

## Chapter 12 - Corporate Governance

Corporate governance is about how the Council is directed and controlled. The Governance Structure is detailed at [1.6](#) and [1.7](#). This chapter relates to how the Council delivers good governance, including financial and procurement regulations and policies to prevent and detect fraud and malpractice.

### 12.1 Financial Regulations

Wokingham Borough Council is a Unitary Authority established in 1998 under the Local Government Act 1992 Part II and provides a diverse range of services to its residents including:

- Adult Social Care
- Building Control
- Car Parks
- Children's Social Care
- Children with Special Educational Needs
- Community Safety
- Council Tax and National Non-Domestic Rate Collection
- Country Parks
- Emergency Planning
- Environmental Protection and Energy Efficiency
- Housing Benefits
- Libraries
- Mental Health
- Licensing
- Open Spaces
- Planning Control
- Public Rights of Way
- Public Health
- Recreation and Leisure
- Recycling
- Registration of Births, Deaths and Marriages
- Roads and Highways
- Schools
- Social and Sheltered Housing
- Street Lighting
- Subsidised Public Transport
- Trading Standards
- Traffic Management
- Waste Collection and Disposal

Wokingham Borough Council's governance structure is laid down in its Constitution which sets out how the Council operates, how decisions are made and the procedures that are followed.

Wokingham Borough Council has adopted a leader and a cabinet form of Executive.

### 12.1.1 Status of Financial Regulations

Financial regulations provide the framework for managing the Council's financial affairs. They apply to every Councillor and Officer of the Council and anyone acting on its behalf. The regulations encompass the financial responsibilities of the Council, Executive and Overview and Scrutiny Committees, the Chief Executive, the **Monitoring Officer**, Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and other Directors which are incorporated in the Constitution and Rules of Procedure of the Council.

Executive Councillors, the Chief Executive and the Directors should maintain a written record where decision-making has been delegated to members of their staff including seconded staff. Where decisions have been delegated or devolved to other responsible Officers, such as School Governors, references to the Directors in the regulations should be read as referring to them.

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary to the Council for approval. Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) is also responsible for reporting significant breaches of the financial regulations to the appropriate person/s.

The Directors are responsible for ensuring that all staff in their departments are aware of the existence and content of the Council's financial regulations and other internal regulatory documents and that they comply with them. This is published as part of the constitution and available online and available for all staff.

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) is responsible for issuing advice and guidance to underpin the financial regulations that Councillors, Officers and others acting on behalf of the Council are required to follow.

### 12.1.2 The Statutory Officers

#### 12.1.2.1 Head of Paid Service (Chief Executive)

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

#### 12.1.2.2 Monitoring Officer<sup>1</sup>

The requirement to designate a **Monitoring Officer** for the Council and the duties of this Officer are set out in Part 1, Section 5 of the Local Government and Housing Act 1989. The **Monitoring Officer** is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the Standards Committee.

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<sup>1</sup> Wokingham Borough Council has designated the Service Director Governance as the Monitoring Officer. The Service Director Governance will designate a Deputy Monitoring Officer.

The **Monitoring Officer** is also responsible for reporting any actual or potential breaches of the law or maladministration to the Council and/or to the Executive and for ensuring that procedures for recording and reporting key decisions are operating effectively.

The **Monitoring Officer** must ensure that Executive decisions and the reasons for them are made public. They must also ensure that Councillors are aware of decisions made by the Executive and of those made by Officers who have delegated Executive responsibility. The **Monitoring Officer** is responsible for advising all Councillors and Officers about who has authority to take a particular decision.

The **Monitoring Officer** is responsible for advising the Executive or Council 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 Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**)) is responsible for advising the Executive or Council 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:

- a) initiating a new policy.
- b) committing expenditure in current or future years to above budget level or when there is no budget.
- c) any break of virement limits; or
- d) causing unbudgeted expenditure to be incurred

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

#### **12.1.2.3 Chief Finance Officer<sup>2</sup>**

Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) has statutory duties in relation to the financial administration and stewardship of the Authority. The statutory responsibility cannot be overridden. The statutory duties arise from:

- a) Section 151 of the Local Government Act 1972
- b) The Local Government Finance Act 1988
- c) The Local Government and Housing Act 1989
- d) The Accounts and Audit Regulations 2015; and
- e) The Local Government Act 2003.

#### **12.1.2.4**

The **Chief Finance Officer** is responsible for:

- a) the proper administration of the Authority's financial affairs.
- b) setting and monitoring compliance with financial management standards.
- c) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management.
- d) providing financial information.

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<sup>2</sup> Wokingham Borough Council has designated the Director Resources and Assets as the Chief Finance Officer. The Director Resources and Assets has nominated the Service Director Finance as Deputy Chief Finance Officer.

- e) preparing the revenue budget and capital programme; and
- f) treasury management.

#### 12.1.2.5

Section 114 of the Local Government Finance Act 1988 requires the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will make a report to Council, Executive and external auditors under this section if it appears that the authority, a committee of the authority, a person holding any office or employment under the authority, a member of , or a joint committee on which the authority is represented:

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

#### 12.1.2.6

Section 114 of the 1988 Act also requires:

- a) Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) to nominate a properly qualified member of staff to deputise should they being unable to perform the duties under Section 114 personally; and
- b) the Council to provide the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114.

#### 12.1.3.1 Summary of Material Decisions

The following areas must be approved and recorded by the Chief Executive or other relevant Directors as a Material Decision. A copy of the signed agreement must be held by the service and forwarded to the corporate Procurement Team.

A Material Decision is any decision identified as such within these Regulations.

#### Financial Regulations

##### Virement (Capital and Revenue)

A Director may authorise, in consultation with the Deputy Chief Executive/Director, Resources and Assets (**Chief Finance Officer**), virement of up to £250,000 in any financial year subject to there being service budget availability and overall budget availability.

The Chief Executive, in consultation with the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**), may vire up to £500,000 across Services in any financial year in total subject to overall budget availability.

All virements above £500k must be approved through Executive

The Executive Councillor responsible for Finance must be informed of all virements.

[Rule  
12.1.16.15](#)

### 12.1.3.2 Urgency Procedure

#### Why is this area important?

No revenue or capital expenditure may be committed, which is not authorised, through the capital or revenue budgets except in the event of an emergency, as defined in Section 138 of the Local Government Act 1972, The below details the arrangements and process in such instances.

#### 12.1.3.3

The Urgency Procedure is designed to deal with unexpected events which cannot be dealt with under the other clauses contained within the Constitution, including these Financial Procedure Rules, and which require such urgent attention that they do not allow for referral to the next available committee meeting. Examples include significant financial expense following an accident or disaster, protecting the Council against any legal challenge and the ability to seek advantage from an opportunity which would otherwise disappear if immediate action were not taken.

#### 12.1.3.4

The urgency procedure is only designed to deal with items costing more than £10,000, which are within the existing policy framework, but which are not covered by the approved budget.

#### 12.1.3.5

Items greater than £10,000 but less than £50,000 can be approved by the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) after consultation with the Executive Councillor for Finance and Governance.

#### 12.1.3.6

For sums greater than £50,000, the Leader of Council and Executive Councillor for Finance and Governance (or in their absence their deputies) will be authorised to approve such urgent expenditure.

#### 12.1.3.7

Under the above provisions, authorisation to approve such items will require a written report from a member of the Corporate Leadership Team, countersigned by Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) (or where the report originates from the **Chief Finance Officer** by the Chief Executive). Reports approved under this scheme will include not only the details under consideration but also the reasons why they need to be dealt with under the urgency procedure.

#### 12.1.3.8

The Council recognises that this may require a variation to the Regulations that cannot be achieved with Executive approval, due to time constraints. Therefore, the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) may, in consultation with the Council's **Monitoring Officer** approve temporary dispensation / amendment.

**12.1.3.9**

This scheme will not be used for expenditure on items outside the Council's existing policy framework or where, in the opinion of the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**), the decision will result in significant ongoing expenditure.

**12.1.3.10**

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) is responsible for developing/approving the Council's financial strategies, issuing advice, guidance and policies to underpin the Financial Procedure Rules that councillors, Officers and others acting on behalf of the Council are required to follow.

**12.1.4 Accounting Procedures and Standards**

<b>Why is this area important?</b>
The Council has a statutory duty to prepare annual accounts of its transactions. This duty falls to Deputy Chief Executive and Director Resources and Assets ( <b>Chief Finance Officer</b> ) who is required to ensure that the accounting procedures of the Council are sufficient to assure that any statements of accounts are complete and that proper control systems exist to enable transactions to be timely and accurately recorded.

**12.1.4.1 Accounting Standards**

The form of accounts, accounting policies, procedures, and supporting financial records of the Council and its Officers and the Council's subsidiary organisations will be determined by the Council's **Chief Finance Officer**.

**12.1.4.2**

No new accounting systems will be introduced at the Council and its subsidiaries or changes to existing financial systems without the approval of Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**).

**12.1.4.3**

The accounts of the Council will be compiled by Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) or under his or her direction. Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) and the Service Director Governance will be consulted before any records, books, forms or procedures which might affect the financial integrity of the systems are introduced.

**12.1.4.4**

The following principles will be observed in the allocation of accounting duties:

- a) the duties of providing information regarding amounts to be received or paid by the Council and of calculating, checking and recording these sums, will be separated from the duty of collecting or paying them.
- b) Officers who are responsible for examining and checking the accounts of cash transactions will not also be engaged in these transactions; and
- c) adequate records are maintained to provide a management trail leading from the source of income/expenditure through to accounting statements.

#### **12.1.4.5**

The Directors will identify Officers authorised to act upon their behalf in respect of payments, income collection and placing orders including variations.

#### **12.1.4.6**

The names of authorised Officers, their signatures and limits of authority will be recorded by each Director and supplied to the Business World On<sup>3</sup> corporate finance staff on request.

Where these authorisations are held within Business World On, the Directors will be responsible for ensuring regular reviews take place to confirm these details remain up to date.

#### **12.1.4.7**

Proper security and privacy of information contained in the financial records will be maintained at all times in accordance with the principles of the Data Protection Act.

#### **12.1.4.8**

Vouchers and documents with financial information will not be destroyed except in accordance with arrangements approved by the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**).

#### **12.1.4.9**

Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will make arrangements for the audit of the Council's accounts in accordance with the latest Accounts and Audit Regulations.

#### **12.1.4.10 The Annual Statement of Accounts**

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will ensure that the accounting arrangements of the Council comply with the CIPFA Code of Practice and the Accounts and Audit Regulations 2015, and will approve, sign and date the Annual Statement of Accounts for the preceding financial year in line with statutory accounting deadlines, stating that it presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31<sup>st</sup> March.

#### **12.1.4.11**

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will ensure that the audited accounts of the Council are prepared and published in accordance with the statutory timetable which will include the requirement for the audited Statement of Accounts to be approved by the Audit Committee, and signed by the Chair of the Audit Committee, in line with statutory accounting deadlines.

#### **12.1.4.12**

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will report any unadjusted misstatements contained in the Accounts and other audit findings to the Audit Committee, in consultation with the External Auditors.

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<sup>3</sup> Business World On is Wokingham Borough Council's Integrated Financial and Human Resources Management Information system (An ERP system).

#### **12.1.4.13**

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will ensure an Annual Governance Statement prepared by the Service Director Governance is approved by the Audit Committee by the statutory deadline.

#### **12.1.4.14**

Government transparency aims to increase openness by sharing more government information with citizens. As such, the Council is increasingly encouraged to publish the information it has on how money is spent by the Council and its agencies, which companies have contracts with the Council and how the Council performs.

Citizens have the right to inspect the Council's detailed financial accounts and all books, deeds, contracts, bills, vouchers and receipts relating to them for a period of 30 working days prior to the appointed audit date, as set annually by the External Auditor. The Council will publish notice of when the 30-day period starts and ends on its website before the start of the period, in line with the Accounts and Audit Regulations 2015. These rights allow the public to check any spending under the £500 threshold without having to submit a Freedom of Information Act request.

#### **12.1.4.15**

The **Chief Finance Officer** will publish details on Council payments and contracts for goods and services worth more than £500 on the Council's website to show residents how the Council spends its budget.

#### **12.1.4.16**

The **Chief Finance Officer** will make available (on request) all the books, deeds, contracts, bills, vouchers and receipts relating to all expenditure within the Council's accounts to any member of the public for a period of 30 working days each year in accordance with statutory regulations.

#### **12.1.4.17**

Directors will ensure that adequate records or books, deeds, contracts, bills, vouchers and receipts relating to all expenditure within their service area are readily available and can be produced to the **Chief Finance Officer** when responding to a request from a member of the public during either the statutory period or as part of a Freedom of Information Act request.

#### **12.1.4.18**

The **Chief Finance Officer** will publish details of Councillor allowances and expenses on the Council's website on an annual basis as part of the transparency reporting. The **Chief Finance Officer** will also publish details of Officers who hold senior positions in the Council and what their job descriptions are and total remuneration (e.g. salaries, bonus' payments, pension payments and expenses) has been for the previous year.



### 12.1.5 Assets and Security

#### Why is this area important?

It is important to protect and safeguard the assets of the Council. This is particularly relevant regarding portable items of equipment such as laptop computers, cameras and video recorders.

Most departments also carry out stocks, which will, in the main be items of stationery. As consumable items they should also be adequately safeguarded.

#### 12.1.5.1 Care and Custody

Each Director will be responsible for the care and custody of all assets, equipment and stock in their Department.

#### 12.1.5.2

Safes and similar receptacles should be kept locked up and their keys removed. The Directors will ensure that security is kept under review and that keys are properly controlled. The loss of any such keys must be immediately reported to the Service Director Governance.

#### 12.1.5.3

Each Director will:

- a) report any break-ins, major deficiencies or loss immediately to the Service Director Governance and the Council's Insurance Officers.
- b) ensure that land and buildings, plant and machinery and equipment are only used for Council business, other than as may be directed by the appropriate Director.
- c) ensure that whenever equipment belonging to the Department and not allocated to individuals including but not limited to such items as computers, cameras and video recorders are taken off-site, appropriate procedures are put in place so that they are accounted for and properly controlled.
- d) supply Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) immediately after the end of the financial year with a statement of the value of any stock or stores of £5,000 or more, if applicable, held at the 31st of March each year.
- e) ensure that assets are identified, their location recorded, that they are appropriately marked and insured and are kept adequately secure.
- f) ensure that employees and/or agency staff leaving the employment of the Council return all laptops, mobile phones, any other equipment and that all monies outstanding are repaid prior to their departure.

#### 12.1.5.4 Inventory

Where a central record is not maintained each Director will ensure that:

- a) they maintain an inventory of furniture, fittings, plant and machinery and equipment with an individual purchase value in excess of £2,000 and keep it up to date for acquisitions and disposals.

b) where a store of consumable items is maintained for future use, it is kept at an economic level, administered securely, and a physical check is made of any inventory at least annually. Take action in relation to surpluses or deficiencies and note the inventory accordingly. Any major differences over £2,000 will be reported to the Service Director Governance.

c) to provide the inventory to the Council's insurance officer as required ([Rule 12.1.10.5](#)).

#### **12.1.5.5**

A Director may authorise disposable or write off of items, other than land and buildings, which are surplus to requirements up to a value of £5,000 but should initially ensure there is no appropriate use elsewhere across the organisation. Disposal will be by competitive quotations or auction where appropriate. Any individual or group of items or capital assets (excluding land and buildings) which have an estimated disposal value exceeding £5,000, will not be disposed of without prior consultation with Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**).

#### **12.1.5.6 Property**

The Service Director, Commercial Property will maintain an Assets Register of all properties owned and leased by the Council for all assets valued in excess of £20,000, in a form agreed with Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**). Recording the asset classification, the purposes for which held, value, location, plan reference, purchase details, nature of interest, rents payable and tenancies granted.

#### **12.1.5.7**

The Deputy Chief Executive/Director of Resources and Assets is responsible to ensure we have a fit-for-purpose property portfolio, which delivers Best Value (Requirement through Section 123 of Local Government Act 1973). Any proposals for changes affecting the use or status of land and buildings or its asset classification will not be made without the prior approval of the Service Director Commercial Property.

#### **12.1.5.8**

The Service Director Commercial Property will ensure that assets are valued and reviewed for impairment at appropriate intervals in accordance with the current CIPFA Code of Practice and the Royal Institution of Chartered Surveyors (RICS) Valuation Standards.

#### **12.1.5.9**

The Service Director Commercial Property may approve the disposal or acquisition of land or buildings which are worth less than £500,000, in consultation with the appropriate Director, together with Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) and the relevant Executive Councillor(s). The disposal of surplus land or buildings or acquisitions of a higher value will also be subject to the approval of the Executive.

#### **12.1.5.10**

Any disposal or part exchange of land and buildings will follow normal and prudent commercial practices to achieve best price or best value in conjunction with the Service

Director Commercial Property who will report this action to the Executive. No costs associated with the disposal of land and buildings may be capitalised unless they can be shown to have enhanced the value of the asset in accordance with the Institute of Public Finance and Accountancy – Practitioners’ Guide to Capital Finance in Local Government.

#### **12.1.5.11**

No material alterations or other works to Council buildings will take place without approval of the Service Director Commercial Property.

#### **12.1.5.12**

The Service Director Governance will hold all title deeds under secure arrangements on behalf of the Council.

#### **12.1.5.13**

The Directors will consult with the Service Director Commercial Property and Deputy Chief Executive/Director Resources and Assets on any proposed transactions including the rental, leasing, disposal, or acquisition of real property, or property related agreements of any kind with third parties. Agreement for the approach to take forward must take place prior to any discussion or correspondence with third parties that commits or could be construed as implying commitment by the Council to a course of action or to any specific terms and conditions. Directors should have regard to rules [12.1.5.6](#), [12.1.5.9](#), [12.1.13.7](#), [12.1.17](#) and [12.3 Appendix A](#) in seeking approval for leasing, disposal or acquisition of real property or property related agreements.

#### **12.1.5.14**

The Directors will ensure that all lessees and other prospective occupiers of Council land are not allowed to take possession or enter the land until a lease or agreement in a form approved by the Service Director Commercial Property, in consultation with the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), has been established as appropriate, and accounting arrangements have been properly determined.

#### **12.1.5.15**

Directors will ensure that the Council does not enter into any leases to lease in property or land to the Council until a lease agreement in a form approved by the Service Director Commercial Property, in consultation with the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), has been established as appropriate, a business case has been evaluated and accounting arrangements have been properly determined. Directors should check with the Service Director, Commercial Property that there is no existing suitable Council owned accommodation available before submitting proposals to lease the property.

#### **12.1.5.16**

The Service Director, Commercial Property will be responsible for all negotiations in respect of real property and for agreeing terms on behalf of the Council [11.3.11](#)

### 12.1.6 Protection of Private Property

#### Why is this area important?

Many of the Council's responsibilities involve people coming under the guardianship or supervision of its Officers or facilities. The public is entitled on these occasions to expect the Council to exercise proper controls to safeguard their property and other assets in circumstances where they may be unable to manage for themselves.

#### 12.1.6.1

Any Director who is responsible for the private property (including cash and other assets) of a person under their care or supervision will:

- a) take all necessary measures to mitigate loss or damage to that property.
- b) maintain an inventory of that property prepared in the presence of 2 Officers; arrange the safekeeping of all items in that inventory to the satisfaction of Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**).
- c) ensure that no-one will use or remove any private property without the authorisation of the owner or their guardian; and
- d) comply with the rules and directions of the Head of Legal with regard to the disposal of any property belonging to a deceased person previously in the care of the Council where it has not been possible to identify the next of kin.

### 12.1.7 Partnerships

#### Why is this area important?

Partnership arrangements are an increasingly significant feature of public service delivery. They are a response to the complex and multifaceted problems that face society, and which cannot be tackled effectively by any individual body working alone. They can provide flexibility, innovation and additional financial and human capital resources to enhance service delivery to the community. These are powerful incentives for organisations to work with others and now all local public bodies work in partnerships to different degrees, but partnerships also bring risks. Working across organisational boundaries brings complexity and ambiguity that can generate confusion and weaken accountability. The public needs assurance that public money is spent wisely in partnerships, and it should be confident that its quality of life will improve as a result of this form of working.

The term partnership can encompass a wide range of collaborative arrangements. The Council defines a partnership as "a group of stakeholders brought together from a range of organisations to be responsible for tackling mainly long-term challenges and opportunities in which they have a shared interest".

#### 12.1.7.1

Procurement regulations may apply to Partnership activities and advice from Procurement and Legal should be sought to determine if the regulations apply. If procurement regulations are applicable, entering a Partnership should be carried out in accordance with the Procurement and Contract rules in [Chapter 12.3](#).

#### 12.1.7.2

Before entering into agreements with external bodies, a Director will ensure that:

- a) the need for the partnership has been assessed including legality and specific objectives determined.
- b) consideration has been given to how to make the partnership work including risk management, decision-making procedures and performance management arrangements.
- c) a Partnership Agreement has been prepared in consultation with Finance, HR, IT, Legal and Property Services where appropriate; and
- d) where entering into a partnership agreement commits the Council to expenditure of more than £100,000, that the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) has been consulted, and an evaluation of the relationship is undertaken for group reporting purposes.

#### 12.1.7.3

A partnership arrangement can be a “shared service”. Prior to commencing discussions around a shared service, the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will be consulted.

#### 12.1.7.4

All Council partnerships must agree a procedure for their review. The review should cover how the partnership works, in order to determine whether the outputs and outcomes of the partnership merit continued involvement, as well as the general health of the partnership itself.

#### 12.1.7.5

Each Director and their staff must:

- a) provide appropriate information about partnerships under their control to the Strategic Commissioner for Communities to enable the Medium-Term Financial Plan to be updated.
- b) ensure that all agreements and arrangements are properly documented and do not impact adversely upon the services provided by the Council.
- c) consider and respond promptly to recommendations in formal evaluation reports so that agreed actions arising are carried out in a timely and efficient manner.

#### 12.1.8 Work for Third Parties

##### Why is this area important?

Current legislation enables the Council to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is intra-vires.

A determination as to whether a service to an external body may be intra-vires is to be made by the Service Director Governance.

#### 12.1.8.1

The Directors will ensure that:

- a) the approval of the Executive is obtained before any negotiations are concluded to work for third parties.
- b) a register of all contracts entered into with third parties is maintained.
- c) appropriate insurance arrangements are made.
- d) the Council is not put at risk from any bad debts.
- e) no third-party contracts are subsidised by the Council.
- f) wherever possible, payment is received in advance of the service delivery.
- g) the Department has the appropriate expertise to undertake the contract.
- h) third party contracts do not impact adversely upon the services provided for the Council.
- i) appropriate information is provided to Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) to enable a note to be entered into the statement of accounts and an evaluation of the arrangement for group reporting purposes to be undertaken.
- j) there are adequate existing resources; and
- k) appropriate trading accounts are established and maintained for the arrangement.

#### 12.1.8.2

Section 106 or Community Infrastructure Levy (excluding CIL payments to Town and Parish Councils as prescribed under the CIL Regulations 2010) contributions to third parties, require the submission of a bid from the third party, and approval via the protocol for CIL and Section 106 contributions outlined at [Rule 12.1.17.3](#)

#### 12.1.9 Audit and Anti-Fraud

##### Why is this area important?

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) has a statutory responsibility to:

- Ensure that an effective internal audit function is resourced and maintained.
- Ensure that the Council has put in place effective arrangements for internal audit of the control environment.
- Support the Council's internal audit arrangements; and
- Ensure that the Audit Committee receives the necessary advice and information, so that the Committee can operate effectively.

All councils must undertake an effective internal audit to evaluate the effectiveness of its risk management, control, and governance processes, taking into account public sector internal auditing standards and other guidance. Internal audit highlights weaknesses in controls or unsound practice, offers advice and suggests improvements to existing arrangements and checks that financial and other systems and procedures are sound. The internal audit function is provided by the Internal Audit and Investigation Service and is independent in its planning and operation with direct access to the Chief Executive and the Audit Committee.

The Council's external auditors are the regulated and independent professional firm appointed with a statutory mandate to audit the Council. In basic terms, the external auditors provide assurance to residents and the Council that the Council's finances are soundly managed, and that the annual accounts present a true and fair view of the Council's income and expenditure, and its assets and liabilities.

#### 12.1.9.1

The Service Director Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) in conjunction with the Service Director Governance (**Monitoring Officer**) must ensure that an effective internal audit of all of the Council's accounting, financial and other operations, is maintained and resourced.

#### 12.1.9.2

The Chief Audit Executive (Head of Internal Audit and Investigations), following consultation with Directors, is required to present the annual audit plan to the Audit Committee for approval. The plan should take into account the characteristics and relative risks of the activities involved and ensure proper liaison with the external auditors' work programme.

#### 12.1.9.3

Internal and external auditors have access at all reasonable times to such premises, personnel, documents, electronic information and records (including those of third parties and contractors) as they consider necessary for the purposes of their work.

#### 12.1.9.4

The Chief Audit Executive is required to report annually to the Audit Committee on the effectiveness of the Council's systems of internal control.

#### 12.1.9.5

Each Director and their staff must:

- a) produce, if required by the auditors, any cash, stock or any other Council property under their control.
- b) ensure that auditors are provided with any information and explanations they seek in the course of their work.
- c) ensure that any material changes to any systems and procedures, which may affect income and expenditure or risk, are discussed with the Chief Audit Executive (Head of Internal Audit and Investigations) before being implemented; and
- d) consider and respond promptly to recommendations in audit reports so that agreed actions arising are carried out in a timely and efficient manner.

#### 12.1.9.6

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**), as **Section 151 Officer**, has statutory responsibility for the Council's financial control environment and for the overall effectiveness of internal controls within the Council.

Each Director will establish, document, and maintain proper systems, controls and procedures within their areas to:

- a) ensure adherence to policies and directives to achieve the Council's objectives.
- b) safeguard assets and ensure resources are effectively managed.
- c) ensure compliance with statutory responsibilities.
- d) ensure information is relevant, accurate and complete to maintain the integrity of records.

- e) ensure risk identified and appropriately managed.

#### **12.1.9.7 Preventing Fraud and Corruption (excludes Benefit Fraud investigations)<sup>4</sup>**

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will in conjunction with the Service Director Governance (**Monitoring Officer**) promote and maintain the Council's Anti-Fraud and Corruption Strategy.

#### **12.1.9.8**

In the event of any suspected fraud or irregularity, the relevant Director will notify Deputy Chief Executive/Director Resources and Assets (Chief Finance Officer) and the Service Director Governance immediately and will take all necessary steps, pending investigation and reporting, to prevent further loss and to secure records and documentation against removal or alteration (<sup>5</sup>Excludes Benefit Fraud).

The Council's Whistle Blowing Policy provides a safe environment for concerns to be raised confidentially and places an obligation on Council Employees to deal with allegations appropriately.

#### **12.1.9.9**

The Service Director Governance will be kept informed by the Head of Internal Audit and Investigation of the progress and outcome of any investigation arising from suspected fraud or irregularity.

#### **12.1.9.10**

Where there is the possibility of criminal proceedings, any further investigations will be conducted under the guidance of the Service Director Governance.

#### **12.1.9.11**

Any decision to refer a matter to the Police will be made by the Service Director Governance after consultation with the relevant Director.

#### **12.1.9.12**

The Service Director Governance in consultation with Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will inform the Chief Executive of any significant suspected irregularities.

#### **12.1.9.13**

The Head of Internal Audit and Investigations will inform the Chair of the Audit Committee of any significant suspected irregularities and will report to the Chair of the Audit Committee the outcome of such investigations. The Head of Internal Audit and Investigations will, at all times, have direct access to the Chief Executive and Chair of the Audit Committee.

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<sup>4</sup> Specific Procedures for dealing with Benefit Fraud investigations are set out in the Benefits Fraud Protocol

<sup>5</sup> Please note that a Virement is defined as "A budget transfer to enable expenditure on a different service, or a different way of providing that service, to that originally budgeted".



**12.1.9.14**

A Director will ensure that the Council's disciplinary procedures are implemented where the outcome of an audit investigation indicates improper behaviour.

**12.1.10 Insurance, Risk and Opportunity Management**

Why is this area important?
<p>Risk may be defined as the unwanted or unexpected exposure to adverse circumstances that can lead to loss, damage, injury or failure to achieve objectives.</p> <p>Risk Management itself is the responsibility of everyone in the Authority, with no effective Risk Management there is no effective management.</p> <p>Insurance is only a small part of the Authority's strategy for Risk Management, providing limited financial protection in certain defined circumstances.</p>

**12.1.10.1**

The Service Director Governance will assist the Chief Executive in preparing and promoting the Council's Enterprise Risk Management Policy and Guidance, and Risk Register.

**12.1.10.2**

Each Director will review annually, in their service planning, the exposure to risk in their areas having regard to advice from the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**), the Service Director Governance and other appropriate Officers (including crime reduction, fire prevention, and health and safety).

**12.1.10.3**

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will affect all insurance cover on behalf of the Council.

**12.1.10.4**

Directors must identify and notify the Deputy Chief Executive/Director Resources and Assets and the Service Director Governance of any:

- a) amendments to, extension of or change in Service.
- b) acquisition or sale of equipment referred to in [Rule 12.1.10.5](#)
- c) acquisition, lease or sale of land or property.
- d) acquisition, lease or sale of plant or motor vehicles.
- e) all other risks in accordance with the Council's Risk Management Strategy.
- f) all other new risks, whether insurable or not, to which the Council may be exposed.

**12.1.10.5**

Each Director must submit an inventory of equipment that has a new replacement value of £2,500 or more which they choose to insure under the Council's "All Risks" insurance policy.

Equipment not so declared will not be covered by the Council's insurance.

#### 12.1.10.6

Each Director will:

- a) ensure that agreed risk management strategies are in place for all aspects of their Service's operations and that all Officers and staff are fully aware of the likelihood and impact of any identified risks or losses or opportunities for improvements.
- b) ensure that systems and procedures are risk assessed and documented, and staff trained in their operation.
- c) immediately identify and notify the Council's Insurance Officer of any incident involving loss or damage or actual or potential liability including all allegations of negligence, whether or not insured.
- d) in consultations with the Deputy Chief Executive/Director Resources & Assets (Chief Finance Officer), inform the Police of any incident or allegation referred to in c) above, where relevant to do so.
- e) advise the Council's Insurance Officer and the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) of the purchase, sale, hire, lease or granting of any licence or rights of or over any land or property prior to any contracts being agreed, signed, exchanged or completed.
- f) ensure that Officers or staff driving any vehicle on behalf of the Council have notified the Council's Insurance Officer of any motoring convictions if driving a vehicle covered under the Council's motor fleet insurance or their own insurers, if using their own vehicle(s).
- g) ensure that Officers or staff hold an appropriate licence for driving any vehicle on the business of the Council.
- h) ensure that Officers or staff have in place appropriate motor insurance to cover business use while driving their own vehicle on the business of the Council.
- i) ensure that any plant or equipment that is subject to a statutory requirement to regularly inspect, is so inspected by the Council's engineering inspection service providers and notify the Council's Insurance Officer of any required inspections that have not been carried out.
- j) ensure that any work identified during any inspection referred to in h) above is carried out promptly.
- k) ensure that no repairs to vehicles or property arising from an insured incident are carried out (other than urgent and essential repairs to 'make safe') without having obtained authorisation from the Council's insurers.
- l) proactively notify the Council's Insurance Officers of all material matters relating to risk (i.e. all information that would influence the judgment of a prudent insurer in determining whether to underwrite the risk and if so upon what terms).
- m) Provide a full and expeditious response to all enquiries or requests for information made by the Council's Insurance Officers.

#### 12.1.10.7

At no time should any Officer or Councillor:

- a) agree, offer or give any indemnity to a third party.
- b) admit liability.

- c) sign indemnity forms without first consulting with the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and Council's Insurance Officer.
- d) Offer, agree or make payments or compensation for loss, damage or injury without prior consultation with the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**). [Rule 12.1.21.17](#).

These actions could prejudice the Council's insurance cover and could lead to the Council facing significant uninsured losses.

#### 12.1.10.8

The Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) will oversee and lead the handling and administration of all insurance claims (whether made by or against the Council) except where other statutory arrangements apply.

Any claim made against the Council remains at all times in the ownership of, and the responsibility of, the Director of the service against which the claim has been bought. In respect of any claim, Officers and Managers must provide the Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) and the Insurance Manager with their full and expeditious assistance at all times.

In respect of the handling of any claim, failure to provide such assistance or information within the timeframe required or as otherwise necessitated by the circumstances and status of the claim will result in the claim not being covered by insurance; the full costs of the claim will consequently be borne by the Service(s) against which it has been made.

#### 12.1.10.9

All staff will be covered under a Fidelity Guarantee insurance policy.

#### 12.1.11 Internal Control

##### Why is this area important?

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

The Authority faces a wide range of financial, administrative and commercial risks both from internal and external factors which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.

The system of internal controls is established in order to provide measurable achievement of:

- a) efficient and effective operations
- b) reliable financial information and reporting
- c) compliance with laws and regulations; and
- d) risk management.

**12.1.11.1**

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), as **Section 151 Officer**, has statutory responsibility for the Council's financial control environment and for the overall effectiveness of internal controls within the Council.

Each Director will:

- a) ensure they maintain an appropriate control environment and effective internal controls within their Directorates to provide assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations: and
- b) review existing controls in the light of changes affecting the Council and establish and implement new ones in line with guidance from the Deputy Chief Executive and Director of Resources and Assets (**Chief Finance Officer**). The Directors are to be also responsible for removing controls that are unnecessary, not cost effective, or risk effective.

**12.1.11.2**

The Directors must adhere to the guidance provided by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), through these and other regulations issued from time to time, on internal financial controls covering budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes.

**12.1.11.3**

An Annual Governance Statement must be prepared by the Service Director Governance on behalf of the Chief Executive and Leader of the Council for inclusion in the Statement of Accounts. Service Director This will set out a summary of significant governance challenges which the Council faces, alongside an explanation of what actions have been taken to bring about required improvements, and what work is still to be done. This will provide transparency and gives assurance that the Council is committed to continuously improve the way in which it functions.

**12.1.12 Banking Arrangements and Cheques**

Why is this area important?
Strict control of bank accounts is required to enable benefits from management of cash flows to be maximised and the risks of losses from theft or mismanagement to be minimised. The Council will normally hold one main account, but where there is an administrative need, additional bank accounts will be established and maintained on an imprest basis.

**12.1.12.1**

All the Council's banking arrangements will be made by or under arrangements approved by Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**) who will operate such banking accounts, including National Giro Accounts, as he may consider necessary and in accordance with the relevant bank mandates. No other accounts will be opened without the agreement of Deputy Chief Executive/Director Resources and Assets (**Chief Finance Officer**).

#### **12.1.12.2**

All cheque stationery drawn on the Council's main bank account will be ordered only on the authority of Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) who will ensure that proper arrangements are in place for its safekeeping.

#### **12.1.12.3**

Cheques drawn on the Council's main banking accounts will bear the facsimile signature of Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) or be signed personally by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) or one of his/her authorised Officers.

#### **12.1.12.4**

The use of cheques should be a last resort, however, where the value of a cheque drawn on the Council's main bank account exceeds £10,000, it will be countersigned by one of the bank authorised Officers.

#### **12.1.12.5**

No accounts will be opened in the name of any individual Officer.

#### **12.1.12.6**

All accounts will recognise the Council's interest and, where applicable, the Service or Department in respect of which the account is required.

#### **12.1.12.7**

Cheques drawn on any account, other than the Council's main accounts, will be signed by at least two signatories. Each Director will provide Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) with the names of all signatories to the account together with specimen signatures and details of the limits of their authorisation and position within the organisation.

#### **12.1.12.8**

Directors will ensure that chequebooks relating to Imprest accounts are kept secure.

#### **12.1.12.9**

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) may agree arrangements for the use of a debit, credit, or procurement card to make payments. Applications for such arrangements must be supported by a business case agreed with the relevant Director before being forwarded to Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and will have the same force as these financial regulations.

#### **12.1.12.10**

Where credit/procurement cards or Imprest accounts are used, the Directors must ensure they are regularly reconciled to bank statements. [Rule 12.1.20.11](#).

#### **12.1.12.11**

Prior to an employee leaving the Council's employment, or otherwise ceasing entitlement to hold a corporate credit card or corporate procurement card, the responsible Director

must ensure that the employee returns any card issued to them to the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and obtain a receipt certifying that the card has been destroyed.

#### 12.1.12.12

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will manage all electronic funds transfer arrangements on behalf of the Council.

#### 12.1.12.13 Authorised Signatories

The following people are currently authorised to sign cheques, BACS & CHAPS payment requests and legal documents on behalf of the Council:

- a) Cheques (any two of)
  - Deputy Chief Executive/Director of Resources and Assets (**the Chief Finance Officer**)
  - Service Director of Finance (the Deputy Chief Finance Officer)
  - Service Director Governance (the **Monitoring Officer**)
  - Head of Corporate Finance/Chief Accountant
  - Head of Finance Business Partnering
- b) BACS (Bankline) Payments
  - Deputy Chief Executive/Director of Resources and Assets (the **Chief Finance Officer**)
  - Service Director of Finance (the Deputy Chief Finance Officer)
  - Service Director Governance (the **Monitoring Officer**)
  - Head of Corporate Finance/Chief Accountant
  - Head of Finance Business Partnering
- c) CHAPS Payments
  - Deputy Chief Executive/Director of Resources and Assets (the **Chief Finance Officer**)
  - Service Director of Finance (the Deputy Chief Finance Officer)
  - Service Director Governance (the **Monitoring Officer**)
  - Head of Corporate Finance/Chief Accountant
  - Head of Finance Business Partnering
- d) Legal Documents
  - Head of Legal Services

#### 12.1.13 Investments, Borrowing, Treasury Management, Leasing and Trust Funds

##### Why is this area important?

The Council manages large sums of money and has a significant involvement in the financial markets. As these markets are volatile, there is a need for constant care in the management of borrowing and investment activities to control any risk exposure. There is also a growing need to be aware of performance in the fields of borrowing and investment, as elsewhere, to achieve economies, savings and improved returns.

##### 12.1.13.1 Treasury Management

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and his staff are required to act in accordance with CIPFA's "Code of Practice for Treasury

Management in the Public Services”, the “CIPFA Prudential Code for Capital Finance in Local Authorities” and the Council’s treasury management practices.

#### **12.1.13.2**

The Council will create and maintain as the cornerstones for effective treasury management:

- a) a treasury management Strategy stating the policies and objectives and approach to risk management of its treasury management activities.
- b) suitable treasury management practices setting out the manner in which the Council will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

#### **12.1.13.3**

All monies held by the Council will be aggregated for the purposes of treasury management and will be under the control of Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) who will arrange the borrowing and investments of the Authority in such a manner as to comply with the CIPFA “Code of Practice for Treasury Management in the Public Services” and the Council’s Treasury Management Policy statement and strategy.

#### **12.1.13.4**

Before the start of each financial year, Director Resources and Assets (**Chief Finance Officer**) will report in the first instance to Executive on the strategies for treasury management and investment proposed for adoption for the coming financial year including the prudential indicators. The Council will only borrow in advance of need if supported by a strong business case setting out the reasons and also the security of the resulting counterparties used to invest the funds.

#### **12.1.13.5**

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will provide a mid-year and annual report to the Executive, prior to being approved by Council, on the exercise of the treasury management powers delegated, treasury management performance and on any material departure from the code of practice.

#### **12.1.13.6**

All securities, whether the property of or held in the name of the Council or its nominees together with the title deeds of property in its ownership, will be held in secure custody by the Service Director Governance.

#### **12.1.13.7 Loans, Leases and Guarantees**

No lending or leasing arrangements including hire purchase or similar agreements or provision of loan or other financial guarantees will be entered into without first consulting Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and, in addition, in relation to land and buildings, the Service Director Commercial Property. Where arrangements or guarantees exceed an estimated whole life value of £500,000, the approval of the Council’s Executive should be sought.

Leasing arrangements are defined as:

- a) agreements that have the formal status of a lease whereby a lessor conveys the right to use an asset for an agreed period of time under a lease contract to a lessee in return for a payment or a series of payments.
- b) agreements that do not have the legal form of lease but convey the right to use an asset in return for payments (embedded lease).

Where these are provided, consideration should be given to whether or not:

- a) any leasing arrangement is deemed to be an operating or financing lease for accounting purposes and, therefore, whether it should be treated as revenue or capital expenditure.
- b) the transaction will count against the Council's borrowing limit and prudential indicators.
- c) requires the provision of information to Deputy Chief Executive/Director of Resources & Assets (Chief Finance Officer) for inclusion in the Lease Register and the Council's Statement of Accounts.
- d) there are any implications for VAT or other taxes.

To aid evaluation of the arrangement, the contract agreement should split the payment between those elements applicable for the asset and those elements applicable for the service.

Loans to other organisations by the Council will be charged at Market Rates unless otherwise directed by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

If loans are provided at below market rates, the difference in interest income will be paid by the Service. Directors should ensure that loan arrangements are properly constituted by formal agreement in consultation with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and Service Director Governance.

#### **12.1.13.8**

The Directors will advise Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) of any transactions or proposed actions that may impact on the Council's investment policy or funds management.

#### **12.1.13.9 Trust Fund**

The existence of sums of money held on trust for others must be declared to an appropriate third party. For schools, this will be the Headteacher and Governors and for Social Services, the Executive Director of Childrens, Adults and Health.

#### **12.1.13.10**

All trust funds are to be held in the name of the Council. All Officers acting as trustees by virtue of their official position will deposit all securities etc, relating to the trust with the Service Director Governance unless the deed make other provisions.



#### **12.1.13.11**

Directors will:

- a) where funds are held on behalf of third parties, arrange for their secure administration approved by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and maintain written records of all transactions; and
- b) ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

#### **12.1.13.12 Investments and Borrowing**

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will:

- a) ensure all investments of money are made in the name of the Council or in the name of nominees approved by the Council; and
- b) ensure all borrowings are made in the name of the Council.

#### **12.1.13.13**

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will act as the Council's Registrar of stocks, bonds and mortgages and will maintain records of all borrowing of money by the Council.

#### **12.1.13.14**

No interests will be acquired in any Company, Joint Venture or other enterprise without the approval of the Executive following consultation with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**). [Rule 12.1.24](#).

#### **12.1.13.15**

The Council, in consultation with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), will determine the maximum borrowing limits under the Prudential Code in the context of affordability.

#### **12.1.13.16 Service Concession Arrangements**

Where a contract is proposed which includes the use of a specific asset or conveys the right to use a specific asset as part of the arrangement, the contract will be treated as an embedded lease as outlined in [Rule 12.1.13.7](#). Contracts that convey to the operator the right to provide services that give the public access to major economic and social facilities and include the use of particular assets under which the Council controls the services provided and any residual interest in the asset should be treated as a Service Concession Arrangement.

Such contracts are typically but not exclusively related to Private Finance Initiative/Public Private Partnership (PFI/PPP) arrangements; however, some contracts that were not planned as PFI/PPP schemes could also be classified as Service Concession Arrangements (e.g. certain asset transfers where the Council retains a legal charge over the infrastructure). Directors should inform and consult Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) where any such arrangements are proposed to enable a proper evaluation of the accounting treatment of the arrangement.

### 12.1.14 External Funding & Grants

#### Why is this area important?

With increasing pressure on Council expenditure, external funding is potentially a very important source of income. However, terms and conditions attached to funding need to be carefully considered to ensure they are adhered to and compatible with the aims and objectives of the Council. Funds from external agencies as well as project funding from Central Government Departments, sponsorship and other Corporate Social Responsibility contributions from private companies and other donors, provide additional resources which can enable the Authority to augment services it delivers to the local community.

#### 12.1.14.1

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will ensure that all funding from external bodies is properly recorded in the Authority's accounts.

#### 12.1.14.2

Prior to any external funding arrangements being entered into, the Director will consult with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) on anticipated financial risks and to ensure that any match funding requirements and future budget implications are fully considered.

#### 12.1.14.3

Any proposal to spend monies received from any external funding source must be in accordance with revenue or capital budgets and Procurement regulations and policies.

#### 12.1.14.4

The Directors will ensure that the project progresses in accordance with the agreed project plan, that all expenditure is properly incurred and recorded and all claims for funds are made by the due date. The Director will also ensure an exit strategy is in place to deal with the expiry of the grant.

#### 12.1.14.5

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and Service Director Governance will ensure that audit requirements of any external funding sources are met.

#### 12.1.14.6

Prior to bidding/allocating out of external funding, the Corporate Leadership Team, Lead Executive Councillor and Executive Councillor responsible for Council Budgets and specific service area must first be consulted to ensure alignment with the Council's strategic priorities and that any implications across Services are fully considered.

### 12.1.15 Petty Cash and Imprest Accounts

#### Why is this area important?

Petty cash and Imprest accounts are issued for administrative convenience. As they are vulnerable to theft or misappropriation, it is important that the use of such accounts is properly controlled and that the floats are secured.

#### 12.1.15.1

Requests for new Imprest accounts and Petty Cash accounts, or any changes to the existing accounts, or procurement cards, must be supported by a business case agreed with the Relevant Director before being forwarded to Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) who will provide these as considered appropriate unless other statutory arrangements apply.

#### 12.1.15.2

The Director will ensure that there are three signatories to each Imprest account and that any cheques will be signed by any 2 of these signatories. The signatories will be selected to ensure that there is adequate control of the account without affecting the day-to-day operation of the service.

#### 12.1.15.3

Reimbursement of payments from Imprest or Petty Cash Accounts will be made on receipt of a properly completed Imprest return in a form approved by the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**). The return will show the cost centres to be charged and the amounts relating to each cost centre. Payment will be limited to such items of expenditure as may be approved by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**). Vouchers supporting claims must be retained for audit purposes.

#### 12.1.15.4

Where necessary, Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will open an account with the Council's bankers to be operated on an Imprest basis. The account holder will not allow the account to be overdrawn without prior agreement from Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

#### 12.1.15.5

No income received on behalf of the Council, other than for schools, may be paid into an Imprest account without the approval of Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) subject to appropriate accounting procedures being in place. Where a Service receives income into an Imprest account, it will issue a VAT receipt showing the rate and amount of VAT included in the receipt and will record the income in full (net of VAT) before any expenses are met from it.

#### 12.1.15.6

Each Director will ensure that any Imprest or Petty Cash account is not used for:

- a) encashment of personal cheques.
- b) payment of any disbursements which may be taxable and should be paid through Business World On Employee Services (or any replacement system).
- c) mileage allowance for travelling, lump sum payments or other taxable benefit which should be paid through Business World On Employee Services (or any replacement system). Other than costs which are a reimbursement of actual expense and are supported by a receipt.
- d) cash advances except where this falls within arrangements agreed for appropriate clients of Children's Services or Health and Wellbeing.
- e) loans to employees.

#### **12.1.15.7**

Where an Imprest or Petty Cash account is authorised, the Officers concerned will maintain a record of their receipts and payments and will give the Director or Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) annually after the 31<sup>st</sup> March, a certificate signed by the holder confirming they continue to hold the account and the amount held at that date. For Imprest accounts, the statement must be supported by a bank statement at the 31<sup>st</sup> of March and a reconciliation of the transactions now shown at the bank to agree with the amount certified.

#### **12.1.15.8**

On leaving the Council's employment or otherwise ceasing entitlement to hold an Imprest or Petty Cash account, the employee must account to Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) for any monies advanced to them.

#### **12.1.15.9**

Each Director will ensure the Imprest or Petty Cash account is:

- a) routinely monitored for appropriate usage.
- b) sufficient to allow for reimbursement claims every 4-6 weeks.
- c) kept securely.
- d) that proper records are maintained, and transactions are recorded promptly.
- e) only accessed by authorised staff. A list of staff and specimen signatures to be sent to the Lead Finance Specialist (or other authorised staff).
- f) checked on a periodic basis for completeness of funds.
- g) available with receipts to be produced on demand to the Deputy Chief Executive and Director Resources and Assets (**Chief Finance Officer**) and auditors.
- h) Petty Cash accounts are not used for payments exceeding £100.00. Payments in excess of this to be requested by procurement card or in exceptional circumstances by cheque from the Lead Finance Specialist (or any replacement system) in exceptional circumstances, payments exceeding £100 may be made from Petty Cash accounts with the approval of Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**); and;
- i) payments in excess of £100 from an Imprest account will be countersigned by the Budget Manager.

**12.1.15.10**

All payments made by Imprest or Petty Cash must be supported with a receipt or acknowledgement of payment that identified (where applicable) the supplier's VAT registration number, any VAT paid, and details of items purchased.

**12.1.16 Revenue and Capital Budgets (including Virement)****Why is this area important?**

The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with priorities reflected within the Community, Corporate and Service Plans. The budget is the financial expression of the Council's plans and policies.

Budgets (spending plans) are needed so that the Council can set its Council Tax, set targets for Budget Managers, provide authority to spend and to provide a basis to measure performance.

Medium-term planning involves a planning cycle in which the Council develops its Corporate plans. This ensures that the Council is always preparing for events in advance and provides opportunities to identify areas where up-front investment can generate savings in the future.

The scheme of virement is intended to enable the Executive, the Directors and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council and to optimise service delivery.

**12.1.16.1 Budgets and Medium-Term Planning**

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will report annually to the Executive/Council on the revenue and capital budget including any resource constraints which may be set by the Government taking account of medium-term planning, the implications of spending decisions and adequacy of the level of revenue and capital reserves. The annual report will include an opinion on the robustness of the budgets presented, adequacy of reserves and any finance or service Risks.

**12.1.16.2**

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will present the capital and revenue budgets to comply with the general directions of the Council, the Chartered Institute of Public Finance and Accountancy – Service Reporting Code of Practice (SeRCOP) and all legal requirements.

**12.1.16.3**

Each Director in consultation with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will prepare future year estimates of revenue and capital. These will be collated by the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) who will present them to the Executive and report of the implications for the Council including the level of Council Tax.

#### **12.1.16.4**

Each Director will carry out a Budget Risk Assessment each year to identify financial and service risks and the extent of the risk in order to ascertain potential unbudgeted liabilities and provide information in setting the level of reserves. Each Director will also undertake and record equality impact assessments of proposals to amend service levels as required by the Equality Act 2010.

#### **12.1.16.5**

For all proposed budget bids, each Director will complete a budget submission prescribed by the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

#### **12.1.16.6 Budget Preparation, Monitoring and Control**

Each Director is responsible for the management of their Department's budget and will ensure it is properly monitored in accordance with the Council's Budget Management Protocol.

#### **12.1.16.7**

Directors will inform the Executive of any instance where a budget is likely to be exceeded by an increase in costs or reduction in income (which cannot be contained within existing budgets under the Virement rules) after consulting with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

#### **12.1.16.8**

Each Director will report to the Executive any instances where he/she is unable to operate within his/her budgets. The Executive may:

- a) instruct a Director to take action to the correct position.
- b) make a transfer within the Council's budgets (in excess of the virement limits below [Rule 12.1.16.15](#)); or
- c) approve a supplementary estimate.

#### **12.1.16.9**

Each Director will consult with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) to ensure that reports to the Executive and Full Council which propose action, show the financial implications of that action for the current financial year and any subsequent years.

#### **12.1.16.10**

Any commitment which may be contained in the current year's budget but generates growth in future years will only be entered into with the proper approval of the Executive. This is particularly relevant to grant funded expenditure.

#### **12.1.16.11**

Each Director will consult with the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) before reporting to the Executive any proposed course of action which may have material financial implications beyond their Department budget.

#### **12.1.16.12**

Directors will in consultation with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) prepare monthly budget monitoring reports, identifying and giving reasons for significant movements from budgets and detailing proposed corrective action together with any potential impact on the levels of service. These will be periodically presented to the Executive.

#### **12.1.16.13**

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will inform the Executive of any budget variances which significantly affect the Prudential Indicators that are approved by Executive on an annual basis as required by the CIPFA Prudential Code for Capital Finance in Local Authorities.

#### **12.1.16.14**

No revenue or capital expenditure may be committed, which is not authorised, through the capital or revenue budgets except in the event of an emergency, as defined in Section 138 of the Local Government Act 1972, or where the commitment can demonstrate value for money to the Council and with the agreement of Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) regarding budget implications.

See section [12.1.3.2](#) for full details of arrangements in urgency circumstances

#### **12.1.16.15 Virements**

The term “Virement” is used to describe the situation where:

- a) a decision has been made to change policy and move budget from one purpose to another (e.g. budget is moved from non-staffing to staffing related expenditure), or,
- b) a decision has been made to incur expenditure against something that has not previously been approved and money is moved from other budgets to finance item. or,
- c) Where budget is moved from one purpose to another to cover unforeseen expenditure.

Each Director who sits on the Corporate Leadership Team, in consultation with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), may vire up to a total of £250,000 in any financial year subject to service budget availability and overall budget availability.

The Chief Executive, in consultation with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), may vire up to £500,000 across Services in any financial year subject to overall budget availability.

All virements must be recorded as a Material Decision (see Appendix A) and must be submitted to Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and, if affecting the Capital Programme, must also be in consultation with the Head of Corporate Finance.

The Executive Councillor responsible for Council Budgets must be informed of all virements.

**12.1.16.16**

No virement relating to a specific financial year will be made after 31st March in that year.

**12.1.16.17**

When 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 was established.

**12.1.16.18**

Schools' balances will be automatically carried forward to support the expenditure of the school concerned. Where an unplanned deficit occurs, the Governing Body will prepare a detailed financial recovery plan for consideration by the Chief Executive in consultation with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**). Schools will normally be expected to agree to a plan to recover the deficit within a defined period.

**12.1.16.19**

Other statutory ring-fenced budgets such as the Housing Revenue Account and Building Control will be automatically carried forward.

**12.1.16.20**

Budgets for capital schemes which are in progress or have been contractually committed, will be carried forward automatically. This excludes amounts below £5,000, except where there are statutory or other requirements for the budgets to be carried forward.

**12.1.16.21**

All other carry forward requests will be considered by the Corporate Leadership Team prior to seeking the approval of the Executive, normally as part of the budget monitoring process.

**12.1.16.22 Maintenance of Reserves**

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will advise the Executive on the nature and prudent level of any reserves required and will ensure these are maintained in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom and agreed accounting policies.

**12.1.16.23**

Earmarked Reserves may be set up by the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) subject to budget availability.

**12.1.16.24 Fees and Charges**

Directors will set the established fees and charges annually. These will be increased in accordance with the Corporate Charging Policy and the rate of inflation as confirmed by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and the Executive Councillor responsible for Council Budgets.

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), in consultation with the Lead Member for Finance and the Lead Councillor for Leisure, may



approve reductions, discounts and/or promotions for fees and charges within Sports and Leisure, up to £200 per fee or charge.

#### **12.1.16.25**

In-year increases above inflation can be approved as an Individual Councillor Decision subject to no adverse on-going budgetary implications and in consultation with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and the Executive Councillor responsible for Council Budgets.

#### **12.1.16.26**

In exceptional circumstances and subject to the forgoing requirement, charges may be increased, reduced or waived for a specified period to promote a service or facility as an Individual Member Decision subject to there being no ongoing budgetary implications and in consultation with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and the Executive Councillor responsible for Council Budgets. This may include introducing a casual charge for the purpose of defraying costs of a special event. Any such change must be fully documented.

### **12.1.17 Capital Schemes (including funded by S106 Developer Contributions and Community Infrastructure Levy)**

#### **Why is this area important?**

Capital expenditure needs to be properly prioritised and monitored to maximise the benefit from scarce resources. No new capital scheme can be committed unless sufficient capital finance is available, and provision has been made to cover any on-going revenue consequences.

#### **12.1.17.1**

A project may only proceed where it has been provided for in the Capital Programme and is in accordance with the Council's Capital Strategy and Key Priorities, as agreed by the Executive/Full Council.

#### **12.1.17.2**

All work to improve or alter any of the Council's buildings must be approved by the Service Director Commercial Property. [Rule 12.1.5.11](#). Such works may only be capitalised if they enhance the life, use or value of a building as defined by the Institute of Public Finance and Accountancy – Practitioner's Guide to Capital Finance in Local Government.

### **12.1.17.3 Community Infrastructure Levy and Section 106 Developer Contributions**

The utilisation (including the creation of new projects in the capital programme) of all CIL and Section 106 Developer Contributions, and other funding from developers received under specific legislation, up to £25,000 are to be agreed by the Resources Manager (CIL/S106) and the relevant Head of Service. Between £25,000 and £100,000 to be agreed by the Deputy Chief Executive/Director of Assets and Resources (this authority has been delegated by the Deputy Chief Executive/Director of Assets and Resources to the Service Director Delivery and Infrastructure and by the Service Director Delivery and Infrastructure to the Lead Specialist Infrastructure Delivery and Projects); the Service Director Commercial Property; and the Executive Councillor responsible for the area

spending the CIL/S106 money. Above £100,000 will require approval from Executive quarterly as part of the capital programme.

In instances where the S106/CIL money relates to the Council's My Journey travel programme delegated approval can be achieved through Individual Executive Councillor Decisions.

#### **12.1.17.4**

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will maintain and publish, at least on an annual basis, a record of the Developers Contributions received under S106, Community Infrastructure Levy or other legislation together with all expenditure incurred from those funds.

#### **12.1.17.5**

On approval by the Executive of a programme of capital expenditure, the Directors concerned may request the Service Director Commercial Property to take steps to enable land required for the purposes of the programme to be acquired in time. Subject to approval by the Service Director Commercial Property, Service Director Delivery and Infrastructure and Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) before any acquisition is finalised.

#### **12.1.17.6**

Where payment is made by certificate each Director will ensure:

- a) any stage payments do not exceed the value of work completed.
- b) certificates are authorised by the appropriate Officer or consultant in accordance with the conditions of the contract.
- c) that before authorising final payment, the contractors final account accords with any Bill of Quantities or Schedule of Rates that the contract has been satisfactorily performed and is within approved budgets. This check must be independent of the Contract or Project Manager; and
- d) any penalties or liquidated damages, where applicable, are deducted prior to the final payment.

#### **12.1.17.7**

Credit arrangements, such as leasing agreements, will not be entered into without the prior approval of Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and, if applicable, inclusion of the scheme in the Capital Programme. [Rule 12.1.13.7.](#)

#### **12.1.17.8 Capital Resources**

All borrowing, disposals or use of capital reserves to finance the Capital Programme must be approved by the Council when setting the Capital Programme or by Executive thereafter, or in exceptional circumstances by the Deputy Chief Executive/Director of Resources and Assets subject to the Executive having been notified and the subsequent approval by Executive at the earliest opportunity. Ring fence grants and contributions received will require the same approval as virements ([Rule 12.1.16.15](#)) for release into the capital programme in year.

**12.1.17.9 Update of Capital Forms detail required for Business World On**

Before making any commitment in respect of a project included in the Approved Capital Programme, a Budget manager will authorise release of budget via full completion of the Capital Project Setup (CPS). Following release of funds by CPS approval, any subsequent budget adjustments will also be approved through the CPS process following any necessary virement approvals.

**12.1.17.10 Forward Funding of Capital Schemes**

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), in consultation with the Executive Councillor responsible for Council Budgets, can approve forward funding for capital projects of up to £1m against approved capital schemes, i.e. spending income from contributions or grants in advance of their actual receipt.

**12.1.18 Information and Communication Technology (ICT)****Why is this area important?**

The Council is increasingly reliant on information technology incorporating, as it does, computers, printing services and telecommunication services to process and record financial and management information and to support its business and decision-making processes.

The Information and Communication Technology (ICT) used by the Council must be resilient, secure and effective. Systems and procedures must be fully integrated and well administered. The impact of ICT is not limited to individual sections, Departments or the Council itself. Decisions about ICT investment must be taken holistically in order to deliver maximum benefit to the Council and the community that it serves.

**12.1.18.1**

The ICT Operations will be responsible for providing all corporate ICT services including the procurement of equipment, software and services and telecommunications. It is the responsibility of the Directors to ensure this requirement is complied with.

**12.1.18.2**

Any proposal to acquire ICT equipment, software or services will be subject to a business case that clearly weighs the full life costs against the business benefits and must be in accordance with the Council's Corporate Plan and Digital and Technology Strategy and aligns with security standards outlined by Central Government.

No new or additional technology, systems or equipment can be procured without agreement from ICT.

**12.1.18.3**

The Directors will, in consultation with the Head of Digital, Data and Technology, make arrangements to:

- a) ensure that their staff comply with the Acceptable Use of IT Policy.
- b) ensure that their staff comply with the software licencing requirements.
- c) ensure that their staff comply with the Council's Information Security Policy and Guidelines; and

- d) ensure that, where appropriate, computer systems and databases are registered in accordance with data protection, legislation and that staff are aware of their responsibilities under the legislation.

### 12.1.19 Income

#### Why is this area important?

Income is a vulnerable asset and effective income collection systems are therefore necessary to ensure that all income due is identified, all collections are receipted and banked promptly and completely, and the Council's accounting records are properly and promptly updated.

Cash is particularly vulnerable and must be properly controlled and held securely.

#### 12.1.19.1

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will determine arrangements for the collection and recording of all monies due to the Council.

#### 12.1.19.2

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will be notified promptly of all contracts, leases and other agreements which will involve the receipt of money by the Council.

#### 12.1.19.3

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will order and supply to Departments all receipt forms, books or tickets and similar items for internal control.

#### 12.1.19.4

Each Director will be responsible for the identification and collection of income due from activities in their service areas.

#### 12.1.19.5

Each Director will ensure that where income is collected, Officers will:

- a) issue an official receipt or maintain other formal documentation.
- b) keep record of the form in which it was received e.g. credit card, cheque, cash.
- c) ensure all income prior to banking is held securely against loss or theft and that at no time the amount held exceeds the limits set for insurance purposes.

#### 12.1.19.6

All money received on its behalf by any of the Council's establishments will be paid without delay, and intact, directly into the Council's income collection account, the appropriate school account or into any other bank account established with the approval of Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**). Money collected and deposited must be reconciled to the bank account on a regular basis.

#### 12.1.19.7

Details to be provided on any Bank Paying In Slip will include:

- a) the name of the collecting establishment.
- b) the payee.
- c) the income and VAT codes.
- d) the date collected: and
- e) the initials of two Officers who have prepared the amount for deposit.

#### 12.1.19.8

Each Director will:

- a) supply Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) with details relating to work done, goods supplied, services rendered or other amounts due, to enable Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) to record correctly the sums due to the Authority and to ensure accounts are sent out promptly.
- b) establish performance management systems to monitor recovery of income and notify the Chief Audit Executive (Head of Internal Audit and Investigations) and Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) of any serious shortage of missing income immediately.
- c) record every transfer of money between employees of the Authority. The Receiving Officer must sign for the transfer and the transferor must retain a copy.
- d) ensure income is not used for the encashment of personal cheques or for any other payments.
- e) ensure that, where practical, at least 2 employees are present when post is opened and ensure that income received is properly identified and recorded on receipt.
- f) ensure that the transfer of income between staff is immediately acknowledged by the issue of a receipt or a signature in a cash accounting record.
- g) ensure that receipts, tickets, and other records of income are securely retained in accordance with the Council's Records Management Policy.
- h) ensure that all blank receipt books, tickets, and other income records are retained and controlled in a secure manner.
- i) review annually all fees and charges for the supply of goods or services, other than those set by schools, in line with corporate income generation and charging policy.
- j) implement appropriate recovery proceedings, up to legal action, in respect of debts which are not paid promptly except where Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) determines other arrangements.

#### 12.1.19.9 Debtors and Credit Income

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) is responsible for approving the arrangements for the collection of the debts of the Council, other than socials, and, where appropriate, will be supplied with all necessary supporting documents in order to achieve recovery.

#### 12.1.19.10

A bona fide debt once raised may not 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. Credit notes must be approved by Budget Managers.

#### **12.1.19.11**

Where payment for goods or services provided by the Council, other than schools, is not received at the time of supply, the Head of Income and Assessments will raise an invoice for the due sum and will ensure suitable arrangements are in place to recover the debt. Except where Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) has agreed suitable alternative arrangements.

#### **12.1.19.12**

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) may approve the raising of debtors' invoices outside the main systems where they are satisfied that suitable alternative procedures are in place.

#### **12.1.19.13**

All charges for goods and services will be invoiced where possible in advance. Where it is not possible it should be invoiced within 28 days or to any associated legal requirements for specific services.

#### **12.1.19.14**

Recovery action in respect of all the Council's unpaid debtor invoices will be co-ordinated by the Service Manager, Income and Payments who will liaise with the Head of Legal. Sufficient documentary evidence to substantiate the debt must be passed to Service Manager, Income and Payments where any court action is considered.

#### **12.1.19.15**

Requests to raise a debtor invoice will be approved by the Budget Manager, and will include information about the cost centres to be charged and the application of VAT.

#### **12.1.19.16**

The Directors will notify the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) of outstanding income not yet invoiced and relating to the previous financial year, as soon as possible after 31st March each year, in line with the timetable determined by the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

#### **12.1.19.17 Write Offs and Waivers**

Individual debts may be written off via a material decision where an account remains unpaid and further action to recover debt would evidently be uneconomic:

- a) up to £3,000, by Budget Managers subject to the agreement of the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**). Such action to be fully recorded.
- b) above £3,000 but less than £25,000, by Heads of Service subject to the agreement of the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**). Such action to be fully recorded.

c) above £25,000 but less than £50,000 by a Director or the Service Director Governance, subject to the agreement of the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**). Such action to be fully recorded.

d) above £50,000, subject to the approval of the Executive.

Directors will be required to supply schedule of proposed debt write-offs for sums below £50,000 to the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) on a quarterly basis.

Note – a single debt is categorised for write-off purposes as a total sum outstanding for an individual or business for a particular service or fee the time of the request/consideration.

#### **12.1.19.18**

Discretionary Rate Relief may be authorised by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) in accordance with Council Policy.

Appeals will be considered by the appropriate Lead Councillor.

#### **12.1.19.19**

Set up and operation of any online or automated payment methods or accounts for the collection of income within services will require the approval of Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) who will establish appropriate procedures for their operation. Where applicable, a Director should nominate a separate administrator and certifying officer whose responsibility will entail reconciling the income received to the Council's financial system.

#### **12.1.20 Orders for Work, Goods, Services and Consultancy**

##### **Why is this area important?**

Placing an order commits the Council to expenditure. It is therefore important that none is placed without authorisation or full consideration at the outset of the budget implications, specifications, health and safety, trading terms and the cost effectiveness of any work, goods services or consultancy required.

#### **12.1.20.1**

All orders for work, goods, services or consultants will be made in accordance with the Council's Procurement and Contract Rules and Procedures. Payment vouchers must not be used in place of orders and must only be used where orders are not appropriate. Payment vouchers must be paid by BACS, not cheques, wherever possible.

#### **12.1.20.2**

A purchase order is defined as a type of contract raised by the Business World On Procurement System (or on any replacement or alternative system, such as Framework-i) for the purpose of procuring goods and services and will require authorisation by a Budget Manager, as set out in [Rule 12.1.21.4](#).

Purchase Orders will be supported by a written contract document signed or sealed in accordance with the Procurement and Contract Rules and Procedures as set out in [Rule 12.3.18](#). Where the works are over the value of £50,000, they must be supported by a contract

(Purchase Orders will not be broken down for the purpose of avoiding these regulations). For Purchase Orders raised as a direct result of the Care Act 2014 (and related legislation) for the purpose of providing personal care for a named individual the above limits do not apply providing:

- a) the Director Adult Services maintains a scheme of delegation setting out the limits to be applied at each level of the management structure for the purchase of social care; and
- b) the purchase order is raised using the designated Social Care system; and
- c) the supplier meets all relevant registration requirements as determined by the Department of Health; and
- d) the supplier is already contracted to the council for this purpose; and
- e) the unit price is in accordance with the supplier's contract.

The reason for this exception is that the purchase of personal care will in almost all case have no end date and will not therefore conform to a) above.

#### **12.1.20.3**

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will determine the style and format of purchase order forms and may agree suitable alternative arrangements.

#### **12.1.20.4**

All Purchase Orders for work, goods, services or consultancy will be issued through the Business World On Procurement system (or any replacement system) except:

- a) where services are provided by the public utilities or are rents or rates.
- b) where the purchase order is raised using an alternative system agreed with Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).
- c) where other statutory arrangements apply.
- d) where, agreed in consultation with the Director, that purchase is made by telephone or other direct communication such as the internet, however, this must be followed immediately by an authorised purchase order. A copy of the order should be sent to the supplier noting, where appropriate, if the order is a confirmation of instructions already given.
- e) where the Business World On system (or any replacement system) is not available and Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) has determined an emergency procedure; or
- f) where an alternative method of procurement has been identified and implemented by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

#### **12.1.20.5**

Use of Purchase Orders should conform to any guidelines set by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) regarding central purchasing and the standardisation of supplies and materials. Standard terms and conditions must not be varied without the prior approval of the Service Director Governance.



#### **12.1.20.6**

Each Director will ensure that:

a) Purchase Orders placed with external suppliers are only use for goods and services required by the Council. Individuals must in no circumstances use official orders to obtain goods and services from external suppliers for their private use

b) goods and services are checked on receipt to verify that they are in accordance with the purchase order.

This check should be carried out by a different person from that authorising the order who will also process confirmation of the receipt through the Business World On system (or any replacement system).

#### **12.1.20.7**

Approval of the official order will ensure that:

a) budget provision (including other committed items) is available.

b) the goods or services are appropriate to need; and

c) quotations, tenders or other similar measures have been taken to ensure best practice and value for money.

For Purchase Orders raised as a direct result of the Care Act 2014 (and related legislation) for the purpose of providing personal care for a named individual a) above does not apply. This is because the council has a duty to assess and if the individual meets care criteria a duty to provide assessed care irrespective of budget availability (LASSL(97)13, 11 November 1997).

#### **12.1.20.8 In-House Service Provision and Corporate Contracts**

Where a service is already provided by an in-house unit, orders must be placed with this unit and will not be placed externally without consultation with the Director providing the service. Where a Council wide contract is in existence, all orders for goods and services available under these contracts must use these contracts unless an alternative has been agreed with the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

#### **12.1.20.9 Temporary Staff**

All temporary staff appointments must be placed via the Council's central contract, where possible. Exceptions should be approved by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) in consultation with the Head of HR.

#### **12.1.20.11 Procurement Cards**

In some circumstances, the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will issue a procurement card to Service Managers or other authorised staff. The procurement card operates in a similar way to a credit card, to allow purchases to be made quickly over the phone, in person or via the internet.

Request for new procurement cards or any changes to existing cards, must be supported by a business case agreed with the relevant Director before being forwarded to Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

The Director will ensure that:

- a) nominated cardholders sign confirmation of receipt of the procurement card and acceptance of their conditions of usage.
- b) the card is kept securely and only nominated cardholders use it.
- c) any loss or misuse of the card is reported immediately to the Council's bank account provider and to the Group Finance Team at Shute End.
- d) card limits are not exceeded.
- e) there is an appropriate limit for individual transactions incurred on the card and that the limit is applied consistently.
- f) the card must not be used to obtain cash (with the exception of emergency duty officers) or any items personal to the Holder or other staff or for making loans to employees.
- g) the card must not be used to circumvent Wokingham Borough Council's Procurement policies/processes. [Rule 12.1.20](#) and Chapter 13.
- h) no loyalty rewards (e.g. Avios points etc) or other personal benefits are collected by the cardholder.
- i) all purchase vouchers and till receipts or invoices must be retained for attachment to the card statement as proof of purchase for VAT purposes and for reporting under the Council's Transparency Reporting procedures. [Rule 12.1.4.14](#).
- j) monthly charge reports are reviewed monthly by the cardholder. The cardholder will check this report for accuracy of expenditure incurred and coding of expenditure to Business World On (or any replacement systems) and advise Finance if any coding changes are required. Any queries on the statement should be addressed immediately to the bank and a note attached to the statement stating the action being taken to redress any errors forwarded to Finance.
- k) the cardholder will return any card which is no longer required, or on cessation of entitlement, to Finance who will destroy the card.
- l) the cardholder is mindful of their duty in public office and under the Council's Code of Conduct and does not incur any expenditure on the card that could embarrass the Council or lead to any accusation of abuse.
- m) breaches of the Conditions of Use and the Finance and Procurement Regulations will result in the card being withdrawn and disciplinary action being taken against officers.

### 12.1.21 Payment for Work, Goods and Services

#### Why is this area important?

It is important that the Council has firm control over its payments to ensure its suppliers are paid in accordance with their trading terms, that procurement of services is in line with the Procurement regulations, that invoices are not overlooked or duplicated, and that payment is only made where goods and services have been received satisfactorily.

Accounting for VAT also requires clear procedures to be in place to ensure it is correctly claimed. [Rule 12.1.23](#).

#### **12.1.21.1**

All payments on behalf of the Council will be made by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) except where delegated powers have been given to holders of alternative bank accounts or procurement cards authorised by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

#### **12.1.21.2**

Every Officer and Member of the Authority will declare in the Register of Interests (Declaration of Interests) held on Business World On (or any replacement systems), any links or personal interests they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Authority in accordance with the Council's Code of Conduct.

#### **12.1.21.3**

All invoices or requests for payment for work, goods and services will be matched to ensure that they are in accordance with Purchase Orders held in Business World On (or any replacement systems) unless an alternative arrangement has been agreed by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**). Wherever possible, this check should be carried out by a different Officer from the person who placed the order. Any unmatched vouchers will be referred to the relevant Budget Manager for approval.

#### **12.1.21.4**

Each Budget Manager is responsible for the authenticity and coding of Purchase Orders or payments and will approve up to £50,000. With the exemption of Residential and Nursing care where the threshold is £100,000.

The Budget Manager may delegate authority to approve orders or payments up to £5,000 to one or more nominated representatives subject to the agreement of the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

Each Service Manager (within their area of budget responsibility) can approve orders or payments up to £100,000 and is responsible for the authenticity and coding of Purchase Orders. Each Head of Service (within their area of budget responsibility) can approve orders of payments up to £250,000 and is responsible for the authenticity and coding of Purchase Orders.

#### **12.1.21.5**

Requests for Purchase Orders or payments between £250,000 and £1,000,000 will be approved by a Director or the Deputy Chief Finance Officer.

#### **12.1.21.6**

Requests for Purchase Orders or payments, exceeding £1,000,000, will be approved by the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) or the Chief Executive or in their absence, the Head of Finance.

For all Purchase Orders raised as a direct result of the Care Act 2014 (and related legislation) for the purpose of providing personal care for a named individual rules [12.1.21.4](#), [12.1.21.5](#), and [12.1.21.6](#) do not apply providing:

- a) the Executive Director Adults Services maintains a scheme of delegation setting out the limits to be applied at each level of the management structure for the purchase of social care; and
- b) the purchase order is raised using the designated Social Care system; and
- c) the supplier meets all relevant registration requirements as determined by the Department of Health; and
- d) the supplier is already contracted to the council for this purpose; and
- e) the unit price is in accordance with the supplier's contract.

#### **12.1.21.7**

The Directors will provide Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) with a list of Budget Managers authorised to approve orders and payments in this respect. Where these authorisations are held within the Authority's accounting systems, the Directors will ensure they are reviewed regularly and kept up to date.

#### **12.1.21.8**

Prior to invoices being passed for payment, the Approving Officer, who will not be the Examining Officer, will ensure the following checks have been made:

- a) the invoice complies with VAT requirements.
- b) there is evidence that work, goods or services have been satisfactorily received.
- c) the invoice has not been previously paid.
- d) expenditure is a proper liability of the Council.
- e) prices and arithmetic are correct and as quoted or estimated.
- f) the voucher has been properly coded to the correct account.
- g) discounts have been taken where available; and
- h) where payment relates to a Contractor's Final Account, that an independent scrutiny of the account has been undertaken.

#### **12.1.21.9**

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) may approve other arrangements for authorising payments where adequate alternative controls can be demonstrated.

#### **12.1.21.10**

Payments will only be made where an original VAT invoice is provided as a supporting voucher, or the invoice is produced electronically by a system approved by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) other than where payment is supported by a contract certificate or internal payment voucher. Any alteration to a sum due will be supported by a debit or credit note.

#### **12.1.21.11**

All unmatched invoices and those from approved alternative systems [Rule 12.1.20.4b](#) must have attached to them a cover slip, as determined by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), showing that the required checks have been carried out and bearing the signature of the Examining Officer.

#### **12.1.21.12**

The normal method of payment will be BACS, or where authorised by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**), by direct debit or cheque. Wherever possible, services should not request cheques due to their greater administrative cost and bank charges. Pre-Paid Cards are the preferred method of payment where a cheque would previously have been drawn. The continued use of cheque payments will then only continue where a payment by BACS, Direct Debit or Pre-Paid Card is not possible.

#### **12.1.21.13**

All undisputed invoices will be paid in accordance with Corporate Terms of Payment of 30 days unless contractual obligations require earlier payment which will not in any case be less than 14 days. Prompt payment discounts will be taken where available.

#### **12.1.21.14**

Payments by debit card, credit card or procurement card will be in accordance with the approval given by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) when setting up the arrangement. [Rule 12.1.20.11.](#)

#### **12.1.21.15**

The Directors will notify the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) of outstanding expenditure, not yet passed for payment, relating to the previous financial year as soon as possible after 31st March each year, in line with the timetable determined by the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**).

#### **12.1.21.16**

Payments in advance for Goods and Services exceeding £1,000 will not be made except with the approval of Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) who may require evidence of a satisfactory Financial Health Check of the supplier (excludes Social Services residential placements and payment by schools of examination fees).

#### **12.1.21.17 Compensation Payments**

No payments for compensation of loss, damages or injury will be made without consultation with the Service Director Governance. [Rule 12.1.10.7.](#)

### 12.1.22 Salaries, Wages and Other Emoluments

#### Why is this area important?

In most Departments the largest item of expenditure is the cost of staffing. It is therefore important to have controls in place to ensure that payments are only made to bona fide employees in accordance with individual's conditions of employment, in respect of services provided to the Department and that all amendments to the payroll are properly authorised.

The following regulations are not applicable to schools which may make their own arrangements for payroll services. Schools must ensure that any arrangements they make for these services comply with relevant employment and taxation legislation.

#### 12.1.22.1

The payment of all salaries, wages, compensation and other emoluments to all employees, or former employees, of the Council will be made by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) or under arrangements approved and controlled by them.

#### 12.1.22.2

Appointments of all employees will be made in accordance with the policy of the Council and its approved structures, grades and rates of pay and approved budget.

#### 12.1.22.3

The format of all-time records, claims, or other pay documents will be approved by Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) and will be approved by a Budget Manager.

#### 12.1.22.4

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will make arrangements for the accurate and timely payment of tax, superannuation and other deductions.

#### 12.1.22.5

The Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will make arrangements for the payment of Members allowances as per information from Democratic Services.

#### 12.1.22.6

The Directors must establish adequate and effective systems and procedures to ensure that:

- a) payments are only authorised to bona fide employees.
- b) payments are only made where this is a valid entitlement.
- c) conditions and contracts of employment are correctly applied; and
- d) employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

#### **12.1.22.7**

Each Director will:

- a) notify HR and Payroll of all appointments, terminations or variations which may affect the pay or pension of an employee, or former employee, as soon as they are aware of them;
- b) retain personnel records securely and administer those records held on computer files in accordance with the provisions of the Data Protection legislation;
- c) ensure that the reimbursement of expenses, incurred in relation to the needs of the business and in accordance with the Travel and Expenses policy, are supported by receipts and paid through the agreed corporate systems.
- d) ensure the employment status of individuals employed on a self-employed consultant or sub-contract basis are done so in line with HMRC and IR35 regulations.
- e) check and approve travel expenses on Business World On or Purchase to Pay systems, travel and subsistence claims and other allowances. Check and approve is taken to mean that journeys were authorised and expenses properly and necessarily incurred, that allowances are properly payable by the Authority ensuring that cost-effective use of travel arrangements is achieved and that expenses are supported by VAT receipts. Due consideration should be given to tax implications, and that VAT is applied correctly where appropriate; and
- f) ensure that Payroll is notified of the details of any employee benefits in kind to enable full and complete reporting within the income tax self-assessment system.

#### **12.1.22.8**

Each Director will ensure that all payroll source data is:

- a) maintained as required on Business World On.
- b) retained by the Department for the period defined in the Council's Records Management Policy.
- c) authorised, certified and submitted to the Department Administrator or other designated Officer; and
- d) supported with receipts or other documentation to fully verify the claims for expenses or subsistence.

#### **12.1.22.9**

All payments made under the relocation scheme will be in accordance with the scheme. A formal agreement, as supplied by Head of Human Resources, must be signed by the member of staff prior to receipt of any benefit.

#### **12.1.22.10**

All employees seeking reimbursement of expenses in respect of courses will enter into a signed agreement with the Council; to repay all appropriate training expenses should he or she leave the Council's employment within 2 years following completion of training. The agreement to be signed before any payment is made.

**12.1.22.11**

Each Director will ensure that adequate records are kept detailing the total financial support for training, relocation or other purposes given to each member of staff, within their area of responsibility, to enable costs to be ascertained when an employee leaves the Council prematurely.

**12.1.22.12**

Where an employee leaves the employment of the Council before the terms of any agreement such as for post entry training, relocation or car loan are met, or the employee otherwise becomes ineligible or unable to complete the terms of the agreement, the relevant Directors will notify Director of Resources and Assets (**Chief Finance Officer**) and the Head of HR of any monies which are to be repaid under the terms of the agreement so that an invoice may be raised.

**12.1.22.13**

A Director may not waive any monies which become due from an employee in accordance with the terms of any loan agreement or other agreement for financial assistance other than at the discretion of the Service Director Governance.

**12.1.23 Taxation/VAT****Why is this area important?**

Like all organisations, the Authority is responsible for ensuring 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.

**12.1.23.1**

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will complete all returns regarding PAYE and monthly returns of VAT inputs and outputs to HM Revenue and Customs on behalf of the Council and will provide details to the HM Revenue and Customs regarding payments made under the construction industry tax deduction scheme.

**12.1.23.2**

Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) will maintain up-to-date guidance for the Council's employees on taxation issues.

**12.1.23.3**

The Directors will follow the guidance on taxation issued by the Director Resources and Assets (**Chief Finance Officer**) in the VAT manual and establish procedures to ensure that:

- a) the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Revenue and Customs regulations.
- b) where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements; and



- c) all persons employed by the Council are added to the Council's payroll and tax deducted from any payments except where the individuals are bona fide self-employed by a recognised staff agency.

#### 12.1.23.4

The Directors will inform Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) of all proposed capital schemes, disposals or leasing arrangements to ensure VAT implications are fully considered and will seek Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) 's approval before entering into, or committing to, any land, property, leasing contract or partnership arrangement or setting up or engaging with any company on behalf of the Council.

#### 12.1.24 Local Authority Companies

##### Why is this area important?

The Local Government Act 2003 has enabled best value authorities to trade through the medium of a company provided that the nature of the trading is connected with their statutory functions. The Council has adopted a council wide policy on income generation which seeks to explore the greater use of its trading powers and opportunities.

The establishment of a company and adopting business models can facilitate this process in introducing innovative, efficient and sustainable forms of delivery with value for money for Council Tax payers. In essence, the establishment of a company will enable the flexibility and 'fleetness of foot' to take advantage of entrepreneurial opportunities not normally associated with a multi-statutorily regulated public body such as a Council.

The medium of the company is also normally essential if the Council wishes to trade to make a commercial profit (as distinct from simply covering its costs).

#### 12.1.24.1

Directors must:

- a) seek approval from both the Service Director Governance and the Deputy Chief Executive/Director of Resources and Assets (**Chief Finance Officer**) prior to the setting up or formal involvement in companies. This will involve consideration of whether the trading should be carried out by an existing Council-owned company, a subsidiary of an existing company or a newly incorporated company.
- b) include any clauses, within the company's Memorandum and Articles of Association to safeguard the Council's position as required by the Service Director Governance and the Director Resources and Assets.
- c) obtain Executive approval before any negotiations are concluded.
- d) ensure all agreements and arrangement are properly documented.
- e) ensure that governance arrangements are in place including arrangements for exit, if necessary.
- f) ensure that risk management processes are in place to identify and assess all known risks.
- g) ensure that a satisfactory business case and business plan are prepared before trading by the company commences.

- h) ensure that any Council Officers who are to be Directors are aware of their responsibilities under company legislation and the company's articles and that appropriate indemnities and insurances are in place for the Council and the company.
- i) ensure that the accounting policies adopted and followed by the Council, [Rule 12.1.4.1](#), are adopted and followed by the company where the Council is the majority shareholder in the company.
- j) that the company has appropriate financial procedures in place to properly record and account for the income and expenditure, assets and liabilities of the company.
- k) that adequate supporting records of the income, expenditure, assets and liabilities of the company are held.
- l) that the company operates a financial year 1st April to 31st March and prepares its financial statements, as per [Rule 12.1.4.10](#), in accordance with the timetable set by the Council's **Chief Finance Officer**.
- m) that adequate information is provided to the Council in accordance with the timetable set out by Director Resources and Assets (**Chief Finance Officer**) of the Council to enable the consolidation of the company's accounts with the accounts of the Council for group reporting purposes;
- n) that arrangements are made for the audit of the company's accounts in accordance with the requirements set out in the Companies Act 2006 and the Accounts and Audit (England) Regulations 2011;
- o) ensure that where the Council is not the majority shareholder in the company that the Council's procurement regulations are followed when contracting services between the Council and the company.

#### **12.1.24.2**

The Service Director Governance should advise the Executive on the following key elements:

- a) scheme appraisal for financial viability.
- b) risk appraisal.
- c) governance arrangements.
- d) resourcing, including taxation issues; and
- e) audit requirements.

## Appendix A Statement of Material Decisions



**WOKINGHAM**  
BOROUGH COUNCIL

The relevant budget holder or corresponding Service Manager/Service Director is required to complete a Statement of Material Decision for all material decisions, i.e. any action that is contrary to, or specifically required by, any part of WBC's Constitution.

In particular:

- in accordance with Constitution 12.1.3.1, Virements;
- waiver of any part of the Procurement and Contracts Rules and Procedures (Constitution Section 12.3); and
- in accordance with Constitution 12.3.22, acceptance of tenders exceeding £500,000.

Department Issuing the Material Decision

Department		
Officer Completing this Form	Name	
	Position	
Effective Date of the Decision		

Type of Decision

Please 'checkmark' the applicable box:

Procurement	<input type="checkbox"/>	If yes, complete sections 1 and 3 only
Finance	<input type="checkbox"/>	If yes, complete sections 2 and 3 only
Does this require a new/modified Equality Impact Assessment?		<input type="checkbox"/>

Nature of the Decision

Please 'checkmark' the relevant box below and add a brief description of the reason(s) for the requested waiver in Decision Details

Virement		<input type="checkbox"/>
Waive Procurement Rules	Contracts with Total Ascertainable Value up to £50,000.	<input type="checkbox"/>
	Contracts with Total Ascertainable Value between £50,000 and the Relevant EU Threshold.	<input type="checkbox"/>
Award Approval for Contract with Total Ascertainable Value greater than £500,000.		<input type="checkbox"/>
Exclusion of a tenderer from a procurement process due to their involvement in pre-market engagement.		<input type="checkbox"/>
Other – Briefly specify here:		<input type="checkbox"/>

Section 1 – Material Decision Relating to the Application of the Procurement and Contracts Rules and Procedures

Nature of the Decision Enter brief details of the type of	
--	--

decision (e.g. Waive Rule x.x / direct award to ...).	
Nature of the Contract Specify type of contract (goods, services or works), value and term	
Background and Reasons for the Decision Enter here any relevant information to explain the existing situation and why this decision is necessary.	
Procurement Advice State the name of the Procurement Specialist with whom you have discussed this matter and provide a short summary of their advice or attach/append any written advice you have obtained.	
Finance Advice State the name of the Finance Specialist with whom you have discussed this matter and provide a short summary of their advice or attach/append any written advice you have obtained.	
Appraisal of Options List all alternative options considered and provide justification for their rejection.	
Risk Assessment State risks in order of severity – high, medium or low. Outline any identified risks and suggested risk management/mitigation approach.	
Statutory Notices	There is a statutory obligation to publish award information in certain places, depending on the nature and the size of the procurement. Please tick the box to confirm that you understand your obligations. <input type="checkbox"/>

## Section 2 – Material Decision Relating to the Application of the Finance Regulations

Nature of the Decision Enter brief details of the type of decision (e.g. virement, write off of	
--	--

uneconomic debts etc.)	
<b>Background and Reasons for the Decision</b> Enter here any relevant information to explain the existing situation and why this decision is necessary.	
<b>Finance Advice</b> State the name of the Finance Specialist with whom you have discussed this matter and provide a short summary of their advice or attach/append any written advice you have obtained.	
<b>Cost Code / Centre</b>	

### Section 3 – Additional Specialist Advice Sought

<b>Advice</b> State the name of the Specialist with whom you have discussed this matter and provide a short summary of their advice or attach/append any written advice you have obtained (e.g. HR, Legal, IMT).	
---	--

<b>Supporting documents</b> List all attached/appended documents.	
--	--

### Approval by Director

<b>Signature</b>	
<b>Director Name</b>	
<b>Directorate</b>	
<b>Date of Approval</b>	

When signed, the form must be forward to the Corporate Procurement Team who will hold a copy. **NB** Filenames must be formatted [Director Name – yyyy mm dd - subject], e.g.:

**Appendix B - Monetary Limits**

Reference / Rule	Description	Value £
12.1.3b	In the case of an emergency as defined in Section 138 of the Local Government Act 1972 spend not covered by the approved budget to be agreed by the Deputy Chief Executive/Director Resources and Assets ( <b>Chief Finance Officer</b> ) after consultation with the Portfolio Holder for Finance when between.	£10,000 and £50,000
12.1.3b	In the case of an emergency as defined in Section 138 of the Local Government Act 1972 spend not covered by the approved budget to be agreed by the Deputy Chief Executive/Director Resources and Assets ( <b>Chief Finance Officer</b> ) after consultation with the Portfolio Holder for Finance all costs above.	£50,000
<a href="#">12.1.5.3</a>	Value of Stocks or Stores to be reported annually to Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ) in excess of.	5,000
<a href="#">12.1.5.4(a)</a>	A detailed inventory of furniture, fittings, plant and machinery and equipment with an individual purchase value in excess of:	2,000
<a href="#">12.1.5.4(b)</a>	Unexplained differences of stores movements to be reported to the Head of Internal Audit and Investigation in excess of	2,000
<a href="#">12.1.5.5</a>	Limit for write-off or disposal of surplus items other than land and buildings which a Director may authorise.	5,000
	Value above which items or groups of items to be referred to Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ) prior to disposal.	5,000
	Value above which disposal of Capital Assets to be referred to Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ).	5,000
<a href="#">12.1.5.6</a>	Value above which the Service Director Commercial Property will maintain an Assets Register of all properties owned by the Council.	20,000
12.1.5.9	Value up to which the Service Director Commercial Property may approve the disposal or acquisition of land or buildings in consultation with the appropriate Director, together with Deputy Chief Executive/Director Resources and Assets ( <b>Chief Finance Officer</b> ) and the relevant Executive Councillor(s).	£500,000
<a href="#">12.1.10.5</a>	Value above which items to be included in Department inventories for inclusion in the Council's "All Risk" insurance policies.	2,500
	Value above which items, not specifically insured, to be included in the Service's risk planning and agreement not to specifically insure to be formally obtained from the Service Director Governance.	5,000

<a href="#">12.1.12.4</a>	Level above which countersigning of cheques is required.	10,000
<a href="#">12.1.15.9</a>	Value above which withdrawals from Imprest accounts to be countersigned,	100
<a href="#">12.1.16.15</a>	Limit for virements in total which can be approved in any financial year by a Director in consultation with Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ).	250,000
	Limit for virements which can be approved in any financial year by the Chief Executive in consultation with Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ).	500,000
12.1.16.24	Fees and Charges Level up to which the Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ), in consultation with the Lead Councillor for Finance and the Lead Councillor for Leisure, may approve reductions, discounts and/or promotions for fees and charges within Sports and Leisure	£200 per fee
<a href="#">12.1.19.17</a>	Write- Offs and Waivers Individual debts may be written off where an account remains unpaid and further action to recover debt would evidently be uneconomic as set out below:	
a)	By Budget Managers subject to the agreement of Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ) up to the value of. Such action to be fully recorded	3,000
b)	By Heads of Service subject to the agreement of the Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ) up to the value of. Such action to be fully recorded	25,000
c)	By Director or the Service Director Governance subject to the agreement of the Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ). Such action to be fully recorded.	Above 25,000 but less than 50,000
d)	Subject to the approval of the Executive for values above.	50,000
	Directors are required to supply a schedule of proposed debt write- offs to the Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ) on a quarterly basis for sums below	25,000
12.1.20.2	Level above which a purchase order or series of Purchase Orders with one supplier must be supported by a Contract.	50,000
<a href="#">12.1.21.4</a>	Each Budget Manager is responsible for the authenticity and coding of purchase orders or payments and will approve up to (with the exemption of Residential and Nursing care where the threshold is £100,000) :	50,000
	The Budget Manager may delegate authority to one or more	5,000

	nominated representatives subject to the agreement of the Deputy Chief Executive/Director of Resources and Assets ( <b>Chief Finance Officer</b> ) to approve order or payments up to:	
	Each Services Manager (within area of budget responsibility) is responsible for the authenticity and coding of Purchase Orders and can approve orders or payments up to:	100,000
	Each Head of Service (within their area of budget responsibility) is responsible for the authenticity and coding of Purchase Orders and can approve orders or payments up to:	250,000
<a href="#">12.1.21.5</a>	Requests for purchase orders or payments will be approved by a Director or the Deputy Chief Finance Officer where the value is	Above £250,000 but less than 1,000,000
<a href="#">12.1.21.6</a>	Requests for purchase orders or payments will be approved by the Deputy Chief Executive/Director of Resources and Assets, or the Chief Executive, or in their absence, the Deputy Chief Finance Officer where is excess of	1,000,000
<a href="#">12.1.21.16</a>	Limit above which any Payments in Advance need the approval of:	1,000



## 12.2 Corporate Governance

### 12.2.1 Adoption of Delivering Good Governance Framework

#### 12.2.1.1

The Council has adopted the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority of Chief Executives (SOLACE) guidance: *Delivering Good Governance in Local Government – Framework (2016)* as the basis for its governance. The code sets out the seven principles of Good Governance as follows:

- a. Behaving with integrity, demonstrating strong commitment to ethical values,
- b. and respecting the rule of law.
- c. Ensuring openness and comprehensive stakeholder engagement.
- d. Defining outcomes in terms of sustainable economic, social, and
- e. environmental benefits.
- f. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- g. Developing the Council's capacity, including the capability of its leadership and the individuals within it.
- h. Managing risks and performance through robust internal control and strong public financial management.
- i. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

#### 12.2.1.2

The Council demonstrates how it meets these principles in the **Local Code of Corporate Governance** [Plans, policies and strategies](#)

### 12.2.2 Governance Roles and Responsibilities

#### 12.2.2.1

The **Chief Executive** and the **Leader** will be responsible for championing and role modelling good governance, in the spirit of the Local Code of Corporate Governance.

#### 12.2.2.2

The **Chief Finance Officer** and **Monitoring Officer** will undertake their statutory duties in accordance with the principles of good governance, supporting and challenging the Chief Executive and Leader where necessary.

#### 12.2.2.3

The Chief Audit Executive (Head of Internal Audit and Investigations) reports annually to the Audit Committee on audit activities during the year, with particular emphasis on the systems of internal control and the arrangements for corporate governance, providing some of the assurance required in the Annual Governance Statement.

## **12.3 Procurement and Contract Rules**

### **12.3.1 Preamble**

#### **12.3.1.1**

The Council's Procurement and Contract Rules are designed to ensure that stewardship and probity are maintained within the Council and that Approved Officers carrying out commissioning, procurement or contract management activity must have regard to the importance of:

- delivering value for money, procurement is based on need and meeting the council's priorities;
- maximising public benefit;
- sharing information for the purpose of allowing suppliers and others to understand the authority's procurement policies and decisions;
- acting, and being seen to act, with integrity;
- and the delivery of Wokingham Borough Council's plan

#### **12.3.1.2**

These Procurement and Contract Rules should be read in conjunction with the Council's Financial Regulations which set out mandatory financial procedures to be followed. These Procurement and Contract Rules are designed to ensure they are legally compliant with:

- Procurement Act 2023
- Procurement Regulations 2024 and Guidance issued by the Cabinet Office
- The Health Care Services (Provider Selection Regime) Regulations 2023
- Public Contracts Regulations 2015 (where contracts were procured under these regulations)
- The Public Services (Social Value) Act 2012
- English law
- Council's Constitution
- Council policies

#### **12.3.1.3**

Councillors and Council employees have a duty to report breaches of the Procurement and Contract Rules to an appropriate senior manager and the Head of Procurement, Contracts and Commercialisation. Noncompliance with the Procurement and Contract Rules will be monitored by the Strategic Procurement Board (SPB).

### **12.3.2 Application**

#### **12.3.2.1**

These Procurement and Contract Rules provide the governance structure for the Council to procure works, goods and services.

#### **12.3.2.2**

These mandatory Procurement and Contract Rules apply to everyone (including external consultants and third-party providers) who are involved in the commissioning, procurement and contract management of all suppliers providing works, goods and services to the Council.

#### **12.3.2.3**

Approved Officers (Heads of Service and above) are accountable for all Procurement in their respective area of responsibility including ensuring they and everyone that reports to them, are complying with the Procurement and Contract Rules and Procurement Guidelines (operational procurement guidelines and codes of practice).

#### **12.3.2.4**

All Officers must ensure that the Council's approved processes and standards for Procurement, as set out in the Procurement Guidelines are adhered to. All information, governance, insurance, safeguarding, social value policy, low carbon policy, conflict of interest requirements and business continuity requirements must be adhered to in line with the Procurement Guidelines.

#### **12.3.2.5**

The Monitoring Officer in consultation with the Head of Procurement, Contracts and Commercialisation is permitted to undertake an annual refresh to this document and the Procurement Guidelines without having to seek Constitution Review Working Group and Council approval. The changes to this document that may be made during the annual refresh include any changes required because of a change in law and/or its interpretation and all non-material changes (e.g. changes to UK Procurement thresholds). This must be done in consultation with the Executive Member with responsibility for Finance and Procurement to inform them of these changes including what impact they have on the Council. The Constitution Review Working Group will be informed of any such changes.

#### **12.3.2.6**

The Monitoring Officer in line with section 1.1.6 of the constitution and, in consultation with the individuals listed above, may at any time issue urgent amendments to this document where compliance with these Procurement and Contract Rules would place the Council in breach of its legal duties.

#### **12.3.2.7**

The Head of Procurement, Contracts and Commercialisation in consultation with the Executive Director of Resources and Assets shall maintain and issue the Procurement and Contract Rules, the Procurement Guidelines and the Procurement Strategy. In the event of any inconsistency between these Procurement and Contract Rules, the Procurement Guidelines and the Procurement Strategy, the following shall apply:

- i. Procurement Act 2023
- ii. Procurement Regulations 2024 and Guidance
- iii. The Health Care Services (Provider Selection Regime) Regulations 2023
- iv. Public Contracts Regulations 2015 (where contracts were procured under these regulations)

- v. The Public Services (Social Value) Act 2012
- vi. English law
- vii. Council's Constitution
- viii. Council policies

### **12.3.3 Procurement Governance: Executive and Councillor Engagement**

#### **12.3.3.1**

Prior to seeking approval by Executive or Council there must be close engagement and consultation at an early stage, with the Lead Councillor for the service and local ward member(s) that are considered to have an interest in the outcome of the tendering exercise. Officers must consider the need for the involvement of Overview and Scrutiny and/or Working Groups at an early stage, to review options, where a contract is valued at over £5m annually or has a total contract value of £25m.

#### **12.3.3.2**

Where approval is being sought from Executive for a programme of procurement, which is a number of co-ordinated and interrelated procurements working towards a common goal in a programme, delegated authority may be given by Executive or Council to the Director in consultation with the Director of Resources and Assets (S151 Officer) and the Lead member or Executive member responsible for the programme, to commence each procurement and award all contracts under the programme. All commencement and award approvals must follow the procurement process set out in the authorisation tables below.

#### **12.3.4 Compliance with confidentiality and conflicts of interest requirements**

All officers must take appropriate measures to protect confidentiality and effectively prevent, identify and remedy conflicts of interest arising in the conduct of a Procurement exercise, so as to avoid any distortion of competition and to ensure equal treatment of all suppliers. They should also comply with the Employees Conduct Policy. If a conflict of interest is suspected or identified, such conflict should be immediately notified to the Monitoring Officer.

#### **12.3.5 Conduct**

Should an Officer identify any actual or potential breach of the requirements of the Employees Conduct Policy in connection with the formulation, procurement or administration of a contract (whether in relation to that of their own role or that of any other Officer) the Officer shall immediately notify the Monitoring Officer in writing. The Monitoring Officer will investigate the matter and recommend what action should be taken in consequence in connection with the contract concerned.

Where a Supplier or an undertaking related to a Supplier, has advised the Council, or has otherwise been involved in the preparation of the procurement process, the Council must take appropriate measures to ensure that competition is not distorted by the participation of that Supplier in the Procurement.

### 12.3.6 Scope

- 1) The Procurement and Contract Rules apply to all Procurement activities, including the spending of income or funding received by the Council from external sources, this includes grant funding according to its conditions.
- 2) Where the Council is entering into a Contract as an agent and/or in collaboration with another public body or organisation, these Procurement and Contract Rules will apply.
- 3) The Scheme for Financing Schools 2013 requires maintained schools under Council control to comply with these Procurement and Contract Rules.
- 4) Framework Agreements that have been established by other Public Sector Bodies that are lawfully accessible to the Council should be used in accordance with the terms and conditions of the relevant Framework Agreement and approved by Procurement.
- 5) The following are out of scope of the Procurement and Contract Rules, advice must be sought from Procurement where it is thought that an exclusion applies:
  - a) These Procurement and Contract Rules shall not apply to contracts falling within the Specific Exclusion provisions within the legal framework for public procurement. For the avoidance of doubt, this exclusion applies to (amongst other things) contracts of employment, certain contracts for legal services, certain financial services and debt finance and agreements for the sale or purchase of land (including leases), or other exclusions as amended from time to time.
  - b) The award of grants. However, council officers should always ensure the principles of openness, fairness, non-discrimination, compliance with the public sector equality duty and Value for Money apply.
  - c) These rules do not apply to any acquisition or disposal of any interest in land including any transaction in land under section 75 of the National Health Services Act 2006.
  - d) Partnership arrangements between NHS bodies and the Council under section 75 of the National Health Services Act 2006 are not subject to these Procurement and Contract Rules though procurement activities undertaken under any such arrangements will be subject to these Procurement and Contract Rules.
  - e) Inter-authority and inter-agency payments.
  - f) Subscriptions/memberships to professional organisations.
  - g) Social Care Residential and Nursing Care Spot Placement for an individual with a registered care provider of their choice.
  - h) Supported living services, residential nursing care, domiciliary care sought for an individual with an appropriate care and support provider of their choice under the

Care Act 2014 and the Mental Health Act 1983 section 117, including direct payments.

- i) Spot purchase arrangements for best interest assessors and mental health assessors for purposes of the deprivation of liberty safeguards.
- j) Residential placements sought for an individual under the Shared Lives scheme (or any equivalent scheme).
- k) Where certain needs of an individual (either an adult or a child) require a particular social care or education (in addition to a school placement) package, which is only available from a specific provider.
- l) Individual school placements sought for a child with Special Educational Needs (SEN).
- m) Emergency temporary accommodation for vulnerable Adults and Children.
- n) Individual Apprenticeships.
- o) The procurement of health care services is subject to the Health Care Services (Provider Selection Regime (PSR)) Regulations 2023 and the Appendix below included in these Procurement and Contract Rules shall apply to the procurement of health care services. Where there is a conflict or inconsistency between the provisions of the Appendix and the remainder of these Procurement and Contract Rules, the provisions of the Appendix shall take precedence. The Procurement team should be consulted to determine if the services fall within scope of the Provider Selection Regime.
- p) Where an exclusion applies, there is accompanying guidance on sign off monetary limits and internal governance processes.

6 The Procurement and Contract Rules do not apply to Local Authority owned companies.

### **12.3.7 Contract Value Calculation**

#### **12.3.7.1**

Contract value means the estimated total ascertainable value payable in pounds sterling, inclusive of Value Added Tax (VAT) over the entire Contract period, including any form of options or extensions of the Contract. Using the Contract Value (inclusive of VAT) will determine the governance and procurement procedure required and if the procurement is to be treated as an above or below threshold procurement. Where the Council is not able to estimate the value of the contract (for example where the contract duration is not fixed), the Contract is to be treated as being subject to the Procurement Act 2023 as a covered procurement (i.e. an above-threshold contract).

#### **12.3.7.2**

Contracts must not be artificially underestimated or disaggregated into two or more separate contracts with the intention of avoiding the application of Procurement and Contract Rules or the Procurement Act 2023.

#### **12.3.7.3**

In the case of Framework Agreements, Open Framework Agreements or Dynamic markets, the contract value must be calculated to include the total estimated value, inclusive of VAT, of all the contracts envisaged to be awarded for the total term of the Framework Agreement or the Dynamic market.

### **12.3.8 Authorisations**

#### **12.3.8.1**

For Procurements over £50,000 the Officer leading the Procurement in the relevant service area will need to consult with the Corporate Procurement Team. All Procurements over £100,000 also requires the engagement of the Legal Team.

#### **12.3.8.2**

Finance, Procurement and where appropriate ICT clearance must be obtained within reports before they are submitted to Strategic Procurement Board, the Executive or Council.

#### **12.3.8.3**

A Procurement Business Case paper must be completed for commencement of a Procurement activity and must be considered by the respective Strategic Procurement Board and by Executive or Council where it meets the thresholds set out in the authorisation tables below.

#### **12.3.8.4**

Any Procurement must be authorised in accordance with the Scheme of Delegation as published within the Council's constitution.

#### **12.3.8.5**

All Services must consider whether it is appropriate to complete an Equalities Impact Assessment prior to commencing a procurement process.

#### **12.3.8.6**

A partnership arrangement must not be used as a means of avoiding the Procurement and Contract Rules or The Public Contracts Regulations. All new partnership arrangements are required to be reported as detailed in Chapter 10 of the Constitution.

#### **12.3.8.7**

A Councillor has no authority, either orally or in writing, to enter into any contract on behalf of the Council.

#### **12.3.8.8**

A Councillor is not permitted to negotiate personally on behalf of the Council for the purchase of goods or services or the sale of any land, property, plant rights, or commodities or for any lease or tenancy.

#### **12.3.9 Procurement Procedure**

- 1 The methods of procurement and routes to procure are set out in the Procurement Guidelines.
- 2 All regulated below-threshold contract procedures for goods, services and works (and are below-threshold for a public contract) must be advertised on the Council's e-tendering Portal within 24 hours of the time when the Procurement is advertised on the Central Digital Platform. This doesn't apply if tenderers are only invited from particular or pre-selected suppliers. A below-threshold tender notice and contract details notice must also be published on the Council's e-tendering Portal and on the Central Digital Platform where applicable.
- 3 Procuring Officers must consider whether a procurement opportunity should be divided into separate lots and what the size and subject matter of those lots should be. Procuring Officers must document the main reasons for their decision to subdivide or not to subdivide a procurement into lots.
- 4 Procuring Officers must have regard to the fact that small and medium-sized enterprises (SME's) may face particular barriers in competing for a contract and consider whether such barriers can be removed or reduced.
- 5 Procuring Officers must have regard to the council's Social Value Policy which is aligned with the principles defined in the Public Services (Social Value) Act 2012, the policy outlines the council's dedication to incorporating social value considerations into procurement and service delivery processes.
- 6 Where the Council accesses an existing Framework Agreement, the Framework Agreement terms and conditions of contract must be used, amended as appropriate prior to entering into them and as permitted by the Framework Agreement and by law. Before entering into a Framework Agreement, due diligence checks must be carried out to demonstrate that the Council can lawfully access the Framework Agreement and that it is fit for purpose and provides value for money. Advice must be sought from the Legal Team to review the Terms and Conditions prior to using a Framework.
- 7 Procurement activity for Contracts for certain social, community, educational and cultural related services, "Light-Touch Regime Services" whose value is equal to or over the threshold set out in the Procurement Guidelines must be procured and awarded in compliance with the Procurement Act 2023. Officers should refer to the Procurement Team to advise on the procedures to be applied in connection with the award of these Contracts.
- 8 For the procurement of regulated contracts (i.e. contracts that are not concession contracts, utilities contracts or contracts that are otherwise exempt) that are below the



financial thresholds, tenders or quotes may not be restricted by reference to the supplier's suitability (this includes assessments of the supplier's legal and financial standing and its technical ability).

- 9 For Contracts under the tender financial threshold, the Head of Procurement, Contracts and Commercialisation in conjunction with the Service Director of Finance may waive the requirement to seek 3 written quotes subject to a Material Decision being provided, demonstrating that the market-place has been fully tested and the Council has obtained value for money.
- 10 The award of Contracts will be based on the most advantageous tender assessed from the Council's point of view.
- 11 Procuring Officers shall require tenderers to explain the price or costs proposed in the tender where tenders appear to be abnormally low in relation to the works, goods or services.

#### **12.3.10 Concession Contracts**

- 1 Concession Contracts are contracts under which the Council outsources works or services to a contractor or provider, who then has the right to commercially exploit those works or services in order to recoup its investment and make a return. The key feature is that the contractor/provider bears the operating risk of the arrangement and so has no guarantee of recouping its investment or operating costs.
- 2 Concession Contracts must meet certain requirements and advice prior to commitment to the same should be sought from Legal Services and Procurement. The estimated value of a concession contract is the maximum amount the supplier could expect to receive under or in connection with the contract.

#### **12.3.11 Contract Signing and Sealing**

- 1 Every Contract must be in a form approved by Legal Services or delegated officer, if its value exceeds £50,000 or where appropriate to the nature of the Contract.
- 2 All Contracts awarded following a Procurement process with a Contract value above the value of £100,000 shall be sealed unless Legal Services and a delegated Officer directs otherwise.
- 3 Contracts may be sealed by Legal Services on behalf of the Council in either hard-copy or electronically.
- 4 All Officers entering into an agreement with a third party/external body must retain a copy of the contract and this must be stored securely and recorded on the Council's contract register which can be accessed by the public.

#### **12.3.12 Contract Management**

- 1 During the life of the Contract, Approved Officers must ensure that the Council's processes for Contract Management, as set out in the Procurement Guidelines are adhered to. In particular to ensure that the KPI measurement, contractor

performance and reporting requirements are met and recorded. To ensure that these requirements and processes are met/achieved and to ensure that continuous improvement and value for money is achieved, all Approved Officers must ensure that those responsible for managing Contracts undergo Procurement approved training.

### **12.3.13 Extensions and Variations**

- 1 Contracts that have been originally advertised with extension options and which contain clear extension options can be extended subject to acceptance under the Scheme of Delegation section of the Constitution.
- 2 Under Section 74 of the Procurement Act 2023 certain amendments, and extensions or renewals of an existing Contract can be made without triggering a requirement for a new Procurement exercise. Where a variation or extension of a Contract is lawful under the Procurement Act 2023 the variation or extension of the Contract may be authorised by Procurement, Finance, the relevant Service Director and Executive Director, acting in consultation with the Executive Member using a Contract review report. Extensions or variations made pursuant to Section 74 must still comply with 5.a and 6.c below.
- 3 All extended or varied Contracts awarded with a Contract value above the value of £100,000 shall be re-sealed unless Legal Services and a delegated Officer directs otherwise. A copy of the contract must be stored securely and recorded on the Council's contract register which can be accessed by the public.
- 4 Placement Agreements for individuals in Social Care or Educational Needs may be varied or extended without reference to the Variation or Extension Acceptance levels and documentation set out in the Scheme of Delegation section of the Constitution.
- 5 In addition to the ability to extend under Section 74, Contracts may also be extended or varied where all of the following conditions have been met:
  - a. the initial Contract was based on a Procurement and Contract Rules compliant competitive tender, direct award or quotation process;
  - b. the value of the extension or variation added to the value of the original Contract does not exceed the original Authorisation threshold as defined in the Scheme of Delegation section of the Constitution;
  - c. the extension or variation has Finance approval;
  - d. if the initial Contract was subject to an UK regulated tender procedure, that the extension option was declared within the required UK Notice(s)
- 6 Where the Procurement results in a Contract which includes a provision for an extension, any Acceptance of that extension needs to be in accordance with the Scheme of Delegation section of the Constitution.
- 7 Save where the modification can be justified under Section 74, if any of the conditions of section 5 above cannot be met, then a new Procurement exercise must be commenced

- 8 Where a variation or extension moves the total value of the Contract into a higher threshold, then acceptance must be sought in accordance with the Scheme of Delegation section of the Constitution.

#### **12.3.14 Waivers**

If the application of these Procurement and Contract Rules prevents or inhibits the delivery or continuity of service, officers may apply for a waiver, to waive one or more of the Procurement and Contract Rules. All applications for a waiver of these Procurement and Contract Rules must be submitted to Strategic Procurement Board specifically identifying the reason for which a waiver is sought, including justification and risk. The waiver report should be used for this purpose. The Council can only waive the rules established by the Council. The Council cannot waive UK law or UK Procurement Regulations.

#### **12.3.15 Material Decisions**

The relevant budget holder or corresponding Service Manager/Service Director is required to complete a Statement of Material Decision for all material decisions, i.e. any action that is contrary to, or specifically required by, any part of Wokingham Borough Council's Constitution. This applies to the following:

- a. waive any part of the Procurement and Contract Rules
- b. acceptance of tenders exceeding £500k.

Officers may take decisions on emergency matters (i.e. an unexpected occurrence requiring immediate action) in consultation with the Leader using a Material Decision and providing they report to the next available Executive meeting, setting out the reasons for the emergency Material Decision. A copy of the relevant Executive report must be provided to Procurement and stored on the Council's contract repository.

#### **12.3.16 Award Approval**

- 1 Award approval of Contracts must be in accordance with the Scheme of Delegation section of the Constitution, and in all cases is subject to: Budget provision; a compliant Procurement process; and, where permitted, confirmation of acceptable financial status of the contractor.
- 2 Award Approval of Contracts with independent providers of individual placements for children or adults will in the first instance be achieved through approved frameworks or approved lists of providers. Where requirements cannot be met through approved frameworks or approved lists, authority is delegated to the relevant officer of a service area under the scheme of delegation in the Council's Constitution to enter into contract with a new independent provider.
- 3 Acceptance thresholds for Contract extensions and variations are set out in the Scheme of Delegation section of the Constitution.
- 4 The financial assessment of tenders will be undertaken where they are necessary either by statute, to ensure value for money for the Council, or both by the following:
  - a. The relevant service undertaking a procurement if it identifies a requirement for financial assessment to be undertaken for a service/goods contract beneath the above threshold contract amount or beneath the works above threshold contract amount, or;

- b. A Financial Officer who is delegated by the Executive Resources and Assets (Section 151 Officer) if: (a) the contract is valued at above threshold contract amount or more, for goods or services; or (b) the contract is valued at above threshold contract amount or more for works; or (c) the Executive Director of Resources and Assets (Section 151 Officer) considers that the Contract has a significant impact on the Council's finances.

## **Appendix A – Health Care Services**

- 1 Regardless of value, the health care services set out in Schedule 1 of the Health Care Services (Provider Selection Regime) Regulations 2023 (the “PSR Regulations”) must be procured in accordance with the Procurement Guidelines.
- 2 All procurement intentions are required to go through the authorisation process as detailed in these Procurement and Contract Rules.
- 3 A decision-making record is to be completed and stored for audit purposes for all PSR procurement awards.
- 4 Decision making records are to be presented to the relevant authoriser under the Scheme of Delegation for approval in consultation with the Head of Procurement, Contracts and Commercialisation or Procurement Manager.
- 5 The procurement methods and routes for health care services are as set out in the Procurement Guidelines. When a requirement to procure health care services arises, Officers must first consult with Procurement to determine the appropriate procurement route.
- 6 Any requirement in these Procurement and Contract Rules to seek quotes or to go out to tender shall not apply where:
  - a. one of the mandatory award routes in the PSR Regulations applies;
  - b. where an existing provider has satisfied the existing contract and is likely to satisfy a new contract that is not considerably different from the existing contract; or
  - c. where the Council is able to identify the most suitable provider of the services without seeking tenders or quotes.

**Appendix B - UK Procurement Thresholds from January 2024**

Works Contracts	£5,372,609
Concession Contracts	£5,372,609
Light Touch Regime Services	£663,540
Goods Contracts	£214,904
Services Contracts	£214,904

The UK Thresholds must be updated in line with relevant Crown Commercial Service Procurement Policy Notes. From 1<sup>st</sup> January 2024 thresholds are inclusive of VAT

**Authorisation Tables**

<b>TABLE 1: AUTHORISATION AND ACCEPTANCE THRESHOLDS – GOODS AND SERVICES</b>				
Total Spend / Aggregate Contract Value	Procurement Process	Pre-Procurement Approval Required	Documentation Required	Post-Procurement Approval required to accept tender and sign contract
Level 1 £5k to £50k (excluding VAT)	Minimum 3 quotes (using e-tender system) Where possible, 1 bid should be from a local Small and Medium Enterprise  If over £25k to threshold and advertised, it must advertised on the Central Digital Platform	Service Director	Request for quotation (RFQ) and Purchase Order or standard T&C's	Service Director
Level 2 £50K to £500K (VAT inclusive from GPA threshold)	Tender process (using e-tender system)  If advertised, it must advertised on the Central Digital Platform  If over £25k to threshold and	Service Director and Director Over £100k subject to Strategic Procurement Board (SPB) approval IT Projects only, subject	Procurement Strategy paper Tender documentation £50k - £100k standard T&C's. Contract via legal for over £100k	Service Director £50k-£100k Director £100k - £500k Contracts over £100K must be sealed

<b>TABLE 1: AUTHORISATION AND ACCEPTANCE THRESHOLDS – GOODS AND SERVICES</b>				
Total Spend / Aggregate Contract Value	Procurement Process	Pre-Procurement Approval Required	Documentation Required	Post-Procurement Approval required to accept tender and sign contract
	advertised, it must be advertised on the Central Digital Platform	to Technical Working Group approval		
Level 3 >£500K (VAT inclusive)	Tender (using e-tender system)  If advertised, it must be advertised on the Central Digital Platform	Executive approval Subject to Strategic Procurement Board approval IT projects only, subject to Technical Working Group approval	Procurement Strategy paper Executive report via modern.gov Tender documentation Contract via legal	Director via Material Decision Contracts over £100K must be sealed
Level 4  Annual Value >£5m or TCV >£25m (if capital >£15m)  (VAT inclusive)	Tender (using e-tender system)  If advertised, it must be advertised on the Central Digital Platform	Council approval Subject to Strategic Procurement Board approval IT projects only: subject to Technical Working Group approval	Procurement Strategy paper Council report via modern.gov Contract via legal	Director via Material Decision Contracts over £100K must be sealed

**TABLE 2: AUTHORISATION AND ACCEPTANCE THRESHOLDS – SCHEDULE 3 SERVICES – LIGHT TOUCH REGIME\***

Total Spend / Aggregate Contract Value (Including VAT)	Procurement Process		Documentation Required	Authorisation for award of contracts Under the Scheme of Delegation
Level 1 £5k to £50k	Minimum 3 quotes (using e-tender system)	Simple quotation and Purchase Order	Not Applicable	Service Director
Level 2 £50k – £663,540 (VAT inclusive)	<p>Tender process (using e-tender system) or quotation</p> <p>If advertised, it must be advertised on the Central Digital Platform</p> <p>If over £25k to threshold and advertised, it must be advertised on the Central Digital Platform</p>	<p>Service Director and Director Over £100k subject to Strategic Procurement Board (SPB) approval</p> <p>IT Projects only, subject to Technical Working Group approval</p>	<p>Procurement Strategy paper</p> <p>Tender documentation £50k - £100k standard T&amp;C's.</p> <p>Contract via legal for over £100k</p>	<p>Service Director £50-£100k</p> <p>Director £100k - £500k</p> <p>Contracts over £100K must be sealed</p>
Level 3 > £663,540 (VAT inclusive)	<p>Tender (using e-tender system)</p> <p>If advertised, it must be advertised on the Central Digital Platform</p>	<p>Executive approval</p> <p>Subject to Strategic Procurement Board approval</p> <p>IT projects only, subject to Technical Working Group approval</p>	<p>Procurement Strategy paper</p> <p>Executive report via modern.gov</p> <p>Tender documentation</p> <p>Contract via legal</p>	<p>Director via Material Decision</p> <p>Contracts over £100K must be sealed</p>
Level 4 Annual Value >£5m or TCV >£25m (if capital	<p>Tender (using e-tender system)</p> <p>If advertised, it must be advertised on</p>	<p>Council approval</p> <p>Subject to Strategic Procurement Board approval</p>	<p>Procurement Strategy paper</p> <p>Council report via modern.gov</p> <p>Contract via legal</p>	<p>Director via Material Decision</p> <p>Contracts over £100K must be sealed</p>



<b>TABLE 2: AUTHORISATION AND ACCEPTANCE THRESHOLDS – SCHEDULE 3 SERVICES – LIGHT TOUCH REGIME*</b>				
Total Spend / Aggregate Contract Value (Including VAT)	Procurement Process		Documentation Required	Authorisation for award of contracts Under the Scheme of Delegation
>£15m) (VAT inclusive)	the Central Digital Platform	IT projects only: subject to Technical Working Group approval		

\*The light touch regime (LTR) refers to a specific set of rules for certain service contracts that tend to be of lower interest to cross-border competition. These contracts include social, health, and education services, defined by Common Procurement Vocabulary (CPV) codes<sup>1</sup>. Essentially, LTR provides more flexibility and fewer regulations for procuring these services, making the process more adaptable and streamlined

<b>TABLE 3: AUTHORISATION AND ACCEPTANCE THRESHOLDS – WORKS</b>				
Total Spend / Aggregate Contract Value (Including VAT)	Procurement Process	Pre-Procurement Approval	Documentation Required	Authorisation for award of contracts
Level 1 £5k to £180k	<p>Minimum 3 quotes (using e-tender system)</p> <p>Where possible, 1 bid should be from a local Small and Medium Enterprise If over £25k to threshold and advertised, it must be advertised on the Central Digital Platform.</p>	<p>Service Director approval up to £100k</p> <p>Director approval over £100k</p>	<p>Request for Quotation (RFQ) and Purchase Order or standard T&amp;Cs (including JCT standard form)</p> <p>Contract via legal over £100k</p>	<p>Service Director approval up to £100k</p> <p>£100k and over Director approval</p> <p>Contracts over £100K must be sealed</p>
Level 2 £180.1k – £5,372,609 (VAT inclusive)	<p>Tender process (using e-tender system)</p> <p>If advertised, it must be advertised on the Central Digital Platform</p>	<p>Service Director and Director Over £100k subject to Strategic Procurement Board (SPB) approval IT Projects only: subject to Technical Working Group approval</p>	<p>Procurement Strategy paper Tender documentation £50k - £100k standard T&amp;C's. Contract via legal for over £100k</p>	<p>Service Director £50-£100k</p> <p>Director £100k - £500k</p> <p>Contracts over £100K must be sealed</p>
Level 3 > £5,372,609	<p>Tender (using e-tender system)</p> <p>If advertised, it must be advertised on the Central Digital Platform</p>	<p>Executive approval Subject to Strategic Procurement Board approval IT projects only, subject to Technical Working Group approval.</p>	<p>Procurement Strategy paper Executive report via modern.gov Tender documentation Contract via legal</p>	<p>Director via Material Decision</p> <p>Contracts over £100K must be sealed</p>

<b>TABLE 3: AUTHORISATION AND ACCEPTANCE THRESHOLDS – WORKS</b>				
Total Spend / Aggregate Contract Value (Including VAT)	Procurement Process	Pre-Procurement Approval	Documentation Required	Authorisation for award of contracts
Level 4  Annual Value >£5m or TCV >£25m (if capital >£15m)  (VAT inclusive)	Tender (using e-tender system)  If advertised, it must be advertised on the Government Digital Service	Council approval Subject to Strategic Procurement Board approval IT projects only: subject to Technical Working Group approval	Procurement Strategy paper Council report via modern.gov Contract via legal	Director via Material Decision Contracts over £100K must be sealed

## **12.4 Corporate Anti-Fraud and Anti-Corruption Policy**

### **12.4.1 Introduction**

Wokingham Borough Council (The Council) aims to deliver high quality services and provide value for money by being fully accountable, honest and open in everything that it does.

Fraud and corruption undermine these aims by diverting resources from legitimate activities, damaging public confidence in the Council and adversely affecting staff morale. To achieve its strategic priorities, the Council seeks to ensure that measures are taken to prevent, detect and investigate fraudulent or corrupt acts. The aim of this policy is to reduce losses from fraud and corruption to an absolute minimum.

The Council has a zero-tolerance policy regarding fraud and corruption. It has adopted the following approach.

“In administering its responsibilities, the Council is opposed to fraud and corruption whether it is attempted on or from within the Council and is committed to preventing, deterring, detecting and investigating fraud and corruption.”

This policy is particularly relevant to:

- a) elected Councillors.
- b) employees.
- c) contractors.
- d) consultants.
- e) suppliers.
- f) service users.
- g) customers (including the public); and
- h) partner organisations.

### **12.4.2 Defining Fraud**

The Council defines “fraud” as detailed in the Fraud Act 2006. Most commonly it occurs when a person dishonestly makes a false representation in order to gain for themselves or cause loss to another.

The type of offences for which a person could be prosecuted include:

- a) Fraud by false representation – lying about something with the intention to cause a gain or a loss
- b) Fraud by failure to disclose information – not declaring something when you have a legal duty to do so with the intention to cause a gain or a loss.
- c) Fraud by abuse of position - where someone abuses a position of trust where there is an expectation to safeguard the financial interest of another and places another at financial risk or causes a loss.
- d) Falsification of alteration of accounting records or other documents.
- e) Misappropriation of assets or theft.
- f) Suppression or omission of the effects of transactions from accounting records or other documents.
- g) Recording transactions which have no substance.
- h) Wilful misrepresentation of transactions or of the Council’s state of affairs.

- i) Moonlighting i.e. a situation where an employee works more than one job.

#### **12.4.3 Defining Corruption**

The Council defines corruption as the offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the Council, its Councillors or Officers. Areas where corrupt practices may occur include, but are not limited to:

- a) tendering and awarding of contracts.
- b) pecuniary interests of Councillors and Officers.
- c) the award of permissions, planning consents and licenses; and
- d) the disposal of assets.

#### **12.4.4 Framework for Prevention and Detection**

It is a management responsibility to maintain the internal control system and to ensure that the Council's resources are properly applied in the manner and on the activities intended. This includes responsibility for the prevention and detection of fraud and other illegal acts.

#### **12.4.5 Key Principles and Culture**

The Council will not tolerate fraud and corruption in the administration of its responsibilities whether from inside or outside of the authority. The Council is committed to creating a culture of opposition to fraud and corruption. The Council is determined that the authority meets the expectations of the Committee on Standards of Public Life and is committed to the ten general principles which govern standards of conduct in local government, namely:

- a) selflessness.
- b) honesty and integrity.
- c) objectivity.
- d) accountability.
- e) openness.
- f) personal judgement.
- g) respect for others.
- h) duty to uphold the law.
- i) stewardship; and
- j) leadership.

##### **12.4.5.1**

The Council requires Councillors (elected and co-opted) and employees (including agency staff, consultants and contractors) to lead by example in ensuring effective opposition to fraud and corruption, including fraud prevention and taking due diligence measures. This includes ensuring adherence to legislation, local rules and regulations, National and Local Codes of Conduct and that all procedures and practices are beyond reproach.

#### **12.4.6 Raising Concerns**

Employees at all levels must be alert to the possibility of fraud and corruption. They are required, and positively encouraged to raise any concerns relating to fraud and corruption which they become aware of. These can be raised in any way that the employee prefers, including with their line manager, through a Director, with the Audit and Investigation

Service or through the [Council's Whistleblowing Policy 12.5](#). Whichever route is chosen, the employee can be assured that concerns raised in good faith will be fully investigated and, wherever possible, those raising concerns will be dealt with in confidence.

When management receive concerns from employees or others regarding potential fraud or corruption, they must immediately contact the Service Director, Governance (**Monitoring Officer**) with details of the concerns. The Service Director, Governance (**Monitoring Officer**) will make preliminary enquiries through the Internal Audit and Investigation and Legal teams, and in consultation with the **Section 151 Officer** will determine whether there are grounds for an investigation.

Councillors, service users, suppliers, partner organisations and members of the public are encouraged to report any concerns. These concerns about fraud and corruption should be reported either directly to the Service Director Governance (**Monitoring Officer**) or via the [Council's Whistleblowing Policy 12.5](#).

If employees feel that they are unable to use internal routes then they can contact the Council's external auditors, KPMG:

KPMG

Jonathan Brown

**KPMG LLP**

**66 Queens Square**

**Bristol**

**BS1 4BE**

**Tel: 0117 905 4362**

**Email** [jonathan.brown@kpmg.co.uk](mailto:jonathan.brown@kpmg.co.uk)

Although the Council encourages its staff to report concerns acting in good faith, any maliciously motivated and unfounded allegations may be dealt with through the Council's disciplinary code.

#### **12.4.7 Corporate Governance**

The main corporate policies and procedures which formulate the Council's framework for minimising risk and the prevention of fraud and corruption include:

- a) Anti-Fraud and Anti-Corruption Policy.
- b) Internal Audit Charter.
- c) Contract and Procurement Regulations.
- d) Financial Regulations.
- e) Human Resources Policy and Guidance for Discipline.
- f) Human Resources Policy for Conduct and Personal Behaviour.
- g) Human Resources Policy for Recruitment and Retention.
- h) Member's Code of Conduct.
- i) Money Laundering Policy.
- j) Officer's Code of Conduct.
- k) Prosecution and Sanction Policy.
- l) Risk Management Strategy.

- m) Scheme of Delegation.
- n) Whistleblowing Policy; and
- o) Anti-Bribery Policy.
- p) Anti-Tax Evasion Policy.

#### **12.4.8 Corporate Responsibility**

Service Directors must ensure that all employees in their service are familiar with the corporate policies and procedures listed in [Rule 12.4.7](#), in addition to any other relevant rules and regulations specific to their service. Failure to adhere to these policies and procedures could result in the instigation of disciplinary procedures.

All WBC employees must be aware of the new law the “Economic Crime and Corporate Transparency Act 2023”, particularly the offence of “Failure to prevent fraud” which affects all local authorities. It is an offence for an organisation to fail to prevent fraud by an employee where the organisation makes a benefit.

#### **12.4.9 Recruitment**

The Council recognises that one of the most important issues relating to the prevention of fraud and corruption is the effective recruitment of staff and therefore takes pre-employment screening seriously.

Employee recruitment is required to be in accordance with procedures laid down by the Lead Specialist HR. As part of these procedures, particular reference is made to:

- a) verifying the identity of the applicant.
  - b) obtaining satisfactory references prior to appointment.
  - c) verifying the applicant is able to legitimately work in the UK.
  - d) verifying and retaining copies of certificates for stated qualifications.
  - e) undertaking Disclosure Barring Service checks where appropriate.
- These practices apply to all permanent appointments including those where employees have entered the organisation as an agency worker or consultant in the first instance.

#### **12.4.10 System of Internal Control**

The risk of fraud and corruption can be minimised by good financial management, sound internal control systems, effective management supervision, and by raising public, member and employee awareness of fraud.

##### **12.4.10.1**

Internal control is the whole system of controls, financial and otherwise, established to provide reasonable assurance of:

- a) proper aims and objectives.
- b) efficient and effective operations.
- c) reliable management information and reporting.
- d) legitimate expenditure.
- e) compliance with laws and regulations.
- f) performance management; and
- g) security of assets and income.

#### **12.4.10.2**

Weaknesses in the design and operation of administrative and financial internal control systems may increase the risk of fraud. Systems must contain efficient, effective, and well-documented internal controls that cover the following:

- a) adequate segregation of duties.
- b) due diligence.
- c) strong and clear wording on application forms, and all material that includes fraud prevention information.
- d) proper authorisation and approval procedures.
- e) adequate physical security over assets; and
- f) reliable monitoring and reporting arrangements.

#### **12.4.10.3**

It is management's responsibility to install adequate internal controls and rectify weaknesses if they occur. To help management discharge this responsibility, systems may be subject to review by both Internal and External Audit. Auditors are responsible for reporting to management on significant weaknesses in the control environment, including deficiencies in the operation of internal controls and highlighting exposure to the risk of fraud.

High-risk audit concerns are promptly followed up to ensure issues highlighted are appropriately actioned.

Further information on internal controls are found at [12.1.11](#). Management must instigate occasional deterrent compliance checks on the operation of internal controls within their service and are encouraged to seek advice from the Audit and Investigation Service on what checks must be carried out. This work must be used to inform the Annual Governance Statement.

#### **12.4.11 Risk Management**

Major fraud risks relating to services must be included within local Risk Registers and subject to regular review to ensure that appropriate controls are in place to mitigate those risks.

#### **12.4.12 Role of Statutory Officers**

The Council has a statutory responsibility, under Section 151 of the Local Government Act 1972, to ensure the proper administration of its financial affairs and to nominate one of its Officers to take responsibility for those affairs. The Council's nominated **Section 151 Officer** is the Deputy Chief Executive and Director of Resources and Assets.

##### **12.4.12.1**

The Council's Service Director, Governance (**Monitoring Officer**) is responsible under Section 5 of the Local Government and Housing Act 1989 to guard against, inter alia, illegality, impropriety, and maladministration in the Council's affairs. Also see [12.1.2](#) and [11.3](#).



#### **12.4.13 Effective Action**

Responsibility for investigating suspected fraud and corruption against the Council rests with the Internal Audit and Investigation Service. This is to ensure that the investigation is performed only by properly trained officers in accordance with the appropriate legislation.

#### **12.4.14 Procedure**

All referrals received by the Internal Audit and Investigation Service will initially be reviewed and risk assessed and material instances of fraud or irregularity in the Council will be referred to the Service Director, Governance (**Monitoring Officer**) and the Deputy Chief Executive and Director of Resources and Assets (**S151 Officer**).

For any investigation undertaken, the Internal Audit and Investigation Service will ensure the following objectives are met:

- a) Investigations are undertaken fairly, objectively, proportionately, legally, be necessary, be justified, and in accordance with relevant laws and regulations, so as to avoid jeopardising the outcome on legal and procedural technicalities.
- b) Evidence and unused material is secured and protected, in accordance with the law and best practice.
- c) If it is proportionate all reasonable lines of enquiry are followed to establish whether there is a case to answer.
- d) Conclusions and recommendations for action are always based on (and, where appropriate, supported by) the evidence gathered during the investigation.
- e) The case is reported and prepared in an appropriate format, in line with the relevant procedures; in the case of criminal process, this means the *National File Standard*.
- f) Appropriate sanctions and redress is sought against any and all individuals and organisations that seek to defraud the Council.

#### **12.4.15 Completion**

Once an investigation is completed, the Internal Audit and Investigation Service may have responsibilities in relation to:

- a) recommending improvements to systems.
- b) attendance at disciplinary hearings and tribunals.
- c) attendance at Court as a witness; and
- d) reporting to the Audit Committee.

Conclusions will be based on fact allowing management to take forward any required disciplinary and / or criminal proceedings as they determine appropriate.

#### **12.4.16 Disciplinary**

The Council has in place disciplinary procedures which must be followed whenever staff are suspected of committing a fraudulent or corrupt act. The disciplinary procedures are set out in the Disciplinary Policy and Guidance. The Chief Executive has overall responsibility for ensuring that the disciplinary procedure is managed effectively. Line managers, under the overall direction of a Service Director are responsible for day-to-day management and ensuring compliance with the Disciplinary Policy and Guidance.

#### **12.4.17 Reporting and Publicity**

Incidents of fraud and corruption are reported through the following mechanisms:

- a) Corporate Leadership Team.
- b) Audit Committee; and
- c) External Auditors (KMPG).

Where evidence of fraud and corruption is found, appropriate sanctions will be sought in line with the Council's Case Disposal Policy. The details of any proven act of fraud or corruption, including action taken by the Council will be publicised to employees, Councillors and the public. This is aimed at deterring further attempts of fraud or corruption by demonstrating the seriousness with which the Council views such cases. In agreement with the **Section 151 Officer, Monitoring Officer**, the Council will report criminal activity to the Police at the appropriate stage.

#### **12.4.18 Working with Others**

The Council will put into place and continue to develop such arrangements, as it deems proportionate and necessary in order to facilitate the exchange of information between the Council and other agencies on national and local fraud and corruption activity. This includes participation in the National Fraud Initiative which matches data across a wide range of public service organisations in order to detect fraud or erroneous payments.

#### **12.4.19 Money Laundering**

Money laundering is the process of moving illegally generated funds through a cycle of transformation in order to create the end appearance of legitimately earned funds.

The Proceeds of Crime Act 2002 details the three principal money laundering offences as:

- a) assisting another to retain the benefit of crime.
- b) acquisition, possession, or use of criminal proceeds; and
- c) concealing or transferring proceeds to avoid prosecution.

In addition, there are related offences for failing to report where a person has knowledge, suspicion or reasonable grounds for knowledge or suspicion that money laundering has taken place, as well as for tipping off a person that a disclosure has taken place.

Council Officers and Councillors who suspect money laundering activities must report their concern to the Council's nominated Money Laundering Reporting Officer (MLRO), the Section 151 Officer (Deputy Chief Executive and Director of Resources and Assets).

The Council has adopted an Anti-Money Laundering Policy; all reports must be made in accordance with that policy.

(Further details are contained in [Chapter 12.7 Anti-Money Laundering Policy](#).)

#### **12.4.20 Conclusion and Review**

The Council has in place a clear framework of systems and procedures to deter and investigate fraud and corruption. It will ensure that these arrangements are fair and are monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques regarding fraudulent or corrupt activity.

To this end, the Council maintains a continuous review of these arrangements through, in particular the Audit Committee, the **Section 151 Officer** (Deputy Chief Executive and Director Resources and Assets), the Internal Audit and Investigation Service, External Audit and the Service Director, Governance (**Monitoring Officer**)

## **12.5 Whistleblowing Policy and Guidance**

### **12.5.1 Introduction**

The Council is committed to delivering high quality services to its customers and expects high standards from its Officers, Councillors and contractors. In order to maintain those high standards a culture of openness and accountability is vitally important. The aims of this policy are:

- a) to encourage the raising of concerns about malpractice within the organisation without fear of reprisal.
- b) to provide reassurance that concerns will be taken seriously; and
- c) to provide information about how to raise concerns and explain how the council will respond.

This policy applies to all Council employees, former employees, agency staff and contractors engaged by the Council.

### **12.5.2 What is Whistleblowing?**

In practical terms, whistleblowing occurs when a concern is raised about danger or illegality that affects others, e.g. clients, members of the public or the Council itself. As the person “blowing the whistle” you would not usually be directly affected by the danger or illegality. Consequently, you would rarely have a personal interest in the outcome of any investigation into your concerns. This is different from a complaint or grievance. If you make a complaint or lodge a grievance, you are saying that you personally have been poorly treated. This poor treatment could involve a breach of your individual employment rights or bullying and you are entitled to seek redress for yourself. A qualifying disclosure means any disclosure of information that, in the reasonable belief of the worker is made in the public interest. As a result of this employees will generally be precluded from being able to “blow the whistle” about breaches of their employment contract. Although an employee making such a complaint can still use the Council’s grievance policy.

Examples of whistleblowing concerns which is not exhaustive are:

- a) fraud in, on or by the Council.
- b) offering, taking or soliciting bribes.
- c) unauthorised use of public funds.
- d) financial maladministration.
- e) the physical, emotional or sexual abuse of clients.
- f) failure to comply with legal obligations.
- g) endangering of an individual’s health and safety.
- h) damage to the environment.
- i) a criminal offence.
- j) failure to follow financial and contract procedure rules.
- k) showing undue favour to a contractor or a job applicant.
- l) misreporting performance data; or

- m) neglect of people in care.

This Policy does not replace the Council's complaints or grievance procedures.

### **12.5.3 Who must I contact?**

Having considered this Policy, an employee of the Council, or any other person covered by the Public Interest Disclosure Act (PIDA) 1998, who has serious concerns about any aspect of the Council's work, must in the first instance inform one of the following methods:

- a) **Inform Line Manager**

In many cases, raising concerns with the immediate line manager is the most appropriate route for an employee. The line manager must inform the Service Director, Governance (Monitoring Officer) of the disclosure and an appropriate course of action will be agreed. If this is not a suitable option (for example because the issue may implicate the manager or if the concern has been raised but remains unaddressed) the concern may be raised using one of the other methods.

- b) **Dedicated Whistleblowing Communication Channels**

The Internal Audit and Investigation Service have established a dedicated 24 hour answerphone hotline for receiving disclosures.

**Hot line number** - 0118 974 6550

**Email:-** [confidential.whistleblowing@wokingham.gov.uk](mailto:confidential.whistleblowing@wokingham.gov.uk)

**By Post** - Confidential Whistleblowing, Audit and Investigations Service, Shute End, Wokingham, RG40 1BN

**In person** at Shute End by asking for Internal Audit and Investigations Service at reception.

- c) **Internal Audit and Investigation Service and Service Director, Governance (Monitoring Officer)**

The Internal Audit and Investigation Service can offer confidential independent advice on the use of the Whistleblowing Policy. If you suspect an employee, a member of the public or contractor (in their business dealings with the Council) of fraud or corruption you can contact the Internal Audit and Investigation Service who will discuss your concerns with you in complete confidence. If you are in receipt of any allegation involving possible corruption, fraud or malpractice you must notify the Service Director, Governance (**Monitoring Officer**) immediately on 07747 777298.

- d) **Director Children's Services and Executive Director Children, Adults and Health**

If you wish to raise a concern involving vulnerable children, you can contact the Director of Children's Services on 0118 974 6205 to seek guidance on how to proceed. If you wish to raise a concern involving vulnerable adults, you can contact the Executive Director Children, Adults and Health on 0118 974 6414 to seek guidance on how to proceed.

- e) **Schools**

You must refer to the whistleblowing arrangements for the individual school. If it is not suitable for the school's Governing Body to deal with, the concern must be raised with the Director Children's Services (contact details shown in d)).

#### **12.5.3.1**

Advice and guidance on how matters of concern may be pursued can be obtained from: the Service Director, Governance (**Monitoring Officer**).

#### **12.5.4 Legal Protection**

The Public Interest Disclosure Act (PIDA) 1998 – sets out a framework of protection against victimisation or dismissal for workers who blow the whistle ("disclosure") on criminal behaviour and other specified forms of malpractice.

##### **12.5.4.1**

It applies to making a 'protected' disclosure in respect of specific types of malpractice, which are:

- a) that a criminal offence has been committed, is being committed or is likely to be committed.
- b) that a person has failed, is failing or is likely to fail to comply with any legal obligation to which he is subject.
- c) that a miscarriage of justice has occurred, is occurring or is likely to occur.
- d) that the health or safety of any individual has been, is being or is likely to be endangered.
- e) that the environment has been, is being or is likely to be damaged; or
- f) that information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately concealed.

##### **12.5.4.2**

The Act covers internal disclosures to the Wokingham Borough Council as the employer, disclosures to prescribed 'persons' such as regulatory bodies (e.g. for health and safety issues, the Health and Safety Executive), and wider disclosures, for example to the police and the media.

#### **12.5.5 Raising Concerns Outside the Council**

In certain circumstances it may be appropriate to raise concerns outside the Council to the appropriate 'prescribed regulator'. This may only be done where any disclosure of information that is made in the public interest and where you believe the information is true, i.e. more than just suspicion. You are advised to discuss your concerns with a legal advisor, trade union or Public Concern at Work before reporting them outside the Council. Examples of prescribed regulators are set out below:

- a) The Council's external auditors (KPMG).
- b) Information Commissioner.
- c) Environment Agency.
- d) Health and Safety Executive.
- e) Commissioner of the Inland Revenue.
- f) Ofsted.

- g) General Social Care Council.
- h) Care Quality Commission.
- i) The Commission for Social Care Inspection; and
- j) National Care Standards Commission.

#### **12.5.5.1**

As a last resort you may choose to raise your concern outside the Council to someone other than a prescribed regulator, e.g. to the Police or your MP. You should only do this if, in addition to the conditions above, they meet one of three preconditions. Provided the disclosure is reasonable in all the circumstances and is not made for personal gain, the preconditions are that you:

- a) reasonably believed that you would be victimised if you raised the matter internally within the Council; or
- b) reasonably believed that the matter would be 'covered up' and there is no prescribed regulator; or
- c) have already raised the matter internally or with a prescribed regulator.

#### **12.5.5.2**

It should be noted that wider disclosures (i.e. to the media) can only be protected where there is a justifiable cause for going wider and where the particular disclosure is reasonable. The Council therefore encourages concerns to be raised initially using one of the methods described in [Rule 12.5.3](#).

#### **12.5.6 Making a Protected Disclosure**

This policy is intended to allow the internal investigation and resolution of any concerns raised. In accordance with the PIDA 1998, to make a 'protected' disclosure the whistleblower has to meet certain conditions:

- a) A qualifying disclosure means any disclosure of information that, in the reasonable belief of the worker is made in the public interest. Therefore, while the employer can seek a declaration from the whistleblower that they is not knowingly making false allegations, disciplinary action is likely to be appropriate only where there is clear evidence that the reporting worker has misused the whistleblowing policy.
- b) Disclosure to a regulatory body will be protected where, in addition, the whistleblower honestly and reasonably believes that the information they provide and any allegation contained in it are substantially true.
- c) Disclosure to other external bodies will be protected if, in addition, making it is in all respects reasonable. 'In all respects reasonable' means, in effect
  - i) the disclosure is not made for personal gain.
  - ii) the whistleblower reasonably believed that they would be victimised if they raised the matter internally.
  - iii) there is no relevant regulatory body.
  - iv) the whistleblower reasonably believed that evidence was likely to be concealed or destroyed.
  - v) the concern has already been raised with the employer and/or relevant regulatory body; and

vi) the concern is of an 'exceptionally serious nature – which in a local government setting could include, say, the alleged abuse of children or vulnerable adults in an authority's care.

#### **12.5.6.1**

This may be done orally or in writing. If you are writing, remember to give details of how you can be contacted. Anonymous disclosures present difficulties for effective investigation. Your identity will be kept strictly confidential if you so request, unless disclosure is required by law. However, the Council recognises that despite the dual safeguards of confidentiality and legal protection from recrimination that individuals may still feel unable to reveal their identity. In these situations, individuals can report their concerns anonymously but should be aware that these concerns carry less weight with the investigation teams and the disclosure may not be sufficiently detailed to provide a successful investigation. (Those making reports should also note that by concealing their identity it is harder for the Council to ensure that they are protected in accordance with the Act; this is simply because those responsible for putting the Act into effect within the Council will not know who they are.)

#### **12.5.6.2**

Allegations that are malicious, or allegations made for personal gain, may result in action against the person making them. If an allegation is made in the public interest, but is not confirmed by an investigation, no action will be taken against the person who raised the concern.

#### **12.5.6.3**

It is preferable that a whistleblowing concern be raised as soon as there is reasonable suspicion. Employees are not expected to investigate the matter themselves or prove that their concern is well-founded.

#### **12.5.6.4**

Anyone who has made a protected disclosure will not suffer any detriment as a result of raising their concern unless it is later proved that they knew they were providing false information. In addition, whistleblowers are protected from suffering a detriment, bullying or harassment from another worker.

Examples of detriment includes (but is not limited to)

- a) failure to promote, if linked to the disclosure.
- b) denial of training.
- c) closer monitoring.
- d) ostracism.
- e) blocking access to resources.
- f) unrequested re-assignment or re-location.
- g) demotion.
- h) suspension.
- i) disciplinary sanction.
- j) bullying or harassment.
- k) victimisation.

- l) dismissal.
- m) failure to provide an appropriate reference; or
- n) failing to investigate a subsequent concern.

#### **12.5.7 How will the Council respond?**

The action taken by the Council will depend on the nature of the concern. The matters raised may:

- a) be investigated internally.
- b) be referred to the Police.
- c) be referred to the external auditors (KPMG).
- d) form the subject of an independent inquiry; or
- e) be considered a service issue and referred to the service to respond by any combination of the above.

##### **12.5.7.1**

In all cases, where a concern is raised, the contacted Officer will notify the Service Director, Governance (**Monitoring Officer**) and Deputy Chief Executive and Director of Resources and Assets (**S151 Officer**). These officers will assess the nature of the concern to decide the appropriate response. Some concerns may be resolved by agreed action without the need for investigation. Any investigation will be overseen by the Service Director, Governance (**Monitoring Officer**) using the Internal Audit and Investigation and Legal teams.

##### **12.5.7.2**

Feedback on the outcome of the concern will be given to the person raising the concern. This feedback may be limited due to legal obligations of confidentiality (i.e. if disciplinary action is taken against a Council employee). The person raising a concern should normally be told:

- a) how and by whom a concern will be handled.
- b) an estimate of how long an investigation will take.
- c) the outcome of the investigation (where appropriate).
- d) that if they believe they are suffering detriment as a result of raising the concern that they should report it.
- e) that they are entitled to independent advice.

#### **12.5.8 What if I am Dissatisfied with the Council's Response?**

This policy is intended to provide you with an avenue to raise concerns within the Council. However, if at the end of the process an employee of the Council, or any other person covered by the Act, is not satisfied with how a disclosure has been dealt with and wishes to pursue matters by means of a wider disclosure, the following points of contact are available to you:

- a) the Chair of the Council's Audit Committee.
- b) your local Councillor (if you live in the area of the Borough).
- c) the Council's external auditors (KPMG).
- d) relevant professional bodies or regulatory organisations.



- e) relevant inspection body.
- f) your solicitor; or
- g) the Police.

#### **12.5.8.1**

If you do decide to take the matter outside of the Council, you need to ensure that you do not disclose confidential information and that you are 'protected' in accordance with the PIDA 1998 ([Rule 12.5.5](#)). If you wish to raise a concern outside of the Council, you may raise it with an external body from the list of prescribed persons and bodies detailed in the 'Department for Business Innovation & Skills [Blowing the Whistle to a Prescribed Person](#) document

#### **12.5.9 Further Information and Advice**

Independent advice on 'whistleblowing' can also be obtained from:

##### **Protect [Protect - Speak up stop harm](#)**

The Green House  
244-254 Cambridge Heath Road  
London E2 9DA

**Tel** General enquiries: 020 3117 2520

**Tel** Whistleblowing Advice Line: 020 7404 6609

##### **External Audit**

KPMG  
Jonathan Brown  
**KPMG LLP**  
**66 Queens Square**  
**Bristol**  
**BS1 4BE**

**Tel: 0117 905 4362**

**Email** [jonathan.brown@kpmg.co.uk](mailto:jonathan.brown@kpmg.co.uk)

##### **Professional Body or Trade Union**

If you are a member of a professional body or trade union, they should be able to advise you on Whistleblowing.

## **12.6 Anti-Bribery Policy**

### **12.6.1 Policy Statement: Anti-Bribery**

Bribery is a criminal offence. Wokingham Borough Council ('the Council') does not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor does it or will it, accept bribes or improper inducements.

#### **12.6.1.1**

To use a third party as a conduit to channel bribes to others is a criminal offence. The Council does not, and will not, engage indirectly in or otherwise encourage bribery.

#### **12.6.1.2**

The Council is committed to the prevention, deterrence and detection of bribery. The Council has zero-tolerance towards bribery. The Council will embed anti-bribery compliance within its usual "business processes"; the Council will NOT treat it as a one-off exercise.

### **12.6.2 Objective of this Policy**

This policy provides a coherent and consistent framework to enable Council employees to understand and implement arrangements that enable compliance with the anti-bribery rules. In conjunction with related policies and key documents it will also enable employees to identify and effectively report any actual or potential breaches of those rules.

We require that all personnel including those permanently employed, temporary agency staff and contractors:

- a) act honestly and with integrity at all times and to safeguard the Council's resources for which they are responsible; and
- b) comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities.

### **12.6.3 Scope of this Policy**

This policy applies to all the Council's activities. For partners, joint ventures and suppliers, the Council will require the adoption of principles (and will seek to promote the adoption of formal policies) that are consistent with the principles set out in this policy.

#### **12.6.3.1**

Within the Council, the responsibility to control the risk of bribery occurring resides at all levels, in every service.

#### **12.6.3.2**

This policy covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Councillors (including independent members), volunteers and consultants.

### **12.6.4 Commitment**

Wokingham Borough Council commits to:

- a) setting out a clear anti-bribery policy and keeping it up to date;
- b) making all employees aware of their responsibilities to adhere strictly to this policy at all times.
- c) training all employees so that they can recognise and avoid the use of bribery by themselves and others.
- d) encouraging its employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately.
- e) rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution.
- f) taking firm and vigorous action against any individual(s) involved in bribery.
- g) provide information to all employees to report breaches and suspected breaches of this policy.
- h) include appropriate clauses in contracts to prevent bribery.

### **12.6.5 The Bribery Act**

The Council defines bribery as ‘an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage’.

#### **12.6.5.1**

There are four key offences under the Act:

- a) bribery of another person (section 1).
- b) accepting a bribe (section 2).
- c) bribing a foreign official (section 6); and
- d) failing to prevent bribery (section 7).

#### **12.6.5.2**

The [Bribery Act 2010](#) makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business. There is also a corporate offence under Section 7 of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

#### **12.6.5.3**

The guidance states that a “commercial organisation” is any body formed in the United Kingdom and “.it does not matter if it pursues primarily charitable or educational aims or purely public functions. It will be caught if it engages in commercial activities, irrespective of the purpose for which profits are made.” Therefore, the Council is a “commercial organisation”.

### **12.6.6 Adequate Procedures**

Whether the procedures are adequate will ultimately be a matter for the courts to decide on a case-by-case basis.

Adequate procedures need to be applied proportionately, based on the level of risk of bribery in the organisation. It is for individual organisations to determine proportionate procedures in the recommended areas of six principles.

The six principles are as follows;

- Proportionality.
- Top-level commitment.
- Risk Assessment.
- Due diligence.
- Communication.
- Monitoring and Review.

These principles are not prescriptive. They are intended to be flexible and outcome focussed, allowing for the different circumstances of organisations. Small organisations will, for example, face different challenges to those faced by large multi-national enterprises.

The detail of how organisations apply these principles will vary, but the outcome should always be robust and effective anti-bribery procedures.

#### **12.6.7 Proportionate Procedures**

An organisation's procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale and complexity of the organisation's activities. They are also clear, practical, accessible, effectively implemented and enforced.

#### **12.6.8 Top Level Commitment**

The Chief Executive, Directors, Service Director Governance (**Monitoring Officer**) and Councillors are committed to preventing bribery by persons associated with it. Bribery is never acceptable.

#### **12.6.9 Risk Assessment**

The Council will assess the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage. All managers within the Council must ensure that appropriate risk assessments are carried out in relation to the work carried out by their staff.

#### **12.6.10 Due Diligence**

The Council applies due diligence procedures, taking a proportionate and risk-based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks. All staff involved in managing commercial activities must ensure that appropriate due diligence is conducted before the Council enters into a business relationship with another organisation.

#### **12.6.11 Communication (including training)**

The Council seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risks it faces.

#### **12.6.12 Monitoring and Review**

The Council monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary. The Council is committed to proportional implementation of these principles.

#### **12.6.13 Bribery is not tolerated**

It is unacceptable to:

- a) give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- b) give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure.
- c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them.
- d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
- e) retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.
- f) engage in activity in breach of this policy.

#### **12.6.14 Facilitation Payments**

Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions. Facilitation payments are not tolerated and are illegal.

#### **12.6.15 Gifts and Hospitality**

The Council's Gifts and hospitality policy is included in the Code of Conduct - Employees must ensure:

- a) when acting in an official capacity they must not give the impression that their conduct both inside and outside work with any person or organisation is influenced by the receipt of gifts, rewards and hospitality or any other such consideration.
- b) they think about the circumstances in which offers are made and are aware that they may be regarded as owing a favour in return.
- c) they have permission from their line managers before accepting such offers and are aware that the offers may have to be returned or refused.
- d) that when gifts or hospitality have to be declined those making the offer must be courteously but firmly informed of the procedures and standards operating within the Council; and
- e) all offers regardless of value and whether or not accepted must be recorded in the Gifts and Hospitality register.

#### **12.6.15.1**

How an employee must react to an offer depends on the type of offer, the relationship between the parties involved and the circumstances in which the gift or hospitality is offered:

- a) employees must not be seen to be acting in their own personal interests and need to be careful that their behaviour cannot be misinterpreted.
- b) when receiving authorised gifts/hospitality, employees must be particularly sensitive as to its timing in relation to decisions which the Council may be taking affecting those providing the hospitality.
- c) an offer of a bribe or commission made by contractors, their agents or by a member of the public must be reported to the line manager and the Service Director, Governance (Monitoring Officer). Hospitality from contractors must also be avoided where employees / team are singled out for example Christmas lunch etc, this may be perceived as preferential treatment; and
- d) employees must not accept significant personal gifts from the contractors and outside suppliers, although the Council may wish to allow employees to keep insignificant items of token value such as pens, diaries, etc not exceeding the value of £25. The most common form of gift is the offer of wine and chocolates etc. In general, these are shared out among colleagues and provided the offers are reasonable, for example a single bottle of wine, they may be accepted. It is important that all offers are recorded in the Gifts/Hospitality Register including those that are offered and not accepted. Directors must remind their staff of the process to be followed with regards to gifts and hospitality.

#### **12.6.15.2**

No one working for, employed by, or providing services on behalf of the Council is to make, or encourage another to make any personal gain out of its activities in any way. Any person becoming aware of a personal gain being made at the expense of the Council, contractors or the public must follow the Whistleblowing procedures on the [Council's website](#).

#### **12.6.15.3**

Employees may only accept offers of hospitality if there is a genuine need to impart information or represent the Council in the community. Offers to attend purely social or sporting functions may only be accepted when these are part of the life of the community or where the authority should be seen to be represented. All hospitality must be properly authorised and recorded in the Gifts/Hospitality Register.

#### **12.6.15.4**

Employees may accept hospitality when attending relevant conferences and courses where it is clear the hospitality is corporate rather than personal, where consent is given in advance and where it is satisfied that any purchasing decisions are not compromised. Where visits to inspect equipment, etc. are required, employees must ensure that their service meets the cost of such visits to avoid putting at risk the integrity of subsequent purchasing decisions.

**12.6.15.5**

The acceptance of gifts and hospitality may be a subject of criticism placing the Council in a position that it has to defend such action. Consequently, it is essential that all offers and details of gifts and hospitality be recorded in the Gifts and Hospitality Register which will be held by the Director or nominated Manager.

**12.6.16 Public Contracts and Failure to Prevent Bribery**

Under the Public Contracts Regulations 2015 (which gives effect to EU law in the UK), a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. This organisation has the discretion to exclude organisations convicted of this offence.

**12.6.17 Staff Responsibilities**

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Council or under its control. All staff are required to avoid activity that breaches this policy.

Staff must:

- a) ensure that they read, understand and comply with this policy; and
- b) raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future.

As well as the possibility of civil and criminal prosecution, staff that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

**12.6.18 Raising a Concern**

The Council is committed to ensuring that we all have a safe, reliable, and confidential way of reporting any suspicious activity. We want every member of staff to know how they can raise concerns. We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

**12.6.18.1**

There are multiple channels to help you raise concerns – these are explained in [Chapter 12.5 the Whistleblowing Policy](#). Staff who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoing can understandably be worried about the repercussions. The Council aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken. For the avoidance of doubt any and all reports made in good faith will, therefore, be treated as Whistleblowing and gain the protection that entails.

**12.6.18.2**

The Council is committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good

faith. If you have any questions about these procedures, please contact Andrew Moulton, Service Director Governance (**Monitoring Officer**).

### **12.6.19 Other Relevant WBC Policies**

[Anti-Fraud and Anti-Corruption Policy, Chapter 12.4](#)

[Anti-Money Laundering Policy, Chapter 12.7](#)

[Councillor Code of Conduct, Chapter 10.3](#)

[Officer Code of Conduct, Chapter 11.4](#)

[Whistleblowing Policy, Chapter 12.5](#)

[Procurement and Contract Rules Chapter 12.3](#)

## **12.7 Anti-Money Laundering Policy**

### **12.7.1 Introduction**

Money laundering legislation requires local authorities to establish internal procedures to prevent the use of their services for money laundering. Money laundering legislation in the UK is primarily governed by the following legislation:

- a) the Terrorism Act 2000.
- b) the Anti-Terrorist Crime & Security Act 2001.
- c) the Proceeds of Crime Act 2002.
- d) Serious Organised Crime and Police Act 2005.
- e) the Money Laundering, Terrorist Financing and Transfer of Funds (information on the payer) Regulations 2017; and
- f) Anti Money Laundering Act 2018.

### **12.7.2 Scope of the Policy**

This Policy applies to all employees and contractors of the Council. The Policy sets out the procedures that must be followed to enable the Council to comply with its legal obligations.

#### **12.7.2.1**

Staff are instructed to report any suspicions to the appointed Money Laundering Reporting Officer (MLRO) (see section 5.0) and it is for the MLRO to consider if the circumstances warrant the completion of a 'suspicious activity report' (SAR), which is sent to the National Crime Agency.

Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them in accordance with the Council's Disciplinary procedures. It may also render them liable to criminal action, if their actions have helped to facilitate money laundering or warned the potential money-lauderer of the Council's suspicions.

### **12.7.3 What is Money Laundering?**

The legislation is not limited to major organised crimes, but covers proceeds of all crimes, however small. The primary money laundering offences and thus prohibited acts under the legislation are:



- a) concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the 2002 Act); or
- b) entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328 of the 2002 Act); or
- c) acquiring, using or possessing criminal property (section 329 of the 2002 Act); or
- d) becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (section 18 of the Terrorism Act 2000); or
- e) failing to disclose suspected money laundering.

#### **12.7.3.1**

The defence to these offences is to be able to show that the person has made an 'authorised disclosure' to an approved person. Approved persons are Customs Officers, Police Officers and the Council's MLRO ([Rule 12.7.6.](#)).

#### **12.7.4 Suspicious Activity**

Some indications of suspicious activity are:

- a) any unusually large cash payment.
- b) any overpayment or duplicate payment in cash where the refund is requested via a different bank account or payment method.
- c) if an unconnected 'third party' is involved in any transaction (e.g., someone paying cash to settle someone else's bill).
- d) a customer behaved strangely, or made unusual requests that did not seem to make sense.
- e) the transaction the customer wanted to make just did not add up commercially.
- f) Persons withholding reasonably requested information e.g. name/address.
- g) Absence of an obvious legitimate source of the funds.
- h) Payments received from overseas that would not normally be expected.
- i) A person refuses to provide information when requested, or submits only part of what is required.
- j) There is a reverse of payment and refund then requested.
- k) There are payments that make no sense.
- l) There are lots of payments to other people of large amounts.
- m) Identity documents are not provided.

Due diligence will prevent fraud and money laundering, which means before a new account or application is processed checks should be done on identity, addresses, and legitimate sources of wealth.

#### **12.7.4.1**

The Council must be alert to large amounts of “Cash” accepted as a payment, which would normally arouse suspicion.

#### **12.7.4.2**

Officers involved in Treasury Management and cashiering activities are the most likely to encounter attempts to launder money but all staff must be alert to the possibilities.

#### **12.7.4.3**

All organisations and each individual is required by law to try to prevent and to report any attempts to ‘launder’ money (i.e. to use the proceeds of crime in apparently legitimate business transactions).

#### **12.7.4.4**

Potentially any member of staff could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it.

### **12.7.5 The Council’s Obligations**

Organisations conducting “relevant business” must:

- a) appoint a MLRO to receive disclosures from employees of money laundering activity (their own or anyone else’s).
- b) implement a procedure to enable the reporting of suspicions of money laundering.
- c) maintain client identification procedures in certain circumstances; and
- d) maintain record keeping procedures.

### **12.7.6 The Money Laundering Reporting Officer (MLRO)**

If you have any suspicions, you must contact the MLRO. The Council’s nominated MLRO is the Section 151 Officer (Deputy Chief Executive and Director Resources and Assets),  
**Email** [Graham.Ebers@wokingham.gov.uk](mailto:Graham.Ebers@wokingham.gov.uk) or **Tel** 0118 974 6557.

### **12.7.7 Disclosure Procedure**

Reporting to the MLRO: Where you know or suspect that money laundering activity is taking/has taken place or become concerned that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as practicable to the MLRO. In order to gain the protection from prosecution of having made a disclosure the disclosure must be made as soon as reasonably practicable and, in any case, must be within “hours” of the information coming to your attention, not weeks or months later. Should you not make a prompt disclosure, you may be liable to prosecution. Disclosure must always be made in writing on the AML1 form, which is available on the shared drive.

#### **12.7.7.1**

Once you have reported the matter to the MLRO you must follow any directions they may give you. You must NOT make any further enquiries into the matter yourself.

**12.7.7.2**

Similarly, at no time and under no circumstances may you voice any suspicions to the person(s) whom you suspect of money laundering, without the specific consent of the MLRO; otherwise, you may commit a criminal offence of “tipping off”. Do not, therefore, make any reference on a client file to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

**12.7.7.3**

On receipt of the disclosure the MLRO will:

- a) consider the report and make such further enquiries as are necessary to form a view on whether a person is engaged in money laundering. This is called a SAR (Suspicious Activity report) detailing suspected money laundering which is sent to the NCA. All organisations that handle financial accounts have a duty to report suspicious financial activity.
- b) consider all other relevant information in making this judgement;
- c) ensure that nothing is done which could alert the person or business concerned that a report and an investigation could ensue.
- d) make a report to National Crime Agency, if appropriate, making full notes of the reasons for doing so.
- e) co-operate with any enquiries made by the proper authorities; and
- f) maintain all records of disclosures and reports for at least five years.

**12.7.8 Client Identification Procedure**

Each unit of the Council conducting relevant business where a business relationship is to be established and an account is to be opened or a one-off transaction or series of linked transactions amounting to approximately £10,000 (suggest should be £1,000) or more must maintain procedures which:

- a) require satisfactory evidence of the identity of both internal and external clients at the outset of the matter.
- b) require that if satisfactory evidence of identity is not obtained at the outset of the matter then the business relationship or one-off transaction(s) cannot precede any further.
- c) recognise the greater potential for money laundering when the client is not present; and
- d) require that where a client appears to act for another that reasonable measures are taken to establish the identity of that person.

It is important to put the account, contract, or application on hold until thorough due diligence has been completed satisfactorily

Staff involved in Treasury Management must ensure that all dealings are carried out in accordance with the Treasury Management Strategy and Treasury Management Policies which ensure that transactions are only undertaken with approved counterparties.

### **12.7.9 Record Keeping Procedures**

Each unit of the Council conducting relevant business must maintain records for at least five years of:

- a) client identification evidence obtained; and
- b) details of all relevant business transactions carried out for clients.

The precise nature of the records is not prescribed by law, however, they must be capable of providing an audit trail.

### **12.7.10 Further Information and Advice**

For any further information or guidance, please contact the MLRO:  
Graham Ebers

**Tel** 0118 974 6557 or

**Email** [Graham.Ebers@wokingham.gov.uk](mailto:Graham.Ebers@wokingham.gov.uk)

## **12.8 Enforcement Sanctions Policy**

### **12.8.1 Introduction**

Wokingham Borough Council (The Council) has the power to prosecute granted under defined legislation, if there is sufficient evidence and if, in the opinion of the Council, it is in the public interest to do so.

#### **12.8.1.1**

When deciding if it is in the public interest, all officers authorised to decide whether to prosecute on behalf of the Council will be guided by the Code for Crown Prosecutors. Whenever it is appropriate, the Council will consider offering other sanctions as an alternative to prosecution.

#### **12.8.1.2**

The Council will consider each case on its own merits before deciding whether or not to prosecute. If it is the case that the Council has suffered a material/financial loss, it may take separate action to stop further payments/ recover money, irrespective of whether it decides to take criminal proceedings.

#### **12.8.1.3**

The Council authorises case disposal decisions to be made in accordance with the guidance in the Crown Prosecution Service guidance on charging responsibility, noting that for 'CPS' will be read 'Legal Services' and for 'police' will be read 'investigators', in so far as this is possible.

### **12.8.2 Alternatives to Prosecution - Cautions**

In the issuing of Cautions the Council will be guided by the relevant statutory Guidance.

### **12.8.3 Alternatives to Prosecution - Statutory Sanctions**

The Council may consider a Statutory Sanction, whether a financial penalty or otherwise, as an alternative to prosecution for an offence where the imposition or offer of such a sanction for the specified offence or offences is prescribed by law.

### **12.8.4 Code for Crown Prosecutors – The Evidential and Public Interest Test**

When making a decision on whether to prosecute, the Council will follow the Code for Crown Prosecutors when considering the evidential and public interest tests.

### **12.8.5 Other Sanctions or Penalties**

The Council may also consider the imposition or offer of a sanction or and/or monetary penalty where to impose a monetary penalty or sanction for the given circumstances is prescribed by law. The Council may also offer such sanctions and/or monetary penalties where a person undertakes criminal conduct, but the Council determine that a prosecution is not to be undertaken for any reason.

### **12.8.6 Investigation Costs**

In all cases where the Council is put to the cost of an investigation (and this may also include, but is not limited to, costs associated with civil and/or criminal proceedings and enforcement action), the Council will seek to recover those costs from the party whose conduct has caused those costs.

In cases where legislation allows the responsible party to be billed for costs, the Council will normally do this. In litigated cases, the Council will normally seek to recover all costs through the courts, as part of the relevant litigation. In other cases, the Council will always consider seeking the cost directly from any party whose actions have given rise to the costs, either by voluntary contribution or by taking legal action to recover the costs.

## **12.9 Acquisition of Communications Data and Use of Covert Surveillance and Covert Human Intelligence Sources Policy**

(Regulation of Investigatory Powers Act 2000/Investigatory Powers Act 2016)

### **12.9.1 Introduction**

Officers and employees of (and contractors working on behalf of) Wokingham Borough Council may, in the course of their investigatory, regulatory and enforcement duties, need to make observations of persons in a covert manner, to use a Covert Human Intelligence Source or to acquire Communications Data. These techniques may be needed whether the subject of the investigation is a member of the public, the owner of a business or a Council employee.

By its very nature, this sort of action is potentially intrusive and so it is extremely important that there is a very strict control on what is appropriate and that, where such action is needed, it is properly regulated in order to comply with Legislation and to protect the individual's rights of privacy.

Privacy is a right, but in any democratic society, it is not an absolute right. The right to a private and family life, as set out in the European Convention on Human Rights, must be

balanced with the right of other citizens to live safely and freely, which is the most basic function that every citizen looks to the state to perform.

Drawing on the principles set out in the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Data Protection Act 2018, this policy sets out the Council's approach to Covert Surveillance, the use of Covert Human Intelligence Sources and the acquisition of Communications Data.

The policy also sets out Councillors' oversight of this area, adopts a set of procedures and appoints appropriate officers to ensure that these areas are properly controlled and regulated.

### **12.9.2 Policy**

It is the policy of Wokingham Borough Council (the Council) that all Covert Surveillance, the use of Covert Human Intelligence Sources (informants) and the acquisition of Communications Data by those working for or on behalf of this Council (investigators) will be carried out in accordance with this policy and the associated procedure (the RIPA Procedure). Any Councillor, officer or employee who deliberately or recklessly breaches this policy will normally be considered to have committed an act of gross misconduct and will be dealt with accordingly.

#### **12.9.2.1**

In so far as the Regulation of Investigatory Powers Act (RIPA) allows, Covert Surveillance and the use of Covert Human Intelligence Sources (informants) will always be subject to the RIPA application process. (This does NOT affect monitoring activities where the actions undertaken do not amount to covert surveillance.) Where officers wish to undertake covert surveillance or use informants but where RIPA is not available, a similar process of considering the proportionality and necessity of any such activities must be carried out before the activities are undertaken and approval gained from a RIPA authorising officer. Officers are instructed to consider when online investigations, where actions go beyond the scope of *open source* enquiries, would meet the criteria for covert investigations and to obtain relevant authorisations in those cases.

#### **12.9.2.2**

When acquiring Communications Data officers are instructed to use those set out in the IPA and the associated *Communications Data Code of Practice*, unless they are doing so with the consent of the data subject. DPA requests and other powers may NOT be used to seek the disclosure of Communications Data. Communications data may only be obtained using IPA powers for the applicable crime purpose. (Note that the guidance in the statutory code of practice takes precedence over any contrary content of a public authority's internal advice or guidance.)

#### **12.9.2.3**

The Council resolves to maintain membership of the *National Anti-Fraud Network*, so that the relevant sections of the IPA and the associated *Communications Data Code of Practice* may be complied with.

### **12.9.3 Appointments**

The Council appoints the Service Director Governance (**Monitoring Officer**) (SAO) for RIPA purposes and as Senior Responsible Officer (SRO) for all purposes under RIPA and IPA.

#### **12.9.3.1**

The Council appoints the Service Director, Governance as the RIPA **Monitoring Officer** (RMO) to monitor the use of covert techniques within this Council (whether using the RIPA or non-RIPA processes) and reports to members on the activities the policy covers. They are also directed to ensure that appropriate training is made available to RIPA Authorising Officers (AOs) IPA Verifying Officers (VOs) and applicants when it is required.

#### **12.9.3.2**

The Council directs that only those appointed by this policy as AOs and VOs may authorise covert surveillance, the use of informants or the acquisition of communications data. In so far as is practical and possible, the Council intends that the same officers should be nominated as both AOs and VOs.

#### **12.9.3.3**

The Council appoints Directors and Service Directors to meet the training criteria as AOs, subject to a maximum number of 6 (including the SAO) at any given time. The Council instructs the RMO to maintain a list of all those currently authorised as part of the RIPA/IPA Procedures.

#### **12.9.3.4**

In order for the Council's RIPA authorisations to take effect they must be approved by a Magistrate. The Chief Legal Officer is instructed to authorise all those who may need to apply to a Magistrate to appear for that purpose for the Council. The RMO is directed to maintain a list, as part of the RIPA Procedures, of all those so authorised.

#### **12.9.3.5**

The Council appoints Directors and Service Directors who meet the training criteria as VOs, subject to a maximum number of 6 at any given time. The Council instructs the RMO to maintain a list of all those currently authorised as part of the RIPA/IPA Procedures.

### **12.9.4 Oversight and Reporting**

The RMO will report to elected Members on the use of RIPA regulated activity by officers of the Council every 6 months. Such a report will be presented to the Members (or to such a sub-committee as the Full Council will deem appropriate to constitute for oversight purposes) by the RMO and the SRO. The report must not contain any information that identifies specific persons or operations but must be clear about the nature of the operations carried out and the product obtained.

#### **12.9.4.1**

Alongside this report, the RMO and SRO will report details of 'Non-RIPA' surveillance undertaken or informants used in precisely the same fashion.

**12.9.4.2**

Elected Councillors will have oversight of the Council's policy and will review that policy annually should it be deemed by the RMO that significant changes have been made. At that review (or following any six-monthly report) elected Councillors will make such amendments as they deem necessary to the Council's policy, and may give such directions as they deem necessary to the RMO and SRO in order to ensure that the Council's policy is followed.

**12.9.4.3**

Elected Councillors will not interfere in individual authorisations. Their function is to, with reference to the reports, satisfy themselves that the Council's policy is robust and that it is being followed by all officers involved in this area. Although it is elected councillors who are accountable to the public for council actions, it is essential that there should be no possibility of political interference in law enforcement operations.

**12.9.5 RIPA/IPA Procedures**

The RMO is instructed to create a set of procedures that provide instruction and guidance for the use of surveillance and informants, and the acquisition of communications data. They are further instructed to maintain and update the RIPA/IPA Procedures, ensuring that they continue to be both lawful and examples of best practice.

**12.9.5.1**

The reference to 'maintain and update' in this section includes the duty to remove AOs/VOs from the list if they cease to be employed in a relevant role or if they no longer satisfy the requirements to be an AO/VO, and the right to add names to that list so long as

- a) they satisfy the policy and regulatory requirements and
- b) at no time does the number of AOs exceed 6.

If a change is required, in the opinion of the RMO, in order to comply with this part, they are authorised to make that change without prior approval from any person.

The RMO must report any changes made under this section to Councillors when they undertake their annual oversight of the Policy, as set out above.

**12.12.5.2**

All managers are required to ensure that their staff understand that covert investigation techniques may only be used in accordance with this policy and the associated procedures.

**12.9.6 Training**

In accordance with this Code of Practice, AOs/VOs must receive full training in the use of their powers. They must be assessed at the end of the training, to ensure competence, and must undertake refresher training at least every 2 years. Training will be arranged by the RMO. Designated officers who do not meet the required standard, or who exceed the training intervals, are prohibited from authorising applications until they have met the requirements of this paragraph. AOs and VOs must have an awareness of appropriate investigative techniques, Data Protection and Human Rights Legislation.



#### **12.9.6.1**

Those officers who actually carry out surveillance work must be adequately trained prior to any surveillance being undertaken. A corporate training programme has been developed to ensure that AOs, VOs and staff undertaking relevant investigations are fully aware of the legislative framework.

#### **12.9.6.2**

Senior management who have no direct involvement with covert investigation will undertake a briefing at least biannually, to ensure that they have a good understanding of the activities that might fall into the definition of covert investigation techniques.

#### **12.9.7 Exceptions, Notes and Complaints**

CCTV cameras operated by this Council are not covered by this policy, unless they are used in a way that constitutes covert surveillance; only under those circumstances must the provisions of this policy and the RIPA Procedures be followed.

Interception of communications, if it is done as part of normal business practice, does NOT fall into the definition of acquisition of communications data. (This includes, but is not limited to opening of post for distribution, logging of telephone calls, for the purpose of cost allocation, reimbursement, benchmarking, etc.; logging E Mails and internet access for the purpose of private reimbursement.)

#### **12.9.7.1**

If any person wishes to make a complaint about anything to which this policy applies is invited to use the Council's Complaints Procedure. Any complaint received will be treated as serious and investigated in line with this Council's policy on complaints. Regardless of this, the detail of an operation, or indeed its existence, must never be admitted to as part of a complaint. This does not mean it will not be investigated, just that the result of any investigation would be entirely confidential and not disclosed to the complainant.

#### **12.9.8 Adoption and Amendment of the Policy**

This version of the Policy was agreed by Council on the 20<sup>th</sup> March 2025. It replaces all previous policies on these subjects

#### **12.10 Anti-Tax Evasion Policy**

To be inserted once approved.

## Glossary

This glossary explains key terms used in the Council's Constitution but is not part of the Constitution.

**3Cs** – The Council's principles used when communicating – Care (empathy for residents' lives and needs), Clarity (make everything easy to understand), Confidence (giving accurate, transparent information to build trust).

**Adjourn** - To suspend (e.g. a meeting) with the intention to resume it later.

**Allowances** – Councillors receive financial allowances to compensate them for costs incurred.

**Annual Governance Statement** - A public statement which reviews how well the Council has kept to its governance rules.

**Annual Statement of Accounts** – A technical publication that includes all financial statements (e.g. Income & Expenditure Account, Balance Sheet, Movement in Reserves, Cashflow) and disclosures required by law.

**Annual Timetable of Meetings** – A list of all the Council's formal meetings including Executive and all of the Council's meetings.

**Annual Meeting of Council** – The formal meeting of Council at the start of the Municipal Year. See [5.2](#) for the agenda

**Anti-Fraud and Corruption Strategy** - The Council's strategy for protecting its valuable resources which describes the expectations and practices to avoid their loss.

**Asset Management Strategy** - The Council's approach to getting the best possible value and revenue from things it owns (assets), such as buildings, land, roads, and technology.

**Balance Sheet** - A statement of the Council's assets, liabilities, and capital at a particular point in time which details the balance of the Council's income and expenditure over the preceding period.

**Best Value** – Is the duty to secure continuous improvement in the way services are provided having regard to economy, efficiency, and effectiveness.

**Budget** – Every year the Council puts a financial plan in place which describes how and where the Council will spend money to provide services and deliver the aims which it set out in the corporate plan. It also sets the level of council tax which it will charge in the next financial year. The budget sets out the money which the Council intends to spend during the year against the money available which has been received in council tax, income, and grants.

**Budget and Policy Framework** – The full Council is responsible for setting the Budget and Policy Framework. The Budget and Policy Framework sets out the Council's key policies and agreed budget for each year. All decisions must be taken in accordance with these agreed documents. Only full Council can change the Budget and Policy Framework.

**Business World On** - Wokingham Borough Council's Enterprise Resource Planning system. See also General Ledger.

**Boundary Commission** – There are two Boundary Commissions relevant to local authority the [Boundary Commission for England \(BCE\)](#) which sets the parliamentary constituency boundaries and the [Local Government Boundary Commission for England \(LGBCE\)](#) which sets the electoral boundaries of the Council wards. Both are independent bodies.

**Call In** - Call-in is the power of Overview and Scrutiny to review an Executive decision which has been made, but not yet implemented. [See 7.7.29.](#)

**Capital Expenditure** – Expenditure on the purchase, construction, or replacement of capital (fixed) assets, such as land, buildings, and major items of plant, equipment or vehicles, or expenditure which adds to the life or value of an existing fixed asset. Finance leases may be capital expenditure.

**Capital Programme** – The Council's plan of capital projects and spending over future years. Included in this category are the purchase of land and buildings, the erection of new buildings and works, Highway Improvement schemes and design fees (unless the scheme is aborted in which case fees will be charged to revenue), and the acquisition of vehicles and major items of equipment.

**Capital Project / Scheme** – These terms mean the same thing and are used interchangeably within the Procedure Rules. A project/scheme may be separately identified in the capital programme or be an item within a block provision.

**Capital Receipts** – Income received from the sale of capital assets and available (subject to rules in legislation or laid down by the Government or CIPFA) to finance new capital expenditure or to repay debt.

**Chief Executive** – The Chief Executive is the most senior officer in the Council. It is their role to support Councillors and to provide leadership for the Council. The Chief Executive is empowered to operate all the services of the Council. Except where powers, duties and functions are delegated to a Councillor decision-making body, to exercise all powers, duties and functions of the Council, including those delegated to other officers. Every Council must appoint one of its officers as the Head of Paid Service. The Chief Executive is also the Council's Head of Paid Service.

**Chief Finance Officer** – also known as the Section 151 Officer, this officer has the responsibility under section 151 Local Government Act 1972 for the proper management of the Council's financial affairs and occupies the post of Director of Resources and

**Assets.** The Head of Finance has been designated as the Deputy Chief Finance Officer (Section 151 Officer)

**CIPFA** – the Chartered Institute of Public Finance and Accountancy.

**Citizens** – a generic term to describe people living, working and visiting the borough.

**Clear Working Days** – A period of one or more working days means a period comprising one or several consecutive periods of 24 hours (excluding weekends and bank holidays) beginning and ending at midnight. A clear day excludes the date of dispatch and date of the meeting.

**Code of Conduct (Councillor Code of Conduct / Officer Code of Conduct)** - A set of rules which elected and co-opted Councillors and officers must follow.

**Committee** - A Committee is a formal group of elected Councillors whose remit, terms of reference and operating rules are set out in the Council's Constitution. There are many different committees. Each one makes decisions about a specific area of responsibility – for example planning or licensing.

**Commissioning Forum** - A group of Officers to consider funding for individual packages of support.

**Confidential Information** – The definition of Confidential Information can be found at [3.2.12.3](#)

**Consultant** - Any person or company commissioned to provide professional expert advice or services outside the Council's fixed staffing establishment.

**Contract** – A legally enforceable agreement to supply goods, services or works for a price. A contract is normally in writing however a contractual arrangement may be entered into orally. Any commitment made for or on behalf of the Council with a contractor. The commitment may be made by official purchase order or other method as approved by Director Corporate Services (Chief Finance Officer), Section 151 Officer.

**Contract Certificates** - A formal certificate, issued in accordance with the terms of a contract, confirming the value of work, goods, and materials supplied at the time of valuation. Such certificates should only be signed by a qualified engineer or architect or consultant employed for the purpose of managing the contract or the responsible Director.

**Contracts Register** - Where all contracts valued over £5,000 must be recorded. The Register is located on the WBC staff network.

**Contract Value** - All values in this document relate to the total ascertainable value of a contract (i.e. annual value x length of contract + any extension period, if applicable, and any options if applicable).

**Contract Manager** – An Officer of the Council (or in the case of a Contract where the service/goods/works are procured on behalf of another organisation an officer of that organisation) who has day to day responsibility for overseeing the delivery of the Contract requirements by the provider and recording the performance of the provider against the performance criteria set out in the Contract.

**Contractor** – Any person or organisation awarded a Contract. This includes any consultant appointed by the Council to advise on any project.

**Corporate Leadership Team** – The officer management arrangements for the Council are overseen by a Corporate Leadership Team comprising the Chief Executive, Deputy Chief Executive & Director of Resources and Assets, Executive Director for Children's and Adults, Director of Children's Services, Director of Place & Growth, Chief Operating Officer. These officers are accountable to the Chief Executive for leading the Services within their area of responsibility and ensuring that the Services are managed in line with the objectives, plans, policies, programmes, budgets and processes of the Council.

**Councillors** – Also known as Members, Councillors are elected to represent the 18 Wards in the Council's area. They are elected for a 4 year term. They are directly accountable to citizens for the running of the Council. They have a duty to represent all constituents in their Ward and they must make decisions in the best interests of the Borough as a whole.

**Council Tax** - The income collected from residents based on banded property values and which funds a significant proportion of Council services.

**Data Protection Legislation** – Means all privacy laws applicable to personal data including the Data Protection Act 2018 and regulations made under it and the UK General Data Protection Regulation. This is together with all codes of practice and other statutory guidance issued by the Information Commissioner's Office.

**Decisions** - The choices and agreements made on a particular issue. The Council's Constitution sets out the rules on how formal decisions are to be taken in compliance with the law (see also Key Decisions). The Constitution also sets out how decisions are to be recorded and published.

**Deputy Mayor** - The Deputy Mayor is elected by the other Members, usually at the Council's Annual Meeting. The Deputy Mayor cannot be an Executive Councillor and fulfils the role of the Mayor in their absence or when they have a conflict of interest.

**Earmarked Reserves** – These reserves represent monies set aside that can only be used for a specific use or purpose.

**Elected by Thirds** – This means that a third of the Councillors are elected each May with no regular election being held in the fourth year.

**Election Registration Officer** - personally responsible for the conduct of a local government election the role is to ensure that the election is administered effectively and that, as a result, the experience of voters and those standing for election is a positive one.

**EOI** – Expression of Interest, in the context of procurement

**Executive** - The Executive comprises the Leader of the Council and between two and nine Councillors (one of which must be appointed as Deputy Leader) appointed by the Leader. The role of the Executive is to provide strategic leadership to the Authority and to discharge Executive functions. More information on the Executive is available in [Chapter 6](#)

**Exempt information** – Information that is not available for disclosure to the public as defined by Schedule 12A of the 1972 Act and the Access to Information Rules in [Chapter 3 Section 2](#) of the Constitution.

**External Audit** – external audit provide an objective, independent, examination of the Council's financial statements. External Audit are appointed via the Public Sector Audit Appointments [Home - PSAA](#)

**Financial Year** - The financial year for the Council is not the same as the calendar year. Our financial year starts on 1 April and ends on 31 March.

**Forward Programme** – The Forward Programme is a public document which is prepared and published by the Leader of the Council, listing all significant decisions.

**Full Council** – Means all 54 elected Members of the Council.

**General Ledger** – Is the means the Council uses to record financial transactions. The Council's current general ledger is called Business World On (BWO)

**Governance Arrangements** – The way the Council is directed and controlled. The complex interaction of the Council, it's Committee's, and officers. [See 12.2](#)

**Head of Paid Service** – See Chief Executive. The Officer who may report to Full Council on staffing requirements pursuant to Section 4 Local Government and Housing Act 1989.

**Internal Control** – A procedural system designed to manage risk to an acceptable level whereby different staff members perform different parts of a task, so that no one person is entirely responsible for processing a transaction from start to finish.

**Individual Executive Councillor Decision (IEMD)** – Decisions taken by individual members of Executive rather than collective decisions of the whole of the Executive. [See 6.5](#)

**Independent Person** – An individual that is separate from the Monitoring Officer and not influenced or controlled by them.

**Independent Remuneration Panel (IRP)** – The Panel advise Council on the appropriate Allowance Scheme see [10.2](#)

**Invitation to Tender (ITT)** – Refers to an invitation to providers to submit tenders for Contracts to provide goods, services or works valued at or above the Public Procurement Threshold.

**Key Decision** - Key decisions are executive decisions (not those made by committee) and are defined in the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) (Regulations) 2012 and are decisions which: -

- Result in the Council incurring expenditure which is, or making savings which are significant having regard to the Council's budget for the service or function to which the decision relates; or
- Are deemed significant in terms of their effect on communities living or working within the area of the Council. The Council has decided that a significant decision financially is £500k.

**Leader (of the Council)** – The position of Leader of the Council is the Council's choice rather than a legal requirement. The Leader will be the political head of the Council, the focus for policy direction and community development, and the chief advocate and ambassador for the Borough. The Leader is elected by the Full Council.

**Local Code of Corporate Governance** – sets out how the Council's governance arrangements work towards meeting the seven principles of good governance.

**Local Government Association** - The Local Government Association (LGA) is the national membership body for local authorities England and Wales. Its core membership is made up of 317 English councils and the 22 Welsh councils through the Welsh Local Government Association. The LGA is politically-led and cross-party.

**Material Decision** - Any decision identified as such within the Financial and Contract Regulations. See 12.1.3. The template can be found on the WBC staff network. Appendix A Chapter 12.

**Mayor** - The Mayor of the Council is an elected Councillor who chairs meetings of the Council and carries out a variety of civic and ceremonial duties. The Mayor is elected by the other Councillors, usually at the Council's Annual Meeting. The Mayor cannot be an Executive Councillor and is assisted in their work by the Deputy Mayor.

**Minutes** - The formal written record of a meeting noting that they will not be a verbatim record. Minutes of Wokingham Borough Council meetings are available on the Council's website.

**Monitoring Officer** –The Monitoring Officer is appointed in accordance with Section 5 of the Local Government and Housing Act 1989 and is responsible for supporting and advising the Council in relation to the lawfulness and fairness of the decision-making of the Council. The Council's compliance with its legal responsibilities and requirements, matters relating to the conduct of elected Councillors and Local Government and Social Care Ombudsman complaints.

**Municipal Year** – Begins with Annual Council, normally in May.

**Non-Executive Councillors** – All Councillors who are not members of the Executive

**Officers** – Officers is the term used to refer to the people employed, retained or appointed by the Council to advise and support Councillors and implement their decisions. The term “officers” in this Constitution includes all the people who operate in this capacity including contractors, consultants, agency staff and volunteers.

**Overview and Scrutiny** – Overview and Scrutiny provides an opportunity for members of the Council to examine the way in which the Council provides its services. This is by questioning how and why decisions are made, and by making recommendations on existing and future Council policies, primarily focussed on Health and Wellbeing, Flood Risk Management and Crime and Disorder. See Chapter 7 for more information.

**Outside Bodies** – Groups, charities, organisations external to the Council on which Councillors sit to represent the Council and/or the community. See [Chapter 9](#) for more information.

**Petitions** – a formal written request, typically one signed by many people, appealing to authority in respect of a particular cause. [See 5.23](#)

**Political balance** – Rules which require the Council to allocate seats on Committees in line with the proportion of Councillors from different political groups represented on the Council as a whole – unless no Councillor votes against, under the Local Government and Housing Act 1989 and Local Government (Committees and Political Groups) Regulations 1990/1553.

**Policy Framework** – See Budget and Policy Framework. More information [Chapter 2.2](#)

**Political Group** – 2 or more Councillors who notify the Head of Paid Service that they have formed a group.

**Politically Restricted Post (PoRP)** – Officers holding these posts cannot have any active political role and are prohibited from: standing for office as local councillors, MPs; canvassing on behalf of a political party or a person who is, or seeks to be, a candidate; and speaking to the public at large or publishing any written or artistic work that could give the impression that they are advocating support for a political party.

**Portfolio Holders** – The members of the Executive have individual responsibilities as defined by the Leader on appointment. Detailed [6.2](#)

**Proper Officer** – The officer appointed by a local authority to carry out certain administrative functions as required by statute. Functions of a proper officer include receiving or giving notices, certifying or authenticating documents, keeping registers, and issuing summonses for meetings.

**Prudential Borrowing Limits** – The maximum amount of borrowing that the Council can enter into at any one point in time during the year. This limit is set by Council prior to the start of the year to which it relates and cannot be breached under any circumstances.

**PQQ** - Pre-Qualification Questionnaire.



**Public Procurement Legislation** – Legislation which regulates to the purchasing by public sector bodies and certain utility sector bodies of contracts for goods, works or services. The law is designed to open up the public procurement market to competition and to promote the free movement of goods, services and works.

**Purchase Orders** - For the purpose of these Regulations, a purchase order is defined as a type of contract raised through the Business World On System (or any replacement system) for the purpose of procuring goods or services and will require authorisation by a Budget Manager.

**Quorum** – the minimum number of councillors that must be present at a meeting of Full Council or its committees to make the proceedings and decisions of that meeting valid.

**Regulatory Committees** - Any committee that carries out the Council's functions to determine applications for licences, certificates, registrations and similar consents.  
**Returning Officer** – the official who is responsible for the administration of elections.

**Revenue Expenditure** – Spending on the day-to-day running expenses of the Council. It includes expenditure on employees, premises, transport and supplies and services.

**Scheme of Delegation** – sets out what powers and functions are delegated by the Council to officers.

**Scrutiny** – Scrutiny provides an opportunity for members of the Council to examine the way in which the Council provides its services. This is by questioning how and why decisions are made, and by making recommendations on existing and future Council policies, primarily focussed on Health and Wellbeing, Flood Risk Management and Crime and Disorder. See [Chapter 7](#) for more information.

**Section 151 Officer (Chief Finance Officer)** – The Chief Finance Officer (CFO) is a Statutory Officer and the powers held by the CFO are set out in statute. The CFO is also referred to as the Section 151 Officer – this is because the role is given powers by section 151 of the Local Government Act 1972. Every Council must appoint a CFO. The CFO is responsible for managing the Council's finances and providing expert financial advice to the Council. The CFO must be a qualified accountant and must ensure that the Council does not intend to spend more money than it has, to carry out its plans (this is called a balanced budget). The CFO is the Deputy Chief Executive and Director of Resources & Assets.

**Services** - The provision of goods, materials and services to be supplied or the execution of works that are specified as fundamental to the contract. Includes for example, services such as maintenance of equipment, transportation, consultancy, technical service etc.

**Social Care**- Refers to Adult and Children's Services.

**Standard Committee** - deals with the conduct of Councillors. It is responsible for ensuring the process of dealing with complaints against Councillors is effective and that the Council operates to high ethical standards. [See 8.3](#)

**Standing List** - A list of contractors maintained, as per Regulations, these contractors may be invited to quote for the supply of services in specified categories for which they have been approved. **Statutory Officers** - The Council is required by law to appoint officers in certain key roles. The Statutory Officers are the Head of Paid Service; the Monitoring Officer and the Section 151 Officer. The Council must also appoint other officers including a Director for Children's Services, a Director for Adult Social Services, a Director of Public Health, and a Scrutiny Officer.

**Supplies** - Contracts are essentially those for the supply or hire of products. These are referred to as "Goods" in The Public Contracts Regulations 2015 and all associated procurement documentation.

**Supplementary Estimate** – In-year funding outside of the budget that requires Executive or Council approval. See [2.2.4](#) and [11.6.4.3](#)

**Tender** - A formal sealed offer for services submitted in response to an invitation issued by the responsible Director.

**Term Contractor** - A formal contract under which services are supplied over the period of the contract at previously agreed rates submitted under approved tendering procedures.

**Treasury Management Strategy** - The way in which the Council manages its cash, borrowing, lending and investments, and associated risks.

**Variation** - Alterations to the specifications, methods or materials originally tendered affecting the cost of a contract, or which may also change the level of service achieved.

**Value for Money** – Comprises 3 elements

- Economy: minimising the cost of resources used or required (inputs) – spending less.
- Efficiency: the relationship between the output from goods or services and the resources to produce them – spending well; and
- Effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.

**Virement** - The movement of money from one budget heading to another. Vires (intra vires / ultra vires) A Latin phrase which means 'powers'. Within the Council, vires concerns the power or lawful authority to make a decision, perform a function or undertake an action. A decision made, function performed, or action undertaken will be 'intra vires' if the Council has the power and lawful authority to do it and 'ultra vires' if it does not.

**Ward** - A ward is an electoral area. From 2024, Wokingham Borough Council has 18 wards.

**Works** – Defined as “the outcome of building or civil engineering, works taken as a whole that is sufficient of itself to fulfil an economic and technical function”.

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