City of BRADFORD METROPOLITAN DISTRICT COUNCIL

# Report of the Interim Strategic Director Corporate Resources (Monitoring Officer) to the meeting of the Governance and Audit Committee to be held on 19 April 2018

**AK**

## Subject:

**Amendments to the Constitution – Financial Regulations and Contract Standing Orders**

## Summary statement:

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

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**Portfolio:**

**Leader**

**Overview & Scrutiny Area:**

**Corporate**

## 1. Summary

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

## 2. Background

2.1. During the municipal year 2017/18, Finance Officers have undertaken their annual review of Financial Regulations and Contracts Standing Orders to ensure they properly reflect appropriate governance procedures for the Council. This report sets out the proposals for amendments to deliver those changes and improvements. The Committee is asked to consider the proposed amendments to the Constitution for recommendation to Council for formal approval on the 15 May 2018. The Committee is also asked to grant delegated authority to the Interim Strategic Director Corporate Resources (Monitoring Officer) to implement any recommendations approved by Council and to make consequential amendments to the Constitution as a result of the recommendations approved by Council.

## 3. Proposed Amendments to Financial Regulations

3.1 There are a number of proposed changes to Financial Regulations. The table below identifies the reason that the proposed change is recommended.

Table 1 – Reason for Proposed Changes to Financial Regulations

| Financial Regulation | Reason for proposed change |
|---|---|
| Whole Document | Replaced "Strategic Director Corporate Services" with Chief Financial Officer so that any changes in job title of the officer designated to be the Chief Financial Officer will not result in Financial Regulations being amended. |
| 1 | Updated reference to Accounts and Audit Regulations 2015.<br>Updated to ensure that Chief Financial Officer is an Appropriate Officer irrespective of whether the substantive post is an Appropriate Officer role.<br>Updated to reflect that G&AC annually review a report regarding proposed changed to Financial Regulations but that Council approves any changes. |
| 2 | No change |
| 3 | Added a requirement relating to taking into account public sector internal audit standards and guidance. |
| 4 | No change |
| 5 | Updated reference to IR35. |
| 6 & 7 | No change |
| 8 | Updated to include reference to new Investment Advisory Group agreed by Executive on 09/01/18.<br>Updated to include reference to obtaining state aid advice. |
| 9 | Updated to reflect revised document names. |
| 10 - 14 | No change |
| 15 | Updated wording on advice from P2P Team.<br>Updated to ensure approved feeder systems are included in the requirements of the financial regulation. |

| | |
|---|---|
| 16 | Minor change in title to ensure consistency. |
| 17 | No change |
| 18 | Updated to enable WYPF to write off debts in accordance with WYPF procedures and no longer involve Accounts Receivable. These debts relate solely to WYPF. |
| 19 | Updated to reflect change in £/Euro exchange rate. |
| 20 - 27 | No change |
| 28 | Minor change from "buildings" to "property" to ensure consistency with the Land and Property Disposal Policy.<br>Updated to have 2 separate regulations; one relating to acquiring and the other relating to disposing.<br>Removed reference to annual asset disposal plan as this does not exist. |
| 29 | Updated to refer to appropriate guidance. |
| 30 | Updated to reflect new Code of Practice and Information Security Policy. |
| 31 & 32 | No change |
| 33 | Updated to directly reflect the wording in the WYPF Governance Compliance Statement to ensure consistency. |
| 34 | No change |

3.2 **Proposed Amendments to Contracts Standing Orders**

General amendments are proposed to improve clarity on the policy and procedures for the procurement of public contracts, and also to reflect changes in organisational structure. Specific amendments are also proposed as part of an on-going process of continuous improvement in the Council's planning and approach to procurement along with some further specific changes taking account of legislative requirements. The main changes are summarised as follows in Table 2:

Table 2 – Reason for Proposed Changes to Contracts Standing Orders

| Standing Order | Reason for proposed change |
|---|---|
| Contracts Standing Orders | Replaced "Strategic Director Corporate Services" with Chief Financial Officer so that any changes in job title of the officer designated to be the Chief Financial Officer will not result in Contracts Standing Orders being amended. |
| Definitions | Simplified or improved definitions for 'Aggregation', 'Appropriate Officer', 'Call Off', 'Contract', 'EU Thresholds', 'Light Touch Regime', and 'Local Supplier', and definitions added for 'Purchasing Card', and 'Supplier' |
| 2.3 | Officers must follow the Council's Employee Code of Conduct when engaged in procurement activity. |
| 2.5 | To improve accountability Appropriate Officers are required to submit an annual list of Authorised Officers to the Assistant Director Finance and Procurement. (Authorised Officers can enter the Council into a contract in their own name). |
| 2.7 & 2.8 | Reference to 'Exemption' removed to limit the opportunity for confusion with 'Exceptions to Requirements for Competition' (section 9) |
| 3.1 | Social, Economic, Environmental and Ethical considerations must follow requirements set out in the Council's Social Value and Inclusive Growth Policy (with clause 4.6.9 deleted). |
| 4.1 | Authorised Officers are to prepare annual procurement plans for all contracts with an estimated value greater than £100k to improve the proactive planning of the Council's procurement activity and the use of resources. |

| | |
|---|---|
| 4.7.1 | Increased explanation for when contracts with an estimated value greater than £2m should be reported to the relevant Overview and Scrutiny Committee. |
| 4.7.5 & 4.8.3 | Adjustments in the requirements for assessing risk. |
| 6.1.1 | For contracts with an estimated value between £25k and £100k that the Authorised Officer must seek a minimum of four quotes from local suppliers. |
| 13.7 | Amendments to the requirements for keeping written records of procurements (with clause 15.5 deleted). |
| 14.1 | Requirements for the processing of personal data by Suppliers in accordance with the General Data Protection Regulation (effective from the 25th of May 2018). |
| 20 | Section expanded to cover all payments outside of standard processes |
| 20.2 | The introduction of rules for the use of Purchasing Cards by Officers. |
| 20.3 | That the Appropriate Officer must be consulted before payments are made in advance for low risk and low value contracts. |
| 22.1 | There should be no appointment of suppliers where a Member's interest has not been disclosed in accordance with the Members' Code of Conduct. |

The aim is to improve overall control of procurement so that the law is followed, value for money obtained and exceptions are properly authorised. The proposed changes to Contracts Standing Orders are shown as tracked changes in Appendix 2.

## 4. Financial and Resource Appraisal

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

## 5. Legal Appraisal

5.1 Article 17 of the Constitution requires the Monitoring Officer to take steps to make himself/herself aware of the strengths and weaknesses of the Constitution and make recommendations for improvement.

5.2 The review and development of the Constitution is undertaken in compliance with the provisions of the Local Government Act 2000, regulations and guidance made and issued under the Act.

## 6. Other implications

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

## 7. Not for publication documents

7.1 None

## 8. Recommendations

8.1 That the Governance and Audit Committee consider the proposed amendments to the Constitution (Financial Regulations) listed in Table 1 and recommend to Council

the Proposed Financial Regulations for 2018/19 contained in Appendix 1 for adoption and implementation.

8.2 That the Governance and Audit Committee consider the proposed amendments to the Constitution (Contract Standing Orders) and recommend to Council the Proposed Contract Standing Orders for 2018/19 contained in Appendix 2 for adoption and implementation.

8.2 That the Interim Strategic Director Corporate Resources (Monitoring Officer) reports any recommendations to Council. That the Interim Strategic Director Corporate Resources (Monitoring Officer) be granted delegated authority to implement any recommendations approved by Council and to make consequential amendments to the Constitution as a result of the recommendations approved by Full Council.

## 9. Appendices

Appendix 1 - Proposed Financial Regulations for 2018/19.

Appendix 2 - Proposed Contract Standing Orders for 2018/19.

**Appendix 1**

# PART 3F Financial Regulations

## GENERAL

## 1 Application

1.1 These Financial Regulations are made in accordance with the provisions of section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2015 and subsequent amendments to provide for the proper administration of the Council's financial affairs. The 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 his/her 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. S/he must report any alterations to the next meeting of the Governance and Audit Committee.

1.9 All amounts quoted in these Financial Regulations refer to values excluding Value Added Tax.

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

## FINANCIAL CONTROLS AND PROCEDURES

## 2 Accounting Control

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 S/he can visit all premises to see cash, stores and other property. S/he has access to any documents and all other data sources s/he thinks necessary. S/he can ask any officer for any information and explanations s/he thinks necessary and may produce a report. The officer concerned then has two months to respond to the report detailing the intended action to be taken on the report's recommendations. The Appropriate Officers are responsible for appropriate procedures being in place to ensure that the intended action has been implemented. The 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 replies to reports which are still outstanding.

3.3 If any officer suspects or knows of any losses or irregularities concerning cash, property, stores or other financial matters s/he must inform the Corporate Fraud Unit at once and discuss action to take. The 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 Chief Financial Officer that is used for making payments to staff and the Chief Financial 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 and giro accounts and is responsible for all procedures.

6.2 All cheques, giros, promissory notes and any other financial instruments and other orders for payment can be signed only by the Chief Financial Officer or other officers authorised by her/him.

## 7 Borrowing and Credit Arrangements

7.1 The Chief Executive 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 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. S/he must put them under the name of the Council and/or the appropriate Trust Fund. Investments can include loans made, to for profit and not for profit organisations providing the purpose of the loan is consistent with the Council's priorities and advice relating to State Aid 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 in which the Council is a Guarantor or has a Share Holding Interest

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

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

11.3 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

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

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

13.1.2 Portfolio holders are consulted before the Appropriate Officer transfers resources under their delegated control but between Portfolio Holders' remits.

13.1.3 Requests for virement of revenue over £100,000 from the control of one Appropriate Officer to another are to be approved by Council unless agreed by all three leaders of the three largest political groups represented on the Council.

13.2 Where a request for virement of revenue over £100,000 is approved in accordance with Standing Order 13.1.3 above the officer seeking approval will notify all elected members of Council of that approval within 5 working days.

13.3 The 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:

14.1.1 Underspend their allocation and carry the balance forward to the following year, or,

14.1.2 Overspend their allocation and deduct the amount overspent from the following year's budget, provided that by carrying a balance forward this would not create an overspending in the following year.

14.2 Any action taken under paragraph 14.1.1 or 14.1.2 above must be agreed with the 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 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.

15.3 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 approved by both the Project Appraisal Group and the Portfolio Holder. These proposals must be evaluated in terms of value for money risk, deliverability and fit within the overall Capital Programme. Only proposals with approved business cases can be included in the Capital Plan.

16.3 Appropriate Officers shall ensure that every scheme involving capital expenditure is approved for inclusion in the Capital Investment Plan before any commitment is made, and in this respect:

16.3.1 Schemes to be financed from an approved revenue budget or to be fully financed from capital grant may be approved by the Chief Financial Officer, and

16.3.2 All schemes other than those approved by the Chief Financial Officer in accordance with 16.3.1 must be agreed by the Project Appraisal Group before submission to the Executive for approval.

16.4 Appropriate Officers shall ensure that:

16.4.1 The scheme is designed and specified within the approved costs in the Capital Investment Plan (which will be shown at outturn prices) in consultation with the Chief Financial Officer where appropriate.

16.4.2 Appropriate Members are consulted on plans and detailed estimates for schemes over £75,000.

16.4.3 Where appropriate, Government or any other source of external funding approvals have been received.

16.4.4 The tender to be accepted does not exceed the technical officer's estimate of the tender price (as reflected in the Capital Investment Plan) by more than:

16.4.4.1 10% or £100,000, whichever is the lesser, for schemes costing over £75,000.

16.4.4.2 15% or £7,500, whichever is the lesser for schemes costing £75,000 and below.

16.5 Appropriate Officers shall ensure compliance with all current policies on capital expenditure including the requirement to refer schemes (excluding schemes that are entirely funded by external grants) to the Executive immediately prior to entering into any completely new commitments. In addition, Appropriate Officers shall be responsible for keeping both the appropriate 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 16.4.4.1 and 16.4.4.2.

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

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.

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 s/he has specified the level of small value debts below £100 for which Appropriate Officers can give approval. S/he may also nominate senior officers within his/her department to approve write-offs.

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. He may also nominate 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 €15,000. For practical purposes, this limit is set at £13,000 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 may be required by her/him from time to time.

## 23 Keeping Inventories and Stock Control

23.1 Appropriate Officers must keep inventories of equipment, plant and machinery in accordance with rules issued by the 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 belongs to the Council must be visibly and permanently marked to show that it is the property of Bradford Council. In the case of new equipment the Appropriate Officer must first check to ensure that marking will not invalidate the warranty. Leased items will be marked as such where marking is acceptable to the Lessor.

## 25 Control of Assets

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

## 26 Private Property

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

## 27 Private Funds

27.1 Appropriate Officers must ensure that when an employee because of her/his job has to look after money that does not belong to the Council s/he must keep it separate from the Council's money and make arrangements for its recording and safekeeping.

27.2 A private fund can only be set up with the approval of an Appropriate Officer.

27.3 Private funds must be audited every year by two independent individuals or one CCAB qualified accountant. Copies of the audited accounts must be sent to the Appropriate Officer.

27.4 The Chief Financial Officer can see all records and vouchers for private funds. S/he must be told of any funds which do not comply with all these requirements.

## 28 Land and Property

28.1 Appropriate Officers must consult with the Chief Financial Officer before acquiring land or property by whatever means (including purchase, sale, lease, tenancy, licence or option). The Chief Financial Officer shall ensure compliance with all relevant current legislation, policies and protocols.

28.2 Appropriate Officers must consult with the Chief Financial Officer 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 Chief Financial Officer 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.

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 or any replacement thereof for the time being in force when considering the protection and security of personal, financial, sensitive and confidential information.

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

# 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 The Appropriate Officer, immediately s/he is aware of any loss, liability or damage which may involve a claim, must notify the Chief Financial Officer who 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 her/his office of employment, accept any fee or reward whatsoever other than his/her proper remuneration.

34.2 An officer must not receive or give or offer any gift or bribe or personal inducements in connection with the Council's business.

34.3 An officer must not use Council property, assets or materials for other than the purposes of the Council. Permission of the Appropriate Officer must be sought for use of Council property, assets and materials for other purposes and such permission may only be given if it can be shown that such use is in the Council's interests.

34.4 An officer must not subordinate his/her duty to the Council to his/her private interests or put herself/himself in a position where her/his duty and private interests conflict.

34.5 If any officer suspects or knows of any financial loss or irregularity they must inform the Corporate Fraud Unit immediately.

34.6 An officer must comply with the Employee Code of Conduct.

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