

## **Part 4 – Rules of Procedure**

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## **Part 4A - CJC Procedure Rules**

### **1. Business of CJC Meetings**

- 1.1 The agenda for any CJC Meeting shall be agreed in accordance with these Rules by the Chair at least 6 Working Days prior to the date of the CJC meeting.
- 1.2 The Chair may make any amendments to the draft agenda as they see fit.
- 1.3 The future business of the CJC will set out in the Forward Plan to be published on a monthly basis.

### **2. Annual General Meeting**

- 2.1 The CJC must hold an annual general meeting in each financial year on a date determined by the CJC.
- 2.2 The Annual Meeting will:
  - (a) elect a person to preside at the meeting if the existing Chair or Deputy Chair is not present;
  - (b) elect the new Chair;
  - (c) appoint the new Deputy Chair;
  - (d) approve the minutes of the last meeting;
  - (e) receive declarations of interests from Members;
  - (f) receive announcements from the Chair (if any);
  - (g) decide on any amendment to sub-committees of the CJC, including amendments to their size and terms of reference;
  - (h) receive nominations of members to serve on each of the sub-committees and make such appointments;
  - (i) elect a Chair and a Deputy Chair for each of the sub-committees;
  - (j) approve a programme of ordinary meetings of the CJC for the year;
  - (k) approve a provisional programme of ordinary meetings of sub-committees for the year;
  - (l) agree any changes, amendments or revisions to the CJC's Constitution; and

- (m) consider other matters which the Chair has certified urgent or appropriate.

### **3. Ordinary Meetings**

- 3.1 The CJC may hold other meetings as agreed from time to time (“Ordinary Meetings”).
- 3.2 Ordinary Meetings will:
- (a) elect a person to preside if the Chair and Deputy Chair are not present;
  - (b) approve the minutes of the last meeting;
  - (c) receive any declarations of interest;
  - (d) receive any petitions in accordance with the CJC’s Petitions Scheme;
  - (e) receive any announcements from the Chair;
  - (f) receive any reports from the Joint Overview and Scrutiny Committee;
  - (g) receive any reports from the CJC’s Sub-Committees;
  - (h) receive any reports from the CJC’s statutory officers;
  - (i) receive any reports from external organisations;
  - (j) consider any other business in the summons to the meeting; and
  - (k) consider such other matters as the Chair certifies as urgent or appropriate.

### **4. Extraordinary Meetings**

- 4.1 An extraordinary CJC meeting may be called at any time by any person entitled to vote on a matter to be decided at that meeting.
- 4.2 The following persons may require the Chair to call an extraordinary meeting:
- the Chief Executive;
  - the Monitoring Officer; or
  - the Section 151 Officer.
- 4.3 Any request to call an extraordinary meeting must specify the business to be transacted at the meeting and be accompanied by a copy of any report for the meeting.

## **5. Time and Place of Meetings**

- 5.3 The time and place of meetings will normally be determined by the CJC or in the case of an Extraordinary Meeting by the Chair.
- 5.4 The place of a meeting shall include provision enabling meetings to be attended remotely by persons who are not in the same physical place.
- 5.5 The date, time and place of meetings may be varied in case of urgency or at the request of the Chair, subject to reasonable notice of the change having been given.
- 5.6 CJC meetings must be open to the public unless the public are excluded in accordance with the Access to Information Procedure Rules.

## **6. Notice of and Summons to Meetings**

- 6.1 The Proper Officer will give notice to the public of the time and place of any meeting:
- (a) at least three clear days before the meeting, or
  - (b) if the meeting is convened at shorter notice, at the time the meeting is convened.
- 6.2 At least 3 clear days before a meeting, a summons (notice of meeting) will be sent by email to every Member. The summons will give the date, time and place of each meeting, including details of how the meeting may be accessed remotely by persons who are not in the same physical place, will enclose the agenda and be accompanied by connected reports.

## **7. Chairing Meetings**

- 7.1 The appointment of the Chair and Deputy Chair must be confirmed, or a new Chair and Deputy Chair must be appointed, at each Annual General meeting.
- 7.2 The Chair and Deputy Chair must each be a Council Member of the CJC and must be appointed, or confirmed, by the CJC Members.
- 7.3 The Chair shall have discretion to conduct meetings to secure proper, full and effective debate of business items. This discretion shall operate in precedence to any other Rule in the Meeting Procedure Rules.

- 7.4 A person appointed as Chair or Deputy Chair may at any time resign that office by notice in writing given to the other Members.
- 7.5 If a vacancy arises in the office of Chair or Deputy, a new Chair or Deputy Chair (as applicable) must be appointed at the first meeting of the CJC held after the vacancy has arisen.
- 7.6 If the office of Chair is vacant, the Deputy Chair may carry out the functions of Chair until the vacancy is filled.
- 7.7 Where the offices of both Chair and Deputy Chair are simultaneously vacant, the next meeting of the CJC must be chaired by the Member for Blaenau Gwent County Borough Council until one of the vacancies is filled.

## **8. Quorum**

- 8.1 All persons entitled to vote must be present for:
- (1) a meeting to decide the amounts payable by the relevant CJC Members for the Strategic Development Plan Budget and for the General Budget; and
  - (2) for decisions to change voting procedures.
- 8.2 For any other matters, no fewer than 70% of the persons entitled to vote must be present.
- 8.3 If fewer than the quorum attend the meeting or if during any meeting the Chair counts the number of Members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at the next meeting or a time and date fixed by the Chair.

## **9. Declarations of Interest**

- 9.1 A Member may at any time declare a personal interest under the Members' Code of Conduct and when a Member indicates to the Chair that they wish to make a declaration they shall be heard immediately and shall be allowed to make the declaration without interruption.

## **10. Officer Advice**

- 10.1 Any report placed for decision before the CJC should contain all necessary advice to enable Members to take a decision. Reports will be circulated in

advance of the meeting and if a Member requires clarification on an issue related to the report, this should be sought prior to the meeting.

- 10.2 Further officer advice will only be available at the meeting of CJC with the consent of the Chair, in consultation with the Chief Executive. If there is a need for further detailed legal or financial advice to be provided, the meeting should be adjourned.

## **11. Voting**

- 11.1 Each person entitled to vote has one vote.
- 11.2 Other than the matters listed in 11.4 and 11.5 below, any vote is to be decided by simple majority and if a vote is tied the matter is not carried.
- 11.3 The funding of budget decisions shall be determined by the unanimous agreement of the Members entitled to vote. If the Members cannot reach agreement, the proportions are to be determined by the Welsh Government.
- 11.4 Any change to voting arrangements requires the unanimous agreement of all Members entitled to vote on the matter.
- 11.5 Where the matter relates to the Strategic Development Plan Function and a vote is tied, the Chair has the casting vote.
- 11.6 The CJC may adopt an alternative voting procedure for any decision other than a decision on the budget or a decision to change the voting procedure itself.

## **12. Minutes**

- 12.1 The names of the Members present at a CJC meeting must be recorded.
- 12.2 Minutes of the proceedings of a CJC meeting must be drawn up and recorded. The minutes must be approved by the person chairing the next suitable such meeting by signing the minutes, or by electronically signifying approval.

## **13. Attendance**

- 13.1 Members will be regarded as present at a meeting where they attend that meeting either physically at the place specified on the meeting summons or remotely, by means of video conferencing software which enables persons who

are not in the same place to speak to and be heard by each other and to see and be seen by each other.

13.2 All Members present during the whole or part of a physical meeting must accurately record their attendance on the record of attendance provided for that purpose.

13.3 Any Members attending the meeting remotely will have their attendance recorded electronically via the meeting software, and must leave the meeting if they will not be present for any extended period of time during the meeting.

#### **14. Electronic Broadcast and Recording of Meetings**

14.1 CJC meetings shall be webcast as they take place so that members of the public not in attendance at the meeting can see and hear the proceedings. The webcast shall be available electronically on the CJC's website for a period of 12 months after the meeting.

14.2 Other filming, recording and use of social media is permitted during CJC meetings, provided that:

- (a) The recording or transmission must create no disturbance, disruption or distraction to the good order and conduct of the meeting
- (b) Notice has been given (on the meeting agenda and signage outside the meeting) so that everyone attending the meeting is made aware that they may be recorded and that by attending the meeting they are deemed to consent to this;
- (c) Any recording must be overt, not covert;
- (d) There is to be no recording or transmission of proceedings dealing with any exempt or confidential information;
- (e) The Chair shall have discretion, subject to proper consideration of any relevant representations and legal advice, to prohibit a recording or exclude anyone reasonably considered to be in breach of these rules; and
- (f) The person making the recording or transmission shall be solely responsible for complying with all applicable legal obligations arising from their actions.

## **Part 4B - Sub-Committee Procedure Rules**

### **1. Establishment of Sub-Committees and Allocation of Seats**

#### **1.1 Establishment**

The establishment, terms of reference and allocation of seats of Sub-Committees will be determined by the CJC in accordance with the CJC Meeting Procedure Rules.

#### **1.2 Chair and Deputy Chair**

The chair and, where the terms of reference allow, the deputy chair, of each sub-committee shall be elected by the CJC in accordance with the CJC Procedure Rules.

#### **1.3 Period of Office**

The period of office of the chair, deputy chair and members of sub-committees will continue until the first meeting following the Annual Meeting of the CJC.

#### **1.4 Substitute Members**

Substitute members may be appointed, in accordance with the Appointment of Substitute Members Procedure Rule at Annex A, to take the place of a Sub-Committee Member who is unable to attend a meeting. A substitute member must speak and vote in his or her own capacity, and is under the same obligations as any other Member in respect of declaring personal interests and complying with the Members' Code of Conduct and all relevant procedure rules.

### **2. Ordinary Meetings**

2.1 Ordinary meetings of each Sub-Committee will take place in accordance with a programme decided at the CJC's Annual Meeting.

2.2 Ordinary meetings of Sub-Committees will (as appropriate):-

- (a) elect a person to preside if the chair and deputy chair are not present;
- (b) approve the minutes of the last meeting;



- (c) receive any announcements from the chair;
- (e) deal with any business from the last meeting of the sub-committee;
- (f) receive reports from the CJC and from any of the other sub-committees and advice reports from officers of the CJC;
- (g) put questions to the chair or relevant officers of the CJC where appropriate on items of business before the sub-committee and receive responses;
- (h) consider requests from members of the sub-committee for items of business to be considered;
- (i) consider any other business specified in the agenda of the meeting; and
- (j) such other matter or matters which the chair has certified as being urgent.

### **3. Extraordinary Meetings**

#### **3.1 Calling extraordinary meetings**

- (a) Those listed below may request the proper officer to call a meeting of the sub-committee in addition to ordinary meetings:-
  - (i) the CJC by resolution;
  - (ii) the Chair of the sub-committee;
  - (iii) the Chief Executive;
  - (iv) the Monitoring Officer;
  - (v) one half of the membership of the sub-committee if they have signed a requisition and presented it to the Proper Officer.
- (b) Any request presented in accordance with this Rule must be in writing, specify the business to be transacted at the meeting and be accompanied by a copy of any report to the meeting.

#### **3.2 Business**

Any extraordinary meeting called pursuant to Rule 3.1 will:-

- (a) elect any person to preside if the chair and deputy chair are not present;
- (b) consider the item or items of business specified in the request; and
- (c) consider any other matter or matters which the chair has certified as being urgent.

#### **4. Time and Place of Meetings**

The time and place of meetings will be determined by the Proper Officer and notified in the agenda. The place of a meeting shall include provision enabling meetings to be attended remotely by persons who are not in the same physical place.

#### **5. Notice of and Agenda for Meetings**

The Proper Officer will give notice to the public of the time and place of any meeting in accordance with the Access to Information Procedure Rules. At least three clear days before a meeting, the Proper Officer will send a summons (notice of meeting) signed by him or her by electronic mail to every member of the sub-committee. The agenda will give the date, time and place of each meeting, including details of how the meeting may be accessed remotely by persons who are not in the same physical place, and specify the business to be transacted, and will be accompanied by such reports as are available.

#### **6. Chair of Meetings**

##### **6.1 Chair of the meeting**

The Chair of the sub-committee will chair a meeting of the sub-committee and in his or her absence the meeting will be chaired by the Deputy Chair of the sub-committee (if any). In the absence of the Chair and the Deputy Chair of the sub-committee, the sub-committee will choose a chair to chair the meeting. The person presiding at the meeting may exercise any power or duty of the Chair.

##### **6.2 Conduct of the meeting by the Chair**

The Chair shall conduct the meeting to secure a proper, full and effective debate of business items particularly where a decision is required.

#### **7. Quorum**

Unless otherwise provided in the sub-committee's terms of reference, quorum of a meeting will be one quarter of the whole number of members (rounded up to the nearest whole number). If fewer than the quorum attend the meeting or if during any meeting the Chair counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed

by the Chair. If he/she does not fix a date, the remaining business will be considered at the next ordinary meeting.

## **8. Declarations of Interest**

A member may at any time declare a personal interest under the Code of Conduct and when a member indicates to the Chair that he/she wishes to make a declaration he/she shall be heard immediately and shall be allowed to make the declaration without interruption.

## **9. Voting**

### **9.1 Majority**

Unless this Constitution or the law provides otherwise, any matter will be decided by a simple majority of those members voting and present at the time the question was put.

### **9.2 Show of hands/Electronic Voting**

The Chair will take the vote by show of hands or by use of an electronic voting system if available, whichever the Chair decides, or if there is no dissent, by the affirmation of the meeting.

### **9.3 Right to require individual vote to be recorded**

Where any member requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.

## **10. Minutes**

The Chair will sign the minutes of the proceedings of the sub-committee at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. The only part of the minutes that can be discussed is their accuracy.

## **11. Attendance**

11.1 Members will be regarded as present at a meeting where they attend that meeting either physically at the place specified on the meeting agenda or by remote means, which enables persons who are not in the same place to speak to and be heard by each other.

- 11.2 All Councillors present during the whole or part of a physical meeting must accurately record their attendance on the record of attendance provided for that purpose.
- 11.3 Any Members attending the meeting remotely will have their attendance recorded electronically via the meeting software, and must leave the meeting if they will not be present for any extended period of time during the meeting.

## **12. Members of the Public**

### 12.1 Exclusion of members of the public

Members of the public and press may only be excluded either in accordance with the Access to Information Procedure Rules or under Rule 12.2.

### 12.2 Disturbance by public

- (a) If a member of the public interrupts or disrupts proceedings of a sub-committee, the Chair will warn the person concerned. If they continue to interrupt or causes disruption, the Chair will order their removal from the meeting.
- (b) If there is a general disturbance in any part of the meeting open to the public, the Chair may call for that part to be cleared.

## **13. Electronic Broadcast and Recording of Proceedings of Sub-Committees**

- 13.1 Sub-Committee meetings shall be webcast by the CJC so that members of the public not in attendance at the meeting can see and hear the proceedings. Webcasts shall be available electronically on the CJC's website for a period of 12 months after the meeting.
- 13.2 Other filming, recording and use of social media is permitted during sub-committee meetings, provided that:
- (i) The recording or transmission must create no disturbance, disruption or distraction to the good order and conduct of the meeting;
- (ii) Notice has been given (on the meeting agenda and signage outside the meeting) so that everyone attending the meeting is made aware that they may be recorded and that by attending the meeting they are deemed to consent to this;
- (iii) Any recording must be overt, not covert;

- (iv) There is to be no recording or transmission of proceedings dealing with any exempt or confidential information;
- (v) The Chair shall have discretion, subject to proper consideration of any relevant representations and legal advice, to prohibit a recording or exclude anyone reasonably considered to be in breach of these rules; and
- (vi) The person making the recording or transmission shall be solely responsible for complying with all applicable legal obligations arising from their actions.

## **Annex A**

### **Appointment of Substitute Members Procedure Rules**

1. A member of a sub-committee who is unable to attend a sub-committee meeting may submit a request to the Monitoring Officer to appoint a substitute member, provided that the substitute Member is from the same authority.
2. A request to appoint a Substitute Member must:
  - (i) State the name of the Member making the request and the name of the proposed Substitute Member;
  - (ii) Specify the sub-committee meetings (including the dates of the meetings) which the Substitute Member is to attend;
  - (iii) Explain the reasons why the substitution is required (having regard to paragraph (e) below);
  - (iv) Confirm the agreement of the proposed Substitute Member to attend the specified sub-committee meetings as a substitute; and
  - (v) Be received by the Monitoring Officer by no later than 9am on the fourth working day before the day of the meeting.
3. A Substitute Member must be eligible for appointment to the sub-committee under any other rules of the Constitution or by law.
4. Subject to compliance with this rule and provided he/she is satisfied that substitution is appropriate, the Monitoring Officer shall exercise his/her delegated authority to appoint a substitute in accordance with the request and arrange to notify the Leader of the Substitute Member's authority and the Chair of the sub-committee of the substitution.
5. For the purposes of this procedure rule, substitution will only be appropriate when an appointed Member is unable to attend specified sub-committee

meetings over an extended period of time (a period covering more than one sub-committee meeting) due to one (or more) of the following:

- (i) unavoidable family or work commitments;
  - (ii) serious illness;
  - (iii) maternity, paternity or adoption leave;
  - (iv) other Family Absence, approved under the Family Absence Procedure Rules;
  - (v) caring responsibilities; or
  - (vi) some other good reason.
6. A Substitute Member may attend a sub-committee meeting in that capacity only:
- (i) to take the place of the ordinary Member for whom they are the designated substitute; and
  - (ii) where the ordinary Member will be absent for the whole of the meeting.
7. The substitution shall last for the duration of the specified meeting(s), unless otherwise expressly requested and agreed by the Monitoring Officer.
8. A Substitute Member attending a meeting must speak and vote in his or her own capacity, and is under the same obligations as any other Member in respect of declaring personal interests and complying with the Members' Code of Conduct and relevant procedure rules
9. A substitute appointed under this procedure rule by the Monitoring Officer upon the request of a Sub-Committee Chair (or Deputy Chair) is to fulfil the role of Sub-Committee member only, and not to discharge the role of Chair (or Deputy Chair), unless they are elected or appointed to that role by the CJC or the Sub-Committee.

## **Part 4C - Access to Information Procedure Rules**

### **1. Summary of Rights**

- 1.1 These rules are a written summary of the rights of the public to attend meetings and the rights of the public and Members of the CJC to inspect and copy documents.

### **2. Scope**

- 2.1 These rules apply to all meetings of the CJC and its sub-committees, all of which may be attended remotely by persons who are not all in the same physical place, using an online meeting platform.
- 2.2 Each responsible or contributing author shall be the Proper Officer for the purposes of all statutory and regulatory provisions relating to the identification, listing and availability of background papers for any report within the scope of these Rules.

### **3. Openness Policy**

- 3.1 The CJC wishes to be as open as possible in terms of sharing access to information both with Members and with the public, as permitted within the law and with respect to the rights of others. These rules seek to complement and supplement and not detract from any statutory rights to information (for example within the Data Protection Act 2018 and the Freedom of Information Act 2000) which members and the public are afforded from time to time.
- 3.2 These rules do not affect any more specific rights to information contained elsewhere in this Constitution. In the case of any omission or conflict between these rules and statutory rights, statutory rights will always prevail.

### **4. Rights of the Public to attend Meetings**

- 4.1 Members of the public may attend all meetings subject only to the exceptions in these rules. Where meetings are open to the public and held either wholly or partly through remote means, members of the public will be given details of how to access the meeting remotely.

- 4.2 The right to attend meetings is subject to the CJC's right to exclude persons if their conduct is disorderly or if they misbehave at the meeting. The Press may attend that part of any meeting open to the public.

## **5. Broadcast Filming, Recording and Social Media**

- 5.1 Meetings which are open to the public under these rules may be webcast by the CJC.
- 5.2 Other filming, recording and use of social media is permitted during meetings which are open to the public under these rules, provided that:
- (i) the recording or transmission must create no disturbance disruption or distraction to the good order and conduct of the meeting;
  - (ii) notice has been given (on the meeting agenda and signage outside the meeting) so that everyone attending the meeting is made aware that they may be recorded and that by attending the meeting they are deemed to consent to this;
  - (iii) any recording must be overt, not covert;
  - (iv) there is to be no recording or transmission of proceedings dealing with any exempt or confidential information;
  - (v) the Chair shall have discretion, subject to proper consideration of any relevant representations and legal advice, to prohibit a recording or exclude anyone reasonably considered to be in breach of these rules; and
  - (vi) the person making the recording or transmission shall be solely responsible for complying with all applicable legal obligations arising from their actions.

## **6. Notice of Meetings**

- 6.1 The CJC will give at least three clear days' notice of any meeting by posting details of the meeting on the CJC's website.
- 6.2 Where the meeting or part of the meeting is open to the public and:
- (i) If the meeting is held through remote means only, the notice will give details of the time of the meeting and how to access it;



- (ii) if the meeting is held partly through remote means or is not held through remote means, the notice will give details of the time and place of the meeting and how to access it.
- 6.3 Where the meeting is not open to the public and:
  - (i) if the meeting is held through remote means only, the notice will give details of the time of the meeting, and the fact that it is being held through remote means only and is not open to the public.
  - (ii) if the meeting is held partly through remote means or is not held through remote means, the notice will give details of the time and place of the meeting and the fact that it is not open to the public.
- 6.4 **Special Urgency:** If a matter is considered by the Monitoring Officer to be so significantly urgent and unexpected that a decision must be taken and that it is not possible to provide 3 clear days' notice of the date of the meeting at which the decision must be taken, then with the agreement of the Chair, the Monitoring Officer is authorised to call such a meeting, subject to the agenda and reports being available to the public at the time at which the meeting is convened.

## **7. Access to Agenda and Reports before a Meeting**

- 7.1 The CJC will make copies of the agenda and reports open to the public available for inspection on the CJC's website at least three clear days before a meeting. If an item is added to the agenda later, the designated officer shall make each such report available to the public as soon as the report is completed and sent to members.
- 7.2 Where a meeting is open to the public and is not held through remote means only, the CJC will make available for use by members of the public present at the meeting a reasonable number of copies of the agenda and reports for the meeting.

## **8. Supply of Copies**

- 8.1 The CJC will supply to any person, on payment of a charge for postage and other justified costs, copies of:
  - (a) any agenda and reports that are open to public inspection;
  - (b) any further statements or particulars necessary to indicate the nature of the items in the agenda; and

- (c) if the Monitoring Officer thinks fit, copies of any other documents supplied to members in connection with an item.

## **9. Access to Minutes and Other Documents after a Meeting**

- 9.1 Within 7 working days after a meeting, the CJC will publish on its website a note setting out:
  - (a) the names of the members who attended the meeting, and any apologies for absence;
  - (b) any declarations of interest;
  - (c) any decision taken at the meeting, including the outcomes of any votes, but excluding any exempt information.
- 9.2 The CJC will publish on its website copies of the following documents for a period of 6 years after a meeting:
  - (a) the minutes of the meeting excluding any part of the minutes or proceedings which disclose exempt or confidential information;
  - (b) a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
  - (c) the agenda for the meeting; and
  - (d) reports relating to items when the meeting was open to the public.

## **10. Background Papers**

### **10.1 List of background papers**

The Proper Officer will set out in every report, or part of a report, which is open to public inspection under Rule 7 or 9 above a list of those documents (called “background papers”) relating to the subject matter of the report, or that part of the report, which in his/her opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) that have been relied on to a material extent in preparing the report, but not including published works or those that disclose exempt or confidential information (as defined in Rule 11).

## 10.2 Public Inspection of Background papers

The CJC will publish background papers on its website, unless it is not reasonably practicable to do so. Background papers shall remain accessible for public inspection for 6 years after the date of the meeting.

## 11. Confidential and Exempt Information

### 11.1 Confidential Information – Requirement to Exclude Public

The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed. Confidential information means information given to the CJC by a Government Department (including the Welsh Assembly Government) on terms which forbid its public disclosure or information which cannot be publicly disclosed by virtue of any enactment or Court Order.

### 11.2 Exempt Information – Discretion to Exclude Public

The public may be excluded from a meeting whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed. Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6. Due regard will be had to the wishes of the individual should they elect that the hearing be held in private where the law permits.

### 11.3 Meaning of Exempt Information

Exempt information is defined in Schedule 12A, Part 4, of the Local Government Act 1972 as information falling within the following 7 categories (subject to any qualification):

	Category	Qualification	Legislative Reference
1.	Information relating to a particular individual	Exempt information if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in	Paragraph 12 of Schedule 12A to the Local Government Act 1972

		disclosing the information.	
2.	Information which is likely to reveal the identity of an individual	Exempt information if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Paragraph 13 of Schedule 12A to the Local Government Act 1972
3.	Information relating to the financial or business affairs of any particular person (including the CJC)  Note: 'financial or business affairs' includes contemplated, as well as past or current, activities	Exempt information if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.  Information falling within paragraph 3 is not exempt information by virtue of that paragraph if it is required to be registered under: (a) the Companies Acts (as defined in Section 2 of the Companies Act 2006) (b) the Friendly Societies Act 1974 (c) the Friendly Societies Act 1992 (d) the Industrial and Provident Societies Acts 1965 to 1978 (e) the Building Societies Act 1986 (f) the Charities Act 2011	Paragraph 14 of Schedule 12A to the Local Government Act 1972
4.	Information relating to any consultations or negotiations, or contemplated consultations or	Exempt information if and so long as, in all the circumstances of the case, the public interest in maintaining the	Paragraph 15 of Schedule 12A to the Local

	<p>negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority</p> <p>Note: 'Labour relations matters' are as specified in paragraphs (a) to (g) of Section 218(1) of the Trade Union and Labour Relations (Consolidation) Act 1992, i.e. matters which may be the subject of a trade dispute</p>	<p>exemption outweighs the public interest in disclosing the information.</p>	<p>Government Act 1972</p>
5.	<p>Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings</p>		<p>Paragraph 16 of Schedule 12A to the Local Government Act 1972</p>
6.	<p>Information which reveals that the authority proposes:</p> <p>(a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or</p> <p>(b) to make an order or direction under any enactment</p>	<p>Exempt information if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p>	<p>Paragraph 17 of Schedule 12A to the Local Government Act 1972</p>
7.	<p>Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime</p>	<p>Exempt information if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p>	<p>Paragraph 18 of Schedule 12A to the Local Government Act 1972</p>

## 11.4 Public Interest

Information within Categories 1 to 4, 6 and 7 set out in Rule 11.3 may only be treated as exempt if an assessment of the public interest has been made.

- 11.5 The public interest will be assessed on a case by case basis having regard to all relevant factors including but not limited to the following: to ensure a proper balance is achieved between the right to know, the right to personal privacy and the delivery of effective government.
- 11.6 In making such an assessment the Monitoring Officer shall have regard to any relevant prejudice which may be caused to the CJC or any other party if the information were disclosed, having regard to the full context of any disclosure. Account may be taken of whether disclosure would breach any obligation of confidence not within Rule 11.3, or the rights of any individual under the Data Protection Act 2018 or the Human Rights Act 1998.
- 11.7 Account will be taken of the fact that the public interest test may be served by allowing access to information which would:
- (a) further the understanding of and participation in debating issues of the day;
  - (b) facilitate transparency and accountability in and enhance scrutiny of decisions taken by the CJC;
  - (c) facilitate transparency and accountability in the spending of public money;
  - (d) help individuals understand the decisions made by the CJC affecting their lives.
- 11.8 In making such an assessment the following factors shall be regarded as irrelevant:
- (a) possible embarrassment to the CJC or its Officers;
  - (b) possible loss of confidence in the CJC or another public body;
  - (c) the seniority of persons involved in the subject matter;
  - (d) the risk of the public misinterpreting the information.
- 11.9 **Exclusion of the Public:** any decision to exclude the public from a meeting under this Rule shall be made in accordance with the CJC Meeting Procedure Rules or the Sub-Committee Meeting Procedure Rules as appropriate.

- 11.10 **Disclosure by Members:** Members will not make public Confidential or Exempt Information without the consent of the CJC or divulge information given in confidence to anyone other than a Member or Officer entitled to know it unless otherwise authorised by law.

## **12. Exclusion of Access by the Public to Reports**

- 12.1 Prior to a meeting, if the Monitoring Officer thinks fit, the CJC may exclude access by the public to the whole or any part of a report which in his or her opinion relate to items of business during which, in accordance with Rule 11, the meeting is likely not to be open to the public.
- 12.2 Such reports or parts of reports will be marked “Not for Publication” together with the category of information likely to be disclosed. After the meeting access to the Report is subject to Rule 9. Where the decision to exclude access has required a determination of the public interest the Monitoring Officer shall keep a note of his or her reasons for the decision

## **Part 4D - Financial Procedure Rules**

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## **FINANCIAL PROCEDURE RULES**

### **1. Introduction**

- 1.1 The CJC has made arrangements with Rhondda Cynon Taf County Borough Council (RCT) to provide certain services to the CJC, including Accounts Payable, Accounts Receivable & Income Recovery, Payroll Services and Procurement Advice and Support. To facilitate the delivery of these services, the CJC has agreed to adopt RCT's Financial Procedure Rules, subject to minor amendments to reflect the CJC's organisational structure and functions.
- 1.2 The Financial Procedure Rules provide clarity about the financial accountabilities of individuals – the Members of the CJC, other members, the Chief Executive, the Monitoring Officer, the Chief Finance (s151) Officer (also the Director of Resources), Directors and other Officers.
- 1.3 A series of subsidiary documents is in place that support and provide further detail around the operational requirements contained within the Financial Procedure Rules. These are kept under on-going review.
- 1.4 The definition of officers contained in this document is as follows:
- Director of Resources - in fulfilling the statutory duties in relation to the financial administration and stewardship of the authority, i.e. the Section 151 role;
  - Directors - this includes;
    - the Chief Executive;
    - the Director of Regional Growth (Deputy Chief Executive);
    - the Director of Resources (s151 Officer);
    - the Director of Legal & Governance (Monitoring Officer);
    - the Director of Policy, Impact & Partnerships;
  - Heads of Service; and
  - Any other officer as authorised in the Scheme of Delegation.

NB: With reference to Section 4.5 (Scheme of Virement) specific authorisation levels are set out at Director level and above. Virement Action cannot be authorised by an officer below Director level.

## 2. Status of the Financial Procedure Rules

- 2.1 **Financial Procedure Rules** provide the framework for managing the CJC's financial affairs. They apply to every Member and Officer of the CJC and anyone acting on its behalf.
- 2.2 The Procedure Rules identify the financial responsibilities of Members of the CJC, Scrutiny and other Members, the Chief Executive, the Monitoring Officer, the Director of Resources and all other Directors. Reference is made to the CJC's 'Scheme of Officer Delegation', and these procedure rules should be read in conjunction with that scheme.
- 2.3 All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised and provides value for money.
- 2.4 The Director of Resources is responsible for:-
- Maintaining a continuous review of the Financial Procedure Rules and submitting any additions or necessary changes to the CJC for approval. In particular a review of the financial parameters contained within this document will be undertaken on at least an annual basis to reflect inflationary changes and / or other price influencing factors;
  - Reporting, where appropriate, breaches of the Financial Procedure Rules to the CJC;
  - Issuing advice and guidance to underpin the Financial Procedure Rules that Members, Officers and others, acting on behalf of the Authority, are required to follow;
  - Considering, in exceptional circumstances written requests from Directors (following consultation with the appropriate Portfolio Holder) to waive specific requirements within the Rules for a defined period. When a specific waiver is agreed this will be formally recorded and will be made available to Internal or External Audit on request.
- 2.5 The Director of Resources is empowered to undertake immediate action not detailed within these Financial Procedure Rules as deemed necessary for the CJC to discharge its responsibilities. Thereafter, details of the circumstances, action taken, and outcome(s) must be promptly reported to the CJC.

- 2.6 **The Chief Executive and all Directors are responsible for ensuring that all staff in their respective Directorates are aware of the existence and content of the CJC's Financial Procedure Rules and other internal regulatory documents, and that they comply with them.**
- 2.7 They must also ensure that copies of the Rules are accessible for reference within their Directorates, and that adequate training and explanation is available to support compliance.

### **3. Framework**

- 3.1 The Financial Procedure Rules are subdivided into five key areas, for ease of reference and interpretation. These are:
- Financial Management;
  - Financial Planning;
  - Risk Management and Control of Resources;
  - Financial Systems and Procedures;
  - External Arrangements.
- 3.2 The framework adopted has been to consider the relevant issues under the sub headings described above, detail the key controls expected and identify the specific requirements in terms of the roles of the Director of Resources and Directors.

## **4. FINANCIAL MANAGEMENT**

### **4.1 Introduction**

Financial management covers all financial responsibilities in relation to the running of the CJC, including the policy framework and budget.

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

The key principles underpinning this responsibility are highlighted below:

## **4.2 Key Principles and Values Underpinning our Financial Management**

The CJC will observe the highest standards of impartiality, integrity and objectivity in relation to the stewardship of its resources, and in all its activities it will act with regularity and propriety.

The CJC will accord with Government policy on openness and comply with all reasonable requests for information from users of the CJC's services and individual citizens, subject to the needs of confidentiality for commercial or personal reasons (in line with the Freedom of Information Act 2000 and the Data Protection Act 2018).

The CJC is accountable to the Welsh Assembly Government, users of its services and individual citizens for the activities of the CJC, for the stewardship of public funds, and the extent to which key performance targets and objectives have been met.

The CJC will deliver its responsibilities in line with the Welsh Assembly Government's "Making the Connections" agenda through ensuring that services are delivered in the most efficient, effective and economical way, within available resources and with continuous and, where relevant, independent validation of the performance achieved.

## **4.3 Roles and Responsibilities**

### **The Corporate Joint Committee**

The Corporate Joint Committee is responsible for adopting the CJC's Constitution and Members' Code of Conduct, and for approving the policy framework and budget within which the CJC operates. The CJC is responsible for approving and monitoring compliance with the CJC's overall framework of accountability and control. The framework is set out in its Constitution. The CJC is also responsible for monitoring compliance with the agreed policy and related decisions.

The CJC is responsible for approving procedures for the recording and reporting of decisions taken. This includes those key decisions delegated by, and decisions taken by, the CJC, an individual CJC Member, a Sub-Committee, a Joint Committee, or an Officer. These delegations and details of

who has responsibility for which decisions are set out in the Constitution (as detailed in Part 3 – Responsibility for Functions).

### **Individual Members of the CJC**

Certain decisions can be delegated to an individual Member.

The CJC is responsible for establishing protocols to ensure that individual Members consult with relevant Officers before taking a decision within his or her delegated authority. In doing so, the individual Member must take account of legal and financial liabilities, and any risk management issues that may arise from the decision.

### **Sub-Committees and Joint Committees of the CJC**

- **Joint Overview and Scrutiny Committee**

The Joint Overview and Scrutiny Committee is a Joint Committee of all ten local authorities in South East Wales and has been established for the purpose of fulfilling the Scrutiny function in relation to the CJC. The Joint Committee meets to monitor the CJC's activities and make reports and recommendations to the CJC in respect of any of its functions.

- **Governance and Audit Sub-Committee**

The Governance and Audit Sub-Committee assists the CJC in discharging its responsibility for ensuring financial probity. The Committee's Terms of Reference include monitoring the performance of Internal and External Audit as well as receiving regular reports that enable it to monitor the overall governance arrangements in place across the CJC.

- **Standards Sub-Committee**

The Standards Sub-Committee is responsible for promoting and maintaining high standards of conduct amongst Members. In particular, it is responsible for advising the CJC on the adoption and revision of the Members' Code of Conduct, and for monitoring the operation of the Code.

## 4.4 The Statutory Officers

- **Chief Executive**

The Chief Executive is responsible for the corporate and overall strategic management of the CJC, as a whole. They must report to and provide information for the CJC, the Joint Overview and Scrutiny Committee and other sub-committees. They are responsible for establishing a framework for management direction, style, standards, and for monitoring the performance of the organisation. The Chief Executive is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all of the CJC's decisions.

- **Monitoring Officer (Director of Legal and Governance)**

The Monitoring Officer (who is also the Director of Legal & Governance) is responsible for promoting and maintaining high standards of conduct and provides support to the Standards Sub-Committee. The Monitoring Officer is also responsible for reporting any actual, or potential, breaches of the law, or maladministration, to the CJC, and for ensuring that procedures for recording and reporting key decisions are operating effectively.

The Monitoring Officer must ensure that key decisions, and the reasons for them, are made public. They must also ensure that the CJC is aware of decisions made by individual Members with decision making powers and also of significant decisions made by Officers who have delegated responsibility.

The Monitoring Officer is responsible for advising all Members and Officers about who has authority to take a particular decision.

The Monitoring Officer is responsible for advising the CJC about whether a decision is likely to be considered contrary, or not wholly in accordance with, the policy framework.

The Monitoring Officer (together with the Director of Resources) is responsible for advising the CJC about whether a decision is likely to be considered contrary, or not wholly in accordance with the budget. Actions that may be contrary to the budget include:

- Initiating a new policy;

- Committing expenditure in future years over and above the approved budget;
- Effecting interdepartmental transfers above virement limits;
- Causing the total expenditure financed from grants and corporately held reserves to increase above the approved budget, or to increase by more than a specified amount.

The Monitoring Officer is responsible for maintaining an up-to-date Constitution.

- **Chief Finance Officer (Director of Resources)**

The Chief Finance Officer (who is also the Director of Resources) has statutory duties in relation to the financial administration and stewardship of the CJC. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972;
- The Local Government Finance Act 1988;
- The Local Government and Housing Act 1989;
- The Accounts and Audit (Wales) Regulations 2005 (as amended).

The Director of Resources is responsible for:

- The proper administration of the CJC's financial affairs;
- Setting and monitoring compliance with financial management standards;
- Advising on the corporate financial position, and on the key financial controls necessary to secure sound financial management;
- Providing financial information;
- Preparing the revenue budget and capital programme;
- Treasury management;
- Insurance and risk management;
- Pension fund.

Section 114 of the Local Government Finance Act 1988 requires the Director of Resources to report to the CJC and External Auditor if the CJC, or one of its Officers:



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

Section 114 of the 1988 Act also requires:

- The Director of Resources to nominate a properly qualified member of staff to deputise should they be unable to perform the duties specified under Section 114, personally;
- The CJC to provide the Director of Resources with sufficient staff, accommodation, and other resources, including legal advice where this is necessary, to carry out this duty under Section 114.

#### 4.5 Chief Executive and Directors

For the purposes of these Financial Procedure Rules any reference to “Directors” will include all of the posts detailed in Section 1 taking action within the agreed Scheme of Officer Delegation.

Directors are responsible for:

- Ensuring that the CJC is advised of the financial implications of all proposals and that the financial implications have been agreed by the Director of Resources;
- Signing contracts on behalf of the CJC.

***It is the responsibility of Directors to consult with the Director of Resources and seek approval on any matter liable to materially affect the CJC's finances, before any commitments are made.***

#### 4.6 All CJC Employees

All CJC employees (including temporary, part time and externally funded staff), and particularly those with a line management or resource management responsibility, should be aware of their responsibilities and that they are accountable for those responsibilities to the Chief Executive and the CJC. They must ensure that the CJC activities for which they are responsible and accountable are in accordance with the rules and procedures detailed in the

CJC's Constitution. (This will require adequate training and information on the relevant actions required for each post).

#### **4.7 Other Financial Management Accountabilities**

There are other specific requirements around financial management which must be observed by all. These are:

- Scheme of virement;
- Treatment of year end balances;
- Accounting policies;
- Accounting records and returns;
- The annual statement of accounts.

#### **4.8 Scheme of Virement**

The scheme of virement is intended to enable Members, Directors, and staff to manage revenue budgets with a degree of flexibility, within the overall policy framework determined by the CJC, and therefore, to optimise the use of resources to deliver agreed objectives.

##### **Virement Action Limits**

For the purposes of these rules, a virement is a change in use of a budget within or between service areas.

- **Virement Rules For Revenue Expenditure**

- Virements within Services (up to £25,000)

- Directors are authorised to action virements up to a value of £25,000 within their Service. All changes will be reported to the Director of Resources. There will be no limit to the number of virements in any year, however there should be no manipulation used to circumvent the process for higher limit virements i.e. artificially splitting amounts to remain below £25,000.

#### Virements within Directorates (up to £100,000)

Directors are authorised, in consultation with the Director of Resources, to approve virements up to a value of £100,000 within their respective Directorates.

#### Virements between Directorates (up to £100,000)

Virements between Directorates up to a level of £100,000 must be approved by the respective Directors plus the Director of Resources.

#### Virements above £100,000

All virements above £100,000 must be approved by the CJC.

#### Timing of Virements

Virements should be actioned prior to overspending occurring on a particular budget head. This is considered good accounting practice and demonstrates good budget management.

***Virement approvals must be sought before there is any commitment to incur expenditure.***

- **Key Controls**

The Scheme of Virement is administered by the Director of Resources within guidelines set by the Corporate Joint Committee. Any variation from this scheme requires the approval of the CJC.

The overall budget is agreed by the CJC. Directors are, therefore, authorised to incur expenditure in accordance with the estimates that make up that budget. For the purposes of the virement scheme, a budget head is considered to be a detailed budget line as maintained within the Corporate Accounting System i.e. code level.

Virement does not create an additional overall budget. Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have

not identified future resources. They must plan to fund such commitments from within their own budgets.

- **Responsibilities of the Director of Resources**

To prepare jointly with the relevant Director a report to the CJC where virements in excess of £100,000 are proposed.

- **Responsibilities of Directors**

A Director may exercise virement on budgets under his or her control for amounts up to £25,000 on any one budget head during the year. All virements will be reported to the Director of Resources.

A Director may exercise virement on budgets under his or her control for amounts up to £100,000 on any one budget head during the year, in consultation with the Director of Resources.

Amounts greater than £100,000, both within Directorates and between Directorates, require the approval of the CJC, following a joint report by the Director of Resources and the relevant Director(s), which must specify the proposed expenditure, the source of funding, and the implications in the current and future financial year(s).

Virement that is likely to impact on the level of service activity of another Directorate should be implemented only after agreement with the relevant Director.

No virement relating to a specific financial year should be made after 31 March in that year (unless under exceptional circumstances and approved by the Director of Resources). Virements must be actioned prior to expenditure being incurred or committed to be incurred on a budget head.

Where an approved budget is a lump-sum budget, or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that :

- The amount is used in accordance with the purposes for which it has been established;
- The CJC have approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits must be reported to the CJC;

- Requests for supplementary estimates are discouraged and **will only be considered in the most exceptional of circumstances**. The need for supplementary estimates must first be considered by the relevant Director who shall prepare a report to the Director of Resources explaining why such expenditure cannot be met from within the existing approved budget, including detailed consideration of all other areas of the budget. Approval of a supplementary estimate is subject to consideration by the CJC. In the extreme circumstances whereby a supplementary estimate is approved any amount unused for the approved purpose will be “clawed back” into the CJC’s General Reserves.

## 4.9 Treatment of Year End Balances

- **General Fund Balances**

**No Service should budget for a deficit.** Every Director has a duty to report expected overspends to the Director of Resources. Where a year-end net overspend occurs, this will normally be a first call on the following year's budget of the Directorate.

In accordance with procedures laid down by the Director of Resources, provisions and earmarked reserves for specific items of expenditure planned, but delayed in any particular year, will be considered as part of the normal annual closure of accounts.

- **Key Considerations**

A provision can only be established in the accounts if:

- The CJC has a present obligation, as a result of a past event;
- The transfer of economic benefits will be required to settle the provision;
- A reliable estimate can be made of the amount of the obligation.

An earmarked reserve has a less prescriptive definition and often results from instances where anticipated expenditure, which can be predicted with some degree of accuracy, has been postponed. An earmarked reserve should only be established if:

- There is a firm commitment / policy decision to the pursuance of the project or scheme e.g. an order raised or committee minute;

- The amount must be material and restricted in number to those considered to be key as determined by the Director of Resources.

#### **4.10 Accounting Policies**

The Director of Resources is responsible for the preparation of the CJC's statement of accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Authority Accounting in the United Kingdom and the Best Value Accounting Code of Practice, for each financial year ending 31st March.

- **Key Controls**

Systems of internal control must be in place to ensure that financial transactions are lawful.

Suitable accounting policies are selected and applied consistently.

Proper accounting records are maintained.

Financial statements are prepared which present a true and fair view of the financial position of the CJC.

- **Responsibilities of the Director of Resources**

To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the statement of accounts, which is prepared for the year ending 31st March.

- **Responsibilities of Directors**

To adhere to the accounting policies and guidelines approved by the Director of Resources.

#### **4.11 Accounting Records and Returns**

Maintaining proper accounting records is one of the ways in which the CJC discharges its responsibility for stewardship of public resources. The CJC has a statutory responsibility to prepare annual accounts that present a true and fair view of its operations during the year. These accounts are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality

arrangements have been made for securing economy, efficiency and effectiveness in the use of the CJC's resources.

- **Key Controls**

All Members, Directors, finance staff and budget managers operate within the required accounting standards and timetables (as laid down by the Director of Resources).

All the CJC's transactions, material commitments, contracts, and other essential accounting information are recorded completely, accurately, and on a timely basis.

Procedures are in place to enable accounting records to be reconstituted in the event of systems failure.

Reconciliation procedures are carried out to ensure transactions are correctly recorded.

Prime documents are retained in accordance with legislative and other requirements (including criteria set out by external funding bodies and in accordance with the CJC's Retention of Financial Records Policy).

- **Responsibilities of the Director of Resources**

To determine the accounting procedures and format of records for the CJC. Where these are maintained outside the Finance Division, the Director of Resources should consult the appropriate Director.

To arrange for the compilation of all accounts and accounting records under his / her direction.

To comply with the following principles when allocating accounting duties:

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

To make proper arrangements for the audit of the CJC's accounts, in accordance with the prevailing Accounts and Audit (Wales) Regulations.

To ensure that arrangements are in place to claim all funds, including grants, by the due date.

To prepare, approve by CJC and publish the audited accounts of the CJC for each financial year in accordance with the statutory timetable.

To ensure the proper retention of financial documents in accordance with the CJC's agreed policy, as set out in its Retention of Financial Records Policy. This policy is to retain its main financial ledgers for six years from the end of the financial year concerned (including papers supporting individual financial transactions, unless they are required for longer periods for taxation, or Grant purposes). If a CJC employee is in any doubt as to the method and time period for retaining documents or files, they must consult the Director of Legal and Governance for guidance.

- **Responsibilities of Directors**

To consult and obtain the approval of the Director of Resources before making any changes to accounting records and procedures.

To comply with the principles identified above when allocating accounting duties.

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

To supply any information required to enable the statement of accounts to be completed, in accordance with the guidelines issued by the Director of Resources.

#### **4.12 The Annual Statement of Accounts**

The CJC has a statutory responsibility to prepare its accounts in such a way as to present a true and fair view of its operations during the year. The CJC is responsible for approving the statutory annual statement of accounts.

- **Key Controls**

The CJC is required to make arrangements for the proper administration of its financial affairs and to secure that one of its Officers has the responsibility for the administration of these affairs. That Officer is the Director of Resources.



The CJC's Statement of Accounts must be prepared in accordance with proper practices, as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA/LASAAC), the Best Value Accounting Code of Practice and also in accordance with the prevailing Accounts & Audit Regulations (Wales).

To include within the CJC's Statement of Accounts an 'Annual Governance Statement' (that is signed by the Chief Executive and Chair of the CJC). The statement must also be reported to the Governance & Audit Committee for review and to recommend its certification by the Chief Executive and the Chair of the CJC.

- **Responsibilities of the Director of Resources**

To select suitable accounting policies and to apply them consistently.

To make financial judgements and estimates that are reasonable and prudent.

To comply with the Code of Practice on Local Authority Accounting.

To maintain proper accounting records that are kept up to date.

To take reasonable steps for the prevention and detection of fraud and other irregularities.

To sign and date the Statement of Accounts, stating that it presents a true and fair view of the financial position of the CJC at the accounting date and its income and expenditure for the year ended 31 March.

To draw up the timetable and procedures for the preparation of the CJC's final accounts, and to advise staff and external auditors, accordingly.

- **Responsibilities of Members**

To approve the CJC's Statement of Accounts. The Chair of the CJC to sign and date the Statement of Accounts on behalf of the Committee confirming that the CJC has discharged its responsibilities.

- **Responsibilities of Directors**

To comply with accounting guidance provided by the Director of Resources, and supply them with the information required in accordance with the timetable for closing the annual accounts.

## **5. FINANCIAL PLANNING**

### **5.1 Introduction**

The Corporate Joint Committee is responsible for agreeing the CJC's policy framework and budget. In terms of financial planning, the key elements are:

- The Revenue Budget;
- The Capital Programme.

### **5.2 Policy Framework**

The CJC is responsible for approving the budget and policy framework (within which comprise a number of Statutory Plans and Policies), and for approving procedures for agreeing variations to the approved budgets, plans and strategies that form the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. Such decisions should be referred to the CJC by the Monitoring Officer and / or the Director of Resources.

The CJC is also responsible for taking "in-year" decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set.

### **5.3 Performance Management Framework**

The CJC has in place a Performance Management Framework. The basis of the framework will build upon the hierarchy of the Strategic Plans, Business Plans and Individual Action Plans / Personal Development Plans.

### **5.4 Budgeting**

Under this section the following issues will be considered:

- Format of the revenue budget;
- Revenue budget preparation, monitoring, and control;
- Budgets and medium-term planning;
- Resource allocation;
- Capital programmes, budget preparation, monitoring and control;
- Maintenance of General Reserves.

## **A. Format of the Revenue Budget**

The format of the revenue budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate and sets the level at which funds may be reallocated within budgets.

- **Key Controls**

The format of the revenue budget complies with all legal requirements.

The format complies with LASAAC / CIPFA's Best Value Accounting – Code of Practice (for external reporting requirements).

The format reflects the accountabilities of service delivery.

- **Responsibilities of the Director of Resources**

To advise the Corporate Joint Committee on the format of the budget to be approved by the CJC.

- **Responsibilities of Directors**

To comply with the accounting guidance provided by the Director of Resources.

## **B. Revenue Budget Preparation, Monitoring and Control**

Budget management ensures that once the CJC has approved its budget, the resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the CJC to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

By continuously identifying and explaining variances against budgetary targets, the CJC can identify changes in trends and resource requirements at the earliest opportunity.

- **Key Controls**

Budget managers should be responsible for all controllable income and expenditure within their sphere of responsibility.

There is a nominated budget manager for each cost centre heading.

Budget managers formally accept accountability for their budgets and the level of service to be delivered, and understand their financial responsibilities.

Budget managers follow an approved certification process for all expenditure.

Income and expenditure is properly recorded and accounted for.

Performance levels / levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs with the budget.

The requirements in terms of budget monitoring frequency are identified in Table 1:

**Table 1:**  
**Summary of Budget Monitoring Reporting Requirements**

Frequency	Requirements
Quarterly	<ol style="list-style-type: none"> <li>1. Comparison of Actual v Budget.</li> <li>2. Projected Outturn.</li> <li>3. Analysis of Significant Variances.</li> <li>4. Full analysis of action to be taken to resolve any overspends - actual or projected.</li> <li>5. <b>Any</b> emerging issues that may have an impact upon the financial position (i.e. risk analysis).</li> <li>6. Progress in achieving agreed key performance indicators.</li> <li>7. Information reported as an aggregate report to the CJC (and thereafter onto the Joint Overview</li> </ol>

	and Scrutiny Committee for review and challenge).
Monthly	<ol style="list-style-type: none"> <li>1. Reporting and monitoring of significant emerging issues and key financial risks.</li> <li>2. A CJC Wide Key Issues report collated corporately for internal reporting and management purposes.</li> </ol>

- **Responsibilities of the Director of Resources**

To establish an appropriate framework of budgetary management and control that ensures:

- Budget management is exercised within annual cash limits, unless the CJC agrees otherwise;
- Each Director has timely information available on actual receipts and payments (through the General Ledger, not including commitment details kept by the Service groups) on each budget, which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;
- Expenditure is committed only against an approved budget head;
- All Officers responsible for committing expenditure comply with relevant guidance, including the Financial Procedure Rules;
- Each cost centre has a single named manager, determined by the appropriate Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that result in the commitment of expenditure and collection of income;
- Significant variances from approved budgets are investigated and reported by budget managers, regularly.

To submit reports to the CJC, in consultation with the relevant Director, where a Director is unable to balance expenditure and resources within existing approved budgets under their control.

To prepare and submit reports on the CJC’s projected income and expenditure compared with the budget, on a quarterly basis to the CJC (refer Table 1). Reports may also be required on an ad hoc basis should there be a material issue, judged so by the Director of Resources.

- **Responsibilities of Directors**

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

To ensure that an accountable budget manager is identified for each Cost Centre budget under the control of the Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure and generates income.

To ensure that spending remains within the Directorate's overall budget, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.

To ensure that a complementary monitoring process is in place to review performance levels / levels of service, in conjunction with the budget monitoring process.

To prepare and submit to the CJC reports on Directorates' projected expenditure and income compared with the appropriate budgets, in consultation with the Director of Resources.

To ensure prior approval by the CJC for all new proposals that:

- Create financial commitments in future years;
- Change existing policies, initiate new policies, or cease existing policies;
- Materially extend or reduce the CJC's services;
- Have a consequential effect on the capital resources of the CJC.

To ensure compliance with the Scheme of Virement (refer to section 4.5).

To agree with the relevant Director where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Director's level of service activity.

### **C. Budgets and Medium-Term Planning**

The CJC needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the CJC's plans and policies.

The revenue budget must be constructed so as to ensure that resource allocation properly reflects the overarching business plans and priorities of the CJC. Budgets (spending plans) are needed so that the CJC can plan, authorise, monitor and control the way money is allocated and spent. **It is illegal for the CJC to budget for a deficit.**

Medium-term financial planning involves a planning cycle in which managers consider resource requirements over a three-year period. As each year passes, another future year will be added to the medium-term plan. This ensures that the CJC is always properly preparing for events, in advance.

- **Key Controls**

Specific budget approval for all expenditure and income.

**Budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability, within the Scheme of Delegation, for their budgets and the level of service to be delivered.**

A monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.

Arrangements are in place to monitor, update and deliver a Medium Term Financial Planning & Resources strategy (covering both Capital and Revenue expenditure).

- **Responsibilities of the Director of Resources**

To prepare and submit reports on budget prospects for the CJC, including resource constraints set by the Welsh Government. Reports should take account of medium-term prospects.

To determine the detailed form of the CJC's revenue and capital estimates and the methods for their preparation, consistent with the budget, approved by the CJC and after consultation with the Directors.

To prepare and submit reports to the CJC on the aggregate spending plans of Directorates, and on the resources available to fund them, identifying, where appropriate, the implications for the level of Constituent Council Contributions.

To advise on all (i.e. short, medium and long term) implications of spending decisions.

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

To advise the CJC in accordance with their responsibilities under Section 151 of the Local Government Act 1972.

- **Responsibilities of Directors**

To prepare estimates of income and expenditure, for submission to the CJC following consultation with the Director of Resources.

To prepare budgets that are consistent with any relevant cash limits, within the CJC's annual budget cycle and that accord with the guidelines issued by the CJC. The format will be prescribed by the Director of Resources in accordance with the CJC's general directives.

To integrate medium term financial and budget planning into 3-year service planning, so that budget plans can be supported by financial and non-financial performance measures (over a medium-term timescale). A key requirement, as part of the Performance Management framework within the CJC is for each discrete service area to prepare, develop and utilise a business planning approach. The Business Plans themselves will be closely linked with the budget preparation exercises and will offer an opportunity for service areas to highlight resource pressures and identify efficiencies, where necessary.

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

- Goals of the Corporate Plan;
- Internal and External Stakeholders;
- Spending patterns and pressures revealed through the budget monitoring process;
- Legal requirements;
- Policy requirements, as defined by the CJC in the approved policy framework;



- Initiatives already under way.

#### **D. Resource Allocation**

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

- **Key Controls**

Resources are acquired in accordance with the law, and via an approved authorisation process.

Resources are used only for the purpose intended, to achieve approved policies and objectives, and are properly accounted for.

Resources are securely held for use when required.

Resources are used with the minimum level of waste, inefficiency or loss.

- **Responsibilities of the Director of Resources**

To advise on sources/methods of funds available (such as grants and borrowing).

- **Responsibilities of Directors**

To work within budget limits and to utilise resources allocated, in the most efficient, effective and economic way.

To identify opportunities to minimise, or eliminate, resource requirements, or consumption, without having a detrimental effect on service delivery.

#### **E. Capital Programmes: Budget Preparation, Monitoring and Control**

Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the CJC, such as land, buildings, and major items of

plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.

The Government places strict controls on the financing capacity of the CJC. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

- **Key Controls**

Specific approval by the CJC for the programme of capital expenditure.

Development of a capital programme within a medium term planning horizon.

Expenditure on capital schemes is subject to the approval of the Director of Resources.

Maximise available resources and ensure all resources are utilised within prescribed periods.

A scheme and estimate is prepared for each capital project for approval by the CJC (with a project plan, progress targets and associated revenue expenditure approved by the Director of Resources).

Proposals for improvements and alterations to buildings must be approved by the appropriate Director, in consultation with the Director of Resources and Deputy Chief Executive.

Schedules for individual schemes must be submitted to the CJC for approval (for example, minor works), or under other arrangements approved by the CJC.

The development and implementation of asset management plans. Accountability for each proposal rests with a named project manager.

Monitoring of progress against the approved budget, the project plan, and the agreed outputs/outcomes.

Maximisation of potential external grant funding is achieved.

- **Responsibilities of the Director of Resources**

To prepare an estimate of available resources to fund the capital programme for each financial year and / or for a longer period where medium term planning requires.

To prepare capital estimates jointly with Directors, and the Chief Executive, and to then report them to the CJC for approval. Committee approval is required where a Director proposes to bid for funding or exercise additional borrowing approval, not anticipated in the capital programme. This is because the extra borrowing may create future revenue commitments including increased capital financing costs.

To prepare and submit regular reports to the CJC on the projected income, expenditure, and resources, compared with the approved estimates.

To issue guidance concerning capital schemes and associated controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the Director of Resources, having regard to government regulations, and accounting requirements.

To seek authorisation from the CJC for individual schemes where the estimated expenditure exceeds the capital programme provision.

- **Responsibilities of Directors**

To comply with guidance concerning capital schemes, controls and monitoring arrangements issued by the Director of Resources.

To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Director of Resources.

To prepare regular reports reviewing the capital programme provisions for their services. They should also prepare a quarterly return of estimated final costs of schemes in the approved capital programme for submission to the Director of Resources.

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

To proceed with projects only when there is adequate provision in the capital programme and with the agreement of the Director of Resources, where required.

To prepare and submit reports, jointly with the Director of Resources, to the CJC, of any variation in contract costs greater than the approved limits.

To ensure that the necessary capital funding is utilised within the prescribed period. In exceptional circumstances, where forward commitments may be necessary, the details should be formally reported to the Director of Resources for consideration. If approved, each Director should manage forward commitments in a structured way.

To prepare and submit reports, jointly with the Director of Resources, to the CJC (as appropriate), on completion of all contracts where the final expenditure exceeds the original contract sum by more than 10% or £100,000 whichever is the lesser.

To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Director of Resources and, if applicable, approval of the scheme through the capital programme process.

To consult with the Director of Resources and to seek CJC approval where the Director proposes to bid for external capital grant aid to support expenditure that has not been included in the current year's capital programme.

## **F. Maintenance of Reserves**

The CJC maintains on its balance sheet a number of Usable and Unusable Reserves:

- **Usable Reserves**

These are reserves held to fund expenditure or to reduce Constituent Council Contributions. These are both Revenue and Capital reserves and contain items such as General Fund Balances, Capital Receipts Reserves and Capital Grants Unapplied.

Earmarked reserves and an Insurance Reserve are also maintained for specific future expenditure requirements (and are subject to procedures set down by the Director of Resources).

- **Unusable Reserves**

These are reserves that are established for statutory purposes. Reserves such as Capital Adjustment Account and Revaluation Reserve cannot be used to support spending.

Other reserves are established to mitigate against the General Fund having to bear the immediate costs of such items as holiday pay accruals and financial instruments adjustments. Other unusable reserves are established for Pensions costs, Unequal Pay backpay and Deferred Capital Receipts.

- **Key Controls**

To maintain reserves in accordance with the accounting treatment laid out in the Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA/LASAAC) and agreed accounting policies.

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

Authorisation and expenditure from reserves by the appropriate Director to be in consultation with the Director of Resources. All items within the CJC's Balance Sheet should be reconciled by a nominated Officer (on at least an annual basis) with key items also being monitored by the Director of Resources.

A formal reporting protocol indicating the level of the CJC's reserves together with potential pressures that may affect such balances.

- **Responsibilities of the Director of Resources**

To advise the CJC on prudent levels of reserves for the CJC, and to take account of the advice of the external auditor in this matter.

- **Responsibilities of Directors**

To ensure that resources are used only for the purposes for which they were intended. To inform the Director of Resources of any items or occurrences that could impact upon the CJC's reserves in a timely manner.

## 6. RISK MANAGEMENT AND CONTROL OF RESOURCES

### 6.1 Introduction

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

### 6.2 Risk Management

All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance, or possibility, of loss, damage, injury or failure to achieve objectives, caused by an unwanted, or uncertain, action, or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the body concerned and to ensure the continued financial and organisational well-being of the entity. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

It is the overall responsibility of the CJC to approve the CJC's risk management strategy, and to promote a culture of risk management awareness throughout the CJC.

- **Key Controls**

The CJC has a risk management strategy.

The CJC has a risk register that is updated and reviewed regularly.

The identification, analysis and evaluation of risk is on-going and embedded into the organisation.

Appropriate risk mitigation strategies have been taken by Management. Acceptable levels of risk are determined and insured against where economically appropriate.

Appropriate scrutiny of risk management takes place.

- **Responsibilities of the Director of Resources**

To prepare and promote the CJC's risk management strategy.

To develop risk management controls in conjunction with other Directors.

To include all appropriate employees of the CJC under a suitable fidelity guarantee insurance policy.

To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other Officers, where necessary.

To maintain an effective Internal Audit function.

- **Responsibilities of Directors**

To notify the Director of Resources immediately of any loss, liability or damage that may lead to a claim against the CJC, together with any information or explanation required by the Director of Resources, or the CJC's insurers.

To take responsibility for risk management, having regard to advice from the Director of Resources, and other specialist Officers (e.g. crime prevention, fire prevention, health and safety).

To ensure that there are regular reviews of risk within their Directorates.

To notify the Director of Resources promptly of all new risks, properties or vehicles that require insurance and/or of any alterations affecting existing insurances.

To consult the Director of Resources and Director of Legal & Governance on the terms of any indemnity that the CJC is requested to give.

To ensure that employees, or any other party covered by the CJC's insurances, do not admit liability, or make any offer to pay compensation, that may prejudice the assessment of liability in respect of any insurance claim.

### **6.3 Internal Controls**

The CJC requires internal controls to manage and monitor progress towards the achievement of strategic objectives.

The CJC has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.

The CJC faces a range of risks, both from internal and external factors, which could threaten the achievement of its objectives. Internal controls are necessary to manage these risks.

- **Key Controls**

To undertake a review of the CJC's internal control environment via the production of an annual Governance Statement (in accordance with best practice 'Delivering Good Governance in Local Government', published by CIPFA and SOLACE).

Managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance, and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.

Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation, delegated decisions and approval procedures, and information systems.

An effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom 2006*, and with any other statutory obligations, and regulations.

- **Responsibilities of the Director of Resources**

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

- **Responsibilities of Directors**

To manage processes and to check that established controls are being adhered to. To regularly evaluate the effectiveness of those controls, in



order to ensure they remain appropriate to manage the proper use of resources, the achievement of objectives, and the management of risks.

To review existing controls in the light of changing circumstances affecting the CJC and to establish and implement new ones, in accordance with guidance from the Director of Resources. Directors should also be responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.

***To ensure staff have a clear understanding of the consequences of lack of control.***

## 6.4 Audit Requirements

Two basic requirements will be considered in this section:

- Internal Audit;
- External Audit.

### A. Internal Audit

The requirement for an internal audit function is implied by Section 151 of the Local Government Act 1972, which requires that Authorities “Make arrangements for the proper administration of their financial affairs”.

The Accounts and Audit (Wales) Regulations 2005 (SI 2005/368) Regulation 6, more specifically requires that a “Local government body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control”. These arrangements are reviewed by the External Auditor on an annual basis.

Accordingly, Internal Audit is an independent, objective function, established by the CJC, for reviewing the systems of internal control. It examines, evaluates, and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

- **Key Controls**

Internal Audit is independent in its planning, and operation.

The Audit Manager has direct access to the Chief Executive, all levels of management, and directly to elected Members.

The Internal Audit Service complies with the Auditing Practices Board's guideline *Guidance for Internal Auditors*, as interpreted by CIPFA's *Code of Practice for Internal Audit in Local Government in the United Kingdom 2006*.

Internal Audit's Terms of Reference are consistent with CIPFA recommendations and are endorsed by Governance and Audit Sub-Committee.

- **Responsibilities of the Director of Resources**

To ensure that the CJC's Internal Auditors are empowered to:

- Access CJC premises, at all reasonable times;
- Access all assets, records, documents, correspondence and control systems;
- Receive any information and explanation considered necessary which relates to any matter under consideration, or investigation;
- Require any employee of the CJC to account for cash, stores, or any other CJC asset under his or her control;
- Access records belonging to third parties, such as contractors, when required;
- Directly access the Chief Executive, the Corporate Joint Committee, and the Governance and Audit Sub-Committee.

In circumstances whereby the CJC enters into joint funding or joint venture agreements, it is essential that the formal Agreement includes a standard provision entitling the CJC's Internal Auditors to have access to records, and the provision of necessary explanations, regarding the application of the CJC's resources.

To undertake an annual audit needs assessment.

To approve the annual audit plan, prepared by the Audit Manager, which takes account of the characteristics and relative risks of all the activities performed by the CJC.

To ensure that that CJC has in place adequate procedures to prevent bribery taking place as defined within the Bribery Act 2010.

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

- **Responsibilities of Directors**

To ensure that Internal Auditors are given access at all reasonable times, to any premises, personnel, documents and assets that the auditors consider necessary for the purposes of properly carrying out their work.

To ensure that Internal Auditors are provided with any information and explanations that they seek in the course of their work.

To consider and respond promptly to all recommendations contained within audit reports.

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

To comply fully with the CJC's Anti-fraud and Corruption Strategy and ensure compliance with those procedures aimed at preventing bribery as defined within the Bribery Act 2010.

To notify the Director of Resources, immediately, of any suspected fraud, theft, irregularity, improper use or misappropriation of the CJC's property or resources that should arise. Pending investigation and reporting the Director should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

## **B. External Audit**

The office of the Auditor General Wales was established under the Government of Wales Act 1998 and subsequently the Government of Wales Act 2006. From 1st April 2005, the Public Audit (Wales) Act 2004 extended the Auditor General Wales's functions to include the appointment of external auditors for local government bodies, and for undertaking inspections under the Wales Programme for Improvement (under the Local Government Act 1999). The External Auditor has rights of access to all documents and information necessary for audit purposes.

The basic duties of the External Auditor are defined under Section 17 of the Public Audit (Wales) Act 2004 and Section 7 of the Local Government Act 1999. The Auditor General Wales publishes a Code of Audit and Inspection Practice which prescribes the way in which auditors appointed by him / her are to carry out their functions. The code is prepared under

Section 16 of the 2004 Act and Section 8B of the 1999 Act (as amended by the 2004 Act).

The Code of Audit Practice issued by the Auditor General for Wales requires the Wales Audit Office to:

- Provide an audit opinion on the accounting statements;
- Review the CJC's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- Issue a certificate confirming that they have completed the audit of the accounts.

In summary, the above requires that the CJC's accounts are scrutinised by external auditors, who must be satisfied that the statement of accounts not only complies with legal requirements but also 'present a true and fair view' of the financial position of the CJC, and its income and expenditure, for the year in question.

- **Key Controls**

External Auditors are:-

- Appointed by the Auditor General Wales;
- Required to report to the Governance and Audit Committee on 'Relevant matters relating to the audit' of the financial statements under IAS (UK and Ireland) 260 before the opinion on the financial statements is given.

- **Responsibilities of the Director of Resources**

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

To ensure there is effective liaison between external and internal auditors.

To work with the external auditor and advise CJC, and Directors, on their responsibilities in relation to external audit.

To ensure access is permitted to appropriate records of any external bodies where a relationship with the CJC exists, and that this

arrangement is formally documented (e.g. third party arrangements for grants).

- **Responsibilities of Directors**

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

To ensure that all records and systems are up to date, and available for inspection.

To ensure that all working papers to support accounting entries, grant claims, etc., are of a sufficiently high standard.

## **6.5 Preventing Fraud, Corruption and Bribery**

The CJC will not tolerate fraud, corruption or bribery in the administration of its responsibilities, whether from inside or outside the CJC.

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

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

Any potential fraud or irregularity should be reported in accordance with the 'Whistle Blowing' and 'Anti-fraud and Corruption' policies.

- **Key Controls**

The CJC has an effective Anti-fraud and Corruption policy and maintains a culture that will not tolerate fraud or corruption.

The CJC has in place procedures that prevent acts of bribery as defined in the Bribery Act 2010.

All Members and staff act with integrity and lead by example.

Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the CJC or who are corrupt.

High standards of conduct are promoted amongst Members by the Standards Sub-Committee.

The maintenance of a register of interests that records the acceptance of hospitality and gifts in line with CJC policy.

Whistle blowing procedures are in place and operate effectively.

Legislation including the Public Interest Disclosure Act 1998 is adhered to.

- **Responsibilities of the Director of Resources**

To develop and maintain an Anti-fraud and Corruption policy along with procedures that prevent Bribery.

To maintain adequate and effective internal control arrangements.

To ensure that there are proper reporting and investigatory procedures in place to deal with suspected irregularities.

- **Responsibilities of Directors**

To ensure that all suspected irregularities are reported to the Audit Manager.

To instigate the CJC's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

To ensure that where financial impropriety is discovered, the Director of Resources is informed, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in to determine, with the Crown Prosecution Service, whether any prosecution will take place.

To maintain a Directorate register of interests.

## **6.6 Assets**

Under this section the following issues will be highlighted:

- Security;
- Inventories;
- Stocks and Stores;
- Intellectual Property;

- Disposal of Land & Buildings;
- Disposal of Obsolete Equipment and Other Assets;
- Information, Computers and relevant legislation.

## **A. Security**

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

- **Key Controls**

Resources are used only for the purposes of the CJC and are properly accounted for.

Resources are available for use when required.

Resources no longer required are disposed of in accordance with the law and CJC Policies so as to maximise benefits.

An asset register is maintained for the CJC, assets are recorded when they are acquired by the CJC and this record is updated as changes occur with respect to the location and condition of the asset.

All staff are aware of their responsibilities with regard to safeguarding the CJC's assets and information, including the statutory requirements of the Data Protection Act 2018 and the Copyright, Designs and Patents Act 1988.

All staff are aware of their responsibilities with regard to safeguarding the security of the CJC's computer systems, including maintaining restricted access to the information held on them and compliance with the CJC's Information Communications Technology (ICT) policies.

- **Responsibilities of the Director of Resources**

To ensure that an asset register is maintained in accordance with good practice for all fixed assets, applying a deminimus level to each asset type as indicated in Table 2 below:

**Table 2 - Asset Register Deminimus Levels**

<b>Asset Type</b>	<b>Deminimus Level (£)</b>
Land and Buildings	20,000
Vehicles	5,000
Plant and Equipment	5,000
Infrastructure	20,000
Community Assets	Nil

The function of the asset register is to provide the CJC with information about fixed assets so that they are:

- Safeguarded;
- Used efficiently and effectively;
- Adequately maintained;
- Charged to the appropriate user within the revenue accounts.

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

To ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA/LASAAC) and the Royal Institute of Chartered Surveyors (RICS).

To maintain a property database for all properties currently owned or used by the Authority. Any use of property by a Directorate or establishment other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use. The details held should be in accordance with deminimus levels set out previously in Table 2.



- **Responsibilities of Directors**

Where Directors are responsible for a certain class of asset they shall maintain a database in a form approved by the Director of Resources for all plant, machinery and moveable assets currently owned or used by the CJC. The details held should be in accordance with deminimus levels set out previously in Table 2.

To ensure Directors carry out a meaningful annual Impairment Review in compliance with International Accounting Standards.

To ensure that lessees and other prospective occupiers of CJC land are not allowed to take possession of, or enter on to, the land until a lease or agreement, in a form approved by the Director in consultation with the Director of Resources, has been established as appropriate.

To ensure the proper security of all buildings and other assets under their control. Also, to ensure the efficient use of energy resources.

To pass title deeds to the Director of Resources who is responsible for the custody of all title deeds.

To ensure that no CJC asset is subject to personal use by an employee without proper authority, as defined by the 'Use of CJC Property' section within the CJC's disciplinary procedures.

To ensure the safe custody of equipment, furniture, stock, stores and other property belonging to the CJC.

To ensure that the responsible Director maintains a register of moveable assets in accordance with arrangements defined by the Director of Resources.

To ensure that assets are identified, their locations are recorded and, if appropriate, they are clearly marked.

To consult with the Director of Resources in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

To ensure that any cash held at a CJC site is held in accordance with key controls and within relevant insurance limits.

To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the Director responsible for the service area.

To arrange for the valuation of assets for accounting purposes to meet the requirements specified by the Director of Resources.

To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the CJC in some way.

## **B. Inventories**

- **Responsibilities of Directors**

Inventories shall be maintained in all establishments of the CJC by the Officer in Charge in a form approved by the Director of Resources. Directors shall be responsible for ensuring, by physical checks of items appearing in the inventories at least annually, that inventories are being properly maintained for all establishments under their control. The level and extent of the checks will need to be determined by the Director consistent with the risk of loss (e.g. value, portability, alternative use). Surpluses and deficiencies revealed at inventory checks shall be reported to the Director of Resources.

Directors are required to compile inventories and record an adequate description of all furniture, fittings, equipment, plant and machinery under their control. The listing of furniture, fittings, equipment, plant and machinery must also be provided to the Director of Resources as requested.

## **C. Stocks and Stores**

- **Responsibilities of Directors**

To make arrangements for the care and custody of stocks and stores in each Directorate by ensuring that procedures are in place for the receipt and issuing of stocks and stores and that the responsible Officers within each Directorate comply with those procedures.

To ensure stocks are maintained at reasonable levels in line with their use and are subject to a regular physical check (complying with the required 'Segregation of duties' procedures). All discrepancies should be investigated and pursued to a satisfactory conclusion.

To investigate and remove from the CJC's records (i.e. write-off) discrepancies as necessary, or to obtain CJC approval if they are in excess of a predetermined limit (any single occurrences greater than £1,000 must be reported to the CCJ).

To authorise the sale or write-off and disposal of redundant stocks. Procedures for disposal of such stocks should be by competitive quotations or auction, unless otherwise agreed, following consultation with the Director of Resources.

To seek CJC approval to the write-off of redundant stocks in excess of £20,000 in any one year. Anything below this can be done in consultation with the Director of Resources.

To submit to the Director of Resources, following a stock take, a certificate indicating the value of stocks, stores and works in progress at 31 March each year in accordance with time scales laid down.

#### **D. Intellectual Property**

Intellectual property is a generic term that includes inventions and writing. If these are created by the employee during the course of employment, then, as a general rule, they belong to the employer, not the employee. Various Acts of Parliament cover different types of intellectual property.

Certain activities undertaken within the CJC may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.

- **Key Controls**

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

- **Responsibilities of the Director of Resources**

To develop and disseminate good practice in relation to the management and control of the CJC's intellectual property.

- **Responsibilities of Directors**

To ensure that controls are in place to ensure that staff do not carry out private work in CJC time and that staff are aware of an employer's rights with regard to intellectual property.

## **E. Disposal of Land & Buildings**

The CJC must ensure that its Property and Land Portfolio matches the requirements of its corporate aims and objectives. All land and buildings not currently required, and not likely to be required in the future, should be disposed of subject to key controls.

- **Key Controls**

Land and Buildings for disposal are identified through the continuing review process and, if appropriate, are disposed of, but only when it is in the best interests of the CJC, after taking into consideration all relevant factors, including economic climate, and in accordance with CJC Policies.

Due regard must be given to any conditions of external funding received by the CJC in respect of Land and Buildings e.g. period of retention, type of use.

All property disposals are carried out under the provisions of Section 123 of the Local Government Act 1972 to ensure best consideration. Any sale below best consideration requires Welsh Assembly Government approval (unless covered by a General Disposal Consent authorised by the Welsh Assembly Government).

Written procedures protect staff involved in the disposal from accusations of personal gain and bribery.

- **Responsibilities of the Deputy Chief Executive (in consultation with the Director of Resources)**

To identify and authorise the disposal of Land and Buildings.

To ensure appropriate accounting entries are made to remove the value of disposed land and buildings from the CJC's records and to include the sale proceeds as appropriate.

To ensure that the disposal is promptly recorded in the Asset Register.

To monitor the impact of disposals of land and buildings on the availability of resources for the capital programme.

- **Responsibilities of Directors**

To seek advice from the Director of Resources on the disposal of surplus land and buildings. Where land or buildings are surplus to requirements, a recommendation for sale must be the subject of prior consultation with the Director of Resources and the relevant Director.

To record all disposals or part exchanges of Land and Buildings, that should normally be by competitive tender or public auction, unless otherwise decided following consultation with the Director of Resources.

To ensure that income received for the disposal of land and buildings is properly banked and coded.

To process all disposals of Land and Buildings through the Director of Resources.

To provide any other key management information as required by the Director of Resources to assist in identifying Land and Buildings for disposal.

## **F. Disposal of Obsolete Equipment and Other Assets**

It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and CJC policies.

- **Key Controls**

Due regard must be given to any conditions of external funding received by the CJC in respect of equipment and other assets e.g. period of retention, type of use.

Written procedures protect staff involved in the disposal from accusations of personal gain.

Assets are held only if they have an effective current or planned use by the CJC.

Disposal takes place in accordance with relevant policies such as Information Communications Technology (ICT) and Physical Security policy.

- **Responsibilities of the Director of Resources**

To issue guidelines representing best practice for disposal of obsolete equipment and other assets (as detailed in the CJC's Disposal of Assets and Equipment procedures).

- **Responsibilities of Directors**

To identify and authorise disposal of obsolete equipment and other assets.

To seek advice from the Procurement Unit on the disposal of surplus or obsolete materials, stores or equipment.

To ensure that income received for the disposal of an asset is properly banked and coded.

To record the disposal in the Inventory.

To inform the Director of Resources on the disposal of an asset to enable an accurate up to date Asset Register to be maintained consistent with deminimus levels.

Where the proceeds from the disposal are less than £6,000 to re-invest the proceeds in accordance with the priorities set out in the relevant Business Plan.

Where the proceeds from the disposal are greater than £6,000, to notify the Director of Resources, who will arrange for the appropriate accounting entries and subsequent allocation of the receipt.

## **G. Computers and Relevant Legislation**

The CJC has implemented and communicated an Information Security Policy that provides a framework to protect the CJC's Information Assets from all threats, whether internal or external, deliberate or accidental.

It is the Policy of the CJC to ensure that:

- Information will be protected against unauthorised access;
- Confidentiality of information will be assured;
- Integrity of information will be maintained;
- Regulatory and legislative requirements will be met;
- Business Continuity plans will be produced, tested and regularly reviewed;
- All breaches of information security, actual or suspected, will initially be reported to the ICT Service Desk and, where appropriate, investigated by Management.

The policy supports the CJC in its operation of ICT Security whose aim is to maintain:

- **Confidentiality of information** - protecting access to it;
- **Integrity of information** - preventing alteration of information; and
- **Availability of information** - ensuring information and services are available to authorised persons when required.

The CJC, its employees and agents must comply with all legislation that is pertinent to the use and security of its ICT facilities.

- **Key Controls**

- **The Computer Misuse Act 1990**

- The following are offences:

- Unauthorised access to a computer (this would occur, for example, where an employee intentionally exceeds his or her level of authorised use of a computer, or where a hacker breaches the security of a computer);
    - Unauthorised modification of the contents of a computer (this covers such items as unauthorised modification of computer programs or the deliberate introduction of a virus – even if the virus is harmless);
    - Unauthorised access to a computer in order to facilitate a further offence (examples of this would include hacking in order to commit fraud, or accessing sensitive data in order to blackmail an individual).

**Copyright Designs and Patents Act 1988**

Computer software is protected by copyright as much as books, videos, records, etc. Unauthorised copying is an offence under the Copyright Design and Patents Act 1988 and could lead to prosecution of both the employee and the CJC.

The CJC is liable to audit from such organisations as FAST (Federation Against Software Theft) - a consortium of large and powerful software vendors. They will prosecute if they find irregularities.

**Data Protection Act 2018**

The CJC is subject to the requirements of the Data Protection Act 2018. The CJC's Data Protection Officer advises employees in cases of doubt and is responsible for ensuring that the CJC's entry in the Data Protection Register is kept up to date. The following principles are to be followed when processing personal data:

- Personal data shall be processed fairly and lawfully;
- Personal data shall be obtained only for one or more specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes;
- Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed;
- Personal data shall be accurate and, where necessary, kept up to date;
- Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or purposes;
- Personal data shall be processed in accordance with the rights of data subjects under this Act;
- Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data;
- Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or



territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.

The requirements of the Data Protection Act 1998 as detailed above apply to both data held electronically and manually.

### **Freedom of Information Act 2000**

The Act confers a general right of access to information held by Public Authorities, subject to certain conditions and exemptions.

A requirement is placed on Public Authorities to consider the exercise of any discretion that they may have to disclose information, notwithstanding that an exemption applies to information having regard to all the circumstances of the case, and the desirability of:

- Informing the applicant whether it holds information;
- Communicating the information - whether the public interest in disclosure outweighs the public interest in maintaining the exemption in question.

A duty is placed on every Public Authority to adopt and maintain a scheme which relates to the publication of information by that Authority.

- **Responsibilities of the Director of Resources**

To issue detailed guidelines and procedures relating to the use of computers across the network and in wider traffic via the internet.

To put in place adequate monitoring arrangements to ensure that all procedures with regards to computer use are being followed by all services.

- **Responsibilities of Directors**

To comply with all guidelines and procedures issued by the Director of Resources with respect to the use of computers.

## 6.7 Treasury Management

Many millions of pounds pass through the CJC's books each year. The CIPFA Code of Practice on Treasury Management and Prudential Code has been established to recognise the need to maintain financial probity in this respect. This aims to provide assurances that the CJC's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the CJC's capital sums. Secondary consideration is given to liquidity, with yield (return on investment) being third.

- **Key Controls**

That the CJC's borrowings and investments comply with the CIPFA *Code of Practice on Treasury Management*, the *Prudential Code* and with the CJC's Treasury Policy Statement.

The CJC has formally adopted the following clauses:

- This CJC will create and maintain, as the cornerstone for effective treasury management:-
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
  - Suitable treasury management practices (TMP's), setting out the manner in which the CJC will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMP's will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this CJC. Such amendments will not result in the CJC materially deviating from the Code's key principles:

- This CJC will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMP's.
- This CJC delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the CJC and for execution and administration of treasury management decisions to the Director of Resources

who will act in accordance with the CJC's policy statement and TMP's and if a member of CIPFA, CIPFA's Standard of Professional Practice on Treasury Management;

- This CJC names the Governance & Audit Sub-Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

- **Responsibilities of Director of Resources** – *treasury management and banking*

To produce a Treasury Management Strategy incorporating Prudential Indicators and an Investment Strategy (before the start of each financial year).

To produce (as a minimum) an annual report following the end of each financial year and a mid-year review on Treasury Management Activities.

To arrange the borrowing and investments of the CJC in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the CJC's Treasury Management Policy Statement and Strategy.

To report at least twice a year on Treasury Management activities to the CJC.

To operate bank accounts as are considered necessary – opening or closing any bank account shall require the approval of the Director of Resources.

- **Responsibilities of Directors** – *treasury management and banking*

To follow the instructions on banking issued by the Director of Resources.

- **Responsibilities of Director of Resources** – *investments and borrowing*

To ensure that all investments of money are made in the name of the CJC and approved by the CJC.

To ensure that all securities that are the property of the CJC and the title deeds of all Investment Assets in the CJC's ownership are held in the custody of the appropriate Director.

To affect all borrowings in the name of the CJC.

To act as the CJC's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the CJC.

- **Responsibilities of Directors** – *investments and borrowing*

To inform the Director of Resources of any material cashflows to aid efficient investment on a timely basis.

To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the CJC, following consultation with the Director of Resources.

- **Responsibility of the Director of Resources** - *trust funds and funds held for third parties*

To ensure that the Trust Fund is operated in accordance with its legal framework, having due regard to the objectives of the organisation.

To develop, where necessary, separate Financial Procedure Rules and Contract Procedure Rules. In the event of separate Financial Procedure Rules and Contract Procedure Rules being silent on an issue, the CJC should comply with its own Financial Procedure Rules and Contract Procedure Rules.

- **Responsibilities of Directors** – *trust funds and funds held for third parties*

To arrange for all trust funds to be held, wherever possible, in the name of the CJC. All Officers acting as trustees by virtue of their official position shall deposit securities, etc. relating to the trust with the Director of Resources, unless the deed otherwise provides.

To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Director of Resources, and to maintain written records of all transactions.

To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

- **Responsibilities of the Director of Resources – imprest accounts**

To provide employees of the CJC with cash or bank imprest accounts to meet minor expenditure on behalf of the CJC and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the prescribed amount.

To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made and periodically to review the arrangements for the safe custody and control of these advances.

To reimburse imprest holders as often as necessary to restore the imprests, but normally not more than monthly, unless prior agreement has been made for this process to be undertaken within individual Directorates.

- **Responsibilities of Directors – imprest accounts**

To ensure that employees operating an imprest account:

- Obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained;
- Make adequate arrangements for the safe custody of the account;
- Produce upon demand by the Director of Resources cash and all vouchers to the total value of the imprest amount;
- Record transactions promptly;
- Reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder;
- Provide the Director of Resources with a certificate of the value of the account held at 31 March each year within timescales set by the Director of Resources;
- Ensure that funds are never used to cash personal cheques or to make personal loans and that the only payments into the

account are the reimbursement of the imprest and change relating to purchases where an advance has been made;

- On leaving the CJC's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Director of Resources for the amount advanced to him or her.

## **6.8 Staffing**

In order to provide the highest level of service, it is crucial that the CJC recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

- **Key Controls**

An appropriate Human Resource strategy and policy exists, in which staffing requirements and budget allocations are matched.

Procedures are in place for forecasting staffing requirements and controls are implemented to ensure that staff time is used efficiently and to the benefit of the CJC.

Policies are in place to manage and optimise the value from the workforce.

Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

The CJC operates a full equal opportunities policy for all positions.

- **Responsibilities of the Director of Resources**

To ensure that budget provision exists for all existing and new employees including external third-party funding.

To act as an advisor to Directors on areas such as National Insurance and pension contributions, as appropriate.

- **Responsibilities of Directors**

To produce an annual staffing budget.

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

To appoint and manage staff (including staff and post changes) in accordance with the human resource policies of the CJC.

To ensure that staffing details (movements, annual leave, etc.) are appropriately and correctly recorded in line with corporate guidance and on corporately agreed systems / forms.

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

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

To ensure that the Director of Resources is immediately informed if the staffing budget is likely to be materially overspent.

## **7. FINANCIAL SYSTEMS AND PROCEDURES**

### **7.1 Accounting Systems**

The CJCs corporate General Ledger will be the official record and all subsidiary and satellite systems must be reconciled to this.

The Director of Resources has a professional responsibility to ensure that the CJC's financial systems are sound and must therefore be notified, at the outset, of any new developments or changes.

- **Key Controls**

Basic data exists to enable the CJC's objectives, targets, budgets and plans to be formulated and maintained.

Financial information is communicated to the appropriate managers on an accurate, complete and timely basis.

Early warning is provided of deviations from targets, plans or budgets that require management attention.

Operating systems and procedures are secure.

Access to the CJC's financial system is tailored according to individual employee's areas of responsibility. Authorisation and removal of access is undertaken on a timely basis.

- **Responsibilities of the Director of Resources**

To make arrangements for the proper administration of the CJC's financial affairs, including to:

- Issue advice, guidance and procedures for Officers and others acting on the CJC's behalf;
- Determine the accounting systems, form of accounts and supporting financial records;
- Administer and control the corporate financial information system;
- Set disaster recovery standards for corporate financial systems;
- Establish arrangements for the audit of the CJC's financial affairs;
- Define minimum standards for financial systems;
- Approve any changes to be made to existing financial systems.

- **Responsibilities of Directors**

To ensure that accounting records are properly maintained and held securely.

To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Director of Resources.

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

To incorporate appropriate controls to ensure that, where relevant:

- All input is genuine, complete, accurate, timely and not previously processed;
- All processing is carried out in an accurate, complete and timely manner;
- Output from the system is complete, accurate and timely.

To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.

To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.



To ensure that systems are documented, and staff trained in operations.

To ensure that any financial systems within their service area meet the minimum standards laid down by the Director of Resources.

To ensure that any proposed new systems that impact on financial reporting are notified to the Director of Resources at the planning stage.

To establish a scheme of authorisation identifying Officers authorised to act upon the Directors behalf in respect of payments, staff remuneration, income collection and placing orders, including variations, and showing the limits of their authority.

To establish and supply lists of authorised Officers (where appropriate), with specimen signatures and delegated limits, to the Director of Resources, together with any subsequent variations.

To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems, in accordance with standards and directions issued by the Director of Resources.

To have regard to Computer Usage regulations identified earlier in section 6.6 (G).

To ensure that satellite systems and any financial reports are reconciled to the corporate ledgers.

## **7.2 Income and Expenditure**

This section will consider the following issues:

- Income;
- Ordering and paying for goods, works and services;
- Contracts for building, constructional or engineering works;
- Payments to employees or Members;
- Internal invoicing.

Prior to contracting with any individual, the authorised officer should confirm whether the proposed contractual status is one of a 3rd Party relationship or one of an Employee/Employer relationship. The status of the contractual relationship will determine which of the sub-sections apply.

## A. Income

Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. All efforts must be made to obtain income in advance of supplying goods or services as this improves the CJC's cashflow and also avoids the time and cost of administering debts.

- **Key Controls**

All income due to the CJC is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed.

All income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery.

All money received by an employee on behalf of the CJC should be properly recorded immediately and banked at intervals that are efficient and demonstrate value for money in terms of amount and frequency.

The responsibility for cash collection should be separated from that for identifying the amount due and for reconciling the amount due to the amount received.

All formal requests for income due to the CJC must be processed through the CJC's Corporate Debtors System, unless otherwise authorised by the Director of Resources.

Effective action is taken to pursue non-payment within defined timescales.

Formal approval for debt write-off is obtained (above that approved in the scheme of delegation).

Appropriate write-off action is taken within defined timescales, as contained in the CJC's Write-off Policy and Procedures guidelines.

Appropriate accounting adjustments are made following write-off action.

All appropriate income documents are retained and stored for the defined period in accordance with the CJC's Retention of Financial Records Policy.

Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

- **Responsibilities of the Director of Resources**

To agree arrangements for the collection of all income due to the CJC and to approve the procedures, systems and documentation for its collection.

To order and supply to Directorates all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.

To agree the write-off of bad debts or seek approval from the CJC:

- Where the irrecoverable debt is £2,000 or less by the relevant Director in consultation with Director of Resources, except where the Director of Resources considers they are matters of principle or policy which should be referred to the CJC;
- Where the irrecoverable debt is over £2,000, by the CJC after considering a report of the Director of Resources.

All debts written off will be “charged back” to the Directorate responsible for raising the original invoice or charged against a provision previously set up from the relevant Directorate’s resources. Directors will, where relevant, be requested to formally explain reasons for the nature and frequencies of write-off within their Directorates.

To ensure that appropriate accounting adjustments are made following write-off action.

To set the debt recovery policies for the CJC, including the minimum standards of information required to support any debts outstanding.

To advise Directorates, where appropriate, of the level and details of debt outstanding for their Directorates.

To make the most economic, efficient and effective arrangements for the collection of income of behalf of the CJC.

- **Responsibilities of Directors**

To ensure that, wherever possible, income is received in advance of the service being provided.

To ensure, where it is not deemed possible to collect income in advance, that invoices are raised via the CJC's Corporate Debtors System, or an equivalent system approved by the Director of Resources.

In all instances, due regard should be given to the most efficient and effective means of income collection subject to approval by the Director of Resources.

To establish an annual review of charges for the supply of goods or services, including the appropriate charging of VAT (refer to 'Taxation' Section 7.3) in line with guidance from the Director of Resources.

To ensure that all income is correctly coded to the appropriate cost centre/fund.

To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.

To follow appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly in consultation with the Director of Resources.

To set appropriate levels of bad debt provision, taking account of the level of outstanding debt, as notified by the Director of Resources. Where appropriate, the resources set aside for bad debt provisions will be funded from the relevant Directorate.

To issue official receipts or to maintain other documentation for income collection.

To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.

To hold securely receipts, tickets and other records of income for the appropriate period.

To lock away all income to safeguard against loss or theft and to ensure the security of cash handling and banking arrangements with due regard to insurance thresholds for specific sites and containers. Keys to locks should be kept securely off site.

To ensure that income is paid fully and promptly into the appropriate CJC bank account in the form in which it is received. Appropriate details should be recorded on a paying-in slip to provide an audit

trail. Money collected and deposited must be reconciled to the bank account on a regular basis.

To ensure income is not used to cash personal cheques or other payments.

To supply the Director of Resources with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Director of Resources to record correctly the sums due to the CJC and to ensure accounts are sent out promptly. To do this, Directors should use established performance management systems to monitor recovery of income and flag up areas of concern to the Director of Resources. Directors have a responsibility to assist the Director of Resources in collecting debts that they have originated, by providing any further information requested by the debtor and in pursuing the matter on the CJC's behalf.

To keep a record of every transfer of money between employees of the CJC. The receiving Officer must sign for the transfer and the transferor must retain a copy.

To recommend to the Director of Resources all debts to be written off and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.

To obtain the approval of the Director of Resources when writing off debts in excess of the approved limit and the approval of the CJC where required.

To notify the Director of Resources of outstanding income (reserved debtors) relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Director of Resources.

## **B. Ordering and Paying for Work, Goods and Services**

Public money should be spent with demonstrable probity and in accordance with the CJC's policies. The CJC has a statutory duty to achieve best value in part through economy and efficiency. The CJC's procedures should help to ensure that services obtain value for money from their purchasing arrangements. These Financial Procedure Rules

should be read in conjunction with the CJC's Contract Procedure Rules and Procurement Guidelines.

Every Officer and Member of the CJC has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the CJC, in accordance with appropriate codes of conduct.

Official orders must be in a form approved by the Director of Resources. Official orders must be issued for all work, goods or services to be supplied to the CJC, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Director of Resources e.g. purchases via an approved Purchase Card.

Each order must conform to Procurement Guidelines and make full use of Corporate Contracts. Standard terms and conditions must not be varied without the prior approval of the Director of Resources.

Apart from petty cash, and other payments from advance accounts, the normal method of payment from the CJC shall be by cheque, BACS or other instrument or method approved by the Director of Resources, drawn on the CJC's bank account. Payment means other than cheque, BACS or other approved instrument or method, shall require the prior agreement of the Director of Resources.

Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of CJC contracts.

- **Key Controls**

All goods and services are only ordered by appropriate persons and are correctly recorded.

All goods and services shall be ordered in accordance with the CJC's Contract Procedure Rules unless they are purchased from sources within the CJC.

Goods and services received are checked to ensure they are in accordance with the order. There should always be segregation of duties between those raising, approving and receipting orders. Where the E-procurement system is being used goods can be receipted by the same person who raised the order – but items

cannot be receipted on the system by the person who approved / authorised the order.

Payments are not made unless goods have been received by the CJC to the correct price, quantity and quality standards (except where a pre-agreed arrangement has been approved by the Director of Resources).

All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.

All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the CJC's Retention of Financial Records Policy.

All expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.

In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically (further guidance is available from Director of Resources).

- **Responsibilities of the Director of Resources**

To approve the form of official orders and associated terms and conditions.

To make payments from the CJC's funds based on the Directors authorisation that the expenditure has been duly incurred in accordance with financial regulations (except where a pre-agreed arrangement has been approved by the Director of Resources e.g. a payment in advance to a grant funding recipient).

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

To make payments to contractors on the certificate of the appropriate Directors, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.

To provide advice and encouragement on making payments by the most economical means.

To be satisfied that sufficient procedures exist within the budgetary control system to allow for commitments to be taken into account in budget monitoring reports.

- **Responsibilities of Directors**

To ensure that unique pre-numbered official orders are used for all goods and services.

To ensure that orders are only used for goods and services provided to the Directorate. Individuals must not use official orders to obtain goods or services for their private use.

To ensure that only those staff authorised by him or her authorise orders and to maintain (for orders not raised using the E-Procurement System) an up-to-date list of such authorised staff, including specimen signatures identifying in each case the limits of their authority. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Value for money principles should underpin the CJC's approach to procurement.

To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should be carried out by a different Officer from the person who authorised the order. Appropriate entries should then be made in inventories or stores records.

To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:

- Receipt of goods or services and the CJC's official order number that it relates to (except where a pre-agreed arrangement has been approved by the Director of Resources);
- That the invoice has not previously been paid;
- That expenditure has been properly incurred and is within budget provision (with the exception as detailed for receipt of goods or services);
- That prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices;



- Correct accounting treatment of tax – including the deduction and administration of the Construction Industry Scheme (CIS) where appropriate;
- That the invoice is correctly coded;
- That discounts have been taken where available;
- That appropriate entries will be made in accounting records.

To ensure that a budgetary control system exists within Directorates that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.

To ensure that at least two authorised members of staff are involved in the ordering, receiving and payment process. For electronic orders the person raising the order must be different to the person approving / authorising the order. For paper-based orders, the person raising the order must be different to the person signing approval of the subsequent invoice and that signature must match the signature on the list of authorised signatories. Preferably, a third person should acknowledge receipt of the goods or services ordered but it is recognised that staffing arrangements sometimes demand that the person raising the order and receipting the goods and services is the same.

To ensure that the Directorate maintains and reviews periodically a list of staff approved to authorise invoices. Names of authorising Officers together with specimen signatures and details of the limits of their authority shall be forwarded to the Director Resources as appropriate.

To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice. Any instances of this not being complied with should be reported to the CJC's Internal Audit Service.

To encourage suppliers of goods and services to receive payment by the most economical means for the CJC. It is essential that all methods of payment have the prior approval of the Director of Resources.

To ensure that the Directorate obtains value for money from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality (having regard to best practice guidelines issued by the Director of Resources, which

are in line with value for money principles and the CJC's Contract Procedure Rules).

To ensure that employees are aware of the national code of conduct for local government employees.

To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Director of Resources. This is because of the potential impact on the CJC's borrowing powers, to protect the CJC against entering into unapproved credit arrangements and to ensure that value for money is being obtained.

To notify the Director of Resources of outstanding expenditure (reserve creditors) relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Director of Resources.

To notify the Director of Resources immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.

To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the CJC's Retention of Financial Records Policy.

### **C. Contracts for Building, Constructional or Engineering Work**

Requirements exist in relation to Building, Construction and Engineering works contracts. These requirements exist equally for in house and external contractors and are covered by the CJC's Contract Procedure Rules.

This section should be read in conjunction with the CJC's Contract Procedure Rules and Corporate Procurement Guidelines.

- **Key Controls**

Contracts must comply with:

- The CJC's Contract Procedure Rules and those Financial Procedure Rules relating to Contracts;
- Any standard form of contract adopted by the CJC for the purpose in hand;

- Legislation.

- **Responsibilities of the Director of Resources**

The Director of Resources shall ensure that formal procedures are in place including the maintenance of the CJC's Contract Management System which controls all significant contracts (all contracts in excess of £50,000 and others deemed significant), from tendering to final payment stages in accordance with the relevant section of the Corporate Procurement Guidelines (Contract Procedure Rules and all associated and subsidiary documents). The system shall show the status of accounts on each contract between the CJC and the contractor, together with any payments.

- **Responsibilities of Directors**

To maintain the CJC's Contract Management System to control all significant contracts within their service areas, from tendering to final payment stages.

All payments to contractors shall be made on a certificate signed by the appropriate officer as determined by the Scheme of Delegation in a form approved by the Director of Resources. This certificate shall show the total amount of the contract, the value of work executed to date, retention money, amount paid to date and the amount now certified. Advice on the format of certificates can be obtained from the Director of Resources.

Any variation of, addition to or omission from, a contract duly authorised, shall be given in writing to the contractor by the responsible Director.

The responsible Director shall ensure that for any variations not within budget, there is strict compliance with the scheme of virement.

In every case, before a final certificate is issued by or on behalf of a Director, the Contract Management System should be updated.

Documentation will be retained in accordance with the Retention of Financial Records Policy and will be made available to the Director of Resources as required.

Where professional architects, engineers or surveyors are employed to design or supervise work for the CJC, it shall be a condition of their employment that they:

- Be engaged by the relevant Director at fee rates competitively and fairly set, arranged in accordance with Contract Procedure Rules;
- Make available to the appropriate Director all documents relating to the Contract, for which they are acting on the CJC's behalf, before a final certificate of costs is issued.

Each Director, in consultation with the Director of Resources shall be responsible for reporting to the CJC any variations, additional payments and likely over-spending in excess of £50,000 or 10% of the contract sum (whichever is the greater) unless covered by the initial report. No payment above these values will be made without approval, other than in exceptional circumstances (e.g. potential breach of contract) which must be agreed with the Director of Resources.

The Contract Manager shall bring to the attention of the responsible Officer, as determined by the Scheme of Delegation, the potential for the deduction of liquidated and ascertained damages. The Officer shall make the decision to pursue or otherwise based upon the full facts, including the nature of the claim, materiality and any relevant legal considerations. Any proposal not to deduct liquidated damages, where such a right has accrued, shall be reported to the relevant Director and to the Director of Resources.

On completion of every contract the Contract Manager should review the performance of the contractor and maintain records on the Contract Management System in accordance with the Corporate Procurement Guidelines. Financial and Technical Vetting shall be carried out for all prospective contractors and arrangements for such vetting agreed with the Director of Resources.

A detailed report on the progress and costs of Capital Schemes shall be made regularly to the CJC; the detailed format and frequency of these reports are to be agreed by the Director of Resources. In addition, for contracts over £100,000 in tender value, details of the original and anticipated final costs, programme progress and instructions exceeding 10% of the contract sum shall

be shown. A realistic estimate of the value of any known or anticipated claims should also be included in the forecast final cost.

Bonds and guarantees may be required of a Contractor or Parent Company by the Contracting Officer, having taken due account of risks involved for the CJC. Guidance to risk assessment can be provided by the Director of Resources.

When a risk is perceived, the potential bond shall be a minimum of 10% of the contract value.

#### **D. Payments to Employees, Pensioners and Members**

Employee costs are the largest item of expenditure for most of the CJC's services. It is therefore important that payments are accurate, timely, made only where they are due for services to the CJC and that payments accord with individuals' established post and conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are paid in accordance with the scheme adopted by the CJC.

- **Key Controls**

Proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:

- Starters;
- Movers;
- Leavers.

Ensure compliance with all Human Resources Policies.

All payments are in accordance with individuals' established posts and terms and conditions and based on authorised timesheets, staff returns or individual claims as approved.

Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

Ensure all payroll additions and deductions are reconciled to the CJC's financial system on a periodic basis (monthly).

Ensure employee payroll records are linked to the approved establishment. All appropriate payroll documents are retained and stored for the defined period in accordance with the CJC's

Retention of Financial Records Policy and that HM Revenue and Customs (HMRC) are complied with.

- **Responsibilities of the Director of Resources**

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

To record and make arrangements for the accurate and timely payment of tax, pension and other statutory / voluntary deductions.

To make arrangements for payment of all travel and subsistence claims.

To make arrangements for paying Members allowance or travel and subsistence allowances upon receiving the prescribed form, duly completed and authorised.

To provide advice and encouragement to secure payment of salaries and wages by the most economical means.

To ensure that there are adequate arrangements for administering pension matters on a day-to-day basis.

- **Responsibilities of Directors**

To ensure that the creation of new posts are in line with agreed CJC processes and to ensure that appointments are only made to such correctly established, valid and vacant posts.

To ensure appointments are made in accordance with the regulations of the CJC and that remuneration complies with all CJC policies for the payment of employees, pensioners and Members.

To notify the Director of Resources of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Director of Resources and in accordance with the approved policies of the CJC.

To ensure that adequate and effective systems and procedures are operated, so that:

- Payments are only made to bona fide employees;

- Employees are authorised against the approved establishment post structure;
- Payments are only made where there is a valid entitlement;
- Conditions and contracts of employment are correctly applied;
- Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

To send an up-to-date list of the names of Officers authorised to sign records to the Head of Service Payroll or the Director of Resources, as appropriate, together with specimen signatures, where such Authorisation is not facilitated and controlled through the CJC's Payroll and Human Resources systems. The payroll provider should maintain signatures of Officers authorised to sign timesheets, claims and all other variations affecting pay.

To ensure that payroll transactions are processed only through the payroll system. Directors should give careful consideration to the employment status of individuals employed on a self-employed, consultant or subcontract basis as referred to at the start of this section. The HMRC applies a tight definition for employee status which the above guidance helps determine. In cases of doubt, advice should be sought from the Director of Resources.

To certify travel and subsistence claims and other allowances (in line with the timetable laid down by the Director of Resources). Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred and that allowances are properly payable by the CJC, ensuring that cost-effective use of travel arrangements is achieved. Invoices / receipts must be retained for all mileage and non-mileage expenses claims in line with the CJC's Retention of Financial Records policy. Claims submitted more than three months after the expenses were incurred must be accompanied by a written explanation for the delay and be certified by the authorised signatory. For specific guidance, reference should be made to the CJC's Expense Claim procedures.

To ensure that the Director of Resources is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax, P11d and self-assessment procedures.

To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the CJC's Retention of Financial Records Policy.

- **Responsibilities of Members**

To submit claims for Members' travel and subsistence allowances on a monthly basis and, in any event, within one month of the year-end.

## **E. Internal Invoicing**

The internal recharge of service income and costs is administered currently, in part, through an internal invoicing system, operated manually and without interaction with the CJC's external invoicing systems.

- **Key Controls**

All income due and expenditure from, service areas in respect of internal recharging relationships is correctly recorded and accounted for. An appropriate timescale is allowed for certification of internal invoicing and where not actioned, arbitration processes exist to clear all disputes.

- **Responsibilities of the Director of Resources**

To issue guidelines and procedures on the administration of the CJC's internal invoicing system.

To ensure that internal charging processes are efficient and effective and represent the best interests of the CJC as a whole.

To arbitrate on outstanding disputed invoices at the end of the financial year where the client and supplier departments fail to reach agreement for payment of the invoices.

- **Responsibilities of Directors**

To comply with all guidelines and procedures issued by the Director of Resources on the administration of the CJC's internal invoicing system.



### 7.3 Taxation

Like all organisations, the CJC has a legal obligation to ensure its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all Officers to be aware of their role.

- **Key Controls**

Budget managers are provided with relevant information and kept up to date on tax issues.

Budget managers are instructed on required record keeping.

All taxable transactions are identified, properly carried out and accounted for within stipulated timescales.

Records are maintained in accordance with instructions.

Returns are made to the appropriate Authorities within the stipulated timescale.

- **Responsibilities of the Director of Resources**

To complete all Inland Revenue returns regarding PAYE in accordance with statutory regulations.

To ensure compliance with HMRC and Department for Work and Pensions regulations.

To complete a monthly return of VAT inputs and outputs to HMRC.

To complete monthly and annual CIS returns in accordance with statutory requirements, including maintaining an up-to-date register of certificates and registration cards.

To meet all additional taxation requirements.

To maintain up-to-date guidance for CJC employees on taxation issues.

To facilitate training opportunities for CJC employees on taxation issues where appropriate.

To reconcile Taxation codes within the CJC's Financial System.

- **Responsibilities of Directors**

To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.

To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry scheme requirements and is registered as such with the CJC.

To manage and control other service sector specific taxation issues in agreement with the Director of Resources.

To ensure that all persons employed by the CJC are added to the CJC's payroll and tax deducted from any payments. Ensure individuals are bona fide self-employed or are employed by a recognised staff agency in accordance with National Insurance categorisation.

To follow the guidance on taxation issued by the Director of Resources.

To inform the Director of Resources of any items of expenditure and/or income that may have a material effect on the taxation position of the CJC.

#### **7.4 Trading Accounts/Services**

Under the Best Value Accounting Code of Practice, the CJC is required to keep trading accounts for services provided on a basis other than straightforward recharge of cost.

- **Responsibilities of the Director of Resources**

To advise on the establishment and operation of trading accounts.

- **Responsibilities of Directors**

To consult with the Director of Resources where a trading service wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the CJC. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.

To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including

overhead costs, is charged and to produce an annual report in support of the final accounts.

To ensure that the same accounting principles are applied in relation to trading accounts as for other services.

## **8. EXTERNAL ARRANGEMENTS**

### **8.1 Partnerships**

Partnerships play a key role in delivering services and in helping to promote and improve the well-being of the area. CJC works in partnership with others – public agencies, private companies, community groups and voluntary organisations. Various stakeholders therefore need to deliver a shared vision of services. CJC will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. CJC will be measured by what they achieve in partnership with others.

#### **General**

The main reasons for entering into a partnership are:

- The desire to find new ways to share risk;
- The ability to access new resources;
- To provide new and better ways of delivering services;
- To forge new relationships;
- Community involvement.

#### **A partner is defined as either:**

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

#### **Partners participate in projects by:**

- Acting as a project deliverer or sponsor, solely or in concert with others;

- Acting as a project funder or part funder;
- Being the beneficiary group of the activity undertaken in a project.

**Partners have common responsibilities:**

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

- **Key Controls**

If appropriate, to be aware of their responsibilities under the CJC's Financial Procedure Rules and Contract Procedure Rules.

To ensure that risk management processes are in place to identify and assess all known risks.

To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise.

To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences.

To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

The Chief Executive (or authorised nominee) represents the CJC on partnership and external bodies.

- **Responsibilities of the Director of Resources**

To advise on effective controls that will ensure that resources are not wasted.

To advise on the key elements of project funding. They include:

- A scheme appraisal for financial viability, in terms of value for money and affordability, in both the current and future years;
- Risk appraisal and management;
- Resourcing, including taxation issues;
- Audit, security and control requirements;
- Carry-forward arrangements.

To ensure that the accounting arrangements are satisfactory.

- **Responsibilities of Directors**

To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Director of Resources.

To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Director of Resources in a format specified by this Officer.

To ensure that such agreements and arrangements do not impact adversely upon the services provided by the CJC.

To ensure that all agreements and arrangements are properly documented.

To provide appropriate information to the Director of Resources to enable a note to be entered into the CJC's statement of accounts concerning material items.

## **8.2 External Funding**

External funding is a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the CJC. External Funds provide additional resources to enable the CJC to deliver services. However, in some instances, such funding is linked to tight specifications and may not be flexible enough to link to the CJC's overall plan.

- **Key Controls**

To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.

To ensure that funds are acquired only to meet the priorities approved in the policy framework by the CJC.

To ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

To ensure that staff employed (and funded in full or in part) for the purposes of externally funded projects are properly recorded on the CJC's Human Resources and Payroll systems.

To ensure that appropriate exit arrangements are established for dealing with the end of the project / source of external funding.

- **Responsibilities of the Director of Resources**

To ensure that all funding notified by external bodies is received and properly recorded in the CJC's accounts.

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

To ensure that audit requirements are met.

To ensure that adequate monitoring arrangements for grants exist across all Directorates.

- **Responsibilities of Directors**

To ensure that all applications for external funding and / or projects being developed for external funding applications are approved, as appropriate, at inception to ensure that:

- It is in pursuance of the CJC's priorities;
- Future impacts upon the CJC's revenue and capital budgets are duly considered;
- Appropriate and robust exit arrangements are in place.

To ensure that all claims for funds are made by the due date.

To ensure that the project progresses in accordance with the agreed criteria and that all expenditure is properly incurred and recorded.

To ensure that sufficient project management resources are assigned to schemes to facilitate successful completion of all projects.

To ensure that third party agreements are notified to the Director of Resources.

To ensure that all relevant documentation is retained in accordance with the CJC's Retention of Financial Records Policy.

### **8.3 Work for Third Parties**

Current legislation enables the CJC to provide a range of services to other bodies. Such work may enable a Directorate to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is not ultra vires.

- **Key Controls**

To ensure that proposals are costed properly in accordance with guidance provided by the Director of Resources.

To ensure that contracts are drawn up using guidance provided by the Director of Resources and that a formal approvals process is adhered to.

- **Responsibilities of the Director of Resources**

To issue guidance with regard to the financial aspects of third-party contracts and the maintenance of the contract register.

- **Responsibilities of Directors**

To ensure that the approval of the Director of Resources is obtained before any negotiations are concluded to work for third parties.

To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Director of Resources.

To ensure that appropriate insurance arrangements are made.

To ensure that the CJC is not put at risk from any bad debts.

To ensure that no contract is subsidised by the CJC.

To ensure that, wherever possible, payment is received in advance of the delivery of the service.

To ensure that the Directorate has the appropriate expertise to undertake the contract.

To ensure that such contracts do not impact adversely upon the services provided by the CJC.

To ensure that all contracts are properly documented.

To provide appropriate information to the Director of Resources to enable a note to be entered into the Statement of Accounts.



## **Part 4E - Contract Procedure Rules**

### **Key Messages**

- The CJC has made arrangements for Rhondda Cynon Taf County Borough Council (RCT) to provide Procurement Advice and Support services to the CJC. To facilitate the delivery of these services, the CJC has agreed to adopt RCT's Contract Procedures Rules, subject to minor amendments to reflect the CJC's organisational structure.
- References in these Contract Procedure Rules to the Corporate Procurement Unit and to the Head of Procurement Delivery are to RCT's Corporate Procurement Unit and Head of Procurement Delivery. References to all other Officers are to Officers of the CJC.
- Before entering into any contract, placing Official Orders or undertaking any competitive procurement process where the estimated value exceeds £15,000, Officers must consult with the Corporate Procurement Unit who will advise on the Procurement process to be followed. Upon receipt of a fully completed Contract Initiation Document, the Corporate Procurement Unit will be responsible for leading the procurement process above this value (in consultation with the relevant CJC Service Area) from initiation through to contract award.
- Any Officers delegated with responsibility for the procurement of goods, services (including contracts for consultancy) or works for or on behalf of the CJC (in accordance with the CJC's Scheme of Delegation) are affected by these Rules.
- All procurement should be conducted in accordance with the principles of Public Procurement Law (including any retained EU obligation), namely, non-discrimination, transparency and fairness.
- Officers shall make full use of Corporate Contracts including National Procurement Service Contracts, established Framework Agreements or other legally available arrangements before placing Official Orders.
- Details of all Contracts available for use can be obtained from the Corporate Procurement Unit.

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## **SECTION 1: INTRODUCTION**

- 1.1 These Contract Procedure Rules should be read in conjunction with the CJC's Financial Procedure Rules and Scheme of Delegation.
- 1.2 A key requirement of these procedure rules is to ensure competitiveness and the primary method of achieving this is through a competitive process. These Rules set a framework for these processes and aim to strike the right balance between price and quality whilst keeping the cost of contracting to a minimum.

### **Scope**

- 1.3 These Contract Procedure Rules are:
- The CJC's procedural rules for buying goods and services for the CJC. They do not apply to internal purchases or service provision, but only to external suppliers and providers.
  - Applicable to the making by the CJC of all Contracts, for the provision, supply, hire or disposal of goods, materials or intellectual products, and for the provision of services, the use of consultants and to Contracts for income.
  - Not applicable to Contracts of service (i.e. employment contracts). Please note however that the procurement of Agency Workers and Consultancy Services does fall within the scope of these Rules.

### **Functionality**

- 1.4 These Contract Procedure Rules:
- Are applicable to the formation of Contracts and to any matters as may arise in the process of managing Contracts, which significantly change, vary or terminate any such Contract during its currency.
  - Relate to the extension or renewal of Contracts beyond their initial term.
  - Are without prejudice to the need for budget holders to ensure that budgets are not exceeded.

- Are without prejudice to the requirements of UK and EU Legislation governing any Contract in which case those requirements shall be followed (even if they conflict with these rules).

## **Aims**

1.5 These Contract Procedure Rules aim to:

- Achieve value for money for the CJC in the market by ensuring provision for securing competition at appropriate levels of expenditure whilst avoiding disproportionate or bureaucratic costs where levels of expenditure are less significant.
- Achieve fullest accountability at all levels whilst ensuring an adequate audit trail by requiring the Directors to record who did what, how and when.
- Ensure that Officers follow proper and fair procedures for the involvement and selection of Contractors.
- Ensure compliance with Public Contract Regulations and retained EU Procurement Directives.
- Ensure that proper Specification is made by Officers which reflect the appropriate and realistic quality requirements for any defined need, and that offers may be judged by objective criteria.
- Ensure that levels of monitoring and training exist to ensure proper compliance and that these rules are regularly reviewed to take account of new circumstances.

## **Status**

1.6 These Contract Procedure Rules:

- Are made under Section 135 of the Local Government Act 1972 and all other powers enabling the CJC.
- Are applicable to all parts of the CJC's activities.
- Are applicable where the CJC is acting as agent for another body unless the principal directs otherwise.
- Must be adopted by any external contractors empowered to form Contracts on behalf of the CJC and by any person who is not an Officer of the CJC engaged to manage a Contract on behalf of the CJC.

- Shall apply to the selection of nominated suppliers and nominated sub-contractors for products covered by prime costs and provisional sums in a main contract.
- Shall be interpreted so far as possible to ensure the Aims set out in these rules are achieved.
- Are not applicable to expenditure between the CJC's Service Areas, Directorates or the use of the CJC's trading organisations.

### Who is affected by these Procedure Rules?

- 1.7 Officers who may, at any point, require goods and / or services from external Stakeholders.

### Tendering, Ordering and Advertising

- 1.8 Before entering into any contract, placing Official Orders or undertaking any competitive procurement process where the estimated value exceeds £15,000, **Officers must consult with the Corporate Procurement Unit who will advise on the Procurement process to be followed.**
- 1.9 A Contract Initiation Document (CID) must be completed and submitted to the Corporate Procurement Unit before any competitive procurement process takes place. This document enables a robust specification of requirements to be recorded by the CJC Service Area allowing the Corporate Procurement Unit to advise on the most suitable process, regulations to adhere to, timescales and resource requirements. See the Procurement pages on the CJC's Intranet Site for a copy of the Contract Initiation Document (CID).
- 1.10 Upon receipt of a fully completed Contract Initiation Document, the Corporate Procurement Unit will be responsible for leading the procurement process above this value (in consultation with the relevant CJC Service Area) from initiation through to contract award.
- 1.11 Officers shall make full use of Corporate Contracts including National Procurement Service Contracts, established Framework Agreements or other legally available arrangements before placing Official Orders.
- 1.12 There are a number of Electronic Procurement Systems that should be utilised as corporate solutions to support the cost efficient procurement of goods and services (streamlining the transaction process and reducing unnecessary administration overheads where possible). Please refer to the Procurement pages on the CJC's Intranet Site for further information regarding the use of these systems.

- 1.13 In accordance with the principles of the Welsh Government “Opening Doors, The Charter for SME Friendly Procurement”, contracts exceeding £25,000 shall be advertised on RCT’s Contract Management System and/or the Sell2Wales website, where practical, and providing that it represents best value for the CJC.

### Head of Procurement Delivery

- 1.14 The Corporate Procurement Unit has a clear strategic role in the procurement of all services, supplies and works, and as such, it is vital that this expertise is employed and consulted upon for all contracts where the estimated value exceeds £15,000. Furthermore, RCT’s Head of Procurement Delivery, on behalf of the relevant CJC Director shall place all EU notices of advertisement.

### Legal Requirements

- 1.15 Formal procedures are required to be made by every Local Authority under Section 135 of the Local Government Act 1972. The Act refers to the supply of ‘goods or materials and the execution of works’.
- 1.16 All Public Procurement in the UK is governed by UK Procurement Regulations and any retained EU obligations. This legal framework helps to ensure that Public Procurement is conducted in a fair and open manner.

Note: Following the UK’s leaving of the EU, certain EU Directives no longer apply. For public procurement, the EU Procurement Directives have been replaced by the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 (“PP Amendment Regulations 2020”). Most of the provisions remain the same with the exception of:

- a change in the requirement to advertise in the OJEU; and
- change to the way Thresholds are calculated.
- 

### Focus of these Rules

- 1.17 Section 135 of the 1972 Local Government Act does not set any particular format for Contract Procedure Rules nor does it prescribe the contents in any detail. In considering any specific set of circumstances however, it is expected that at all times, Officers will have in mind the objective implicit within section 135 of the Act, namely that contracting processes shall include ***‘provision for securing competition’***.

## **Procurement Planning**

- 1.18 At the commencement of each calendar year, the Corporate Procurement Unit will contact CJC Directors and Service Area stakeholders to request details of any planned procurement activities over £15,000 for the forthcoming financial year. The Corporate Procurement Unit will use this information for procurement planning, to identify collaborative opportunities, to allocate appropriate resources and to ensure all relevant legislative requirements are observed.

## **EU Procurement Directives**

- 1.20 These Contract Procedure Rules require compliance in all cases with any retained EU obligation that is enforceable by virtue of section 4 of the European Union (Withdrawal) Act 2018. In this regard all such notices or advertisements are to be placed by RCT's Head of Procurement Delivery.

## **Proprietary Products**

- 1.21 The Contract Procedure Rules also recognise that some products and services may be unique and therefore are available from one source only, and that in such circumstances, competitive tendering may not always be appropriate. The procedures within these rules for the procurement of Proprietary Products set out the requirements to be followed in these situations.

## **The Framework of Rules**

- 1.22 At the heart of these Contract Procedure Rules is a system of nominated Officers, which is intended to ensure proper separation of duties, to identify accountabilities and to encourage the best use of skills and knowledge. The framework includes for each contract:

- a Director
- a Contract Manager
- a Contracting Officer.

Due regard must be given to the responsibilities allocated to each under the CJC's Scheme of Delegation.



## **Contract Management**

- 1.23 In addition to the processes by which contracts are established, there is a need to ensure that contracts are properly managed during their life. These Contract Procedure Rules therefore cover aspects of Contract Management, which relate to ongoing contract variation, price control or termination of contracts at any time during the contract period.

## **Variation to Contracts**

- 1.24 These Contract Procedure Rules give powers to Directors (in consultation with the CJC's Director of Resources and Director of Legal & Governance) to agree variations beyond the original contract terms. Other variations regarding the terms of the contract are to be dealt with by the Contract Manager in conjunction with the Corporate Procurement Unit. Please also refer to the requirements of the Financial Procedure Rules concerning variations.

## **Contract Management System**

- 1.25 One significant purpose of these Contract Procedure Rules is to ensure transparency relating to decisions taken around the contracting process. These Contract Procedure Rules require the establishment of a Contract Management System, which shall be the primary place for managing procurement processes and for recording details of all contracts awarded over the value of £15,000. It is from this system that the CJC is able to manage and monitor the CJC's Contracts Register.

## **Procurement by Consultants**

- 1.26 Where the CJC uses consultants as part of a procurement process, it should be ensured that consultants carry out any procurement in accordance with these Contract Procedure Rules. No consultant shall make any decision on whether to award a contract. All decisions must be made in accordance with the CJC's Scheme of Delegation.

## **Sustainable Procurement**

- 1.27 Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis, in terms of generating benefits not only to the

organisation, but also to society and the economy, while minimising damage to the environment.

- 1.28 The Wales Procurement Policy Statement (WPPS) adopts a definition of procurement that ensures value for money is considered in the very widest sense when contracting in the public sector in Wales. The Community Benefits policy approach is covered under principle 4 of the WPPS and seeks to act upon the wider definition of value for money by delivering the very widest social, economic and environmental benefits in the course of securing goods, services or works.
- 1.29 When planning public procurement in Wales, the Community Benefits policy approach must be an integral consideration and should be applied where such benefits can be realised. Principle 4 of the WPPS has set a threshold for application of Community Benefits at £1m for both application of policy and measurement of outcomes. For all contracts exceeding this value, the CJC shall consider a social return on investment through the adoption of a community benefits approach.
- 1.30 Further information and guidance is available via the Welsh Government guidance document: 'Community Benefits: Delivering Maximum Value for the Welsh Pound' or via the Procurement Route Planner.

### **Equal Opportunities, Wellbeing & Ethical Procurement**

- 1.31 Public authorities must ensure that their procurement activities are operated in a way that meets their legal equality obligations. Addressing equality issues in procurement will help the CJC provide public services that are tailored to the needs of diverse users and communities.

#### The Equality Act 2010

- 1.32 The Act includes a public sector equality duty (the 'general duty') that aims to ensure that equality considerations are built into the design of policies and the delivery of services. A public authority remains responsible for meeting the general duty even where relevant works or services are contracted out to an external supplier. It is important to build equality considerations into procurement processes.
- 1.33 The general duty applies to anyone who is carrying out a public function.
- 1.34 Where an external body is being contracted to provide a relevant public service (including, in some cases, providing goods or works) it will be

necessary to make them aware of the responsibilities that may arise under the public sector equality duty and to assist them appropriately.

- 1.35 The Sustainable Risk Assessment template (SRA) can be used to assess equality considerations. Information on this is available via the Procurement Route Planner or can be obtained from the Corporate Procurement Unit.

#### Welsh Language

- 1.36 The CJC must ensure that contractors delivering a public service on its behalf are able to deliver such a service in compliance with the requirements of Welsh Language legislation. In order to deliver effective, quality and equal public services within Wales, there is a requirement to consider language obligations from the outset of a tender process and in preparing contract specifications.
- 1.37 Where a contract relates to a 'public service contract' (as governed by the requirements of the Welsh Language Act 1993), a contractor may be required to demonstrate its ability to comply with the requirements of the Act. This may involve the ability of the contractor to deliver services in Welsh or English to service users on an equal basis and / or to be able to market and promote services bilingually. The contract specification must set out the entire requirements of the contract, including details of the Welsh Language Standards applicable to the delivery of the contract throughout the contract term.
- 1.38 Procurement documentation must also be issued bilingually in accordance with the Welsh Language Standards (Welsh Language Wales Measure 2011), including – but not limited to – an invitation to tender and any procurement guidelines issued as part of a competitive tender process. Standard templates have been developed for this purpose and can be obtained from the Corporate Procurement Unit.

#### The Wellbeing of Future Generations (Wales) Act

- 1.39 The Wellbeing of Future Generations Act (WFG) focuses on improving the social, economic, environmental and cultural well-being of Wales.
- 1.40 The Act puts in place seven Well-being Goals:
- (1) A prosperous Wales
  - (2) A resilient Wales
  - (3) A healthier Wales
  - (4) A more equal Wales
  - (5) A Wales of cohesive communities

- (6) A Wales of vibrant culture and thriving Welsh language
- (7) A globally responsible Wales.

1.41 These 'Wellbeing Goals' are for everyone in Wales to work towards, and the CJC as a public body must also show that they are making decisions and taking actions to support these goals. It is essential that these goals become the cornerstone of all CJC commissioning and procurement activity and considered as part of the contract initiation process.

#### Ethical Employment Practices in Supply Chains

1.42 The Welsh Government '*Code of Practice – Ethical Employment in Supply Chains*' published in 2017 commits public, private and third sector organisations to a set of actions that tackle illegal and unfair employment practices.

1.43 The scope of the Code of Practice covers procurement, supplier selection, tendering, contract management and supplier management and aims to help ensure workers in public sector supply chains in Wales are employed in a fair and ethical way. The twelve commitments set out in the Code of Practice should be considered as part of the commissioning and procurement decision making process.

### **Reviewing the Procedure Rules**

1.44 It is intended that these rules will be kept under continuous review so that they reflect changes in contracting and best practice. The reviews will be carried out by RCT's Head of Procurement Delivery in conjunction with the CJC's Director of Resources and Director of Legal & Governance.

### **Guidance**

1.45 In order to ensure that Officers have access to advice and guidance, a support system, including assistance and advice from the Corporate Procurement Unit is available. Officers who have doubt or difficulties in any given situation relating to contracts should contact the Corporate Procurement Unit.

Corporate Procurement Unit contact details:

Tel: 01443 281184

Email: [Procurement@rctcbc.gov.uk](mailto:Procurement@rctcbc.gov.uk)

## SECTION 2: CONTRACT PROCEDURE RULES

### Framework Agreements and Collaboration

- A.1 Where current and valid frameworks are available for use by the CJC (as approved by the Head of Procurement Delivery), the framework must be used in accordance with the guidance provided by the Head of Procurement Delivery.
- A.2 Any joint procurement arrangements with other local authorities and/or public sector bodies including membership or use of any consortia must be approved by the Head of Procurement Delivery.
- A.3 Established framework and consortium arrangements endorsed by the Head of Procurement Delivery for use by the CJC shall be mandatory.
- A.4 Where collaborative or CJC frameworks are utilised, the award process must be in accordance with the terms and guidance of the individual framework.

### Instances where there is no requirement for competition

- B.1 There is no requirement for competition for work placed with internal trading organisations. However, where the value of the contract is above £75,000, and another trading organisation is known to offer comparable services to those required, competition may be sought. In these circumstances, the Contracting Officer must be able to demonstrate that competition is likely to lead to better value for money (taking account not only of price, but of the total cost to the CJC of the competitive process, including any loss of revenue with the internal trading organisation).
- B.2 There is no requirement for competition for work placed with other CJC departments that are not internal trading organisations.

### Estimating the Contract Value

- B.3 The value of a contract means the estimated total monetary value over its full duration (not the annual value), including any extensions or other options. Where the duration of a contract is indeterminate or is longer than four years, this should be taken to be the estimated value of the contract over a period of four years. No procurement may be artificially split to avoid compliance with these Contract Procedure Rules and Public Procurement Legislation.

- B.4 Where the value is, or may be, equal to or greater than the relevant OJEU threshold, due regard should be given to the valuation rules in regulation 8 (Thresholds) of the Public Contracts Regulations 2015. Guidance should be sought from the Corporate Procurement Unit where assistance is required in estimating contract values.

### **Service Level Agreements**

- B.5 A Service Level Agreement (SLA) is an agreement between a service provider and client that governs all aspects of their relationship. An SLA can be used between internal departments within the CJC or other Local Authorities. Where the Service Provider is a legal entity external to the client, the relationship will be a formal contract as opposed to an SLA.

It is important to document and agree any Service Level Agreement, including any commercial and exit arrangements of the participating organisations. This should include clear criteria for determining the ongoing viability of the arrangement and supported by agreed and measurable performance indicators with the service provider. In support of this, the standard Service Level Agreement Template available via RCT's Head of Procurement Delivery should be used.

### **Bonds or Guarantees**

- B.6 A risk assessment should be undertaken to determine whenever a performance bond or performance guarantee is required. Guidance relating to Bonds or Guarantees can be obtained from the Corporate Procurement Unit.

### **Private Interests**

- B.7 No Member, employee or agent of the CJC shall improperly use their position to obtain any personal or private benefit from any Contract entered into by the CJC.
- B.8 Members and employees of the CJC shall comply with the requirements of Section 117 of the Local Government Act 1972 and the Employees' Code of Conduct set out in the Constitution about the declaration of private interests in Contracts with the CJC. Such interests must be declared to the Director of Legal & Governance acting in his or her capacity as a Monitoring Officer for inclusion in the appropriate registers.

## SECTION 3 PROCEDURES

### C.1 Deciding Which Value Threshold

The Contracting Officer shall determine in accordance with sections B.3 - B.4 the estimated value of the contract and thereby the thresholds to be used, which shall be as follows:

<b>C2</b>	Purchases below £15,000
<b>C3</b>	Purchases between £15,000 and £75,000
<b>C4</b>	Between £75,000 and below the EU Procurement Thresholds for <b>Supplies &amp; Services contracts</b>
<b>C5</b>	Between £75,000 and below the EU Procurement Thresholds for <b>Works contracts</b>
<b>C6</b>	Above the EU Procurement Thresholds

The **Thresholds** effective from 1st January 2022 are:

	Inc Vat	Ex Vat
Supplies and Services	£213,477	£177,897.50
Works	£5,336,937	£4,447,447.50
Social & Other Specific Services	£663,540	N/A

Notes:

- From 1st January 2022 the Thresholds are inclusive of VAT. The above table provides a calculation of both inclusive and exclusive based on 20%.
- For term contracts, the estimated total value relates to the entire term or four years, whichever is the less.
- The OJEU thresholds are the financial values at which the EU Public Sector Procurement Directive 2014/24/EU and the Public Contracts Regulations 2015 require tenders to be advertised in the Official Journal of the EU ("OJEU").
- Social and other specific services as specified under Article 74 of the above Directive. Procedures above this value are subject to the light touch regime.
- These thresholds vary from time to time and should be checked with the Procurement department for accuracy.

## CONTRACT PROCEDURES – OVERVIEW

Estimated Contract Value					
	C2 Below £15,000	C3 £15,000 - £75,000	C4 £75,000 to Thresholds (Supplies, Social & other Specific Services)	C5 £75,000 to Thresholds (Works)	C6 Above Thresholds
<b>Key requirement</b>	<p>Utilise Corporate Contracts or other available contracts / frameworks before placing order or undertaking tender process.</p> <p>Details of all Contracts available for use can be obtained from the Corporate Procurement Unit.</p> <p>Over £15,000: A Contract Initiation Document (CID) must be completed and submitted to the Corporate Procurement Unit <u>before</u> any competitive procurement process takes place.</p> <p>Competitive process must be undertaken by the Corporate Procurement Unit via the Contract Management System (unless prior approval of the Corporate Procurement Unit has been obtained).</p>				
<b>Process</b>	Due regard for ensuring value for money is achieved (2 quotations recommended).	<ul style="list-style-type: none"> <li>• <b>3 tenders</b> invited (minimum).</li> </ul>	<ul style="list-style-type: none"> <li>• <b>4 tenders</b> invited (minimum).</li> </ul>	<ul style="list-style-type: none"> <li>• <b>3 tenders</b> invited (between £75k and £150k).</li> <li>• <b>4 tenders</b> (between £150k and Threshold).</li> </ul>	<p>Seek advice from Head of Procurement Delivery before commencing any tender process.</p> <ul style="list-style-type: none"> <li>• Tender must be published.</li> </ul>
<b>Framework Agreements</b>	Where collaborative or CJC frameworks are utilised, the number of tenderers and value of applicable thresholds should be in accordance with the terms of the individual framework.				
<b>Returned to &amp; Opened by:</b>	Any Officer	By the assigned Officer (via the Contract Management System).			
<b>Contract Award</b>	Contract Officer with delegated responsibility under the CJC's Scheme of Delegation.				
<b>Completion of Contract</b>	Retain evidence of all contract documentation (quotations etc)	Retain evidence of all contract documentation. Contract details must be recorded on the Contract Management System.			



## C2 Purchases below £15,000

- C.2.1 Before undertaking any competitive tendering process or before placing any Official Orders on behalf of the CJC, Officers shall make full use of Corporate Contracts and the Corporate Procurement Unit for other contracts (including National Procurement Service Contracts, established Framework Agreements or other legally available arrangement) and observe the requirements of B.1.
- C.2.2 Details of all Contracts available for use can be obtained from RCT's Head of Procurement Delivery.
- C.2.3 Where Framework Agreements are to be utilised, Contracting Officers must conform to the specific requirements of each Framework Agreement for the selection and letting of contracts.
- C.2.4 Where the requirements of C.2.1 cannot be met or where a Corporate Contract is not available for use, it will be necessary only for the Contracting Officer to seek value for money. It is recommended that a minimum of **2 quotations** are requested to demonstrate value for money prior to the selection of any contractor and documentary evidence of the decision making process retained.
- C.2.5 The Contracting Officer may utilise an Approved Vendors List (AVL) up to the Thresholds (e.g. Constructionline), however prior approval of the Head of Procurement Delivery must be obtained. Where an AVL is utilised to select potential Tenderers, it is recommended the invited Tenderers are refreshed on each occasion from any previous selection list used.
- C.2.6 The Contracting Officer may only award a contract or enter into contractual arrangements providing that this responsibility has been properly authorised to them in accordance with the CJC's Scheme of Delegation.

## C3 Purchases between £15,000 - £75,000

- C.3.1 Before entering into any contract, placing Official Orders or undertaking any competitive procurement process where the estimated value exceeds £15,000.00, **Officers must consult with the Corporate Procurement Unit who will advise on the Procurement process to be followed.**
- C.3.2 A Contract Initiation Document (CID) must be completed and submitted to the Corporate Procurement Unit before any entering into any contract, placing Official Orders or undertaking any competitive procurement process where the

estimated value exceeds £15,000. This document enables a robust specification of requirements to be recorded by the Service Area allowing the Corporate Procurement Unit to advise on the most suitable process, regulations to adhere to, timescales and resource requirements. A copy of the Contract Initiation Document (CID) is available on the CJC's Intranet Site.

- C.3.3 Upon receipt of a fully completed Contract Initiation Document, the Corporate Procurement Unit will be responsible for leading the procurement process above this value (in consultation with the relevant Service Area) from initiation through to contract award.
- C.3.4 Before undertaking any competitive tendering process or before placing any Official Orders, the CJC shall make full use of Corporate Contracts, including National Procurement Service Contracts, established Framework Agreements or other legally available arrangement) and observe the requirements of B.1. Where Framework Agreements are to be utilised, Contracting Officers must conform to the specific requirements of each Framework Agreement for the selection and letting of contracts.
- C.3.5 Where a Corporate Contract is not available for use (C.2.1), a minimum of **3 tenders** must be invited and due regard must be given for ensuring value for money is achieved. Documentary evidence of the decision making process must be retained.
- C.3.6 A contract may only be awarded if appropriate approval is received from an Officer with delegated authority to do so in accordance with the CJC's Scheme of Delegation.
- C.3.7 Following the award of the contract, the contract details will be held on RCT's Contract Management System.

#### **C4 SUPPLIES & SERVICES Contracts between £75,000 and below the EU Procurement Thresholds**

- C.4.1 Before entering into any contract, placing Official Orders or undertaking any competitive procurement process where the estimated value exceeds £15,000.00, **Officers must consult with the Corporate Procurement Unit who will advise on the Procurement process to be followed.**
- C.4.2 A Contract Initiation Document (CID) must be completed and submitted to the Corporate Procurement Unit before any competitive procurement process takes place. This document enables a robust specification of requirements to be recorded by the Service Area allowing the Corporate Procurement Unit to advise on the most suitable process, regulations to adhere to, timescales and

resource requirements. See the Procurement pages on the CJC's Intranet Site for a copy of the Contract Initiation Document (CID).

- C.4.3 Upon receipt of a fully completed Contract Initiation Document, the Corporate Procurement Unit will be responsible for leading the procurement process above this value (in consultation with the relevant Service Area) from initiation through to contract award.
- C.4.4 Where a Corporate Contract is not available for use (C.2.1), the Contracting Officer shall arrange for a Competitive Tender to be undertaken and shall arrange for the following number of tenders to be invited and evidenced (these are minimum requirements and Contracting Officers may deem it appropriate to seek more to ensure a competitive process):
- For contracts between £75,000 and the Thresholds, at least 4 competitive **tenders** invited.
  - The Contracting Officer may utilise an Approved Vendors List (AVL) and shall observe the requirements of C.2.5 when doing so.
  - Documentary evidence of the decision making process must be retained.
- C.4.5 The Contracting Officer must decide and record:
- The form in which Tenderers shall be invited to tender.
  - The criteria to be used to select the successful Contractor or Supplier from among those tendering.
  - The criteria to determine whether the chosen Contractor performs satisfactorily.
- C.4.6 Due regard must be given for ensuring value for money is achieved. In such cases where the minimum amount of tenders cannot be obtained, the Contracting Officer shall refer to C.7.4.
- C.4.7 A contract may only be awarded if appropriate approval is received from an Officer with delegated authority to do so in accordance with the CJC's Scheme of Delegation.
- C.4.8 Following the award of the contract, the contract details will be held on the RCT's Contract Management System.

## **C5 WORKS Contracts with a value between £75,000 and below the EU Procurement Thresholds**

- C.5.1 Before entering into any contract, placing Official Orders or undertaking any competitive procurement process where the estimated value exceeds

£15,000, **Officers must consult with the Corporate Procurement Unit who will advise on the Procurement process to be followed.**

- C.5.2 A Contract Initiation Document (CID) must be completed and submitted to the Corporate Procurement Unit before any competitive procurement process takes place. This document enables a robust specification of requirements to be recorded by the Service Area allowing the Corporate Procurement Unit to advise on the most suitable process, regulations to adhere to, timescales and resource requirements. See the Procurement pages on the CJC's Intranet Site for a copy of the Contract Initiation Document (CID).
- C.5.3 Upon receipt of a fully completed Contract Initiation Document, the Corporate Procurement Unit will be responsible for leading the procurement process above this value (in consultation with the relevant Service Area) from initiation through to contract award.
- C.5.4 Where a Corporate Contract is not available for use (C.2.1), the Contracting Officer shall arrange for a Competitive Tender to be undertaken and shall arrange for the following number of tenders to be invited and evidenced (these are minimum requirements and Contracting Officers may deem it appropriate to seek more to ensure a competitive process):
- For contracts between £75,000 and £150,000 at least **3 tenders** invited for Works contracts.
  - For contracts between £150,000 and the Thresholds at least **4 tenders** invited for Works contracts.
  - The Contracting Officer may utilise an Approved Vendors List (AVL) and shall observe the requirements of C.2.4 when doing so.
  - Documentary evidence of the decision making process must be retained.
- C.5.5 The Contracting Officer must decide and record:
- The form in which Tenderers shall be invited to tender.
  - The criteria to be used to select the successful Contractor or Supplier from among those tendering.
  - The criteria to determine whether the chosen Contractor performs satisfactorily.
- C.5.6 Due regard must be given for ensuring value for money is achieved. In such cases where the minimum amount of tenders cannot be obtained, the Contracting Officer shall refer to C.7.4.

C.5.7 A contract may only be awarded if appropriate approval is received from an Officer with delegated authority to do so in accordance with the CJC's Scheme of Delegation.

C.5.8 Following the award of the contract, the contract details will be held on RCT's Contract Management System.

## **C6 Contracts with a total value in excess of the EU Procurement Thresholds**

C.6.1 The Contracting Officer shall follow rules C.2.1 – C.5.8 except where they conflict with EU Procurement Directives.

C.6.2 The Contracting Officer must seek advice from the Head of Procurement Delivery before the commencement of any EU process to ensure full compliance with EU Procurement Directives and to determine the procedure to be used.

C.6.3 The Head of Procurement Delivery shall place all Contract Notices in accordance with the requirements of the EU Procurement Directives.

C.6.4 The Contracting Officer shall ensure compliance with the procedure set out in the relevant Directives.

C.6.5 The Contracting Officer may only award a contract or enter into contractual arrangements providing that this responsibility has been properly authorised to them in accordance with the CJC's Scheme of Delegation.

C.6.6 The Head of Procurement Delivery will publish a Contract Award Notice in accordance with the requirements of the EU Directives.

### **Single Tenders**

C.7.1 A single tender may only be invited when:

- by reason of regulation or legislation only one supplier of the product or service exists;
- the value of the contract is below EU Thresholds and the costs of complying with a tender procedure outweighs the likely benefits;
- only a Propriety Product (for Goods, Services, Social & Other specific services or Works) is suitable or acceptable to customers or the Product consists of repairs or works to an existing Propriety Product (although some propriety products may be available through existing framework

arrangements. Where available, the requirements of A.1 shall be observed);

- in exceptional cases of such extreme emergency that a tender process cannot be undertaken. In these cases, the reason for the urgency shall not be within the control of the Director or Contracting Officer.

C.7.2 In all such cases, the Director and Contracting Officer must document and record the reasons why within the Contract Initiation Document (CID), sign and date and notify the Head of Procurement Delivery.

C.7.3 In all such cases above, the Contracting Officer must ensure:

- that the product is specified in writing;
- where only one tenderer is identified, ensure that the best price and conditions are negotiated and that these are recorded;
- that provisions for the adjustment in price, volumes or other variable factors have been agreed and recorded in writing.

#### **Instances where there are less than the required minimum Tenders invited**

C.7.4 In such cases where the Contracting Officer wishes to proceed with less than the required number of tenders specified in these Contract Procedure Rules, the Director and Contracting Officer must document and record the reasons why within the Contract Initiation Document (CID), sign and date and notify the Head of Procurement Delivery.

### **D. Terms and Conditions**

D.1 Where available, practical and appropriate to do so, the CJC's adopted Standard Terms and Conditions shall be specified as a minimum requirement for entering into contracts for Supplies, Works or Services. Any doubt as to the applicability of these conditions or any clauses contained therein should be referred to the Director of Legal & Governance or Head of Procurement Delivery.

### **E. Approved Lists**

E.1 Approved Lists cannot be used for the exclusive selection of Tenderers for any Contract above the value thresholds set out in EU Procurement Directives as detailed at C.1 of these rules.

E.2 Contracting Officers shall also observe the requirements of C.2.5 before utilising an Approved Vendors List (AVL).

## **F. Processing of Tenders**

A key function of these Procedure Rules is to set down a framework, which can demonstrate that the requirements of public accountability and transparency are extant. To achieve this, the following shall apply:

### **Electronic Tenders and Electronic Auctions**

F.1 All Tenders over the £15,000 threshold should be processed using RCT's approved Contract Management System (CMS). This system facilitates a controlled and secure environment for the issue, receipt, opening and evaluation of tenders and also captures a complete audit trail of tender processes conducted. This system should be used in accordance with appropriate guidance, user documentation and procedures.

Further information regarding the use of RCT's Contract Management System may be obtained via the Corporate Procurement Unit.

F.2 Contracting Officers shall observe the following requirements when processing tenders via the Contract Management System:

- A responsible officer is assigned to manage the tender.
- Tender timescales are adequate to enable suppliers sufficient time to prepare and submit their tender. These timescales should also consider the complexities of the requirement.
- All relevant tender documentation is made available to tenderers and the information provided is consistent with the details entered directly on the CMS.
- All tender clarifications must be conducted via the CMS.
- Evaluation questions and criteria are entered into the system in the most appropriate format.
- Appropriate use of tools, such as electronic auctions, are considered.
- Suppliers are registered on the CMS with accurate and complete contact information.

### **Awarding the Contract**

- The tender evaluation outcome must be recorded on the system.

- Notifications must be sent to suppliers via the system.
- Following completion of the tender process, the contract should be created, awarded and registered accordingly on the system.

F.3 Where an externally hosted extranet is to be used to support the tendering process prior approval of the Head of Procurement Delivery must be obtained.

### **Amendment to Tenders, Errors and Omissions**

F.4 As a general rule no adjustment or qualification to any tender(s) is permitted. Errors found during the examination of tenders shall be dealt with in one of the following ways:

- If the error is not arithmetical the tenderer shall be given details of the error(s) and shall be given the opportunity of confirming without amendment or withdrawing the tender; or
- If an arithmetical error is found, the responsible officer shall correct the error(s) provided that, apart from the genuine arithmetic error(s), no other adjustment revision or qualification is permitted.

F.5 A Contracting Officer may seek clarification of the information provided (or not provided) by a Tenderer only where this is necessary to aid understanding.

### **Assessment of Tenders (Tender Evaluation)**

F.6 Tenders should be assessed in accordance with the predetermined evaluation criteria set out in the Tender documentation (and published EU notice, where appropriate) and identify tenders that best meet the criteria, including value for money.

F.7 In respect of all tenders, where the main tender criterion is the most economically advantageous tender, the evaluation criteria or sub-criteria shall, as a minimum, be listed in the Invitation To Tender (ITT) documentation in order of importance. Any particular scoring or weighting attributable to any criteria or sub criteria must be clearly stated. In addition, the criteria shall be strictly observed (and remain unchanged) at all times throughout the contract award procedure (other than where permitted under EU Procurement Directives).

F.8 It should be noted that prior disclosure of and adherence to award criteria and weightings is a fundamental requirement of the core principle of transparency. The core procurement principles (transparency, equal treatment, non-discrimination) apply even to sub-OJEU threshold procurements.



## Acceptance of Tenders

The Director:

- F.9 Shall accept the highest Tender where payment is to be received by the CJC unless a decision is taken not to proceed with the Contract.
- F.10 Shall accept the lowest or the most economically advantageous tender for all contracts where payment is to be made by the CJC unless a decision is taken not to proceed with the Contract. Guidance and approval should be sought from the Head of Procurement Delivery where tenders are to be evaluated on a quality or price basis.
- F.11 May accept a Tender not complying with the above only if the Director in consultation with the CJC's Director of Resources and RCT's Head of Procurement Delivery certify why it is in the CJC's best interest to do so.
- F.12 Shall, where appropriate, sign the Contract documents or place them before the Director of Legal & Governance for signature or seal, with such explanations as he or she may require.
- F.13 In all such cases above, shall observe the requirements of section C.6.5.

## Non-concluded Terms and Conditions

- F.14 Contracting Officers should always ensure (so far as possible) that terms and conditions are fully agreed, by including them in the tender documents and requiring tenderers to accept them as part of the tender. Not doing so exposes the CJC to:
- Serious risk of being unable to ensure delivery to required standards;
  - Risk of procurement claims and challenges if terms are negotiated post-tender; and
  - Risk of audit criticism.
- F.15 Where (exceptionally) the terms and conditions of contract are not fully agreed, no contractor shall be allowed to commence delivery of goods, works or services until all terms and conditions have been agreed and signature or written agreement of both parties obtained.
- F.16 Contracts should not be entered into on the basis of the contractors own standard terms and conditions, or terms negotiated which are significantly different to those included or referred to at tender stage, since this carries a high risk of procurement challenges. However, in exceptional circumstances,

there may be a requirement to agree or negotiate alternative terms and conditions in which to contract. Where this is the case, prior approval must be sought from the Head of Procurement Delivery.

## **G. Completion of Contracts**

- G.1 The Contract Officer should arrange for contracts to be attested either Under Hand by the Director or Under Seal. The Director of Legal & Governance shall be consulted if a Contract is to be attested Under Seal.
- G.2 The Director shall consider (in consultation with the Director of Legal & Governance) whether, having regard to the need for extension of the period of limitations, a Contract should be attested Under Seal.
- G.3 The Common Seal shall be attested by the Director of Legal & Governance or a signatory authorised by them and an entry of every sealing shall be made, consecutively numbered and shall be signed by the person who has attested the seal. The seal shall not be affixed without the authority of the CJC, Sub-Committee or under delegated powers.
- G.4 Following the award of the contract (and where the contract value exceeds £15,000), the contract details will be recorded on the Contract Management System. Where access to this system has been granted, it is the responsibility of the Contract Officer to record details of contracts awarded on the system.

## **H. Contract Management**

- H.1 A Director must appoint a Contract Manager to manage the performance of a contract throughout its term. The duties of the Contract Manager shall begin when the contract is awarded and shall cease when it is completed or terminated.
- H.2 The Contract Manager should ensure that management and monitoring arrangements for the contract have been established and recorded (including the methods for reporting and monitoring performance, costs and service delivery against the agreed Contract Specification and Terms and Conditions).
- H.3 The Contract Manager will also be responsible for:
- The management of the relationship between the CJC and the supplier (ensuring effective lines of communication are in existence between client representatives, stakeholders and service providers).
  - The identification, allocation and management of the risks associated with the performance of the contract.

**I. Termination Procedures**

- I.1 Where consideration is being given to terminating any contract arrangements, reference should be made to the Head of Procurement Delivery and or the Director of Legal & Governance.

**J. Disposal of Land, Buildings or Equipment**

- J.1 Please refer to the requirements of the Financial Procedure Rules concerning the disposal of Land and Buildings or the disposal of surplus or obsolete materials, stores or equipment.
- J.2 Officers must seek advice from the Deputy Chief Executive regarding the disposal of surplus land and buildings.
- J.3 In the event that the method of disposal requires a competitive process, the Deputy Chief Executive should also consult with the Corporate Procurement Unit where necessary. The Corporate Procurement Unit will advise on the process to be followed, the terms and conditions required and the evaluation procedures.

**K. Contract Variations – basic principles**

- K.1 Variation refers to a change to the contract terms that the parties had agreed and accepted when the contract was signed. This requires a clear and documented process, with clear references to the relevant clause(s) of the original terms and conditions of contract. Variations are consensual and most commonly about change in contract scope. Typically these occur as a result of changes to methodology, design, timing, order or sequence of provision.
- K.2 Contract variations which change any significant term of the contract (particularly as to price, quality or balance of risk) have the potential to amount to a new contract, and thus can constitute a single tender award without advertisement. Variations should therefore only be considered where:
- The proposed variation is within the scope of the original tender (including any possible extensions or options which were included in the contract notice, advertisement or tender documents);
  - The proposed variation does not significantly exceed the value of the original tender (including any possible extensions or options which were included in the contract notice, advertisement or tender documents);

- Variations of the type proposed were contemplated at the time the original procurement exercise was carried out; or
- The variation is permitted under the terms and conditions of the contract (provided that those terms and conditions were known to tenderers at the time of the original tender).

K.3 However, variations which alter the balance of risk in favour of the CJC may in certain circumstances be judged not to be anticompetitive and thus may be permissible. Permission of the Head of Procurement Delivery must always be sought to any significant variation.

K.4 Any contract subject to potential assignment and novation must be referred to the Head of Procurement Delivery at the earliest possible opportunity.

K.5 Please also refer to the requirements of the Financial Procedure Rules concerning variations.

## **L. Extensions**

L.1 Extensions of contracts should be included as a term, where appropriate, in the contract concluded following procurement.

L.2 The decision to extend the contract period (term) may only be made before the original expiry date, where it is in accordance with the terms and conditions of the original contract.

L.3 The Head of Procurement Delivery must take all such decisions to extend framework arrangements in agreement with the relevant Director.

L.4 Where the terms of the contract and or original procurement exercise do not expressly provide for extension then such contracts may only be extended in exceptional circumstances, where legislation permits and value for money issues have been addressed. Such decisions shall be made by the relevant responsible officer in consultation with their Director and Head of Procurement Delivery. Detailed records of all decisions taken must be retained.

## **M. Use of other available Contracts**

M.1 Where goods, services and works are procured by another public body on behalf of the CJC or through collaborative arrangements awarded via the National Procurement Service or by the CJC through a contract properly let by another such organisation, then those organisations procurement contract rules will apply subject to compliance with European Union, United Kingdom and Welsh Procurement Law.

- M.2 Under established collaborative arrangements, any subsequent minitender must be treated on the terms of the original collaborative arrangement and the rules applied by the lead organisation that undertook the collaborative arrangement.
- M.3 Purchasing arrangements made for the CJC by the Head of Procurement Delivery do not constitute exceptions as they are made under the full provisions of these rules. Correct use of these arrangements, as advised by the Head of Procurement Delivery, will however be sufficient to ensure officers meet their responsibilities for compliance.

Such arrangements include:

- Purchasing Frameworks endorsed for use by the CJC;
- Collaborative procurement arrangements undertaken by, or in consultation with the Head of Procurement Delivery;
- The CJC's Call-off Contracts;
- Electronic systems and catalogues endorsed for use by the CJC;
- National Procurement Service for Wales collaborative arrangements;
- Crown Commercial Service collaborative arrangements;
- Any joint purchasing and supply arrangements organised by another local authority, public body or a Central Government supply organisation.

## **N. Approval to proceed in Special Circumstances**

- N.1 These Contract Procedure Rules are applicable to all parts of the CJC's activities and areas of expenditure. This section prescribes a framework for circumstances where approval may be required to proceed with a particular course of action from the normal application of the Contract Procedure Rules.
- N.2 [Omitted]
- N.3 Approval may be required to proceed in special circumstances to enable a particular course of action. This course of action may be applied where the estimated contract value over the life of the contract is above £15k. In exceptional circumstances, approval may also be required to proceed from the normal application of the Contract Procedure Rules where the estimated contract value is **above** the EU Procurement Thresholds.
- N.4 In all circumstances, the contracting officer must submit a completed Special Circumstances Proforma to the Corporate Procurement Unit setting out the circumstances or reasons. This will enable the decisionmaking process and

necessary course of action to be clearly documented and approved by the Head of Procurement Delivery. This Proforma is available via the Procurement pages on the CJC's Intranet Site.

- N.5 The contracting officer and Head of Procurement Delivery will keep detailed records of the decision taken and evidence of the approval to proceed.
- N.6 Where the estimated contract value is above the Thresholds, the special circumstances approval will be required to document any contravention of the CJC's normal legal obligations and will require the formal approval of the Head of Procurement Delivery and supported by evidence of formal approval by the relevant Director.
- N.7 An approval to proceed in special circumstances may also be granted:
- N.7.1 By a Chief Officer with the appropriate delegated authority and the Head of Procurement Delivery.
- N.7.2 In an emergency, threatening injury or damage to persons or property, when a Chief Officer can take any necessary action. This action must then be reported to the Head of Procurement Delivery as soon as practicable after the event.

## **O. Retention of Documents**

- O.1 Contract documentation should be retained securely, in an appropriate format and in accordance with the CJC's Information Management policies and procedures.
- O.2 Where tender or contract documentation is transferred between CJC premises, appropriate records should be maintained recording the date of transfer and the location where the documentation will be available or stored.
- O.3 Where consultancy services are utilised in progressing any procurement, it should be ensured that copies of all documentation are retained on behalf of the CJC.
- O.4 Where the Contract Management System has been used to manage the procurement process, all tender and contract documentation must be uploaded to the system.

## **P. Compliance**

- P.1 Every contract entered into by the CJC shall be entered into pursuant to or in connection with the CJC's functions and shall comply with:

- All relevant statutory provisions;
- The relevant Procurement Rules;
- The CJS's Constitution including:
  - these Contract Procedure Rules;
  - the CJC's Financial Procedure Rules;
  - Schemes of Delegation;
  - the CJC's Strategic Objectives;
  - Procurement Strategy; and
  - relevant CJC Policies.

P.2 Failure by officers to comply with any of the provisions of these Contract Procedure Rules or associated guidance adopted by the CJC may result in disciplinary action.

P.3 Correct use of the arrangements specified under section M.4, as advised by the Head of Procurement Delivery, is sufficient to ensure officers meet their responsibilities for compliance.

P.4 Any procurement carried out on behalf of the CJC may only be undertaken by officers with the appropriate delegated authority to carry out such tasks (as set out in the CJC's Scheme of Delegation contained within the CJC's Constitution).

## **Q. Guidance and Support**

In the use of these Procedure Rules:

Q.1 Should there be any doubt or lack of clarity as to the meaning or application, Officers must seek advice from the Director of Resources, Director of Legal & Governance or Head of Procurement Delivery. Guidance may also be obtained via the Procurement pages of the CJC's Intranet site.

## DEFINITIONS

**“Approved List”** means a list of Tenderers, established in accordance with Sections 17 – 22 of the Local Government Act 1988, who have met the CJC’s predetermined criteria and who are willing and able to supply Products of a particular type or description. This includes the use of Constructionline, or a similar organisation, and such lists will need to be administered in accordance with guidance, agreed with the Director of Resources and approved by the Head of Procurement Delivery before being utilised.

**“Common Use”** means any Product purchased by the CJC, which are required for use by more than one Service Area or Section of the CJC.

**“Contract Manager”** means a person authorised under the CJC’s Scheme of Delegation to manage the performance of a contract throughout its term. The duties of a Contract Manager shall begin when the contract is awarded and shall cease when it is completed or terminated.

**“Contract”** means the agreement between the CJC and the Contractor comprising the conditions of contract, Specification and any defined schedules and all matters referred to in the Invitation To Tender and the Contractors response thereto, together with acceptance by the CJC.

**“Contracting Officer”** means a person authorised under the CJC’s Scheme of Delegation for the purpose of carrying out the appropriate duties set out in these Contract Procedure Rules. A Contracting Officer may be appointed specifically for the purpose of a single contract or for a range of contract requirements but may not also be the Director for any contract for which he or she is the Contracting Officer.

**“Contract Management System”** means the electronic eTenderWales portal in use by RCT for managing procurement activities, part of which includes an electronic contract register. The system also includes facilities for supplier registration and management as well as Etendering.

**“Contractor”** means any person contracted to sell or buy a Product. This term applies after a contract is formed.

**“Corporate Contract”** means any contract for Products in Common Use and applies particularly to contracts where exclusive use by the CJC is a term of the Contract. Details of these contracts can be obtained directly from the Head of Procurement Delivery.

**“Director”** means the Chief Executive, any Chief Officer as defined in Article 10 of the CJC’s Constitution or any officer authorised by them under the CJC’s Scheme of Delegation in the same or another Directorate or Service Area to act for them under



these rules. Such authorisation shall be in writing, shall include any limitations to the authorisation and shall be recorded. Officers may not act in the capacity of Contracting Officer and Director for any single contract.

**“Director of Resources and Director of Legal & Governance”** include Officers specifically authorised by them.

**“Head of Procurement Delivery”** means RCT’s Head of Procurement Delivery.

**“Partnering Agreement”** means an agreement between the CJC and a Contractor, which is intended to govern the way in which both parties work together in the management and delivery of the Contract. The basis of the agreement would normally imply a long-term relationship based on trust and on clear mutually agreed objectives. The Partnering Agreement is not a substitute or addendum to the formal Contract.

**“Product”** includes any goods, equipment, material, works, service or benefit.

**“Proprietary Product”** means a product which has unique characteristics which alone meet the required realistic performance specification and is either sold only at fixed rates or sold by more than one source but may be purchased from the prime source at clearly better terms.

**“Specification”** means a clear statement of the Product in sufficient detail:

- to enable the contractor to submit a competitive price.
- to ensure that a Product supplied will meet the requirement of the CJC.
- to define the precise output required.

**“Tender”** means an offer to sell or buy made by a Tenderer.

**“Tenderer”** means any person offering to sell or buy a Product. This term applies before a contract is formed and includes unsuccessful bidders.

**“Tender Opening Officer”** means any person authorised to carry out tender opening procedures set out in these Contract Procedure Rules.

**“To Tender”** means to make an offer to sell or buy.

**“Under Hand”** means under the signatures of authorised Officers.

**“Under Seal”** means under the common seal of the CJC attested by the Director of Legal & Governance or officers authorised by them. The application of the common seal to a Contract will increase the period of limitations (for legal remedy) from 6 years to 12 years.

## **Part 4F - Employment Procedure Rules**

### **Interpretation**

For the purposes of these Rules:

“Chief Officer” has the same meaning as in the Local Authorities (Standing Orders) (Wales) Regulations 2006, namely, the Chief Executive; the Monitoring Officer; a statutory chief officer mentioned in paragraph (a), (c) or (d) of section 2(6) of the Local Government and Housing Act 1989 (which includes the Chief Finance Officer); or a non-statutory chief officer within the meaning of section 2(7) of the same 1989 Act.

“Deputy Chief Officer” has the same meaning as in Section 2(8) of the Local Government and Housing Act 1989, being a person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to one or more of the statutory or non-statutory chief officers (except for secretarial, clerical and support staff).

### **1. Recruitment and appointment**

#### **(a) Declarations**

- (i) With the intention of ensuring that employment processes are fully informed and transparent, the CJC requires any candidate for appointment as an officer to state in writing whether they are related to or have any close personal association with any member or senior employee of the CJC.
- (ii) Deliberate omission to make such a disclosure would disqualify the candidate, and if the omission is discovered after appointment, the candidate will be liable to dismissal.

#### **(b) Seeking support for appointment**

- (i) The CJC will disqualify any applicant who directly or indirectly seeks the support of any member or employee for any appointment with the CJC. The content of this paragraph will be included in any recruitment information.
- (ii) No member will seek support for any person for any appointment with the CJC. A member or an employee will not try to improperly influence the choice of a candidate for any appointment.

- (iii) The impartiality of employees must be preserved. Accordingly members must not give written references to support a candidate seeking employment with the CJC.

## **2. Recruitment of Chief Officers**

- (a) A vacancy for the post of Chief Officer must be reported to the CJC or a body delegated by it which will consider whether the post should be filled, and if so, subject to Rule 3, the terms and conditions of employment and method of appointment.
- (b) Where the proposed remuneration of the Chief Officer post is £100,000 or more per annum, the CJC will arrange for the following to be prepared:
  - (i) a statement of the duties of the officer concerned and the required qualifications or qualities to be sought in the person appointed, which is sent to any person on request; and
  - (ii) public advertisement of the post to bring it to the attention of people who are qualified to apply, unless the proposed appointment is for a period of 12 months or less.
- (c) Following advertisement, arrangements will be made either for all qualified candidates to be interviewed; or a shortlist to be prepared of qualified applicants and those candidates interviewed. If no suitably qualified person has applied, or if the CJC decides to re-advertise the appointment, the post will be re-advertised in accordance with paragraph (b) above.

## **3. Remuneration of Chief Officers**

Any decision to determine or vary the remuneration of Chief Officers (or those to be appointed as Chief Officers) must be made by the CJC.

## **4. Appointment or Dismissal of Chief Officers, Deputy Chief Officers and the Monitoring Officer**

- (a) The appointment or dismissal of a Chief Officer, a Deputy Chief Officer or the Monitoring Officer will be made by the CJC or by a Committee of Members delegated by the CJC to make the appointment or dismissal.
- (b) Where a committee is considering on behalf of the CJC the appointment or dismissal of the Chief Executive, the CJC shall approve that

appointment before an offer of appointment is made, or as the case may be, must approve that dismissal before notice of dismissal is given.

## **5. Appointment of Officers below Deputy Chief Officer.**

The appointment of officers below Deputy Chief Officer must be discharged by the Chief Executive or by an officer nominated by the Chief Executive. All CJC employees shall be appointed in accordance with the CJC's Recruitment and Selection Policy.

## **6. Disciplinary Action - Chief Executive, Monitoring Officer and Chief Finance Officer**

- (1) No disciplinary action in respect of the Chief Executive, the Monitoring Officer or the Chief Finance Officer (a "relevant officer"), except action described in (2) below, may be taken by the CJC or on its behalf, other than in accordance with a recommendation in a report made by a designated independent person under Regulation 9 of the Local Authorities (Standing Orders) (Wales) Regulations 2006.
- (2) The action mentioned in the above paragraph is suspension of the relevant officer for the purpose of investigating the alleged misconduct occasioning the action; and any such suspension will be on full pay and will terminate no later than the expiry of two months beginning on the day on which the suspension takes effect.
- (3) Where it appears that an allegation of misconduct which may lead to disciplinary action has been made against a relevant officer, the CJC shall appoint a committee ("an investigation committee") to consider the alleged misconduct.
- (4) The investigation committee must consist of a minimum of 3 members of the CJC and must, within 1 month of its appointment, consider the allegation of misconduct and decide whether it should be further investigated.
- (5) For the purpose of considering the allegation of misconduct, the investigation committee may make such enquiries of the relevant officer or any other person it considers appropriate; may request the relevant officer or any other person it considers appropriate to provide it with such information, explanation or documents as it considers necessary within a specified time limit; and may receive written or oral representations from the relevant officer or any other person it considers appropriate.

- (6) Where it appears to the investigation committee that an allegation of misconduct by the relevant officer should be further investigated, it shall appoint a person ("the designated independent person") for the purposes of these Rules.
- (7) The designated independent person who is appointed shall be such person as may be agreed between the CJC and the relevant officer within 1 month of the date on which the requirement to appoint the designated independent person arose; or where there is no such agreement, shall be such person as is nominated for the purpose by the Welsh Ministers.
- (8) The designated independent person—
  - (a) may direct:
    - (i) that the CJC terminate any suspension of the relevant officer;
    - (ii) that any such suspension is to continue after the expiry of the period referred to in paragraph (2) above);
    - (iii) that the terms on which any such suspension has taken place are to be varied in accordance with the direction; or
    - (iv) that no steps by the CJC or on its behalf by way of disciplinary action or further disciplinary action against the relevant officer, other than steps taken in the presence, or with the agreement, of the designated independent person, are to be taken before a report is made under sub-paragraph (d);
  - (b) may inspect any documents relating to the conduct of the relevant officer which are in possession of the CJC, or which the CJC has power to authorise the designated independent person to inspect;
  - (c) may require any member or member of staff of the CJC to answer questions concerning the conduct of the relevant officer;
  - (d) shall make a report to the CJC:
    - (i) stating an opinion as to whether (and, if so, the extent to which) the evidence obtained supports any allegation of misconduct against the relevant officer; and
    - (ii) recommending any disciplinary action which appears appropriate for the CJC to take against the relevant officer; and
  - (e) shall no later than the time at which the report is made under sub-paragraph (d), send a copy of the report to the relevant officer.

- (9) Subject to paragraph (10), the relevant officer and the CJC shall, after consulting the designated independent person, attempt to agree a timetable within which the designated independent person is to undertake the investigation.
- (10) Where there is no agreement under paragraph (9), the designated independent person shall set a timetable as that person considers appropriate within which the investigation is to be undertaken.
- (11) The CJC shall consider the report prepared under paragraph (8)(d) within 1 month of receipt of that report.
- (12) The CJC shall pay reasonable remuneration to a designated independent person appointed by the investigation committee and any costs incurred by, or in connection with, the discharge of functions under this Rule.
- (13) For the purpose of this rule, any officer who was a relevant officer at the time of the alleged misconduct or when the reason for the proposed dismissal occurred (but is no longer so), shall be regarded as a relevant officer.

## **7. Dismissal and or Disciplinary Action - Other Employees**

- (a) Subject to Rules 4 and 6, the Chief Executive, or an officer nominated by the Chief Executive, is responsible for the dismissal of, and taking disciplinary action against, employees below Deputy Chief Officer in accordance with any relevant CJC policy and procedure.
- (b) Members will not be involved in any disciplinary action of any officer other than the Chief Executive, the Monitoring Officer or the Chief Finance Officer, as set out above, except where such involvement is necessary for any investigation or inquiry into alleged misconduct, or where a right of appeal to members is allowed in respect of dismissal or demotion.

## **8. Right of Appeal**

Any employee who has been dismissed with or without notice or relegated must be informed immediately of the right of appeal, in line with the CJC's agreed Disciplinary Policy and Procedures, which may confirm the action taken, withdraw it or substitute another disciplinary penalty.