

Committee: Performance & Audit Committee

Agenda Item

Date: 23 June 2011

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**Title: Review of Financial Regulations and
Contracts Procedure Rules**

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Item for decision

Summary

1. Financial Regulations set out the rules by which the Council's financial resources and systems should be managed and operated. They were last formally reviewed and approved in July 2009.
2. Contracts Procedure Rules govern the procurement of goods, services and works. They were last formally reviewed and approved in April 2010.
3. Both documents have been reviewed by Officers in order to reflect changes arising from the Cabinet system, new legislation and other best practice requirements. The significant changes are highlighted in this covering report.

Recommendations

4. The Committee is requested to review the revised Financial Regulations and Contracts Procedure Rules and subject to any comments recommend them for approval at Full Council on 28 July.

Financial Implications

5. None.

Background Papers

Public Contracts Regulations 2006 (as amended)

Impact

Communication/Consultation	Internal Audit and Legal colleagues have been consulted and their comments included
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Review of Financial Regulations

6. The following are the significant changes made:
- Throughout the document budgetary responsibility allocated to the Finance & Administration Committee has been reallocated to Cabinet
 - References to the Performance Select Committee have been replaced with Performance & Audit Committee
 - A new paragraph (4.12) relating to the new Bribery Act 2010
 - Incorporated the operational Grants Policy previously issued by the Section 151 Officer to service managers, as recommended by Internal Audit (paragraphs 6.8 and 6.9).

Review of Contracts Procedure Rules

7. The following are the significant changes made:
- Throughout the document references to the Council's Procurement Advisors have been changed to the "Procurement Manager".
 - Responsibilities for approving exceptions formerly allocated to Committee Chairmen are have been reallocated to Portfolio Holders
 - Rules regarding obtaining quotations and competitive tenders now include a new requirement to ascertain the availability of an existing contract (either internally or externally) under which prices may be obtained in the first instance. This shall be the preferred option under which to obtain prices, in accordance with the Council's Procurement Strategy. Only where there is no existing contract available shall there be a requirement to obtain competitive quotations
 - To amend the requirement for advertising in the "traditional" sense, namely printed media (i.e. a Public Notice in local newspapers and a relevant trade newspaper or journal) by allowing for advertisements to be made electronically in addition to, or instead of in printed media.
 - The addition of a new Rule to allow for tenders to be "received into a secure electronic mail-box which provides a secure and fully auditable process"
 - To include a requirement that "All Members and Officers shall report instances of suspected bribery or attempted bribery in accordance with the Whistleblowing Policy".

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Financial Regulations and/or Contracts Procedure Rules are not complied with, leading to inadequate financial control or breach of procurement rules.	2	2	Training and guidance for officers. Internal Audit programme. Monitoring by CFO. Oversight by Members.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.