Officers must immediately tell the Chief Financial Officer 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 Appropriate Officers must immediately notify the Chief Financial Officer once aware of any loss, liability or damage, which may involve a claim. The Chief Financial Officer will negotiate and/or arrange settlement in accordance with any insurance arrangements made.

WEST YORKSHIRE PENSION FUND

33 Pension Arrangements

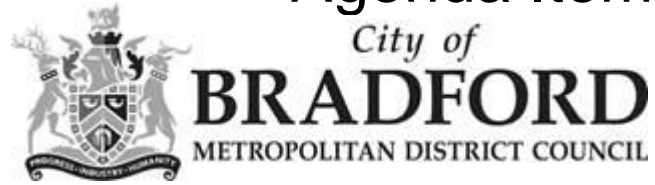
- 33.1 City of Bradford Metropolitan District Council, as administering authority for West Yorkshire Pension Fund (WYPF), has delegated legal and strategic responsibility for WYPF to the Governance and Audit Committee. The Council has established three bodies to assist and support the Governance and Audit Committee in overseeing the Fund, namely the WYPF Pension Board, WYPF Investment Advisory Panel and the WYPF Joint Advisory Group. Under the Council's Financial Regulations, the Director – West Yorkshire Pension Fund has day-to-day responsibility for the management of the Fund. The Chief Financial Officer at Bradford Council, as the Council's Section 151 Officer, has responsibility for signing the Fund's year-end accounts. A copy of WYPF Governance Compliance Statement can be found on WYPF website.

PUBLIC ACCOUNTABILITY REQUIREMENTS

34 Rules for Officers

- 34.1 An officer of the Council must not, in connection with their office of employment, accept any fee or reward whatsoever other than their 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 their duty to the Council to their private interests or put themselves in a position where their 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.

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Report of the Interim City Solicitor to the meeting of Governance and Audit Committee to be held on Thursday 21 April 2022

AG

Subject:

Proposed amendments to the Constitution following the adoption by Council on 15 March 2022 of the Local Government Association Model Councillor Code of Conduct with amendments.

Summary statement:

This report provides Members with proposed amendments to the Protocols on Member-Officer Relations, Members Gifts and Hospitality and Members Use of Council Resources including Use of E-mail and the Internet for recommendation to Council following the adoption by Council on 15 March 2022 of the Local Government Association Model Councillor Code of Conduct with amendments.

EQUALITY & DIVERSITY:

There are no equality or diversity implications.

Bryn Roberts
Interim City Solicitor

Portfolio:

Corporate

Report Contact: Mandy Hill
Assistant City Solicitor
(Democratic Services)
Phone: M:07814 779101
E-mail: mandy.hill@bradford.gov.uk

1. SUMMARY

- 1.1 This report provides Members with details of proposed amendments to the Protocols on Member-Officer Relations, Members Gifts and Hospitality and Members Use of Council Resources including Use of E-mail and the Internet (“The Protocols”) for recommendation to Council following the adoption by Council on 15 March 2022 of the Local Government Association Model Councillor Code of Conduct with amendments. The Protocols form part of the Council’s Constitution. The report also recommends two amendments to the Constitution for clarity.

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, decisions of the Council and Executive, and drafting changes and/or improvements.
- 2.2 Article 17 of the Constitution requires the Monitoring Officer to take steps to make himself 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 set out in paragraph 2.1 above.
- 2.3 On 15 March 2022 on the recommendation of Standards Committee, Council adopted the Members’ Code of Conduct (“the Code”) as set out in Appendix 4 to this report to be effective from the beginning of the Municipal Year 2022/23.
- 2.4 As a consequence of the adoption of the Code consequential amendments are required to the Protocols on Member-Officer Relations, Members Gifts and Hospitality and Members Use of Council Resources including Use of E-mail and the Internet. (“The Protocols”). The report also recommends two amendments to the Constitution for clarity.
- 2.5 Although Council delegated authority to the City Solicitor to make any consequential amendments to the Constitution following the adoption of the Code in consultation with the Chair of Governance and Audit Committee this report is being brought to Governance and Audit Committee to consider the proposed amendments for recommendation to Council.

3. PROPOSED AMENDMENTS TO THE PROTOCOLS AND CONSTITUTION

- 3.1 The proposed amendments to the Protocol on Member-Officer Relations are set out in Appendix 1, Members Gifts and Hospitality in Appendix 2 and Members Use of Council Resources including Use of E-mail and the Internet in Appendix 3 all shown in red.
- 3.2 The amendments reflect the changes required as a consequence of adopting the Code together with a number of minor amendments to update the Protocols for example updating the caveat Members are advised to provide within emails in

paragraph 7.4.1 in the Protocol on Member- Officer Relations.

- 3.3 It is also recommended that the following paragraphs of the Constitution are amended for clarity as shown in red.

PART 1 SUMMARY AND EXPLANATION

10. The Public's Rights

10.2 *Where members of the public use specific council services, as a parent of a school pupil for example, they have additional rights. These are not covered in this Constitution. All members of the public have the right to:*

- *Complain to the Standards Committee if they have evidence which they think shows that a councillor has acted improperly and not in accordance with the Members' Code of Conduct **under the procedure for considering complaints against Councillors.***

PART 2

Article 3 The Public and the Council

Complaints

3.5 *Members of the public have the right to complain to:*

3.5.3 *The Standards Committee about a complaint that involves an allegation that a councillor has acted in breach of the Members' Code of Conduct **under the procedure for considering complaints against Councillors.***

4. FINANCIAL & RESOURCE APPRAISAL

4.1 The resources required to amend the Protocols which form part of the Council's Constitution can be met from existing provision.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

5.1 The proposed amendments ensure that the Protocols within the Constitution are kept up to date and are consistent with the Members' Code of Conduct adopted by Council on 15 March 2022.

6. LEGAL APPRAISAL

6.1 The legal implications are reflected in this report.

6.2 The adopted Members' Code of Conduct provides that should there be a conflict between the Code of Conduct and the Council's Protocols on Member-Officer Relations, Members' Use of Council Resources including use of Email and the Internet and Gifts and Hospitality, the Members' Code of Conduct will take

precedence.

- 6.3 The amended Protocols should be kept under review and should additional amendments be recommended they be brought back to Governance and Audit Committee or considered by the Monitoring Officer under Article 14 of the Constitution.

7. OTHER IMPLICATIONS

- 7.1 There are no sustainability implications, greenhouse gas emissions impact or community safety, Human Rights Act, Trade Union, ward or corporate parenting implications in this report.

7.2 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

Not applicable.

8. NOT FOR PUBLICATION DOCUMENTS

None.

9. OPTIONS

- 9.1 To recommend to Council that the three amended Protocols be adopted together with the amendments as set out in paragraph 3.3 of this Report.
- 9.2 To require additional amendments or further consideration prior to recommending to Council for adoption.

10. RECOMMENDATIONS

- 10.1 That the proposed amendments to:

- a) the Protocol on Member-Officer Relations set out in Appendix 1,
- b) the Protocol on Members Gifts and Hospitality set out in Appendix 2 and
- c) the Protocol on Members Use of Council Resources including Use of E-mail and the Internet set out in Appendix 3 and
- d) the constitution as set out in paragraph 3.3 of this Report

be recommended to Council for adoption and implementation.

- 10.2 That the City Solicitor be granted delegated authority to make consequential amendments to the Constitution as a result of any recommendations approved by full Council.
- 10.3 That the City Solicitor ensures that any agreed amendments are implemented.

11. APPENDICES

Appendix 1 Proposed amendments to the Protocol on Member-Officer Relations.

Appendix 2 Proposed amendments to the Protocol on Members Gifts and Hospitality.

Appendix 3 Proposed amendments to the Protocol on Members Use of Council Resources including Use of E-mail and the Internet

Appendix 4 Members' Code of Conduct adopted by Council on 15 March 2022.

12. BACKGROUND DOCUMENTS

Local Government Association's Guidance on the LGA Association Model Councillor Code of Conduct

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PART 4C Protocol on Member-Officer Relations

1 Introduction

- 1.1 Effective local governance and community leadership depends on good working relationships between members and officers.
- 1.2 This Protocol provides rules (set out in **bold** type) and guidance (in *italics*) for members, co-opted members and officers in their working relations with each other.

The Protocol covers the more common working situations, but is not comprehensive. The principles underlying it may be applicable to other situations.

- 1.3 This Protocol applies only to working relations between members in their role as members and officers in their capacity as officers.

2 Working Relations

- 2.1 **Members and officers shall establish sound and effective working relations that seek to engender mutual respect and put aside any personal differences.**

- 2.2 *Both councillors and officers are servants of the public and they are indispensable to one another. But their responsibilities are distinct. Councillors are responsible to the electorate and serve only so long as their term of office lasts. Officers are responsible to the Council. Their job is to give advice to councillors and the Council and to carry out the Council's work under the direction and control of the Council, their committees and sub-committees. Mutual respect between councillors and officers is essential to good local government. Close personal familiarity between individual councillors and officers can damage this relationship and prove embarrassing to other councillors and officers. Close personal familiarity must be avoided in the course of Council business.*

- 2.3 *The National Conditions of Service for Staff in Local Government provide:*

"The public is entitled to demand, of a local government officer, conduct of the highest standard."

- 2.4 *Members and officers must recognise their different roles, needs and objectives. They must be ready to discuss positively how working relations between each other can most effectively be developed. Members and officers must set aside any personal differences in the interests of maintaining effective working relations.*
- 2.5 *It is important that officers develop political awareness of issues that are sensitive to the individual political groups represented on the Council.*

3 Courtesy and Respect

- 3.1 **Members and officers will adopt reasonable standards of behaviour and courtesy towards each other and will not take or attempt to take unfair**

advantage of their position. Members and officers will treat each other with mutual respect.

- 3.2 *The use of more extreme forms of behaviour and emotion is rarely conducive to establishing mutual respect and is not a basis for constructive discussion. On the other hand, over familiarity can be misconstrued and give rise to unhelpful tensions.*
- 3.3 *Members and officers should have regard to the formality of the occasion as to the mode of address they choose to adopt. In particular, in formally convened meetings and/or meetings open to the public a formal mode of address should be adopted. In all other cases members and officers will respect preferred modes of address.*

4 Officers Giving Advice and Information to Political Groups

- 4.1 **Advice and information given by officers to political groups will only relate to Council business. Officers will not advise on political business.**
- 4.2 **Members will organise political group meetings to distinguish between Council and political business. Officers will not attend political meetings whilst political business is being discussed.**
- 4.3 **Officers will be even handed in giving advice and information when briefing a political group or members individually.**
- 4.4 **Officers will respect the confidentiality of any political group discussion at which they are present or with individual members and will not relate the content of any discussion to another political group or member.**
- 4.5 *The existence of political groups is recognised by legislation. It is common practice for political groups to consider matters of Council business, whether collectively within the political group as a whole or at pre-meeting briefings involving the members of the political group on the decision making body. Officer advice and information may legitimately be sought by political groups to enable them to consider the options for dealing with Council business.*
- 4.6 *Council decisions can only be made by the Council, the Executive or a delegated decision making body of the Council and not by political groups.*
- 4.7 *Officers shall tender their advice impartially and, where advice is sought from more than one political group, officers must offer the same advice to each political group. Officers may be asked questions at a briefing but these rules do not require an officer to inform other political group briefings of the questions and answers given.*
- 4.8 *Officers should be mindful that their responsibility in giving advice and information is to the relevant decision making body and that giving advice to pre-meeting briefings is no substitute.*
- 4.9 *Where officers have given advice and information in briefings to all political groups represented on the committee, it may be appropriate, with the agreement of the chair, to indicate this fact at the decision-making meeting. Officers may then state that they have no further additional advice or comment to make on their reports.*

- 4.10 *Both members and officers should be mindful that the presence of persons who are not members of the Council at political group meetings or pre-meeting briefings may limit any advice and information an officer may provide. Persons who are not members or co-opted members of the Council are not bound by the Members' Code of Conduct.*

5 Support Services to Members

- 5.1 **Members will, except where arrangements are otherwise approved, use support services and resources provided by the Council only for Council business. Support services shall not be used for political purposes—~~or campaigning activity, or for private purposes.~~ unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the Council or of the office to which the member has been elected or appointed. Support Services shall not be used for campaigning activity. Support services shall also not be used for private purposes save as detailed in the Protocol on Members Use of Council Resources including Use of E-mail and the Internet.**
- 5.2 *The Council provides support services to members (including stationery, typing, printing, photo-copying, personal computers, laptop computers, e-mail and internet facilities, travel, transport and parking arrangements, etc.) to assist members in discharging their role as members of the Council.*
- 5.3 *E-mail and internet facilities must not be used by members or officers on behalf of members to publish to the public at large or a section of the public any material which, in whole or part, appears designed to affect public support for a political party contrary to the Local Government Act 1986.*
- 5.4 *In using e-mail facilities for Council business, members should address communications only to appropriate named members, officers or other persons and should avoid the use of wider circulation lists, including those to Council employees, which may constitute a section of the public under the 1986 Act.*
- 5.5 *Members should seek guidance from the City Solicitor on any communication intended for wider circulation.*
- 5.6 *Support services are provided to the political group leaders by the Chief Executive's Office. Individual services may, in addition, provide support services to an executive member with portfolio, lead members and chairs of any committee or panel.*

6 Communications

- 6.1 **Officers will not, without the agreement of the author, copy a letter marked as 'private' or 'confidential' or both from a member to another member.**

- 6.2 **Members shall not, within their communications, purport to make decisions on behalf of the Council.**
- 6.3 *Most correspondence will be open and may be copied as a part of the normal arrangements for dealing with the matter within it. Members may, from time to time, raise matters confidentially with officers and such confidences shall be respected.*
- 6.4 *It may be necessary or appropriate for an officer to discuss the content of a confidential letter with another member, particularly where political consultation is required before action is taken under officer delegated powers. In these circumstances, the letter should not be copied or shown to another member or the identity of the author revealed.*
- 6.5 *Individual members (other than duly delegated executive members) have no power to make decisions on behalf of the Council. Members shall avoid suggesting or implying within their correspondence that they have made Council decisions. Members wishing to write correspondence relating to recent decisions should liaise with relevant officers in order to avoid any confusion.*
- 6.6 *Official communications letters and decision documents on behalf of the Council in relation to the Council's functions should be made by the relevant officer. In exceptional circumstances it may be appropriate for an official communication to be made by a member and this should only be undertaken in liaison with the relevant officer.*

7 Electronic Communications

- 7.1 **Members and officers must not use to their advantage information that has been communicated to them in error.**
- 7.2 *The use of e-mail and other electronic facilities is encouraged. Whilst electronic communications will tend to involve less formality than written communication, members and officers should avoid in e-mail and other electronic communication between them a level of informality that may be perceived as close personal familiarity.*
- 7.3 *Members and officers should only circulate e-mail communications to intended recipients and wide or general circulation should be avoided.*
- 7.4 *Members and officers are advised to include a caveat within e-mails on the following lines:*
- 7.4.1 ~~*The information contained in this e-mail is intended for the individual or entity to whom it is addressed. It may contain privileged and confidential information and if you are not the intended recipient, please notify the sender and delete the message from your system immediately.*~~

~~This email, and any attachments, may contain Protected or Restricted information and is intended solely for the individual to whom it is addressed. It may contain sensitive or protectively marked material and should be handled accordingly. If this email has been misdirected, please notify the author immediately. If you are not the~~

intended recipient you must not disclose, distribute, copy, print or rely on any of the information contained in it or attached, and all copies must be deleted immediately. Whilst we take reasonable steps to try to identify any software viruses, any attachments to this email may nevertheless contain viruses which our anti-virus software has failed to identify. You should therefore carry out your own anti-virus checks before opening any documents. Bradford Council will not accept any liability for damage caused by computer viruses emanating from any attachment or other document supplied with this email. Emails may be subject to recording and / or monitoring in accordance with relevant legislation.

8 Specific Member/Officer Working Relations

- 8.1 **Members and officers will not allow a working relationship to become so close or appear to be so close as to bring into question the officer's ability to deal impartially with other members and political groups.**
- 8.2 *There should be close working relations between, on the one hand, executive members with portfolio, executive committee and other committee and panel chairs and other members designated as having a lead, link or shadow responsibility, and on the other hand relevant members of Senior Leadership, and other senior officers.*
- 8.3 *Executive members with portfolio, executive committee and other committee and panel chairs may routinely be consulted by officers prior to them making decisions under delegated powers. The law only allows for decisions relating to the discharge of any of the Council's functions to be taken by full Council, the Executive, a committee or member of the Executive or a committee, sub-committee or an officer. It is important that it is clear who made a decision.*
- 8.4 *The City Solicitor is responsible for determining the agenda for a formally convened meeting of a committee or panel. The chair of the committee or panel will be consulted as a part of the agenda preparation for meetings.*
- 8.5 *Officers having delegated decision-making authority are entitled, where considered expedient, to refer a matter to the Executive, **Executive Committee**, Governance and Audit Committee, Wellbeing Board, the Regulatory and Appeals Committee, Licensing Committee or appropriate **Committee or** sub-committee for decision. Senior Leadership are responsible for the contents of all reports submitted in their name.*
- 8.6 *Members must acknowledge that officers within a department are accountable to their superior officer. Officers should always be prepared to assist members, but they cannot go beyond the bounds of the authority given to them by their superior officer and they should not be asked to do so.*

9 Overview and Scrutiny Committees

- 9.1 *When discharging their roles of overview and scrutiny and holding the **Executive** to account, Overview and Scrutiny Committees may request or require Executive members to attend meetings and answer questions. Executive members may*

require briefings from officers to assist them in responding to such questioning. In responding, officers must seek to ensure that the information provided is factually correct and complete. Officers must be mindful in providing support to Executive members that such support does not undermine the integrity of the member or their own impartiality as an officer. Overview and Scrutiny committee members may question officers at committee meetings and when conducting a scrutiny. Whilst questions may be challenging, members should seek to question officers in a positive and constructive way and should avoid any emotive or aggressive approach.

- 9.2 *In responding officers should be open, constructive and helpful and should seek to provide full answers.*

10 Involvement of Ward Councillors

- 10.1 **Ward Members will be invited to attend any public meeting organised by the Council which relates to issues within their ward.**
- 10.2 *Ward Members must be appraised of local issues within their ward and involved in any public meeting or consultation exercise. They must be notified, at the outset, of any consultation on a local issue in their ward.*

11 Involvement on Other Bodies

- 11.1 *Members and officers are occasionally appointed as the Council's representative or nominee to another body. Members and officers may be members of other bodies other than by reason of their position in the Council. Where members or officers are in the capacity of company Director or Trustee they must, in making decisions for that body, have regard to the interests of that body. There is the potential therefore for a conflict of interest between that of the Council and the other body to occur (for example, the provision of confidential information).*
- 11.2 *Where members and officers are involved with other bodies, they must in their working relations with each other be mindful as to the possibility of a conflict of interest. In the case of any conflict, members and officers should seek advice from the City Solicitor.*

12 Members Access to Information and to Council Documents

- 12.1 **Officers will provide relevant information, access to documents, advice and explanation that members may reasonably request and is necessary for them to fulfil their responsibilities as a councillor. A request will only be refused for reasons clearly stated in accordance with the law.**
- 12.2 **Members will use any information provided only for the purposes of properly performing their duties as councillors and shall treat as confidential all information received unless made public by law or with the express or implied consent of the Council.**

- 12.3 **Members will not disclose or use confidential information for personal advantage or advancement or for the advancement of their friends, family members, employer or business interests or to the disadvantage or discredit of the Council or anyone else.**
- 12.4 *Members are free to approach any Council department for information. A request may relate to one or more of the following:*
- 12.4.1 *Information which is recorded or readily ascertainable.*
- 12.4.2 *Access to a specific document or documents.*
- 12.4.3 *Information which is not readily available without research.*
- 12.5 *A request should be made to the Appropriate Officer in the first instance, normally the responsible manager. It is for the Appropriate Officer to determine what information ought reasonably to be provided in response to the request. A response should be provided within 5 working days, but if this proves not possible, the delay must be explained and a clear indication should be given when a substantive response will be provided.*
- 12.6 *A 'document' includes any document or recorded information produced with Council resources whether in electronic or physical form, but does not include any document that forms a part of the internal workings of a political group.*
- 12.7 *Members shall, on request, be provided with a copy of any document unless it contains exempt information within the meaning of Schedule 12A of the Local Government Act 1972.*
- 12.8 *Members who do not sit on the Executive, a relevant committee, sub-committee or panel may only see documents which contain exempt information within the meaning of Schedule 12A of the 1972 Act if they can demonstrate a clear 'need to know'.*
- 12.9 *Members should, before requesting information, consider whether the information is necessary for them to discharge their duties as a councillor. Members may be asked to demonstrate their 'need to know' where this is not clear to the Appropriate Officer by virtue of their membership of the Executive, committee or panel or their representational role. Information should not be sought simply because members are curious about a matter.*
- 12.10 *In the event of a refusal, the Executive, the relevant committee or panel may determine the question of access to documents.*
- 12.11 *Members will necessarily acquire much information that has not yet been made public and is still confidential. It is a betrayal of trust to breach such confidences. Members should never disclose or use confidential information for the personal advantage or advancement of themselves or of anyone known to them, or to the disadvantage or the discredit of the Council or anyone else.*

13 Member Briefings

- 13.1 Officers will make arrangements for briefing the Political Group leaders, executive members with portfolio and committee and panel chairs and other members designated as having a lead, link or shadow responsibility, about business within their remit.**
- 13.2 The Appropriate Officer will, except in the case of the Overview and Scrutiny Committees, the Regulatory and Appeals Committee (including panels appointed by the Committee), area committees and the Standards Committee, arrange briefings having first consulted the Leader of Council, the appropriate executive member with portfolio or their nominee as may be appropriate.*
- 13.3 In the interests of efficiency, briefings will normally be all-group with members meeting together. There shall be a facility for breaks to take place at the request of any political group to have consultations. At the request of a political group, briefings may take place separately with each political group making the request. When undertaken separately, the Appropriate Officer will provide the same information to each political group.*

14 Managing Tension Between Different Roles

- 14.1 Members and officers must recognise the different roles and responsibilities of bodies established within the constitution and the potential for tension between them.**
- 14.2 Members and officers must seek to manage any such tension so as not to compromise the integrity of each other and the bodies involved.**
- 14.3 Members of bodies making requirements of officers, such as the production of a report, must acknowledge the need of officers to balance resources between competing demands of all bodies.*

15 Personal Interests

- 15.1 Officers must not through their relationships with members seek to advance their personal interests or to improperly influence decisions.**
- 15.2 Members must not seek to use their position as members to advance the personal interests of officers.**
- 15.3 A member must not give a reference on behalf of an officer if the member is in any way involved in the recruitment process.**

16 Publicity

- 16.1 The law prohibits the Council from publishing any material which, in whole or in part, appears to be designed to affect public support for a political party.*

- 16.2 *In determining whether material falls within the prohibition regard shall be had to the content and style of the material, the time and other circumstances of publication and the likely effect on those to whom it is directed and, in particular, to the following matters:*
- 16.2.1 *Whether the material refers to a political party or to persons identified with a political party or promotes or opposes a point of view on a question of political controversy which is identifiable as the view of one political party and not of another*
- 16.2.2 *Where the material is part of a campaign, the effect which the campaign appears to be designed to achieve*
- 16.2.3 *The Council may not give financial or other assistance to a person for publication of material which the Council is prohibited from publishing itself.*
- 16.3 **Members must not use or seek to use council money or resources including officer time, office facilities and I.T. equipment for the production or issue of any material that may contravene these requirements.**

17 Criticism of Members and Officers

- 17.1 **Members and officers shall not engage in open criticism of each other.**
- 17.2 **Members will not comment openly or through the media on the conduct of officers and officers will not comment openly or through the media on the conduct of members. This rule is particularly applicable to comment by a member or officer in relation to any pending or ongoing complaint or disciplinary process involving a member or officer.**
- 17.3 *Members and officers may consider that criticism is from time to time justified. However, it is generally neither possible nor appropriate for officers or members to defend themselves in a public forum. Furthermore, open criticism may prejudice the bringing of disciplinary proceedings in circumstances where this might otherwise be appropriate. Open criticism is unlikely to be conducive to good member/officer working relations and may be damaging to morale within the Council.*
- 17.4 *Comment in relation to ongoing disciplinary proceedings may be used in the proceedings and prejudice their outcome.*
- 17.5 *Officer concern about the behaviour of members may be dealt with by reference to the appropriate provisions of this Code or ~~under the Standards Committee Procedure Rules~~ through the procedure for dealing with member complaints.*

18 Political Group Leaders and the Chief Executive

- 18.1 The political group leaders and the Chief Executive will seek to develop appropriate working relations.**
- 18.2 Regular briefing arrangements between the political group leaders and the Chief Executive are an essential part of the democratic machinery of the Council. It is important that the Chief Executive, as Head of the Paid Service, is accessible by all political groups represented on the Council through their respective leaders.*

19 Problems with Working Relations between Members and Officers

- 19.1 Members and officers will seek to resolve any problems arising within their working relations.**
- 19.2 The relevant political group leader and the Chief Executive will seek to resolve by mediation and conciliation any unresolved problem or breakdown in working relationships between members and officers. Where the problem or breakdown relates to the group leader's own relationships with officers the deputy group leader and the Chief Whip will work with the Chief Executive in place of the group leader.**
- 19.3 It is the responsibility of both members and officers to tackle and resolve problems arising within their working relationship. If this is not possible, the member and officer concerned must inform their political group leader and Chief Executive respectively. The political group leader and Chief Executive will endeavour to establish arrangements whereby any breakdown can be resolved.*

20 Enforcement

- 20.1 The Standards Committee has responsibility for dealing with any breach of this Protocol.**
- 20.2 Allegations of any breach must be made in writing to the Monitoring Officer.**
- 20.3 The rules in this Protocol relating to officers are equivalent to disciplinary rules in respect of which the relevant disciplinary procedures may be applied, subject to the approval of the Chief Executive.**
- 20.4 In the event that a problem in working relations between a member and an officer cannot be resolved under paragraph 19 above, the relevant political group leader will refer it to the Standards Committee and the Chief Executive will refer it to the appropriate disciplining officer of Senior Management.**

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PART 4D Protocol for Members on Gifts and Hospitality

1 Introduction

This protocol provides guidance for members of Council and independent and co-opted members (voting and non-voting) to assist in ensuring compliance with the requirements relating to Gifts and Hospitality contained in the **Members' Code of Conduct**.

2 General Caution

- 2.1 Treat with extreme caution any offer or gift, favour or hospitality that is made to you personally **which are (or which you reasonably believe to be) offered to you because you are a councillor.**
- 2.2 Your personal reputation and that of the Council can be seriously jeopardised by the inappropriate acceptance by you of a gift or hospitality **and the presumption is that you do not normally accept significant gifts or hospitality.**
- 2.3 The acceptance of gifts and hospitality is not always unlawful or inappropriate. The decision for you in every case is whether or not it is appropriate to accept any gift or hospitality that might be offered to you, having regard to how it might be perceived. **However, you should not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on your part to show favour from persons seeking to acquire, develop or do business with the Council or from persons who may apply to the Council for any permission, licence or other significant advantage.**
- 2.4 No hard and fast rules can be laid down to cover every circumstance as to what is appropriate or inappropriate. This Protocol offers general principles to enable you to make your own decision.

3 Criminal Law

- 3.1 It is a criminal offence corruptly to solicit (ask for) or receive any gift, reward or advantage as an inducement to doing or agreeing to do anything in respect of any transaction involving the Council. **~~The onus would be on you to disprove corruption in relation to a gift.~~**

4 Limits of Guidance

- 4.1 This Protocol does not apply to:
 - 4.1.1 Gifts and hospitality you may receive from family and friends (as birthday or other festival presents) that are not related to your position as a member. You should however question any such gift or hospitality offered from an unusual source.

You should ask yourself, would I have been given this if I was not on the Council? If you are in doubt as to the motive behind a gift or hospitality, it is recommended that you register it or speak to the Monitoring Officer.

You should always register a gift or hospitality if it could be perceived as something given to you because of your position.

4.1.2 The acceptance of facilities or hospitality provided to you by the Council.

4.1.3 Gifts given to the Council that you accept formally on the Council's behalf and are retained by the Council and not by you personally.

4.1.4 Gifts and hospitality received by the Lord Mayor and Deputy Lord Mayor in the course of their civic duties.

5 Meaning of Gifts and Hospitality

5.1 The expressions 'gifts' and 'hospitality' have wide meanings and no conclusive definition is possible.

5.2 Gifts and hospitality include:

- The free gift of any goods or services.
- The opportunity to acquire any goods or services at a discount or at terms not available to the general public.
- The opportunity to obtain goods or services not available to the general public.
- The offer of food, drink, accommodation or entertainment or the opportunity to attend any cultural or sporting event **freely provided or heavily discounted**.

5.3 Common gifts include pens, diaries, calendars and other business stationery, articles of clothing, books, flowers and bouquets.

5.4 Members should however be cautious when purchasing anything, when additional services, privileges or advantages are offered, which might be related to their position as a member.

5.5 Members are reminded that attendance at conferences at home or abroad must be undertaken in accordance with the agreed policy and procedures which are available on Councillors' Web. Specifically approval of the Chief Executive, the appropriate Strategic Director, Director or City Solicitor and the Group Whip is required in advance of any booking.

6 Appropriate Gifts and Hospitality

6.1 There are some circumstances where you may accept gifts and hospitality as being in the normal course of your duties as a member **subject always to the principles in paragraph 2.3 above.**

- Civic hospitality provided by another public authority.
- Normal and modest refreshment in connection with any meeting in the course of your work as a member (e.g. tea, coffee and other normal beverages and biscuits).
- Tickets for sporting, cultural and entertainment events which are sponsored or promoted by the Council or bodies to which you have been appointed by the Council, and the tickets are offered in relation to that sponsorship or promotion.
- Small low value gifts (below £25.00 such as pens, calendars, diaries, flowers and other mementos and tokens).
- Drinks or other modest refreshment in the normal course of socialising arising consequentially from Council business (e.g. inclusion in a round of drinks after a meeting).
- Modest meals provided as a matter of courtesy in the office or meeting place of a person with whom the Council has a business connection.
- Souvenirs and gifts from other public bodies intended as personal gifts (e.g. arising from twin-town and other civic events).

7 Principles to Apply in Relation to Gifts and Hospitality

In deciding whether it is appropriate to accept any gift or hospitality you must apply the following principles:

7.1 Do not accept a gift or hospitality as an inducement or reward for anything you do as a member. If you have any suspicion that the motive behind the gift or hospitality is an inducement or reward you must decline it.

Please Note: "Reward" includes remuneration, reimbursement and fee.

7.2 Never accept a gift or hospitality of significant value or whose value is excessive in the circumstances.

7.3 Do not accept a gift or hospitality if acceptance might be open to misinterpretation. Such circumstances will include gifts and hospitality:

- From parties involved with the Council in a competitive tendering or other procurement process.
- From applicants for planning permission and other applications for licences, consents and approvals.

- From applicants for grants, including voluntary bodies and other organisations applying for public funding.
- From applicants for benefits, claims and dispensations.
- From parties in legal proceedings with the Council.

7.4 Do not accept a gift or hospitality if you believe it will put you under any obligation to the provider as a consequence.

7.5 Do not solicit (ask for) any gift or hospitality and avoid giving any perception of so doing.

8 Gifts Received and Donated to the Lord Mayor's Appeal

8.1 It has become customary for some members on receiving gifts of value not to retain these personally but to pass them to the Lord Mayor's Appeal Office for use in relation to the Lord Mayor's Appeal.

8.2 Members may continue to do this, but should indicate this intention to the provider and make this clear on the registration **of gifts and hospitality** form.

9 Registration of Gifts and Hospitality and notification to the Monitoring Officer

9.1 The **Members'** Code of Conduct ~~for Members and Co-opted Members~~ provides that:

A member must **register with** the Monitoring Officer, within 28 days of **its receipt** any gift or hospitality **with an estimated value of at least over the value of £25.00. Details of the nature and source of that gift or hospitality should be included. -provide written notification to of the existence and nature and source of that gift or hospitality.**

9.2 If you are in doubt as to the value of a gift or hospitality you should register it as a matter of good practice and in accordance with the principles of openness and accountability in public life.

9.3 **A member should also register an accumulation of small gifts you receive from the same source over a short period, for example a couple of months, that add up to £25 or over in the interests of transparency.**

9.4 Members must complete the gifts and hospitality registration form for all notifications **and should include the name of the person or organisation who gave you the gift or hospitality, the date on which you received it, the reason it was given and its value or estimated value.**

9.5 **Members must also register with the Monitoring Officer any significant gift or hospitality that you have been offered but have refused to accept.**

9.6 **Members should always notify the Monitoring Officer of any gift or hospitality offered to you if it could be perceived as something given to you because of your position even where the hospitality falls below £25.**

10 Reporting of Inappropriate Gifts and Hospitality

- 10.1 It is a criminal offence for a person corruptly to give or offer any gift, reward or advantage as an inducement or reward to you for doing or forbearing to do anything as a member of the Council. You must immediately report to the Monitoring Officer any circumstances where an inappropriate gift or hospitality has been offered to you.
- 10.2 You may thereafter be required to assist the Police in providing evidence.

11 Enforcement

- 11.1 The Standards Committee has responsibility for dealing any breach of this Protocol.
- 11.2 Allegations of any breach must be made in writing to the Monitoring Officer.
- 11.3 A breach of this protocol shall also amount to a breach of the Members' Code of Conduct.

PART 4E Protocol on Members Use of Council Resources Including Use of E-mail and the Internet

1 Introduction

- 1.1 The Council provides computers and IT facilities for use by members in the course of their work with the Council. For practical reasons the Council allows use of the equipment for other purposes. This Protocol sets out the requirements and limitations of use of the equipment.
- 1.2 'Equipment' means any computer hardware and software provided by the Council, including peripherals, telephones and other devices used for information management and communication.
- 1.3 This Protocol provides rules (set out in **bold** type) and guidance (in *italics*) for members of Council and independent and co-opted members (voting and non-voting).
- 1.4 The rules comprise requirements for use of Council resources under paragraph 17 of the Code of Conduct for Members and Co-opted Members. The rules do not apply to the use of your own personal equipment.

2 Application

- 2.1 This Protocol applies to use by members of any Council equipment, whether in Council premises or elsewhere.

3 Health and Safety

- 3.1 **You must take all reasonable precautions to ensure the safe use of equipment.**
- 3.2 *This responsibility applies to your own health and safety and that of other users.*

Health and safety matters include computer layout and stability, electrical connections, visual affect, seating and comfort, extent of use and all other known risks.

4 Security

- 4.1 **You must take all reasonable precautions to ensure the security of equipment provided for your use.**
- 4.2 *This includes making reasonable arrangements (as if the equipment is your personal property) to prevent loss or damage. Members are not however obliged to effect their own insurance arrangements for the equipment.*

- 4.3 **You must use access password arrangements to prevent unauthorised use by others and maintain secrecy of such arrangements.**
- 4.4 *Arrangements must be adequate to prevent unauthorised access to information and services. **Guidance on passwords can be found in the Council's IT Password Policy on Bradnet.***
- 4.5 **You must make reasonable arrangements for the security of information stored on disc including prevention of unauthorised use and deletion of information no longer needed.**

5 Personal Responsibility and Accountability

- 5.1 **You must report any defect or damage at the earliest opportunity and provide access to the equipment or return it to the Appropriate Officer for repair.**
- 5.2 **You must return the equipment promptly when required and at the end of your term of office.**
- 5.3 *You are personally responsible for equipment provided for your use and you must be prepared to account for its use.*

6 Legal Obligations

- 6.1 **You must use equipment provided for your use lawfully.**
- 6.2 *There are a wide variety of civil wrongs and criminal offences which can be committed by use of computers. A brief summary of the main legal obligations is contained at the end of this protocol.*

7 Private/Business** Use**

- 7.1 **You may use equipment for private use but you must comply with this Protocol in so doing.**
- 7.2 **Your private use must not prejudice the use of the equipment for your Council use.**
- 7.3 **You must not use equipment for private business use **or personal gain.****
- 7.4 **You must not use network data storage applications for private use.**
- 7.5 **You must not use equipment for political purposes unless that use could reasonably be regarded as likely to facilitate or be conducive to, the discharge of the functions of the Council or of the office to which you have been elected or appointed. See also paragraph 14 below.****
- 7.6 *Private use is permitted as a convenience only, and to help you develop your IT skills. Private use should not therefore become disproportionate to Council use.*

7.7 *You must take appropriate precautions to separate your private use from appearing to be Council use. For example, you must use different letter and memo styles, signatures, email addresses, websites and files.*

7.8 *You may use equipment in relation to other public or voluntary sector appointments to which you have been nominated or appointed by the Council or in respect of which your appointment arises by virtue of you being a councillor.*

~~*You may permit members of your household to use equipment for domestic purposes but you remain responsible for such use and their compliance with this Protocol*~~

8 Monitoring

8.1 **You must co-operate with any reasonable arrangements made to monitor use of equipment in your control.**

8.2 *The Council may monitor your use of equipment, whether for Council use or private use. The purpose of monitoring is to ensure effective use of Council equipment and compliance with the law and this protocol.*

9 Training

9.1 **You are responsible for developing your skills in using equipment through training courses and materials available to you, to ensure your proper and effective use of it.**

10 E-mail Use

10.1 **Maintain your inbox to ensure effective use and carry out regular housekeeping.**

10.2 ~~*Delete mail containing obscene or racist or offensive material after forwarding to the ICT Consultant (Member and User Support and information Services). Business Relationship and Communication Service Manager (Corporate Resources, Office of the Chief Executive and Place)*~~

10.3 *Mark confidential e-mails clearly.*

10.4 *Include the following form of confidentiality warning in case of misdirection of e-mails.*

~~*Note: The information contained in this e-mail is intended only for the individual or entity to whom it is addressed. It may contain privileged and confidential information and if you are not the intended recipient please notify the sender and delete the message from your system immediately.*~~

~~*This email, and any attachments, may contain Protected or Restricted information and is intended solely for the individual to whom it is addressed. It may contain sensitive or protectively marked material and should be handled accordingly. If this*~~

email has been misdirected, please notify the author immediately. If you are not the intended recipient you must not disclose, distribute, copy, print or rely on any of the information contained in it or attached, and all copies must be deleted immediately. Whilst we take reasonable steps to try to identify any software viruses, any attachments to this email may nevertheless contain viruses which our anti-virus software has failed to identify. You should therefore carry out your own anti-virus checks before opening any documents. Bradford Council will not accept any liability for damage caused by computer viruses emanating from any attachment or other document supplied with this email. Emails may be subject to recording and / or monitoring in accordance with relevant legislation.

10.5 *Use composite address lists ('all users') sparingly, particularly for bulky material as this puts heavy pressure on storage limits.*

10.6 **Do not use e-mail for unlawful or improper purpose.**

This includes:

10.6.1 *Using another person's identification without authority.*

10.6.2 *Reading another person's mail without authority.*

10.6.3 *Copying material which is subject to copyright without licence.*

10.6.4 *Private business use or for personal gain.*

10.6.5 *Sending abusive, bullying, obscene, unlawfully discriminatory for example racist, sexist, harassing, defamatory or offensive material as text or image.*

10.6.6 *Downloading .exe files without checking for viruses.*

10.6.7 *Sending personal data (within the meaning of the Data Protection Act 2018) without the authority of the data holder or the data subject.*

11 World Wide Web Use

11.1 **Do not download any information which is obscene, unlawfully discriminatory for example racist, sexist, pornographic or offensive. If you need to research information of this nature you must obtain written authority from your group whip.**

11.2 *Remember your visit to a site may be identifiable.*

12 Printing and copying

12.1 **Do not print anything that comes within the meaning of 'unlawful or improper purpose' above.**

13 Confidential Information

- 13.1 Do not use equipment, or allow it to be used to communicate personal data (covered by the Data Protection Act) or confidential information to any person not authorised to receive it.**
- 13.2 You must take particular care with any personal data or confidential information you have on the equipment in order to avoid any unauthorised disclosure or breach of confidentiality. Delete such information when you no longer need it.*

14 Publication of Material Designed to Affect Support for a Political Party

- 14.1 Under section 2 of the Local Government Act 1986 the Council is prohibited from publishing or arranging for the publication of any material which, in whole or in part, appears to be designed to affect public support for a political party. This law applies to the use by members of Council equipment.**
- 14.2 Section 2 provides that in determining whether material falls within the prohibition regard shall be had to the content and style of the material, the time and other circumstances of publication and the likely effect on those to whom it is directed and, in particular, to the following matters;**
 - 14.2.1 Whether the material refers to a political party or to persons identified with a political party or promotes or opposes a point of view on a question of political controversy which is identifiable as the view of one political party and not of another.**
 - 14.2.2 Where the material is part of a campaign, the effect which the campaign appears to be designed to achieve.**
- 14.3 This rule is likely to apply to sending unsolicited e-mails or printed material with contents described in paragraph 14.2 to a wide number of people, particularly during an election or other political campaign.*
- 14.4 This rule does not prevent:*
 - 14.4.1 Normal correspondence.*
 - 14.4.2 The receipt and retention of political material that relates to Council business.*
 - 14.4.3 Viewing websites of political parties and groups.*
 - 14.4.4 Using the equipment to discuss with other members the business of the Council including motions.*
 - 14.4.5 The inclusion in emails or website of factual information about a councillor provided it is not within the above meaning of political material'.*

15 Fax and telephone

- 15.1 **Apply these rules, where they are relevant, to your use of fax and telephones provided by the Council.**

16 Enforcement

- 16.1 The Standards Committee has responsibility for dealing with any breach of this protocol.
- 16.2 Allegations of any breach must be made in writing to the Monitoring Officer.
- 16.3 A breach of this protocol ~~may~~ **shall** also amount to a breach of the Members' Code of Conduct.

17 Additional guidance

- 17.1 **Additional guidance can be found within the Council's IT Acceptable Use Policy on Bradnet**
- 17.2** When posting on social media, even if you do not describe yourself as a councillor, your post may fall within the scope of the Members' Code of Conduct if you are discussing local authority business or your role as a councillor. Guidance relating specifically to the use of social media can be found within the Council's Social Media Protocols on Bradnet. This should be read alongside Best Practice Guidelines for Managing a Social Media Site and Bradford Council Social Media Code of Conduct. These can also be found on Bradnet.

Legal Obligations (paragraph 6.2)

Computer Misuse Act 1990

Creates criminal offences covering unauthorised accessing of computers, hacking, eavesdropping and causing virus attacks.

Copyright, Design and Patents Act 1998

Enables enforcement of rights of authors and designers including those relating to software and electronically stored material.

Data Protection Act 2018

Gives individuals a right of access to personal data about them held on a computer. Establishes principles for dealing with personal data and liability and offences for non compliance.

Defamation Law

Defamation proceedings may be brought in relation to defamatory material published or communicated by electronic means including e-mail and websites.

Discrimination Law

Use of email and websites may be evidence of **unlawful** discrimination.

Evidence

A court or tribunal may order the production of material held electronically, including emails where relevant to legal proceedings.

Obscene Publications Act 1959

The criminal offences under this legislation include the transmission electronically of obscene material.

Protection from Harassment Act 1997

Provides for offences and civil remedies for harassment, evidence of which may be contained in emails and websites.

Protection of Children Act 1978

Offences in relation to indecent photographs of children include those stored electronically.

Telecommunications Act 1984

Use of a public communications system to transmit obscene or indecent images is an offence.

City of Bradford Metropolitan District Council

Members' Code of Conduct

This Code applies to Elected Members and voting Co-opted Members of City of Bradford Metropolitan District Council in all aspects of their public life.

The Council expects Members to follow this Code when they are:

- conducting the work of the Council
- representing the Council on any external organisation, and
- otherwise acting in their official capacity.

This Code does not apply to what Members do in their purely private and personal lives.

Definitions

For the purposes of this Code of Conduct, a “councillor” means a member or co-opted member of the Council or a directly elected mayor. A “co-opted member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;
- b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The Local Government Association encourages the use of support, training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.

General principles of councillor conduct

1. Everyone in public office at all levels, all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles- See Appendix A.
2. In accordance with the public trust placed in me, on all occasions:
 - I act with integrity and honesty
 - I act lawfully
 - I treat all persons fairly and with respect; and
 - I lead by example and act in a way that secures public confidence in the role of councillor.

3 In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence, and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

Application of the Code of Conduct

4. This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a councillor.
5. This Code of Conduct applies to you when you are acting in your capacity as a councillor which may include when:
 - you misuse your position as a councillor
 - your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor;
6. The Code applies to all forms of communication and interaction, including:
 - at face-to-face meetings
 - at online or telephone meetings
 - in written communication
 - in verbal communication
 - in non-verbal communication
 - in electronic and social media communication, posts, statements and comments.
7. You are also expected to uphold high standards of conduct and show leadership at all times when acting as a councillor.
8. Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct.

Standards of councillor conduct

9. This section sets out your obligations, which are the minimum standards of conduct required of you as a councillor. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.
10. Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct *Respect*

11. As a councillor:

- **I treat other councillors and members of the public with respect.**
- **I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.**

- 11.1 Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.
- 11.2 In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in councillors.
- 11.3 In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the Council, the relevant social media provider or the police. This also applies to fellow councillors, where action could then be taken under the Members' Code of Conduct, and Council employees, where concerns should be raised in line with the Council's Protocol on Member-Officer Relations.
- 11.4 The Protocol on Member- Officer Relations set out in the Council's Constitution forms part of this Code and any breach of the requirements of that Protocol by a councillor or voting co-opted member shall be treated as a breach of this Code.

Bullying, harassment and discrimination

12. As a councillor:

- **I do not bully any person.**
- **I do not harass any person.**
- **I promote equalities and do not discriminate unlawfully against any person.**

- 12.1 The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.
- 12.2 The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.
- 12.3 Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

12.4 The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

Impartiality of officers of the Council

13. As a councillor:

- **I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.**

13.1 Officers work for the local authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

Confidentiality and access to information

14. As a councillor:

- **I do not disclose information:**
 - a. **given to me in confidence by anyone**
 - b. **acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless**
 - i. **I have received the consent of a person authorised to give it;**
 - ii. **I am required by law to do so;**
 - iii. **the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or**
 - iv. **the disclosure is:**
 - **reasonable and in the public interest; and**
 - **made in good faith and in compliance with the reasonable requirements of the local authority; and**
 - **I have consulted the Monitoring Officer prior to its release.**
- **I do not improperly use knowledge gained solely as a result of my role as a councillor for the advancement of myself, my friends, my family members, my employer or my business interests.**
- **I do not prevent anyone from getting information that they are entitled to by law.**

14.1 Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

Disrepute

15. As a councillor:

- **I do not bring my role or local authority into disrepute.**

- 15.1 As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other councillors and/or the Council and may lower the public's confidence in you or the Council's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring the Council into disrepute.
- 15.2 You are able to hold the Council and fellow councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the Council whilst continuing to adhere to other aspects of this Code of Conduct.

Use of position

16. As a councillor:

- **I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.**

- 16.1 Your position as a councillor provides you with certain opportunities, responsibilities, and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

Use of Council resources and facilities

17. As a councillor:

- **I do not misuse Council resources.**
- **I will, when using the resources of the Council or authorising their use by others:**
 - a. **act in accordance with the Council's requirements; and**
 - b. **ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the Council or of the office to which I have been elected or appointed.**

- 17.1 You may be provided with resources and facilities by the Council to assist you in carrying out your duties as a councillor.

Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport
- access and use of local authority buildings and rooms.

- 17.2 These are given to you to help you carry out your role as a councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the Council's own policies regarding their use.
- 17.3 The Protocol on Members' Use of Council Resources including use of Email and the Internet set out in the Council's Constitution forms part of this Code and any breach of the requirements of that Protocol by a councillor or voting co-opted member shall be treated as a breach of this Code.

Complying with the Code of Conduct

18. As a Councillor:

- **I undertake Code of Conduct training provided by the Council.**
- **I cooperate with any Code of Conduct investigation and/or determination.**
- **I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.**
- **I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.**

- 18.1 It is extremely important for you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

Protecting your reputation and the reputation of the local authority

Interests

19. As a councillor:

- **I register and disclose my interests.**

- 19.1 Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.
- 19.2 You need to register your interests so that the public, local authority employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.
- 19.3 You should note that **failure to register or disclose a disclosable pecuniary interest** as set out in **Table 1**, is a criminal offence under the Localism Act 2011.
- 19.4 **Appendix B sets** out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

Gifts and hospitality

20. As a councillor:

- **I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.**
- **I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.**
- **I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.**

20.1 In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a councillor. If you are unsure, do contact your Monitoring Officer for guidance.

Dispensations

21. Any request for a dispensation must be made in writing to the Monitoring Officer.

21.1 The Council, on written request is permitted to grant dispensations where it considers that:

- without the dispensation, the number of councillors of the decision making body prohibited from participating in any particular business would be so great a proportion of the decision making body 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 likely outcome of any vote on the matter.
- the dispensation is in the interests of persons living in the authority's area
- without a dispensation each councillor of the Executive would be unable to participate on a particular matter, or
- it is otherwise appropriate to grant a dispensation

Training

22. It is a mandatory requirement that councillors complete a training course on Child Sexual Exploitation. Councillors will be sent details by email of the course they are required to complete and the course must be completed within 6 months of the councillor's election or re-election or in the case of co-opted members their co-option or the renewal of their co-option. Current councillors, including current co-opted members are also required to complete a training course on Child Sexual Exploitation and must do so within 3 months of being sent details by email of the course. Councillors will be required to repeat the training if the content is significantly amended, for example as a result of changes to statutory guidance.

Allegations of a Failure to Comply with the Code of Conduct

23. All complaints alleging a failure to comply with this Code will be considered in accordance with the procedure agreed by full Council.
24. Should there be a conflict between this Code and the Council's Protocols on Member-Officer Relations, Members' Use of Council Resources including use of Email and the Internet and Gifts and Hospitality, this Code will take precedence.

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organizations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B - Interests

Registering interests

Disclosable Pecuniary Interests and Other Registerable Interests

1. Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012".
2. You should also register **details** of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.
3. "**Disclosable Pecuniary Interest**" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in **Table 1** below.
4. "**Partner**" means
 - a spouse or civil partner, or
 - a person with whom you are living as husband or wife, or
 - a person with whom you are living as if you are civil partners.
5. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.

Sensitive Interest

6. A '**sensitive interest**' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
7. Where you have a '**sensitive interest**' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

8. Where a matter arises at a **meeting** which directly relates to one of your **Disclosable Pecuniary Interests** as set out in **Table 1**, you must disclose the interest and:
 - 8.1 not participate in any discussion or vote on the matter and
 - 8.2 must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest.

Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest – see paragraph 21 above.

9. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as an Executive member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Disclosure of Other Registerable Interests

10. Where a matter arises at a meeting which ***directly relates*** to the financial interest or wellbeing of one of your **Other Registerable Interests** (as set out in **Table 2**):
- 10.1 you must disclose the interest.
 - 10.2 you may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and
 - 10.3 must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

11. Where a matter arises at a meeting which ***directly relates*** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate,
- 11.1 you must disclose the interest.
 - 11.2 You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and
 - 11.3 you must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
12. Where a matter arises at a meeting which ***affects*** –
- a. your own financial interest or well-being;
 - b. a financial interest or well-being of a relative or close associate; or
 - c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in **Table 2**
- you must disclose the interest.

In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied:

13. Where a matter (referred to in paragraph 12 above) ***affects*** the financial interest or well-being:
- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
 - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest
- 13.1 You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and
 - 13.2 must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

- 14 Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as an Executive member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>

Land and Property	Any beneficial interest in land which is within the area of the council. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer
Corporate tenancies	Any tenancy where (to the councillor's knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and (b) either— (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.

* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registrable Interests

You must register as an Other Registrable Interest:

- a) any unpaid directorships
- b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
- c) any body
 - (i) exercising functions of a public nature
 - (ii) directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)of which you are a member or in a position of general control or management

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Report of the Director of Finance and IT to the meeting of the Governance and Audit Committee to be held on 21 April 2022.

AH

Subject:

INTERNAL AUDIT PLAN 2022/23

Summary statement:

This report outlines the Internal Audit Plan for the financial year 2022/23. 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.

The 2022/23 Internal Audit plan is a one year plan. This takes into account the work that has been able to be completed in the past two years and the new risks that the Council has been facing. Normally this would have been the fifth year of a five year internal audit planning cycle however due to current uncertainty as to the new working environment a single year programme has been adopted.

Equality & Diversity:

The achievement of the 2022/23 Internal Audit Plan will provide assurance that the appropriate governance processes are in place which allows Service Objectives to be delivered in accordance with the Council's equality policies.

Chris Chapman
Director of Finance and IT

Report Contact: Mark St Romaine
Phone: (01274) 432888
E-mail:
mark.stromaine@bradford.gov.uk

Portfolio:

**Corporate
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 2022/23, giving the Committee the opportunity to contribute to the plan. It demonstrates where 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 2022/23.
- 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.

The 2022/23 Internal Audit plan is a one year plan. This takes into account the work that has been able to be completed in the past two years and the new risks that the Council has been facing. Normally this would have been the fifth year of a five year internal audit planning cycle however due to current uncertainty as to the new working environment a single year programme has been adopted.

2. BACKGROUND

Internal Audit Plan 2022/23

- 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 2022/23 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 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. The opinion must be based on a balance of work so that the internal control environment, the risk management and governance arrangements of the authority can be assessed.
- 2.3 The plan has included contributions from departmental management teams and has also been subject to consultation with Council Management Team. It is the case that there will always be a shortfall of resources against the planned work required. Consequently, it is expected that not all planned audits in the plan are deliverable and the Service will have to prioritise the use of its resources in producing the individual annual audit plans.
- 2.4 Performance will be reported to the Governance and Audit Committee in the Internal Audit Half Year Monitoring statement in November 2022 and in the Annual Audit Report in June/July 2023.
- 2.5 The 2022/23 audit plan will enable the Head of Internal Audit, Insurance and Risk to form an opinion at the end of the year on the Council's control, risk and governance arrangements. The 2022/23 audit plan has been developed to show clearly how the work planned will contribute to forming audit conclusions on control, risk and governance that will feed into the year end opinion.

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 AND GOVERNANCE ISSUES

- 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.
- 7.2 The fundamental shifts in the way the Council now works has significantly increased the risks facing the Council across its service delivery functions and its community responsibilities across the District. Internal Audit will be reviewing these risks in accordance with the plan. From a governance perspective there is the risk that internal controls may not operate normally with the same degree of management oversight and Council scrutiny. It is essential that management maintain appropriate controls in place to ensure value for money is achieved and the financial resilience of the authority continues. Internal Audit will be making an ongoing assessment of the control environment and where required completing specific work to rectify any identified control weaknesses.

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 Equality and Diversity

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 direct 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.

9.8 Implications for Corporate Parenting

None

9.9 Issues Arising from Privacy Impact Assessment

None

10. NOT FOR PUBLICATION DOCUMENTS

10.1 None

11. RECOMMENDATIONS

11.1 That the Internal Audit Plan for 2022/23 be approved.

12. APPENDICES

12.1 Appendix 1 – Internal Audit Plan 2022/23.

13. BACKGROUND DOCUMENTS

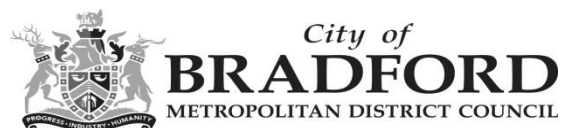
13.1 Accounts and Audit Regulations 2015.

13.2 Public Sector Internal Audit Standards 2017.

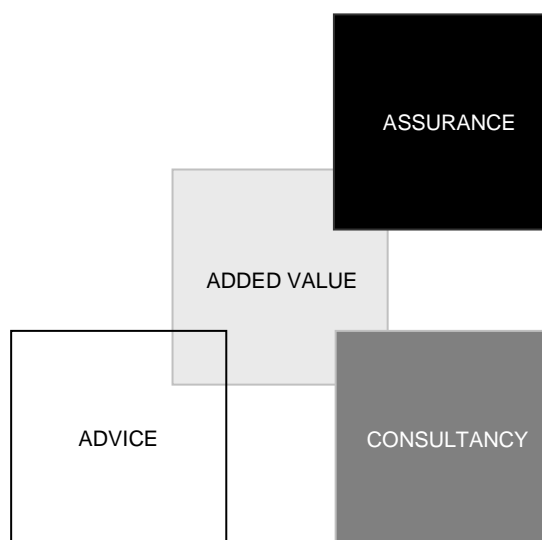
13.3 The CIPFA Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards 2019 Edition.

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Internal Audit



INTERNAL AUDIT PLAN 2022/23



DEPARTMENT OF CORPORATE RESOURCES

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 (GAC). 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 Chris Chapman, the Director of Finance and IT and the Strategic Directors for each Department. In order to prevent duplication of work and to ensure that the required audit assurances on the Council’s financial systems are provided, the 2022/23 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 2022/23.

Mark St Romaine

Head of Internal Audit, Insurance and Risk

April 2022

Circulation:

Members
Chris Chapman
Cameron Waddell
All Staff

Governance and Audit Committee
Director of Finance and IT
Director and Engagement Lead, Mazars
Internal Audit

1. KEY AIMS

- 1.1 Internal Audit's role is to independently review, evaluate and report upon the internal control procedures that management have established, both in financial and non-financial systems and make appropriate recommendations whenever controls are found to be missing, excessive or not operating effectively.
- 1.2 Internal Audit will assess and make appropriate recommendations to improve the organisation's governance processes for:
- making strategic and operational decisions
 - overseeing risk management and control
 - promoting appropriate ethics and values within the organisation
 - ensuring effective organisational performance management and accountability
 - communicating risk and control information to appropriate areas of the organisation, and
 - coordinating the activities of and communicating information among CMT, Governance and Audit Committee, external and internal auditors, other assurance providers and management
- 1.3 Internal audit activity will evaluate risk exposures and the effectiveness of control relating to the organisation's governance, operations and information systems regarding the:
- achievement of the organisation's strategic objectives
 - reliability and integrity of financial and operational information
 - effectiveness and efficiency of operations and programmes
 - safeguarding of assets, and
 - compliance with laws, regulations, policies, procedures and contracts
 - occurrence and management of fraud risk
- 1.4 Overall Internal Audit undertakes the following functions:-
- a) The continuous, systematic and structured review of the soundness, adequacy and application of the Council's internal control systems in accordance with the audit plan.
 - b) Receiving notifications of all suspected or known losses or irregularities concerning cash, property, stores or other financial matters.
 - c) Undertaking management reviews and reporting the findings to management for them to take the appropriate course of action.
 - d) Reviewing and advising upon developing systems.
 - e) Providing advice on financial systems, procedures, regulations, corporate governance issues and risk management.
 - f) Contributing to the Council's objectives and best value whenever possible

2. RESOURCES AVAILABLE

- 2.1 The total net resources available to Internal Audit are 2415 person days (9.3 FTE) which is slightly more than the 2370 person days (9.1 FTE) available in 2021/22. The net increase is due to staff being released back into the team from their secondments on business grants and Covid support. However, two staff 1.6 FTEs equivalent are leaving the team with the retirement of one Senior Auditor and the promotion of another Senior Auditor to the Council Risk Manager. It is envisaged that these vacancies will be filled with the recruitment of a

Senior Auditor and an Audit Trainee who are assumed to join the team by the 1st August 2022. Overall these resources will enable the Internal Audit Opinion to be supported by sufficient evidence.

3. INTERNAL AUDIT PLAN SUMMARY 2022/23

- 3.1 The summary of the Internal Audit Plan for 2022/23 in person days, by type of audit activity, is shown in Appendix A. The main difference from the 2021/22 plan is the increased resource allocated to significant systems to re-establish appropriate coverage as the Council recovers from the effects of the Covid Pandemic. A contingency remains to manage any uncertainty especially the impact of any inflationary pressures and tightening of the labour market particularly in critical skills areas.
- 3.2 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 2022 and in the Annual Audit Report in June/July 2023. These reports will also be presented to Council Management Team.

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.

4. INTERNAL AUDIT PLANNED WORK

- 4.1 An audit risk assessment is undertaken annually on all individual systems throughout the Council. The assessment takes into account a wide number of factors such as financial value, whether the systems operating have changed, Corporate Governance requirements, Corporate and Directors' priorities, prior audit assurance and known areas of concern.

The risk assessment drives the annual audit plan which enables Internal Audit to perform the necessary controls assurance work on the Council's core systems and processes.

The Internal Audit Plan has been designed so that the Head of Internal Audit can provide an opinion which assesses the internal control environment, the risk management and governance arrangements of the authority.

- 4.2 In the past the audit plan was based on a five year rolling plan that was designed for 2018/19 to 2022/23. Due to the impact of the Pandemic it has been decided that the 2022/23 Internal Audit Plan will be a one year plan to attempt coverage of those areas of activity that were not audited over the last two years which were previously timetabled to do so. This is with the intention of moving to a longer time planning framework from 2023/24. The Plan has been subject to consultation with the Council Management Team.

5. BREAK DOWN OF AUDIT ACTIVITY

The following sections provide the detailed 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.

5.1 Internal Audit Work 2021/22 Carried Forward

In any year there will be work carried forward from the previous year that was not completed in the year it was originally planned. Whilst there are a number of small carry forwards on several audits the following audits are now required to be substantially completed in 2022/23 rather than last financial year. These are tabled below.

2021/22 Slippage into 2022/23

Audit	Days
Capital Schemes	25
School Funding Allocation	10

5.2 Service Assurance Based Internal Audit Activity

PSIAS require Internal Audit to take a broader view on the Council's business risks and objectives. In order to facilitate this, Internal Audit will review the control environment supporting the Council's Corporate risks. In 2022/23 a more limited schedule of review is proposed with a single Audit on Adults Social Care Transformation planned. This is partially in response to the appointment of a Council Risk Manager which will see additional frontline input into this area in 2022/23. In addition, Internal Audit will be attempting to provide an assurance process within the Council's Management Assessment Process which is key evidence for the Council's Annual Governance Statement.

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.

5.3 Fundamental Financial Systems

The work undertaken by Internal Audit helps the Director of Finance and IT 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.

Appendix A shows that a total of 278 days has been allocated to fundamental financial systems work for 2022/23. This is an increase of 4% on the 267 days allocated in 2021/22.

The approach to auditing fundamental financial systems centres on in depth auditing, on a five year cycle, of the controls operating within an element of the fundamental financial systems. Details of the fundamental financial systems and their cyclical coverage are shown in Appendix B.

5.4 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, such as Looked After Children, Energy Management, School Catering, Deferred Payment for Care, Waste Management and Conflicts of Interest. Significant systems represent the largest area of audit activity due to their number, complexity and diversity. On a five year cycle, Internal Audit aims to cover all of the Council's significant systems.

Details of the coverage of core significant departmental systems including schools are shown in Appendix C.

Appendix A shows that 527 days has been allocated to significant systems work for 2022/23, which is a significant increase on the 324 days allocated in 2021/22.

5.5 School Audits

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

During 2021/22, the effects of Covid-19 continued to affect Internal Audit's access to school premises and the remote audit approach developed and introduced during 2020/21 remained in operation. This remote approach, which focuses on three financially significant areas; Governance and accountability, Purchasing and payments, and Payroll, will continue to be followed in 2022/23, being reviewed and revised as circumstances and practices allow. Twenty five schools are planned to be selected for audit activity this financial year.

The position regarding academy conversions will continue to be monitored throughout 2022/23 to ensure audit resources are focussed appropriately in the context of this changing landscape.

In addition to school audits, there is an allocation of time relating to confirming compliance with the Schools Financial Value Standard, (SFVS), an Education & Skills Funding Agency initiative, (sitting within the DfE), currently consisting of 30 questions which school Governing Bodies must discuss annually with their Heads and Senior Staff, to give them assurance that they have secure financial management in place. All maintained schools, except those that meet certain exception criteria, are required to complete an annual SFVS assessment and return it to the Council; for 2021/22 returns it is the 31st March 2022.

The SFVS scheme also places a requirement on the Council's Director of Finance & IT, as S151 officer, to have in place a system of audit for schools which gives adequate assurance over standards of financial management and to consider SFVS returns received when setting the audit plan for schools. The numbers of returns received by the Council by the March deadline also informs an annual position statement declared by the Director of Finance & IT to the DfE, which for 2021/22 is the 31st May 2022.

There is an allocation of time within the plan for analysis of the assessments received in order to inform this year's school audit plan and also to provide additional financial management assurance.

Completion of the SFVS is the responsibility of individual schools, however there is an allocation of time within the audit plan to provide schools with training support on the consideration and completion of their SFVS assessments. This has historically 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. In January 2022, an online training session was hosted by Internal Audit using Microsoft Teams, which on this occasion was particularly relevant due to scheme changes. This training is in addition to traditional remote methods of support on an individual school basis. Positive feedback has been received from delegates on training delivered to date and it is planned to deliver further training during 2022/23, either in person at Council premises, or online, depending on the position with Covid-19.

Appendix A shows that the number of resources allocated to schools work for 2022/23 is 255 days, compared with the 220 days allocated for schools' audit work in 2021/22.

5.6 Computer Audit

A total of 60 days has been allocated to computer audit in 2022/23, which is consistent with the days allocated in 2021/22. Computer audit services are provided to Bradford Council by Salford Council Internal Audit Services for which there is a three years contract from 1/10/19

to 30/9/22, which is to be extended to 31/3/23 to align the contract with the audit plan. The Computer audit plan that covers this period is shown in Appendix E.

5.7 Grants

There are no significant differences in the number of grants and funding streams known to require certification in 2022/23 compared to 2021/22, 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 108 days within the 2022/23 plan to complete the certifications listed below. This is an increase of 37 days (52%) on the 71 days allocated in the 2021/22 plan to reflect the significant number of notifications to Internal Audit of new grant certifications that were received after the 2021/22 plan had been approved.

Cycle City Ambition Grant 2021/22
Pot Hole Action Fund Grant 2021/22
Contain Outbreak Management Fund 2021/22
WYCA Local Transport Block Funding Grant 2021/22
West Yorkshire Plus Transport Fund Grant 2021/22
Families First (Troubled Families Funding) 2022/23
Disabled Facilities Grant 2021/22
PE & Sport Grant 2021/22
Local Authority Bus Subsidy Grant 2021/22
Active Travel Grant (2021/22)
City Connect (2021/22)
Transforming Cities Fund (2021/22)
Ultra Low Emissions Vehicles Taxi Infrastructure Grant (2021/22)
Getting Building Fund Grant (2021/22)

5.8 Follow Up Audits

The Chief Executive and Strategic Directors have the responsibility, in accordance with Financial Regulations, to ensure that the 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.

Follow up of Recommendations work issued up to 31 December 2021 will commence in April 2022. Due to the repercussions of Covid 19 it is anticipated that the progress in implementing agreed recommendations is likely to have been delayed and that target dates for implementation may have to be revised. Assessing the status of the recommendations will help form an opinion of the control framework across the council as a whole. Narrative to support the current status of implementation will be sought and wherever possible supporting evidence obtained. Further follow up of recommendations not fully implemented and recommendations issued after 31 December 2021 will be carried out through the year.

Appendix A shows that the number of resources allocated to follow ups in 2022/23 remains at 45 days to reflect the support that Internal Audit will provide to service managers to assist in the timely implementation of recommendations.

5.9 Advice & Controls Awareness

Advisory and control awareness work is mainly demand led and includes provision for advice on business issues. An allocation of 114 days has been made for this work in 2022/23, which is in line with the days allocated in 2021/22.

6. WEST YORKSHIRE PENSION FUND (WYPF)

The WYPF Internal Audit Plan (see Appendix D) is for 255 days commissioned work that is split between investments and the administration of pensions. The number of days was increased from 170 in previous years to 255, from 2018/19, at the request of the WYPF Head of Finance, due primarily to increasing risk as a result of the Northern LGPS and also an increase in activity in shared services to other Pension Funds such as Lincolnshire Pension Fund, London Borough of Hounslow Pension Fund, London Borough of Barnet and Fire and Rescue Services. During 2022/23, Internal Audit will continue to use some of the extra days to increase sample sizes used in testing controls. This is due to an increase in shared service partners such as the London Borough of Barnet and further Fire and Rescue Services during 2021/22. This allows Internal Audit to provide a level of assurance on transactions in respect of the shared service partners without diluting the assurance provided for the WYPF. The extra days provided to the WYPF achieves additional income to Internal Audit of approximately £30K.

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.

Investments

Equities are audited every year due to the value of the investments, (66.2% of WYPF's market value at 31.12.21). Other asset classes are audited on either a three or five yearly basis dependent on risk considerations.

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

A further piece of collaborative audit work with the Northern LGPS, the collective investment pool, will take place as part of the 2022/23 Internal Audit Plan.

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. In a similar way, New Pensions and Lump Sums relating to the Fire and Rescue Services is also to be audited annually from 2022/23, again with different pensioner type each year.

Annual Benefit Statements is audited twice in every five year period. Reimbursement of Agency Payments and AVC Arrangements are both audited once in every 5 years.

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

Contingency

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

7. COMPLIANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

In order to comply with Public Sector Internal Audit Standards, the Service should adopt a Quality Assurance Improvement Plan (QAIP). In 2022/23 this plan will be focus on ensuring the Service is able to work effectively and provide the required assurances as the Council responds to the current environment. This will include determining how auditors are best able to work in the new hybrid working environment.

The 2022/23 audit plan will enable the Head of Internal Audit, Insurance and Risk to form an opinion at the end of the year on the Council's control, risk and governance arrangements. The audit plan has been developed to show clearly how the work planned will contribute to forming audit conclusions on control, risk and governance that will feed into the year end opinion.

Under the PSIAS the Internal Audit Service is required to be externally assessed every five years. The last assessment was reviewed by the GAC in April 2018. Preparations will need to begin before the Summer to determine what form the external assessment should take, which will require the agreement of the GAC. The assessment should be completed by the spring of 2023.

The Head of Internal Audit is not involved in audits where they have had either existing or previously held operational responsibility. If an audit is undertaken of Risk Management or Insurance the reports are reviewed by an Audit Manager and reported directly to the Director of Finance and IT to avoid a conflict of interest.

INTERNAL AUDIT PLANS FOR 2022/23 AND 2021/22 BY AUDIT ACTIVITY

	2021-22 Plan	2022-23 Plan
Full Time Equivalents (net of leave & public holidays)	9.1	9.3
	Days	Days
Fundamental Financial Systems	267	278
Significant Systems	324	527
Strategic & Departmental Risks/Council Plan	80	20
Schools	220	255
Computer Audit	60	60
Grants	71	108
Follow-up Audits	45	45
Advice & Control Awareness	111	114
West Yorkshire Pension Fund	255	255
Administration	205	202
Management: Plan Delivery	208	208
Management: Technical	46	45
Training	85	120
Non-Audit Functions	54	44
Covid 19 Support	180	30
Contingency Provision	159	104
TOTAL PRODUCTIVE TIME	2370	2415

PSIAS Standards Alignment

The Public Sector Internal Audit Standards require the Head of Internal Audit to deliver an annual internal audit opinion that concludes on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

The 2021/22 annual audit plan, Appendices B to E, indicates how it contributes to the forming of the annual audit opinion conclusions on control, risk and governance as follows:

C = Control

G = Governance

R = Risk Management

FUNDAMENTAL SYSTEMS – PLANNED COVERAGE 2022-23

		AUDIT PLAN YEAR
PSIAS	Fundamental System	2022-23
	Council Tax/NNDR	
C, R	Valuation/Liability/Billing/Collection/Refunds	x
C,R	Enforcement & Write Offs	x
	Business Support Grant Post Fraud Assurance/Recovery Work	
	Benefits	
	Housing Benefit	
C, R	Discretionary Housing Benefits	x
	Free School Meals	
	Overpayments	
	Accounts Receivable	
	Invoicing	
	Enforcement, Refunds & Write Offs	
C	Accounts Receivable Key Controls	x
	Accounts Payable	
	Requisitioning/Ordering/Receipting	
	Payments including feeder files and miscellaneous payments	
	Supplier Maintenance	
C	Accounts Payable Key Controls	x
	Procurement	
	Corporate Contracts & Frameworks	
C, R	IR35	x
	Agency Spend	
C, R	Contract Management Review	x
	Procurement Processes (Quotes, Tenders, Contracts Award) incorporating Social Value and Inclusive Growth	
	Purchase cards	
	Third Sector Contracts	
	Contract Variations	
	Supplier Relief Review	
	Payroll	
	Starters & Leavers*	
C, R	Certification of Pension Contributions	x
C, R	Payroll Processing including temporary & permanent variations, voluntary deductions, salary sacrifice, statutory payments and Apprenticeship Levy	x
C, R	External Payroll Provision including billing for salary costs	x
	Expenses and Allowances	
	Third Party Payments	
	* alternate between Schools and Council	

		AUDIT PLAN YEAR
PSIAS	Fundamental System	2022-23
	Cash, Banking, Investments and Loans	
C, R	Cash income (collection, banking, management/governance)/Capita cash receipting system	x
C, R	Bank reconciliation/unallocated cash	x
	Cash Purchasing	
	Investments and Loans	
	Treasury Management	
	Budgetary Control	
C, R	Budgetary Control	x
	Capital	
	Accuracy of Asset Management register (CAFM): Revaluations, additions and disposals	
C, R	Capital Programme	x
	Capital Schemes	
	Final accounts review	
	Human Resources	
	Flexitime / Timerecording	
	Sickness Absence	
C,R	Hybrid Working Arrangements	x

CORE DEPARTMENT SYSTEMS INCLUDING SCHOOLS – PLANNED COVERAGE 2022-23

		CORE DEPARTMENT SYSTEMS INCLUDING SCHOOLS	Audit Plan Year
	PSIAS		2022-23
Health & Wellbeing	C, R	Continuing Healthcare	x
	C, R	Self Directed Support (Direct Payments/ISFs etc)	x
	C, R	S117 Mental Health	x
	C, R	Transitional Planning (cross cutting with Children's)	x
		Better Care Fund including Support & Enablement	
		Financial Assessment / Journey of Clients including client charging & payment to providers	
		BACES	
	C, R	Deferred payment for care	x
		Public Health Contracts / Monitoring/ Service Delivery	
		Liberty Protection Safeguards	
	C, R	Court of Protection / Deputyships/ Receiverships & Appointeeships	x
		Resource Allocation System	
		ContrOCC & System One /Data Quality	
		Commissioned Care	
		No recourse to public funds	
	C, R	Debt Management	x
	C, R	CCA Transformation and Change Programme	x
	C, R	Revenue Budget Monitoring	x
		Departmental Risk Management	
Children's Services	C, R	Through Care and After Care	x
		Fostering / Special Guardianships	
		Adoption	
		Outdoor Centres	
		External Placements	
		Early Years (2,3,4 year old offer)	
		Quality Assurance of Social Work activity	
		Residential Children Homes	
	C, R	School Transport/Travel Assistance	x
		Commissioning / Purchased Placements	
	C, R	Controcc Liquidlogic	x
		Ofsted Inspection/Children's Improvement Plan	
		Education Attendance/Safeguarding	
		Early Help & Prevention (new delivery model)	
		Social Care Service Audits (to be determined)	
		Departmental Risk Management	
		Financial control, cash spend, allowances	
		Duplicate Payments Review	
	C, R	Supporting the Establishment of the Childrens Trust	x
	C, R	Transitional Planning (cross cutting with H&WB)	x
		School Funding Allocation	
		Risk Management	

Corporate Resources	C, R	Building Maintenance/Services/TF/ CAFM	x
		Health & Safety	
	C, R	Rents incl miscellaneous, market and other rents	x
	C, R	Energy Management / Carbon Reduction / Utilities	x
		Housing Revenue Account	
	C, R	Insurance	x
	C, R	Members' Allowances	x
	C	Grants certification	x
		Grants to Voluntary Organisations	
		Registrars	
		Legal Compliance	
	C, R	Provision of Catering to Schools	x
		Land Charges	
		Departmental Risk Management	
	G	Annual Governance Process	x
Place	C,R	S106 and Community Infrastructure Levy	x
		Museum Artefacts	
	C, R	Waste Management/Recycling	x
	C, R	Swimming Pool and Sports Centre Income	x
	C, R	Licensing (Taxis etc)	x
		Car Parking	
		Transport incl vehicle repairs and maintenance, fuel recharge	
	C, R	Homelessness/Housing	x
	C, R	Planning Applications and Building Regulations Fees	x
		Regeneration Grants / Loans/Business Rates Relief	
		Neighbourhoods and Customer Service	
		Highways Delivery Unit	
		Cemeteries and Crematoria	
		Departmental Risk Management	
Chief Executive		Corporate Governance	
		Performance Management	
	G	Conflicts of Interest	x
		Partnership Governance	
		Departmental Risk Management	
Schools	C, G, R	School Audits - Finance and Governance	x
	C, R	Safeguarding & Recruitment	x
		Themed Audit	
		Independent Payroll	
	C, G, R	SFVS Assessment	x
	C, G, R	SFVS Training	x
	C, R	In Control news letter	x
	C	6 th Form Funding Assurance	x

WEST YORKSHIRE PENSION FUND AUDIT PLAN 2022-23

		WYPF Plan 2022/23
PSIAS	Pensions Administration	
	Local Government Scheme Contributions	
C	New Pensions and Lump Sums	x
	Transfers Out	
	Transfers In	
C	Reimbursement of Agency Payments	x
	Life Certificates	
C	AVC Arrangements	x
	Admission of New Bodies	
	Pensioners Payroll	
	Purchase of Additional Pension	
C	Annual Benefit Statements	x
C	New Pension and Lump Sums - Fire Service	x
	Information Governance including GDPR	
	Accuracy of Contributions Recorded on Member Records	
C	Exit Credits	x
	Business Continuity	
	Shared Service Partner Admission	
C	Counter Fraud Work	x
	Investments	
C	Equities	x
C	UK Fixed and Index Linked Public and Corporate Bonds	x
C	UK and Overseas Unit Trusts (Property and Other)	x
	Fund of Hedge Funds	
	UK and Overseas Private Equity	
	Global Bonds	
C	Cash Treasury Management (Short term Lending)	x
	Stock Lending	
	Compliance with IAP Investment Decisions and Policies	
	Verification of Assets	
	GLIL	
C	Annual Accounts Verification	x
C	NLGPS Collaborative Work - NPEP	x

COMPUTER AUDIT PLAN 2019/20 TO 2022/23

	Audit	Rationale	Audit days
1	Physical security and Environment - Data Centres and core sites	The core/engine of the whole ICT infrastructure. If ICT get this wrong, then it highlights a major concern about how they are managing the rest of ICT. It is critical that these rooms are secure, resilient and can withstand physical and environmental attacks.	6
2	Vulnerability management	Failure to effectively manage vulnerabilities in a timely and controlled manner could have a devastating impact in service availability and continuity. Managed poorly and the council could ground to a halt following an attack and suffer significant financial penalties	10
3	Hardware Asset Management	Failing to track assets from cradle to grave allows opportunities for items to disappear and not be traced	10
4	Email Management	Deemed a critical system for communication and it is paramount that it is always available, data is managed and effective encryption is used	10
5	Third party access management	Significant concerns over poorly managing 3rd party access. Rightly scored high in the assessment due to the powerful level of access usually given to 3rd party suppliers.	10
6	PCI/DSS compliance	Significant risk - if you are not compliant or get it wrong, ultimately the banks can remove your ability to pay by card, which would have a devastating operational impact on collecting income.	10
7	Service desk management	a major system for recording all ICT related issues. The knock on effect of not managing this service effectively will impact on all core service management areas.	20
8	ICT business continuity and disaster recovery	critical that service is always available and when there is a failure/outage/incident ICT must have robust and resilient systems in place to respond and recover asap	20
9	Mobile Device Management	Data breaches will be significant without an effective mobile device management system. Common areas where organisations get things wrong are poor configuration and poor authentication.	10
10	Software Asset and Licence Management	Similar concerns with hardware asset management. There are financial impacts and reputational damage to not effectively managing the estate. E.g. under/over utilisation of licenses, uncontrolled and unauthorised software installed	15
11	Application Management (Finance or social care)	it is critical that all core applications that store, process, transport and manage personal and sensitive data are being effectively managed. Poor access control and audit trails are common place	10
12	Network management	All ICT service run through a network and ineffective management over the network could result in unnecessary unplanned downtime and will affect service continuity	10
13	CONTINGENCY	CONTINGENCY TO BE SHARED BETWEEN YEARS	39

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Report of External Audit to the meeting of the Governance and Audit Committee to be held on 21 April 2022

AI

Subject:

External audit's Auditor's Annual Report (AAR) for the 2020/21 audit of the City of Bradford Metropolitan District Council.

Summary statement:

The AAR summarises the findings from our audit of the City of Bradford Metropolitan District Council for the year ended 31 March 2021.

Cameron Waddell
Partner
Mazars LLP
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1. SUMMARY

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for City of Bradford Metropolitan District Council ('the Council') for the year ended 31 March 2021. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

2. BACKGROUND

Not applicable

3. OTHER CONSIDERATIONS

None

4. FINANCIAL & RESOURCE APPRAISAL

Not applicable

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

None

6. LEGAL APPRAISAL

Not applicable

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

Not applicable

7.2 SUSTAINABILITY IMPLICATIONS

Not applicable

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Not applicable

7.4 COMMUNITY SAFETY IMPLICATIONS

Not applicable

7.5 HUMAN RIGHTS ACT

Not applicable

7.6 TRADE UNION

Not applicable

7.7 WARD IMPLICATIONS

Not applicable

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

Not applicable

7.9 IMPLICATIONS FOR CORPORATE PARENTING

Not applicable

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

Not applicable

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

Not applicable

10. RECOMMENDATIONS

The Governance and Audit Committee is asked to:

- note the contents of our Annual Auditor's Report, including the identified significant weakness in VFM arrangements and the recommendation for improvement, set out on page 15.

11. APPENDICES

Auditor's Annual Report 2020/21 – City of Bradford Metropolitan District Council

12. BACKGROUND DOCUMENTS

None

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Auditor's Annual Report

City of Bradford Metropolitan District
Council – year ended 31 March 2021

March 2022

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- 02 Audit of the financial statements
- 03 Commentary on VFM arrangements
- 04 Other reporting responsibilities

Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' issued by Public Sector Audit Appointments Ltd. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Council. No responsibility is accepted to any member or officer in their individual capacity or to any third party.

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01

Section 01: **Introduction**

1. Introduction

Purpose of the Auditor’s Annual Report

Our Auditor’s Annual Report (AAR) summarises the work we have undertaken as the auditor for City of Bradford Metropolitan District Council (‘the Council’) for the year ended 31 March 2021. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice (‘the Code’) issued by the National Audit Office (‘the NAO’). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

We issued our audit report on 21 December 2021. Our opinion on the financial statements was unqualified.



Value for Money arrangements

In our audit report issued on 21 December 2021 we reported that we had not completed our work on the Council’s arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting.

Since our report issued 21 December 2021, we have updated our understanding of the Council’s arrangements in light of the emerging issues in regard to the Council’s Children’s Services. Section 3 confirms that we have completed this work and provides our commentary on the Council’s arrangements and a summary of our recommendations.



Wider reporting responsibilities

We have not yet received group instructions from the National Audit Office confirming their requirements in relation to the Council’s Whole of Government Accounts. We are unable to issue our audit certificate until this is formally confirmed.

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 to consider any objection made to the accounts. We did not receive any questions or objections in respect of Value the Council’s financial statements.

02

Section 02:

Audit of the financial statements

2. Audit of the financial statements

The scope of our audit and the results of our opinion

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs).

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2021 and of its financial performance for the year then ended. Our audit report, issued on 21 December 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021.

Our Audit Completion Report 2020/21, presented to the Governance and Audit Committee on the 25 November 2021 and our follow-up letter dated 21 December 2021, provides further details of the findings of our audit of the Council's financial statements. This includes our conclusions on the identified audit risks and areas of management judgement, internal control recommendations and audit misstatements identified during the course of the audit. There are no matters raised in our Audit Completion Report 2020/21 that we need to repeat in this report.

The results of our opinion audit (West Yorkshire Pension Fund)

We have audited the financial statements of West Yorkshire Pension Fund ('the Pension Fund') for the year ended 31 March 2021, which comprise the Fund Account, the Net Asset Statement, and notes to the financial statements, including a summary of the significant accounting policies. Our audit report, issued on 21 December 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021, and there were no significant matters arising from the work performed.

03

Section 03:

Commentary on VFM arrangements

3. VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the 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 and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

Where we identify significant risks, we design a programme of work (risk-based procedures) to enable us to decide whether there is a significant weakness in arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

In our Audit Strategy Memorandum presented in March 2021, we highlighted two areas of focus relating to Council's Value for Money arrangements. We have since updated our understanding and this report confirms that of these two areas of focus, one risk of significant weakness in arrangements remains, as highlighted on page 11.

In instances where our risk-based procedures identify actual significant weaknesses in arrangements, we are required to report these and make recommendations for improvement. We outline the identified significant weaknesses and our associated recommendation on page 15.

The table below summarises the outcomes of our work against each reporting criteria. On the following page we outline further detail of the work we have undertaken against each reporting criteria, including the judgements we have applied.

Reporting criteria	Commentary page reference	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability	9	No	No
Governance	11	Yes – see risk on page 11	Yes – see recommendation on page 15
Improving economy, efficiency and effectiveness	14	No	No

3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

How the Council identifies significant financial pressures that are relevant to its short and medium-term plans

The Medium Term Financial Strategy 2020/21 to 2022/23 (MTFS), includes financial projections, analysis and context to support the delivery of the Council's key priorities as set out in the Council Plan (2021-25).

The MTFS is refreshed annually, to ensure decisions are based on the latest financial information. In July 2021 the Council updated the MTFS to consider the impact of the Government's local government finance settlement, the impact of Covid-19 on the Council's funding and changes to local taxation retention. This refresh also took into account any impact of the Council's 2021-22 budget and changes to the Council's key priorities due to the pandemic.

The Council's capital investment plan (2021-22 to 2024-25) sets out the Council's long term capital programme and is underpinned by the Council's annual capital investment strategy (2021-22).

Quarterly budget position statements are presented to the Executive, underpinned by budget monitoring within each of the Council's services, which are reported to Departmental and Council Management Teams. These reports provide a clear summary of the projected outturn and the actuals, along with supporting narrative to explain any significant changes. Implications of overspends and non-delivery of planned savings and efficiencies are set out in each report.

As part of the annual budget and MTFS setting process, savings and efficiency requirements have been identified. In 2020-21 new saving plans of circa £0.3 million were identified, which built on existing saving plans already included in the MTFS. They predominantly relate to Adult Social Care where savings targets amount to £13.8 million by 2022-23.

The Council has a good track record of delivering its budget, in 2020-21 the Council reported an underspend of £0.4m against its £378.1 million net revenue budget. In its latest budget position statement (quarter 2, 2021-22) management is projecting a £5.5 million overspend against its net revenue budget of £385.4 million. Consistent with previous years, much the budget pressures relate to Children's services and as in previous years, the Council plans to bridge this gap by identifying additional savings to mitigate this overspend.

Based on our work, there is evidence of effective financial management arrangements despite the continued financial pressures, including the on-going Covid-19 pandemic and recent issues relating to Children's services.

How the Council plans to bridge funding gaps and identifies achievable savings

The overarching MTFS includes the identification of savings and efficiencies up to 2023, after taking into estimated funding. The MTFS highlights a potential budget gap of £42.3 million over the life of the MTFS, which the Council plan to mitigate by identifying additional savings, increasing income or the use of reserves. However, management has confirmed the gap is predicated by several uncertainties which will be revisited when more information is available.

The annual budget savings cycle is a continuous approach with budget developments brought to the Executive for consideration throughout the year so that resources can be allocated to services and members can consider various outcomes.

The 2020/21 budget included savings of approximately £20.2 million (building on savings already included in the MTFS), of which approximately £13.1 million was achieved. In the context of the net budget, this is not a significant amount. The 2021/22 budget, approved in February 2021, included a savings total of £9.1 million, of which £8.4 million relates to Adult services. At the time of writing this report, the Council is forecasting that £6.3 million of this saving target will not be achieved, however Covid-19 funding has been allocated to off-set this pressure.

While the Council faces significant pressures to deliver its savings plans, our work did not identify any evidence to indicate a significant weakness in arrangements.

How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Council's MTFS provides a framework to achieve a sustainable financial position over the medium-term, aligned to the Council Plan. The key principles within the MTFS are designed to:

- ensure resources are targeted on statutory and front-line services and protecting key priority services, focused on need rather than want; and
- managing demand - implementing strategies and policies that enable the Council to manage demand and enable transformation plans.

3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria - continued

How the Council ensures that its financial plan is consistent with other plans

The Council's MTFS sets out the financial context for the Council's resource allocation process and budget setting, therefore, underpinning decision-making and other plans.

As part of ensuring the consistency of the MTFP and annual budget with other plans, significant consultation is undertaken on the budget, both with internal and external stakeholders.

How the Council identifies and manages risks to financial resilience

As part of the annual budget report setting, the Council's Section 151 officer sets out his assessment of the adequacy of reserves and the robustness of budget estimates. Appropriate risk factors are considered as part of this assessment, including the level of reserves, prudential and treasury indicators and the robustness of inflationary estimates. This is underpinned by the review of reserves set out in the annual update of the Council's MTFS, which includes an estimate of projected earmarked reserves.

Earmarked reserves as at 31 March 2021 were £241.6 million (including schools reserves and the general fund balance), compared to £192.0 million the prior year. Much of the significant increase was due to additional the S31 Business Rates Grants and the Covid 19 funding reserves totalling £57.1 million (£32.7 million in 2019/20) received in year. These reserves are forecast to be used in 2021/22, to support the Collection Fund deficit arising from the pandemic and to support services impacted by Covid. Earmarked reserves (including the general fund balance and school reserves) are regularly reviewed and are projected to reduce over the life of the MTFS.

Based on the above considerations we not identified any significant weakness in the Council's arrangements in relation to financial sustainability.

3. VFM arrangements – Governance

Risks of significant weaknesses in arrangements

We have outlined below the risks of significant weaknesses in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

Risk of significant weakness in arrangements		Work undertaken and the results of our work
1	<p>Issues which led to a qualified ‘except for’ VFM conclusion in the 2019/20 audit</p> <p>In our Audit Strategy Memorandum, presented in March 2021, we highlighted the following area of focus:</p> <p><i>Although we are no longer required to provide a qualified or unqualified conclusion, in 2019/20 we reported - Ofsted’s monitoring visit letter of 19 March 2020 highlighted that there are several areas in which improvement was required. We expected an updated assessment in 2021 (originally the full visit was going to be in 2020, before COVID-19), however until then children’s social care services continue to be rated as ‘inadequate’ by Ofsted.</i></p>	<p>Work undertaken</p> <p>Our value for money procedures included, but were not limited to:</p> <ul style="list-style-type: none">• Reviewing Monitoring Letters issued by Ofsted following monitoring visits in 2021.• Ongoing discussions with senior management on progress in addressing Ofsted recommendations.• Reviewing arrangements the Council put in place to address the weaknesses identified in Ofsted reports and letters. <p>Results of our work</p> <p>In our view, Ofsted letters issued during 2021 continue to highlight significant weaknesses in the Council’s arrangements to fully address Ofsted recommendations in relation to several aspects of children’s services, particularly the slow pace of change in fully addressing the weaknesses identified in Ofsted reports and monitoring letters. A significant weakness has therefore been identified in relation to Governance, which is covered in more detail on page 15 of this report.</p>

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3. VFM arrangements – governance

Overall commentary on the governance reporting criterion

How the Council monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Council has approved and adopted a Code of Corporate Governance. The Council's Annual Governance Statement sets out how the Council has complied with this Code during the year. As part of our audit procedures we considered the Council's Annual Governance Statement. This included consideration of the Statement and our cumulative audit knowledge. We identified no matters indicating a significant weakness in arrangements.

The strategic risk register is considered by the Council Management Team and Executive Committee, setting out strategic and corporate risks, along with sources of assurance, both internal and external. There is appropriate challenge by Committee Members of this summary, which provides a useful overview of the many sources of evidence and various assurance activities.

We confirmed that the Governance and Audit Committee received regular updates on the Internal Audit Plan. Internal Audit reviews highlight weaknesses and recommends actions when required to strengthen processes or procedures. These are regularly reported to the Governance and Committee which holds management to account where weaknesses are identified. The Governance and Audit Committee monitors management actions in response to recommendations and this is reported on a regular basis. The Governance and Audit Committee challenges management if recommendations are not implemented within the agreed timeframe.

The Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control which was reported to the Governance and Audit Committee in July 2021.

How the Council approaches and carries out its annual budget setting process

The Council's MTFS arrangement includes the identification and evaluation of risks to the Council's finances.

We have reviewed the budget setting arrangements through observation and discussions with officers. No matters have been identified indicating a significant weakness in arrangements. Overall, the Council is aware of the financial pressure it faces. We confirmed that scenario plans are in place to identify the potential financial impact of risks occurring.

How the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency

We have reviewed Council reports and minutes throughout year and have not identified any evidence of a weakness in arrangements. The reports we reviewed support informed decision-making and were clear in the decision or recommendation Members were asked to make.

The Council publishes on its website a notice of key decisions. This includes officer decisions under the Officer Scheme of Delegations.

The Council has several scrutiny committees which provide an opportunity to challenge decisions. The Corporate Overview and Scrutiny Committee is in place to oversee and coordinate the work and our work identified no matters that indicate a significant weakness in arrangements.

The Council implemented measures to ensure that services could continue despite the restrictions arising during the COVID-19 pandemic. The arrangements included live streaming to allow the public to observe Council meetings.

How the Council monitors and ensures appropriate standards are maintained

The Council's Constitution is regularly reviewed (last updated in August 2021) and sets out how the Council operates, how decisions are made and the rules and procedures which are followed to ensure that these are efficient and transparent to local people. Supporting the Constitution are codes of conduct for Members and officers. Registers of gifts and hospitality and registers of interest are maintained for Members and officers and are available on the Council website. The Statement of Accounts records material related party transactions as well of senior officer pay and Member allowances. We considered these disclosures and compared them with the interests declared, with no significant issues arising.

We confirmed that contract procedure rules are in place and require procurement decisions to comply with appropriate standards. Contract registers are available on the Council website.

3. VFM arrangements – governance

Overall commentary on the governance reporting criterion - continued

There is regular reporting of treasury management activity that details the Council's investments, cash and borrowing positions. The Treasury Management Strategy was approved ahead of the 2020/21 financial year and sets out the Council's measures against which treasury management can be assessed. The measures include those designed to mitigate risk to the Council's finances and we identified no evidence to indicate a weakness in arrangements.

The Standards Committee is responsible for promoting, maintaining and advising on high standards of conduct by councillors and co-opted members.

Due to identified weaknesses in the Council's arrangements to fully address Ofsted recommendations, particularly the slow pace of change in fully addressing the weaknesses identified in Ofsted reports and monitoring letters, we have highlighted a significant weaknesses in arrangements and made recommendations for improvement, as outlined on page 15.

No other weaknesses have been identified.

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3. VFM arrangements – improving economy, efficiency and effectiveness

Overall commentary on the improving economy, efficiency and effectiveness reporting criterion

How financial and performance information has been used to assess performance to identify areas for improvement

Arrangements are in place to measure the quality of services, to ensure they are delivered in line with the Council's objectives and priorities and for ensuring that they provide value for money. There are performance management arrangements in place, including regular reporting to the Council Management Team and Scrutiny Committees.

Performance is monitored by the Executive Committee, including scrutiny of the Full-year Performance Report, which provides and update on the Council's annual performance. Each year the Executive Committee agree key performance indicators which are monitored and reported in the Performance Report.

As highlighted in the Financial Resilience section of this report, the Council's MTFS is used to assist the Council deliver key Corporate objectives and strategies, which is regularly reviewed by members.

How the Council evaluates the services it provides to assess performance and identify areas for improvement

Alongside the performance framework set out above, the Council also considers the output from regulators to evaluate performance and identify areas for improvement. The output from regulators feeds into the Council's overall corporate risk register, which is reported to the Governance and Audit and Committee.

On page 11 of this report, we have highlighted a risk of significant weakness in the Council's arrangements, which relates to Ofsted's review of Children's services.

How the Council ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The Bradford Council Plan 2021/25 has been developed with key partners and sets out the long-term ambitions and priorities for the Council, across its priority areas. While the plan makes reference to partnership working, it does not explicitly confirm how these arrangements will work. However, our wider knowledge of the Council

provides assurance that these arrangements are in place.

The Council is one of nine other councils, that make up the Leeds City Region, which along with private sector organisations are members of the Leeds City Region Enterprise Partnership. The partnership oversees and makes decisions about the city region's strategic economic plan.

The Council is also a constituent member of West Yorkshire Combined Authority, which in conjunction with other councils across the city region, is responsible for economic development, regeneration and transport decisions in an area.

The Council is leading member the Health and Wellbeing Board, which brings together leaders from across the district including the Council, the NHS, the Police, Fire and Rescue, social housing and the Voluntary and Community sector, to provide strategic leadership across a wide range of health and wellbeing outcomes across the district and the wider West Yorkshire region.

The Council works in partnership with West Yorkshire Health and Care Partnership which is an 'Integrated Care System', which brings together NHS organisations, councils, charities and the community and the social enterprise sector to improve the health and wellbeing of local people across West Yorkshire.




Each year after Council has agreed the Council's budget and before commencement of the financial year the Council produces an annual procurement plan for all procurements of works, goods or services to be undertaken in the forthcoming financial year. Individual procurement plans are approved by the Chief Financial Officer before they are included in the procurement plan, which is published on the Council's website.

Based on the above considerations we have not identified any significant weakness in the Council's arrangements in relation to improving economy, efficiency and effectiveness.

3. Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified a significant weakness in the Council’s arrangements to secure economy, efficiency and effectiveness it its use of resources. This identified weakness is outlined in the table below.

Identified significant weakness in arrangements		Financial sustainability	Governance	Improving the 3Es
1	<p>Progress in addressing weaknesses identified by Ofsted’s 2018 inspection of Children’s Services</p> <p>In 2018 Ofsted assessed children’s services as ‘Inadequate’. In response to Ofsted’s recommendations, the Council developed an action plan to address the issues highlighted by Ofsted.</p> <p>Since the 2018 visit, Ofsted has made several follow-up monitoring visits, and issued Monitoring Letters, summarising their views on progress to-date. In December 2020 Ofsted undertook a focused visit, (reported in February 2021) and shortly after completed a further monitoring visit in April 2021 (reported in June 2021). Ofsted’s Monitoring Letters, issued after these visits, highlighted that whilst the Council had made improvements, concerns remained about the pace of improvement since they issued their 2018 inspection report. In particular, Ofsted recommended that the Council needed to improve in the following key areas:</p> <ul style="list-style-type: none">• workforce challenges, including oversight and workforce instability;• poor working practices, including high caseloads and ineffective planning; and• effectiveness of corporate parenting. <p>In our view, Ofsted’s concerns around the Council’s progress in addressing the identified weaknesses in children’s services represent a significant weakness in arrangements in relation to Governance and how the Council implements or achieves progress on recommendations raised as a result of previous recommendations from Ofsted.</p> <p>The Council recognises that the ongoing a failure to fully address the weaknesses identified in the 2018 Ofsted report and subsequent Monitoring Letters adversely impacts upon the quality of services provided to service users and may lead to further action by regulators.</p>			

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3. Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement (continued)

Recommendation for improvement

In order to fully address ongoing concerns expressed by Ofsted in its 2018 Report and subsequent Monitoring Letters, the Council should continue to improve its arrangements and action plan.

The Council should also ensure that robust monitoring and reporting processes are in place and that challenge, scrutiny and escalation arrangements drive the required improvements for service users and sustain the progress made to-date in implementing the actions to address the issues raised by Ofsted.

Our views on the actions taken to date

Since the 2018 Ofsted inspection, management has implemented several actions, including but not limited to the following:

- management has developed an improvement plan, with key partners. The plan is reported internally to the Departmental Management Team and externally to the Children Improvement Board;*
- a suite of 'vital signs' performance metrics has been developed to track improvements and is regularly reported;*
- there is now enhanced 'system' support and thinking through the engagement of key partners on Children's Improvement Board;*
- there has been increased financial investment, using Covid grant and Council resources to support service delivery;*
- IT systems have been updated ensure they are appropriately configured to support service;*
- fixed term agency teams have been introduced to increase workforce resilience, retention and delivery against defined metrics;*
- recruitment processes have been refreshed to assist the recruitment and retention of critical roles including social workers, community resource workers, practice supervisors and team leaders;*
- An Assessed and Supported Year in Employment (AYSE) academy is in development, which is designed to attract a future workforce and develop resources for the Council;*
- social work academy is in development. This will support the continued progression and development of social workers;*
- the Council has increased overview and scrutiny of the service; and*
- management has placed additional emphasis on improving practise through training, supervision and audits.*

Despite implementing actions in response to the 2018 Ofsted report and subsequent Monitoring Letters, it is clear that to-date, the Council has not yet fully addressed all identified weaknesses.

In January 2022, following recommendations made by the Children's Services Commissioner the Council has announced that it plans to establish a Trust to run services for vulnerable children and families. The intention is that this will be a not-for-profit Trust, which will be owned by the Council and operate at arms-length under the control of a new independent Chair and Board of Directors.

As part of our 2021/22 audit, we will follow up the Council's progress in implementing arrangements to address the weaknesses and recommendations made by Ofsted and, more recently, by the Children's Services Commissioner.

04

Section 04:

Other reporting responsibilities and our fees

4. Other reporting responsibilities and our fees

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

We have not yet received group instructions from the National Audit Office confirming their requirements in relation to the Council’s Whole of Government Accounts. We are unable to issue our audit certificate until this is formally confirmed.

4. Other reporting responsibilities and our fees

Fees for work as the Council’s auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Governance and Audit Committee in March 2021. Having completed our work for the 2020/21 financial year, we can confirm that our fees are as follows:

Area of work	2019/20 fees	2020/21 fees
Planned fee in respect of our work under the Code of Audit Practice	£142,694	£142,694
Additional testing on pension and property valuations	£16,730 ¹	£19,865
Quality and preparation issues	£12,735	£Nil
Additional work in regard to statutory requirements.	£2,085	£Nil
Additional fees in respect of the new VFM approach in (2020-21 only) and identified significant weaknesses in arrangements.	£5,027	£19,880
Increased FRC scrutiny – additional level of review for major local audit.	£2,965	£2,965
Additional fees in respect of the additional requirements of ISA (UK) 540 (Revised) – auditing accounting estimates and related disclosures	£Nil	£2,145
Total fees	£182,235	£190,324

¹ In 2019/20 our valuations work also included consideration of any potential impact of the Covid-19 pandemic, including valuation uncertainties.

4. Other reporting responsibilities and our fees

Fees for work as the Pension Fund's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Governance and Audit Committee in March 2021. Having completed our work for the 2020/21 financial year, we can confirm that our fees are as follows:

Area of work	2019/20 fees	2020/21 fees
Planned fee in respect of our work under the Code of Audit Practice	£37,380	£37,380
Additional fees in respect of additional work in respect of unquoted investments	£8,000 ¹	£6,550
Additional fees relating to triennial valuation	£3,000	£Nil
Pension assurance letters to employer auditors	£25,180 ²	£20,150 ²
Total fees	£73,120	£64,080

¹ £6,550 of the additional audit cost in 2019/20 related to enhanced procedures on unquoted investments in response to increased regulatory expectations. £1,450 relates to additional work arising due to quality and timing of draft accounts

² During the year we have responded to requests received from employer body auditors to undertake a programme of work to provide assurance in respect of data held by the Fund, which is used by the actuary to calculate pension assets and liabilities for individual employers. It is expected that the Fund will recharge these fees to the relevant employers. This approach is in line with the PSAA Terms of Appointment, and the expectation within NAO's AGN01 General Guidance Supporting Local Audit.

4. Other reporting responsibilities and our fees

Fees for other work

We carried out the following work for the Council in the year:

Area of work	2019/20 fees	2020/21 fees
Housing Benefits Subsidy 2020/21*	£9,210	£9,210
Total	£9,210	£9,210

*Housing Benefits work is being completed at the time of writing this report; any additional work required will be charged at our daily rate set out in our engagement letter

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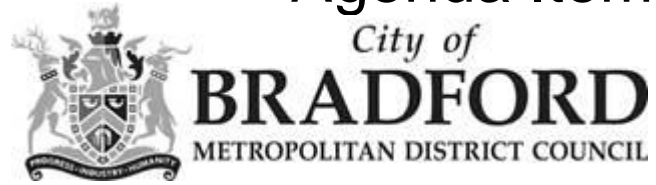
Cameron Waddell - Partner

Mazars

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3 Wellington Place
Leeds
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0781 375 2053

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.



Report of External Audit to the meeting of the Governance and Audit Committee to be held on 21 April 2022

AJ

Subject:

External audit's Audit Strategy Memorandum (ASM) 2021/22 for the West Yorkshire Pension Fund.

Summary statement:

This report sets out the plan for the external audit of the West Yorkshire Pension Fund for financial year 2021-22

Cameron Waddell
Partner
Mazars LLP
Report Contact: Mark Outterside
Phone: 0191 383 6339
e-mail: mark.outterside@mazars.co.uk

1. SUMMARY

2.

The Audit Strategy Memorandum sets out our audit plan for 2021-22. The document:

- describes our approach to the audit of the Fund's financial statements;
- includes our assessment of the significant risks of material misstatement in the financial statements; and
- outlines the proposed testing strategy to address the identified risks.

2. BACKGROUND

Not applicable

3. OTHER CONSIDERATIONS

None

4. FINANCIAL & RESOURCE APPRAISAL

Not applicable

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

None

6. LEGAL APPRAISAL

Not applicable

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

Not applicable

7.2 SUSTAINABILITY IMPLICATIONS

Not applicable

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Not applicable

7.4 COMMUNITY SAFETY IMPLICATIONS

Not applicable

7.5 HUMAN RIGHTS ACT

Not applicable

7.6 TRADE UNION

Not applicable

7.7 WARD IMPLICATIONS

Not applicable

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

Not applicable

7.9 IMPLICATIONS FOR CORPORATE PARENTING

Not applicable

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT

Not applicable

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

Not applicable

10. RECOMMENDATIONS

Members of the Committee note and consider and approve the ASM.

11. APPENDICES

WYPF Draft Audit Strategy Memorandum 2021/22

12. BACKGROUND DOCUMENTS

None

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Audit Strategy Memorandum

West Yorkshire Pension Fund

Year ending 31 March 2022

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02 Your audit engagement team

03 Audit scope, approach and timeline

04 Significant risks and other key judgement areas

05 Fees for audit and other services

06 Our commitment to independence

07 Materiality and misstatements

Appendix – Key communication points

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This document is to be regarded as confidential to West Yorkshire Pension Fund. It has been prepared for the sole use of Governance and Audit Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.



Governance and Audit Committee Members
City of Bradford Metropolitan District Council
City Hall
Centenary Square
Bradford
BC1 1HY

April 2022

Dear Governance and Audit Committee Members

Audit Strategy Memorandum – Year ending 31 March 2022

We are pleased to present our Audit Strategy Memorandum for West Yorkshire Pension Fund for the year ending 31 March 2022. The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, section 6 of this document also summarises our considerations and conclusions on our independence as auditors. We consider two-way communication with you to be key to a successful audit and important in:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities;
- providing you with constructive observations arising from the audit process; and
- ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing West Yorkshire Pension Fund which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, we see this document, which has been prepared following our initial planning discussions with management, but subject to completion of our full planning procedures, as being the basis for a discussion around our audit approach, any questions, concerns or input you may have on our approach or role as auditor. This document also contains an appendix that outlines our key communications with you during the course of the audit,

Client service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations so, if you have any concerns or comments about this document or audit approach, please contact me on 0738 724 2052 .

Yours faithfully

Cameron Waddell

Mazars LLP

01

Section 01:

Engagement and responsibilities summary

1. Engagement and responsibilities summary

Overview of engagement

We are appointed to perform the external audit of West Yorkshire Pension Fund (the Pension Fund) for the year to 31 March 2022. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

Audit opinion

We are responsible for forming and expressing an opinion on the financial statements. Our audit does not relieve management or the Governance and Audit Committee, as those charged with governance, of their responsibilities.

The Director of Finance and IT is responsible for the assessment of whether it is appropriate for the Pension Fund to prepare its accounts on a going concern basis. As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on:

- a) whether a material uncertainty related to going concern exists; and
- b) consider the appropriateness of the Director of Finance and IT's use of the going concern basis of accounting in the preparation of the financial statements.

Consistency Statement

We are required to form and express an opinion on the consistency of the financial statements within the Pension Fund's annual report and the Pension Fund's financial statements included in the Statement of Accounts of City of Bradford Metropolitan District Council.



Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. This includes establishing and maintaining internal controls over reliability of financial reporting.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance, including key management and Internal audit as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However our audit should not be relied upon to identify all such misstatements.

Wider reporting and 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. This would include an objection made to the accounts of the Pension Fund included in the administering authority's financial statements. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom

02

Section 02:

Your audit engagement team

2. Your audit engagement team



Cameron Waddell

Engagement Partner

Email cameron.Waddell@mazars.co.uk

Telephone 07813 752953



Abigail Medic

Engagement Manager

Email abi.medic@mazars.co.uk

Telephone 07881 283644

In addition, an engagement quality control reviewer has been appointed for this engagement



03

Section 03:

Audit scope, approach and timeline

3. Audit scope, approach and timeline

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your activities which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

Audit approach

Our audit approach is risk-based and primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment.

If we conclude that appropriately designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise: tests of details (of classes of transactions, account balances, and disclosures); and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 7.

The diagram on the next page outlines the procedures we perform at the different stages of the audit.



3. Audit scope, approach and timeline

Planning April

- Planning visit and developing our understanding of the Pension Fund
- Initial opinion assessment
- Considering proposed accounting treatments and accounting policies
- Developing the audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Preliminary analytical review

Completion September

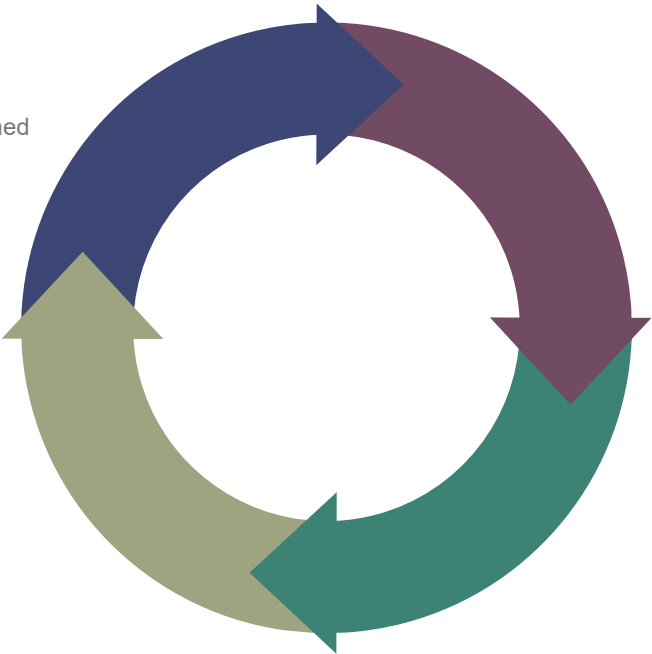
- Final review and disclosure checklist of financial statements
- Final partner and EQCR review
- Agreeing content of letter of representation
- Reporting to the Governance and Audit Committee
- Reviewing subsequent events
- Signing the auditor's reports

Interim April

- Documenting systems and controls
- Performing walkthroughs
- Interim controls testing including tests of IT general controls
- Early substantive testing of transactions
- Reassessment of audit plan and revision if necessary

Fieldwork July to September

- Receiving and reviewing draft financial statements
- Reassessment of audit plan and revision if necessary
- Executing the strategy starting with significant risks and high risk areas
- Communicating progress and issues
- Clearance meeting



Engagement and responsibilities summary

Your audit engagement team

Audit scope, approach and timeline

Significant risks and key judgement areas

Fees for audit and other services

Our commitment to independence

Materiality and misstatements

Appendix

3. Audit scope, approach and timeline

Reliance on internal audit

Where possible we will seek to utilise the work performed by internal audit to modify the nature, extent and timing of our audit procedures. We will meet with internal audit to discuss the progress and findings of their work prior to the commencement of our controls evaluation procedures.

Where we intend to rely on the work on internal audit, we will evaluate the work performed by your internal audit team and perform our own audit procedures to determine its adequacy for our audit.

Management’s and our experts

Management makes use of experts in specific areas when preparing the Pension Fund’s financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management’s expert	Our expert
Disclosure notes on funding arrangements and actuarial present value of promised retirement benefits.	Aon Hewitt	NAO consulting actuary PwC
Valuation of investments within level 3 of the fair value hierarchy and related disclosures	Investment managers engaged by the Fund that prepare valuations	At this stage we have not engaged our own expert for the valuation of level 3 investments. However, we may engage an expert if considered necessary to support the valuation of unusual or complex level 3 investments

Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the Pension Fund that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. The table below summarises the service organisations used by the Pension Fund and our planned audit approach.

Items of account	Service organisation	Audit approach
Investment valuations and related disclosures, investment income and related disclosures	Investment managers	Substantive testing of in year transactions and valuations applied to investments at the year end.
	Custodian	



04

Section 04:

Significant risks and other key judgement areas

4. Significant risks and other key judgement areas

Following the risk assessment approach discussed in section 3 of this document, we have identified risks relevant to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard. The definitions of the level of risk rating are given below:

Significant risk

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration. For any significant risk, the auditor shall obtain an understanding of the entity's controls, including control activities relevant to that risk.

Enhanced risk

An enhanced risk is an area of higher assessed risk of material misstatement at audit assertion level other than a significant risk. Enhanced risks require additional consideration but does not rise to the level of a significant risk, these include but may not be limited to:

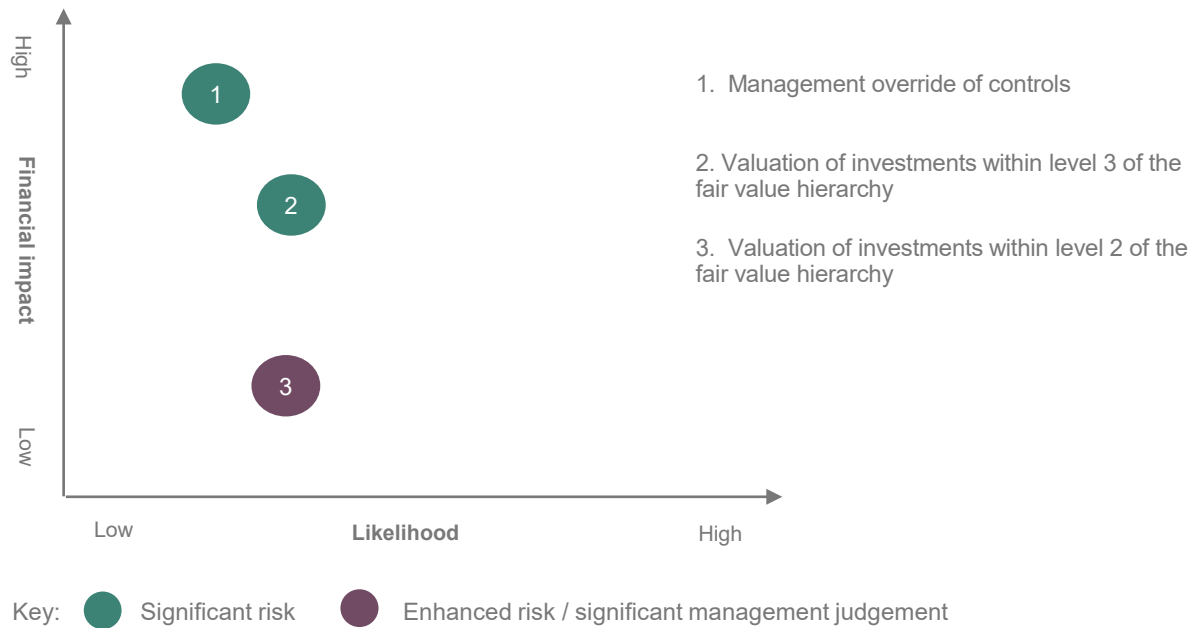
- key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and
- other audit assertion risks arising from significant events or transactions that occurred during the period.

Standard risk

This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement (RMM), there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.

Summary risk assessment

The summary risk assessment, in the table below, highlights those risks which we deem to be significant and other enhanced risks in respect of the Pension Fund. illustrated We have summarised our audit response to these risks on the next page.



4. Significant risks and other key judgement areas

Specific identified audit risks and planned testing strategy

We have presented below in more detail the reasons for the risk assessment highlighted above, and also our testing approach with respect to significant risks. An audit is a dynamic process, should we change our view of risk or approach to address the identified risks during the course of our audit, we will report this to the Governance and Audit Committee.

Significant risks

	Description	Fraud	Error	Judgement	Planned response
1	<p>Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.</p> <p>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 override could occur there is a risk of material misstatement due to fraud on all audits.</p>	●	○	○	We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.

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4. Significant risks and other key judgement areas

Significant risks

	Description	Fraud	Error	Judgement	Planned response
2	<p>Valuation of investments within level 3 of the fair value hierarchy</p> <p>As at 31 March 2021 the fair value of investments classified within level 3 of the fair value hierarchy was £2,382m, which accounted for 14.6% of net investment assets. The values included in the accounts are those provided by investment managers updated by the Pension Fund for cash movements, where the most recently available information from fund managers is at a date prior to the year end. The fair values of level 3 investments are based on unobservable inputs. This results in an increased risk of material misstatement.</p>	○	●	●	<p>We plan to address this risk by completing the following procedures:</p> <ul style="list-style-type: none">• agree the valuation included in the Pension Fund’s underlying financial systems to supporting documentation including investment manager valuation statements and cash flows for any adjustments made to the investment manager valuation;• review managements reconciliation of fund manager reports to the custodians report;• agree the investment manager valuation to audited accounts or other independent supporting documentation, where available;• review the valuation methodologies through review of accounting policies within audited financial statements and challenge of the fund manager, where required;• check audited accounts are supported by an unmodified opinion; and• where available, review independent control assurance reports to identify any exceptions that could present a risk of material misstatement in the Pension Fund’s financial statements.

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5. Significant risks and other key judgement areas

Other key areas of management judgement and enhanced risks

	Description	Fraud	Error	Judgement	Planned response
1	<p>Valuation of investments within level 2 of the fair value hierarchy</p> <p>As at 31 March 2021 the fair value of investments classified within level 2 of the fair value hierarchy was £868m, which accounted for 5.3% of net investment assets. The values included in the accounts are primarily based on recent trades of the investment, which are observable inputs other than quoted prices. The valuation risk is increased depending on the elapsed time of the most recent trade and the year end and, therefore, these have been assessed as enhanced risk.</p>	○	●	●	<p>We plan to address this risk by completing the following procedures:</p> <ul style="list-style-type: none">• review managements reconciliation of fund manager reports to the custodians report;• agree the valuation included in the Pension Fund's underlying financial systems to supporting documentation;• obtain an understanding of the observable data on which the valuation is based, ensure the observable data is within a reasonable period of the year end, and assess the reasonableness of any adjustments made to the observable data in arriving at the fair value; and• assessing the reasonableness of any adjustments to the trade prices.

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05

Section 05:

Fees for audit and other services

5. Fees for audit and other services

Fees for work as the Pension Fund’s appointed auditor

Area of work	2021/22 Proposed Fee	2020/21 Actual Fee
Code Audit Work		
Scale fee ¹	£37,380	£37,380
Fee variations	TBC	£6,550 ²
Audit related fees		
Pension assurance letters to employer auditors	TBC	£20,150 ³

¹ This scale fee was initially set by PSAA in 2018.

² The additional audit cost in 2020/21 relates to enhanced procedures required due to increased regulatory expectations, primarily related to the audit of level 3 investments. This work is required on an annual basis so an additional fee will be required until the scale fee reflects the audit time needed.

³ During the year we responded to requests received from employer body auditors to undertake a programme of work to provide assurance in respect of data held by the Fund, which is used by the actuary to calculate pension assets and liabilities for individual employers. It is expected that the Fund will recharge these fees to the relevant employers. This approach is in line with the PSAA Terms of Appointment, and the expectation within NAO’s AGN01 General Guidance Supporting Local Audit.

Fees for non-PSAA work

We have not been separately engaged by the Pension Fund to carry out additional work.

06

Section 06:

Our commitment to independence

6. Our commitment to independence

We are committed to independence and are required by the Financial Reporting Council to confirm to you at least annually in writing that we comply with the FRC's Ethical Standard. 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; 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 confirm, as at the date of this document, that the engagement team and others in the firm as appropriate, Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Cameron Waddell in the first instance.

Prior to the provision of any non-audit services Cameron Waddell will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence.

No threats to our independence have been identified.

Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.



07

Section 07: **Materiality and misstatements**

7. Materiality and misstatements

Summary of initial materiality thresholds

Threshold	Initial threshold £m
Overall materiality	163.27
Performance materiality	130.61
Specific materiality	
Fund account overall materiality	55.0
Fund account performance materiality	44.0
Trivial threshold for errors to be reported to the Governance and Audit Committee	4.8

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 based on quantitative and qualitative factors.

Whilst planning, 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.

Our provisional materiality is set based on a benchmark of net assets as at 31 March 2021. We will identify a figure for materiality but identify separate levels for procedures designed to detect individual errors, and also a level above which all identified errors will be reported to the Governance and Audit Committee.

We consider that net assets available to pay benefits remains the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.

7. Materiality and misstatements

Materiality (continued)

We expect to set a materiality threshold at 1% of net assets. Based on the audited financial statements for 2020/21 we anticipate the overall materiality for the year ending 31 March 2022 to be in the region of £163m (£163m in the prior year).

After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Performance Materiality

Performance materiality is the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Our initial assessment of performance materiality is based on low inherent risk, meaning that we have applied 80% of overall materiality as performance materiality.

Misstatements

We accumulate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to Governance and Audit Committee that is consistent with the level of triviality that we consider would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements. Based on our preliminary assessment of overall materiality, our proposed triviality threshold is £4.8m based on

3% of overall materiality. If you have any queries about this, please do not hesitate to raise these with Cameron Waddell.

Reporting to Governance and Audit Committee

The following three types of audit differences above the trivial threshold will be presented to Governance and Audit Committee:

- summary of adjusted audit differences;
- summary of unadjusted audit differences; and
- summary of disclosure differences (adjusted and unadjusted).



Appendix: Key communication points

Appendix: Key communication points

We value communication with Those Charged With Governance as a two way feedback process at the heart of our client service commitment. ISA 260 (UK) 'Communication with Those Charged with Governance' and ISA 265 (UK) 'Communicating Deficiencies In Internal Control To Those Charged With Governance And Management' specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

- Audit Strategy Memorandum;
- Audit Completion Report; and
- Auditor's Annual Report

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate.

Key communication points at the planning stage as included in this Audit Strategy Memorandum

- Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;

- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

Key communication points at the completion stage to be included in our Audit Completion Report

- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.



Appendix: Key communication points

ISA (UK) 260 ‘Communication with Those Charged with Governance’, ISA (UK) 265 ‘Communicating Deficiencies In Internal Control To Those Charged With Governance And Management’ and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Strategy Memorandum
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Strategy Memorandum
With respect to misstatements: <ul style="list-style-type: none">• uncorrected misstatements and their effect on our audit opinion;• the effect of uncorrected misstatements related to prior periods;• a request that any uncorrected misstatement is corrected; and• in writing, corrected misstatements that are significant.	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none">• enquiries of the Governance and Audit Committee to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity;• any fraud that we have identified or information we have obtained that indicates that fraud may exist; and• a discussion of any other matters related to fraud.	Audit Completion Report and discussion at Governance and Audit Committee, Audit planning and clearance meetings

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Appendix: Key communication points

Required communication	Where addressed
Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none">• non-disclosure by management;• inappropriate authorisation and approval of transactions;• disagreement over disclosures;• non-compliance with laws and regulations; and• difficulty in identifying the party that ultimately controls the entity.	Audit Completion Report
Significant findings from the audit including: <ul style="list-style-type: none">• our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;• significant difficulties, if any, encountered during the audit;• significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management;• written representations that we are seeking;• expected modifications to the audit report; and• other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to Governance and Audit Committee in the context of fulfilling their responsibilities.	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report

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Appendix: Key communication points

Required communication	Where addressed
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and enquiry of Governance and Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that Governance and Audit Committee may be aware of.	Audit Completion Report and Governance and Audit Committee meetings
With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none">• whether the events or conditions constitute a material uncertainty;• whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and• the adequacy of related disclosures in the financial statements.	Audit Completion Report
Reporting on the valuation methods applied to the various items in the annual financial statements including any impact of changes of such methods	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity	Audit Completion Report

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

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