

To: Deputy Leader and Members of the Resources Board
(Councillors L Smith, Johnston, Bowden, Butcher,
N Dirveiks, Forwood, Fowler, Jenkins, Lea, Moore,
Payne, Smitten, Y Stanley and Winter)

For the information of other Members of the Council

For general enquiries please contact Emma
Humphreys/Amanda Tonks on 01827 719221 or
via email – emmahumphreys@northwarks.gov.uk
or amandatonks@northwarks.gov.uk.

For enquiries about specific reports please
contact the Officer named in the reports.

This document can be made available in large
print and electronic accessible formats if
requested.

RESOURCES BOARD AGENDA

13 APRIL 2010

The Resources Board will meet in the Chamber at The Council
House, South Street, Atherstone, Warwickshire on **Tuesday**,
13 April 2010, at 6.30 pm.

AGENDA

- 1 **Evacuation Procedure.**
- 2 **Apologies for Absence / Members away on official Council business.**
- 3 **Declarations of Personal or Prejudicial Interests.**
(Any personal interests arising from the membership of Warwickshire County Council of Councillors Fowler, and Lea, and membership of various Parish Councils of Councillors Butcher, Smitten and Y Stanley (Polesworth) and Moore (Baddesley Ensor), are deemed to be declared at this meeting).

- 4 **Minutes of the Resources Board held on 14 December 2009 and 2 February 2010** (copies herewith) to be approved as correct and signed by the Chairman.
- 5 **Request for discussion of En Bloc items.**

PART A – ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)

- 6 **Amendments to Financial Regulations** – Report of the Assistant Director (Finance and Human Resources).

Summary

This report is to inform Members of the proposed amendments to the Financial Regulations.

The Contact Officer for this report is Jackie Marshall (719379).

- 7 **Procurement and Commissioning Strategy 2010/11 – 2012/13** – Report of the Assistant Director of Corporate Services.

Summary

This report presents the draft Procurement and Commissioning Strategy 2010/11 – 2012/13 to Members for their consideration, comment and approval.

The Contact Officer for this report is Linda Bird (719327).

- 8 **Transfer of Land at Hurley**

Summary

This report sets out a proposal for the transfer of land at Hurley from the Housing Revenue Account to the General Fund in order that it may be used to provide allotments for the local community.

The Contact Officer for this report is Alethea Wilson (719212).

PART B – ITEMS FOR EN BLOC DECISIONS (YELLOW PAPERS)

- 9 **Internal Audit – Plan of Work for 2010/11** – Report of the Director of Resources.

Summary

The report explains the basis upon which the Audit Plan for 2010/11 has been developed, using a variety of sources of information to ensure that all appropriate aspects of service activity are embraced as part of the approved three-year review programme.

The Contact Officer for this report is Barbara Haswell (719416).

- 10 **Information Security Policy 2010 – 2012** – Report of the Assistant Director (Corporate Services)

Summary

The purpose of this report is to seek approval for the Council's Information Security Policy for the period 2010 - 2012. The policy is needed to help protect the Council's information and ensure it is used legally and effectively.

The Contact Officer for this report is Linda Bird (719327).

- 11 **ICT Strategy 2010/11 Action Plan** – Report of the Assistant Director (Corporate Services)

Summary

This report presents the 2010/11 ICT Strategy Action Plan that supports the delivery of the Information and Communications Technology (ICT) Strategy 2009 – 2012.

The Contact Officer for this report is Linda Bird (719327).

- 12 **Procurement Performance Indicators and Benchmarking** – Report of the Assistant Director (Corporate Services)

Summary

This report provides an update for Members on the performance indicators being developed by the Council's Corporate Procurement function and the benchmarking exercise carried out in preparation for the value for money review of Procurement scheduled for 2010/11.

The Contact Officer for this report is Linda Bird (719327).

PART C – EXEMPT INFORMATION (GOLD PAPERS)

13 Exclusion of the Public and Press

Recommendation:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.

14 Proposed Changes to Staffing in Central Services – Report of the Assistant Director (Corporate Services).

The Contact Officer for this report is Andy Cooper (719432)

15 Irrecoverable Housing and Local Taxation Debts – Report of the Assistant Director (Revenues and Benefits).

The Contact Officer for this report is Bob Trahern (719378).

16 Access to Phoenix Yard, Atherstone – Report of the Assistant Director (Streetscape).

The Contact Officer for this report is Richard Dobbs (719440).

17 Land at St Georges Road, Atherstone – Report of the Assistant Director (Streetscape).

The Contact Officer for this report is Richard Dobbs (719440).

18 Sale of Land at Arley – Report of the Assistant Director (Housing)

The Contact Officer for this report is Angela Coates (719369).

JERRY HUTCHINSON
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE RESOURCES BOARD

14 December 2009

Present: Councillor Smith in the Chair

Councillors Bowden, N Dirveiks, Forwood, Johnston, Jenkins, Lea, Payne and Smitten.

Apologies for absence were received from Councillors Fowler, Moore, Y Stanley and Winter

Councillor Phillips was also in attendance.

71 **Declarations of Personal or Prejudicial Interests**

Any personal interests arising from the membership of Warwickshire County Council of Councillor Lea, and membership of Polesworth Parish Council of Councillor Smitten were deemed to be declared at the meeting.

72 **Minutes**

The minutes of the meetings of the Board held on 7 September and 26 October 2009, copies having previously been circulated, were approved as a correct record and signed by the Chairman.

73 **Presentation on Countering Fraud**

Tracey Spragg, Local Counter Fraud Specialist gave a presentation on countering fraud.

74 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April 2009 – October 2009**

The Chief Executive and Director of Resources informed Members of the actual performance and achievement against the Corporate Plan and Performance Indicator targets relevant to the Board for the period April 2009 to October 2009.

Resolved:

That the report be noted.

75 **Corporate Services Division Capital Programme Bids**

The Assistant Director (Corporate Services) highlighted capital schemes relating to information and communications technology projects under the control of the Board which had been proposed by the Corporate Services Division for inclusion in the Council's Capital Programme.

Recommendation to the Executive Board:

- a That the capital bids previously approved and identified in Section 4 of the report of the Assistant Director (Corporate Services) be included in the next long term capital programme; and**
- b That the schemes currently not included in the long term capital programme identified in Section 5 of the report of the Assistant Director (Corporate Services) be included in the long term capital programme on the basis that they are essential to the continued operation of Council Services.**

76 Local Land Charges Fees

The Assistant Director (Corporate Services) sought approval for a revised scale of fees for the Local Land Charges service.

Resolved:

- a That the revised scale of Fees for the Local Land Charges service, as set out in the report of the Assistant Director (Corporate Services) be agreed with effect from 1 January 2010; and**
- b That an active promotional campaign targeting local solicitors and estate agents, to inform them of the new fees, at a cost of approximately £500 be funded from Local Land Charges Service budgets.**

77 Postal Savings

The Assistant Director (Corporate Services) detailed a number of options for reducing the Council's spend on postal services and recommended that a contract be entered into with TNT Post.

Resolved:

- a That a contract be entered into with TNT Post for the distribution of outgoing mail, with a review in 12 months; and**
- b That the existing DX Post account be terminated in August/September 2010.**

78 Funding for Rural Housing Enabler

The Assistant Director (Housing) gave details of the work required to work with local communities and provide evidence for the Local Development Framework in order to deliver sustainable housing developments in the Borough.

Resolved:

- a That existing resources be used to fund an internal post of Housing Delivery Officer for twelve months; and**
- b That the Housing Division works with partners to access external funding to continue the role of the Housing Delivery Officer after the initial twelve months funded by the Council.**

79 Review of Home Improvement Agencies and Associated Work

The Assistant Director (Housing) provided the Board with an overview of work which had been undertaken to review the delivery of the work carried out by home improvement agencies in the County and the proposal to take the next steps to improve this service and those associated with it.

Resolved:

- a That the report received by and recommendations agreed by the Supporting People Commissioning Body be noted;**
- b That the Housing Division's active participation in the work required to develop and commission a new service model for the delivery of home improvement agency services and their associated work streams be agreed; and**
- c That the consideration of potential service models be considered by the Housing Portfolio Holder Group before submission to the Resources Board for a decision on the Council's participation in the proposed model.**

80 Capital Programme Bids

The Assistant Director (Housing) highlighted capital schemes relating to Private Sector Housing and Community Support under the control of the Board which had been proposed by the Housing Division for inclusion in the Council's Capital Programme.

Recommendation to the Executive Board:

That the capital bids previously approved and identified in the report of the Assistant Director (Housing) be included in the next long term capital programme.

81 **Capital Programme Bids**

The Assistant Director (Streetscape) highlighted capital schemes relating to Municipal Buildings and Car Parks under the control of the Board which had been proposed by the Streetscape Division for inclusion in the Council's Capital Programme.

Recommendation to the Executive Board:

- a **That the capital bids previously approved and identified in the report of the Assistant Director (Streetscape) be included in the next long term capital programme; and**
- b **That the scheme currently not included in the long term capital programme identified in 6.1.3 of the report of the Assistant Director (Streetscape) be included in the long term capital programme, subject to the results of the market testing.**

82 **Progress Report on Human Resources Issues**

The Assistant Director (Finance and Human Resources) advised Members of progress against the Human Resources Strategy Action Plan, the work being done by the Human Resources team, the sickness levels for the period of April 2009 to September 2009 and provided some further information on action taken in managing absence.

Resolved:

That the report be noted.

83 **Capital Programme 2009/10 Period Ending November 2009**

The Assistant Director (Finance and Human Resources) updated Members on the progress of the 2009/10 Capital Programme in terms of both expenditure and outcomes.

Resolved

That the report be noted.

84 **Budgetary Control Report 2009/10 Period Ended 30 November 2009**

The Assistant Director (Finance and Human Resources) reported on the revenue expenditure and income for the period from 1 April 2009 to 30 November 2009. The 2009/2010 budget and the actual position for the period, compared with the estimate at that date were detailed, together with an estimate of the out-turn position for services reporting to the Board.

Resolved:

That the report be noted.

85 Consolidated Budgetary Control Report 2009/2010 – Period Ended 30 November 2009

The Assistant Director (Finance and Human Resources) updated the Board on the total Council General Fund revenue expenditure and income for the period from 1 April to 30 November 2009.

Resolved:

That the report be noted.

86 Housing Revenue Account Budgetary Control Report 2009/2010 – Period Ended 30 November 2009

The Assistant Director (Finance and Human Resources) updated the Board on the total Housing Revenue Fund revenue expenditure and income for the period from 1 April to 30 November 2009.

Resolved:

That the report be noted.

87 Exclusion of the Public and Press

Resolved:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.

88 Changes to Staffing Arrangements Within Leisure Facilities

The Assistant Director (Leisure and Community Development) sought approval for a number of operational changes to staffing arrangements within the Council's leisure facilities consequent upon a review of opening hours and also further to a re-evaluation of the duties undertaken by receptionists within the centres.

Resolved:

- a That the proposed change to the grade of the Receptionist posts in the Council's leisure facilities and the responsibilities described in the Job Description attached as Appendix A to the report of the Assistant Director (Leisure and Community Development) be approved;**
- b That the proposals for funding the grade change, as set out in section 3 of the report of the Assistant Director (Leisure and Community Development), be approved; and**

- c That the proposed changes to the staffing arrangements within the Council's leisure facilities, consequent upon the recent review of opening hours, be agreed and implemented at the earliest opportunity.**

89 Sale of Land for Housing Development at Warton

The Assistant Director (Housing) reported on a proposal to use a piece of Council owned land in Warton for a small housing development of affordable homes and requested a decision to sell the land for that purpose.

Recommended:

- a That the sale of the land outlined at Appendix A of the report of the Assistant Director (Housing) to a Housing Association for a small development of affordable housing, subject to a suitable scheme and land value being agreed, be approved in principle;**
- b That a further report be submitted to the Board at its meeting to be held in March 2010, detailing how the land is proposed to be developed;**
- c That the land is surplus to requirements by the Council; and**
- d That any capital receipts received by the Council in connection with the sale of land/proposed development be used for affordable housing.**

90 Re-development of Flats, Shops and Land at Lister Road, Atherstone

The Assistant Director (Housing) provided Members with an update on the work that had been undertaken by the Housing Division with regard to the possibility of redeveloping an area of Council owned land and properties in Lister Road, Atherstone and sought a decision in principle to explore development options further.

Resolved:

- a That the update work to explore the feasibility of developing the land at Lister Road shops, including the financial implications, be noted;**
- b That the Housing Division carries out further work to explore the feasibility of creating a new housing development on the Lister Road shops site as set out in the report of the Assistant Director (Housing), including the possibility of entering into contractual arrangements with leaseholders to end their leases and exploring a land swap or other financial contribution from the County Council; and**
- c That the Housing Division works with Waterloo Housing Association and the County Council to explore alternative suitable sites to deliver extra housing in the Borough.**

91 **Sale of Land off Rectory Road/Bournebrook View, Arley**

The Assistant Director (Housing) updated Members about progress on the proposals to develop the Council's land off Rectory Road, Arley and provided an update about land valuations for consideration.

Recommended:

- a That the proposed valuation for the part of the site to be used for open market sale properties developed by Lovell Partnerships set out in Section 6.1.8 of the report of the Assistant Director (Housing) be approved; and**
- b That any capital receipts received by the Council in connection with the sale of land/proposed development off Rectory Road/Bournebrook View, Arley, be used for affordable housing.**

L Smith
Chairman

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE RESOURCES BOARD

2 February 2010

Present: Councillor Smith in the Chair

Councillors Bowden, Butcher, N Dirveiks, Forwood, Fowler, Moore, Y Stanley and Winter.

Apologies for absence were received from Councillors Johnston, Lea, Payne and Smitten.

Councillor Phillips was also in attendance.

92 **Declarations of Personal or Prejudicial Interests**

Any personal interests arising from the membership of Warwickshire County Council of Councillor Fowler, and membership of various Parish Councils of Councillors Butcher and Y Stanley (Polesworth) and Moore (Baddesley Ensor) were deemed to be declared at the meeting.

93 **Corporate Plan 2010-11**

The Chief Executive presented the updated Corporate Plan for 2010-11. The Board's approval was sought for those parts of the Corporate Plan for which the Board was responsible. Members were also asked to agree the 2010-11 Service Plans for the Finance and Human Resources, Revenues and Benefits, Corporate Services and Housing Divisions and the Internal Audit Service.

Recommendation to Executive Board:

- a That those parts of the Corporate Plan as set out in Appendix A to the report of the Chief Executive, for which the Resources Board is responsible be agreed; and**

Resolved:

- b That the Service Plans as set out in Appendix B to the report of the Chief Executive be agreed.**

94 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April 2009 – December 2009**

The Chief Executive and Director of Resources informed Members of the actual performance and achievement against the Corporate Plan and Performance Indicator targets relevant to the Board for the third quarter April 2009 to December 2009.

Resolved:

That the report be noted.

95 **General Fund Fees and Charges 2010/11**

The Assistant Chief Executive and Solicitor to the Council, Assistant Director (Streetscape), Assistant Director (Revenues and Benefits) and Assistant Director (Finance and Human Resources) reported on the fees and charges for 2009/10 and the proposed fees and charges for 2010/11.

Resolved:

That the schedule of fees and charges for 2010/11, set out in the report of the Assistant Chief Executive and Solicitor to the Council, Assistant Director (Streetscape), Assistant Director (Revenues and Benefits) and Assistant Director (Finance and Human Resources) be agreed.

96 **General Fund Revenue Estimates 2010/11 – Services Recharged Across All Boards**

The Director of Resources reported on the revised budget for 2009/10 and gave an estimate of expenditure for 2010/11, together with forward commitments for 2011/12 and 2012/13 for those services recharged across all Boards.

Resolved:

- a That the revised budget for 2009/10 be accepted;**
- b That the growth item for 2010/11 detailed in paragraph 7.3 of the report of the Director of Resources be approved; and**
- c That the Estimates of Expenditure for 2010/11, as submitted, be included in the budget to be brought before the meeting of the Executive Board on 8 February 2010.**

97 **General Fund Revenue Estimates 2010/11 – Services Remaining within Board**

The Director of Resources reported on the revised budget for 2009/10 and gave an estimate of expenditure for 2010/11, together with forward commitments for 2011/12 and 2012/13 for those services remaining within the Board.

Resolved:

- a That the revised budget for 2009/10 be accepted;**
- b That the growth item for 2010/11 detailed in paragraph 7.1 of the report of the Director of Resources be approved; and**
- c That the Estimates of Expenditure for 2010/11, as submitted, be included in the budget to be brought before the meeting of the Executive Board on 8 February 2010.**

98 **General Fund Revenue Estimates 2010/11 - Summary**

The Director of Resources reported on the revised budget for 2009/10 and gave an estimate of expenditure for 2010/11, together with forward commitments for 2011/12 and 2012/13

Recommendation to the Executive Board:

That the following items be recommended to the Executive Board for consideration in setting the Council Tax of the Borough Council:

- a The revised budget for 2009/10;
- b The growth items for 2010/11 totalling £42,960; and
- c The schedule of expenditure requirements totalling £9,922,150 for 2010/11.

99 **Housing Revenue Account Estimates 2010/11 and Rent Review**

The Director of Resources reported on the revised budget for 2009/10 and gave an estimate of expenditure for 2010/11, together with forward commitments for 2011/12 and 2012/13.

Resolved:

- a That the revised estimate for 2009/10 be accepted;
- b That rent increases, calculated on the basis that the Council will continue to move properties towards their individual target rents, be adopted;
- c That the service charges for window cleaning, as detailed in Appendix F of the report of the Director of Resources, be approved from April 2010;
- d That the service charges for the cleaning of communal areas, as detailed in Appendix E of the report of the Director of Resources, be approved from April 2010;
- e That the proposed fees and charges for 2010/11, as set out in Appendix D of the report of the Director of Resources be approved;
- f That the growth bid, set out in section 12 of the report of the Director of Resources be approved; and
- g That the Estimates of Expenditure for 2010/11, as submitted, be approved.

100 **Tenant Services Authority – Regulation and Consultation on Standards**

The Assistant Director (Housing) updated Members on the work of the Tenant Services Authority and presented a consultation document for consideration and response.

Resolved:

- a **That the work of the new Tenant Services Authority be noted; and**
- b **That the response to the consultation document sent out by the Tenant Services Authority be noted and the proposed response be approved.**

101 **Private Sector Decent Homes Work**

The Assistant Director (Housing) updated Members on work to bring homes in the private sector up to a decent homes standard and recommended that the Council engaged with an initiative which provided financial assistance for homeowners called Kick Start.

Resolved:

- a **That the work to support the owners in the private sector to bring homes up to the decent homes standard be noted; and**
- b **That the steps towards joining the Kick Start scheme be supported.**

102 **Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy for 2010/11**

The Director of Resources outlined the Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Investment Strategy for 2010/11.

Recommended:

That the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Investment Strategy for 2010/11 be accepted.

103 **Internal Audit – Performance for July to December 2009**

The Director of Resources reported on the progress of the Council's Internal Audit function against the agreed plan of work for the year.

Resolved

That the report be noted.

104 **Adoption of the Revised CIPFA Treasury Management Code of Practice 2009**

The Director of Resources sought approval to adopt the revised CIPFA Treasury Management Code of Practice 2009 and to amend the Council's Financial Regulations accordingly.

Resolved:

- a **That the Council adopts, as part of its Financial Regulations and other formal policy documents appropriate to their circumstances, the four clauses highlighted in paragraph 4.1 of the report of the Director of Resources; and**
- b **That the revised CIPFA Treasury Management Code of Practice 2009 be adopted.**

105 **Exclusion of the Public and Press**

Resolved:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

106 **Purchase of Flat at 3A Church Walk, Mancetter**

Under Section 100(B)(4)(b) of the Local Government Act 1972 the Chairman agreed to consideration of this urgent business by reason of the need to act expeditiously with regards to this matter.

The Assistant Director (Housing) advised the Board of the Housing Division's proposal to purchase back a flat which was sold through the right to buy scheme and provided information to support the recommendation.

Resolved:

- a **That the reasons for purchasing back the property at 3A Church Walk, Mancetter, as set out in the report of the Assistant Director (Housing) be noted; and**
- b **That the decision of the Director of Resources, in consultation with the Leader of the Council and Chairman of the Resources Board, to approve the budget set out in the report of the Director of Resources, to cover the cost of purchasing the property, be ratified.**

L Smith
Chairman

Agenda Item No 6

Resources Board

13 April 2010

**Report of the
Assistant Director (Finance and Human
Resources)**

**Amendments to Financial
Regulations**

1 Summary

- 1.1 This report is to inform Members of the proposed amendments to the Financial Regulations.

Recommendation to the Council

That the Council accepts or otherwise varies the form of Financial Regulations, as now presented, and that the consequent amendments to the Constitution are made.

2 Report

- 2.1 The Council's Financial Regulations were last reviewed in November 2008. The proposed revised Regulations are attached at Appendix A. Any deletions are shown as struck though with new wording shown in bold. The amendments relate to Section C18, Treasury Management, and are as a result of the CIPFA Treasury Management in the Public Services Code of Practice 2009. This specifies that certain clauses must be included in the Council's Financial Regulations.

3 Report Implications

3.1 Finance and Value for Money Implications

- 3.1.1 The Director of Resources has statutory duties in relation to the financial administration and stewardship of the Authority.

3.2 Legal and Human Rights Implications

- 3.2.1 The statutory duties arise from:
Section 151 of the Local Government Act 1972
The Local Government Finance Act 1988
The Local Government and Housing Act 1989
The Accounts and Audit Regulations.

3.3 Risk Management Implications

3.3.1 Compliance with Financial Regulations will assist in reducing the risks associated with the Council's business.

3.4 Links to Council's Priorities

3.4.1 Financial Regulations provide the framework for the financial administration of the Council, helping to making the best use of resources and helping to achieve a balanced budget.

The Contact Officer for this report is Jackie Marshall (719379).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

FINANCIAL REGULATIONS AND PROCEDURES

INDEX

Appendix A

A	FINANCIAL MANAGEMENT	2
1	Financial Management Standards	2 – 3
2	Managing Expenditure – Scheme of Virement and Budget Transfer	3 – 5
3	Accounting Policies	5 – 6
4	Accounting Records and Returns	6 – 7
5	The Annual Statement of Accounts	7 – 8
B	FINANCIAL PLANNING	9
6	Budgeting	9 – 12
7	Capital Programme	12 – 14
8	Maintenance of Reserves	14
C	RISK MANAGEMENT AND CONTROL OF RESOURCES	15
9	Risk Management	15 – 16
10	Internal Control	16 – 17
11	Audit Requirements	17 – 19
12	Preventing Fraud and Corruption	19 – 20
13	Assets	20 – 22
14	Inventories	22
15	Stocks and Stores	23
16	Intellectual Property	23
17	Asset Disposal	23
18	Treasury Management	24 – 25
19	Banking Arrangements and Cheques	25 – 26
20	Cash Floats and Petty Cash	26
21	Staffing	27
D	FINANCIAL SYSTEMS AND PROCEDURES	28
22	General	28 – 29
23	Income	29 – 31
24	Ordering and Paying for Work, Goods and Services	32 – 34
25	Contracts	34 – 36
26	Payment to Employees and Members	36 – 37
27	Taxation	38
28	Travel, Subsistence and Financial Loss Allowances	38 – 39
E	EXTERNAL ARRANGEMENTS	40
29	Partnerships	40 – 42
30	External Funding	42
31	Work for Third Parties	42 – 43

FINANCIAL REGULATIONS AND PROCEDURES

A FINANCIAL MANAGEMENT

1 FINANCIAL MANAGEMENT STANDARDS

Why is this important?

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

Key Controls

- 1.2 The key controls and control objectives for financial management standards are:
- (a) their promotion throughout the Authority
 - (b) monitoring processes and procedures to review compliance with financial standards.

Responsibilities of the Director of Resources

- 1.3 To ensure the proper administration of the financial affairs of the Authority.
- 1.4 To set the financial management standards and to monitor compliance with them.
- 1.5 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Authority.
- 1.6 To advise on the key strategic controls necessary to secure sound financial management.
- 1.7 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
- 1.8 To ensure that the revenue budget and capital programme are prepared
- 1.9 Treasury Management
- 1.10 To report to the full Council and external auditor if the Council or one of its officers: -
- Has made, or is about to make, a decision which involves incurring unlawful expenditure
 - Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council
 - Is about to make an unlawful entry in the Council's account
- 1.11 To report any breach of Financial Regulations to the Resources Board,

Responsibilities of Senior Officers (Senior Officers are defined in this context as Assistant Directors, and Principal Officers acting under delegated authority)

- 1.12 To promote the financial management standards set by the Director of Resources in their departments and to monitor adherence to the standards and practices, liaising as necessary with the Director of Resources.
- 1.13 To promote sound financial practices in relation to the standards, performance and development of staff in their departments.
- 1.14 To ensure that Financial Regulations are followed by his/ her staff.
- 1.15 To consult with the Director of Resources with respect to any matters within his/her control which are liable to materially affect the finances of the Council. This should be carried out before any provisional or other commitment is made and before any report to Board.
- 1.16 The control of staff and the security, custody and control of all other resources, including plant, buildings, vehicles, materials, cash and stores relating to his/her Division.
- 1.17 To take adequate steps to ensure that all staff, consultants or agency placements responsible for any matter covered by Financial Regulations have access to them, understand the contents and are following them.
- 1.18 To report to the Director of Resources where the Regulations have not been followed. The Director of Resources will decide whether to investigate and report to the appropriate Board depending on the circumstances in each case.

2 MANAGING EXPENDITURE

Scheme of virement and budget transfer

Why is this important?

- 2.1 The scheme of virement is intended to enable Boards, senior officers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Executive Board, and therefore to optimise the use of resources.

Key Controls

- 2.2 Key controls for the scheme of virement are:

- (a) It is administered by the Assistant Director (Finance and HR) within the guidelines below.
- (b) The overall budget is agreed by Executive Board and approved by the full Council. Senior Officers and budget holders are therefore authorised to incur expenditure in accordance with the estimates that make up the budget.
- (c) Virement does not create additional overall budget liability. Senior Officers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Senior Officers must plan to fund such commitments from within their own budgets.

Ground Rules for Virement and Budget Transfer

2.3 The ground rules apply where:

- (i) An expenditure budget is going to be exceeded or there will be a shortfall in income.
- (ii) There is a saving on expenditure or additional income has been produced and a Senior Officer wishes to use it. In these circumstances the saving on expenditure or additional income will need to have resulted from specific action by the budget manager and not be due to circumstances outside his/her control.

2.4 For the purpose of these ground rules the following definitions apply:-

(a) Virement

The movement of budgetary provision between services. A service is defined as a line appearing in the summary page of the overall budget of a Board, eg:

- Refuse Collection
- Public Conveniences
- Pest Control

(b) Transfer

The movement of budgetary provision between budget heads within a service. A budget head is defined as a line appearing in a service budget, eg Service - Pest Control

- Budget head - Employee costs
- Premises
- Supplies and Services

2.5 The procedures for dealing with virement and transfer are as follows:-

(i) Virement

Up to £3,000	Senior Officer approval in consultation with the Assistant Director (Finance and HR)
£3,000 - £6,000	Service Board approval
Over £6,000	Resources Board approval

(ii) Transfer

Up to £6,000	Senior Officer approval
Over £6,000	Service Board approval

2.6 The figures relate to the value of total movements in any one financial year and not to the maximum value of a single transfer or virement.

2.7 Before a Senior Officer approves a transfer of budget provision, he/she should inform the Assistant Director (Finance and HR) in writing.

2.8 All cases of virement or transfer of budget provision will be recorded by the Assistant Director (Finance and HR).

2.9 Virement or budget transfer is only to take place when the following conditions are satisfied: -

- (i) The proposed savings or additional income to fund any overspend are achievable
 - (ii) The additional expenditure will in fact happen and the particular budget head will be overspent or income will not be achieved
 - (iii) The total budgets controlled by that Senior Officer will not be overspent
 - (iv) Extra spending in future years will not be incurred
 - (v) A change of policy is not involved
- 2.10 Savings in non-recurring expenditure or additional income should not be used to finance additional recurring expenditure. The use of savings in recurring expenditure to finance additional recurring expenditure in excess of £3,000 will require the approval of the relevant Board.
- 2.11 Virement and transfers will not be made into or out of permanent staffing budgets. This includes payment for temporary staff covering a temporary vacancy, except with prior approval by the Assistant Director (Finance and HR).
- 2.12 The approval of the Resources Board will be required where sums are being vired which result in the start of a new policy or the extension or enhancement of an existing policy of the Council.
- 2.13 Expenditure on staffing, training, capital financing costs and recharges falls outside these ground rules.

3 ACCOUNTING POLICIES

Why is this important?

- 3.1 Departments have many systems and procedures relating to the control of the Authority's assets even though there are corporate systems and methods for purchasing, costing and financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

Key Controls

- 3.2 The key controls for accounting policies are:
- (a) systems of internal control are in place that ensure that financial transactions are lawful
 - (b) suitable accounting policies are selected and applied consistently
 - (c) proper accounting records are maintained
 - (d) financial statements are prepared which present fairly the financial position of the Authority and its expenditure and income

Responsibilities of the Director of Resources

- 3.3 A professional responsibility to ensure that the Authority's financial systems are sound, and should therefore be notified of any new development or changes.

Responsibilities of the Assistant Director (Finance and HR)

- 3.4 To select suitable accounting policies, in consultation with the Director of Resources, and to ensure that they are applied consistently. The accounting policies are set out in the statement of accounts, which is prepared at 31 March each year, and covers such items as:
- (a) separate accounts for capital and revenue transactions
 - (b) the basis on which debtors and creditors at year end are included in the accounts
 - (c) details on substantial provisions and reserves
 - (d) fixed assets
 - (e) depreciation
 - (f) capital charges
 - (g) work in progress
 - (h) stocks and stores
 - (i) deferred charges
 - (j) accounting for value added tax
 - (k) government grants
 - (l) leasing
 - (m) pensions
 - (n) any other additional items as required

To arrange for the compilation of all accounts and accounting records of the Council or to ensure that they are prepared under his/ her direction.

To consult with other Senior Officers or staff where revisions are needed to systems of recording not kept within the Resources Directorate

To control the day to day financial administration of the Council by issuing detailed administrative and accounting instructions, as appropriate. These instructions have the same standing as Financial Regulations.

Responsibilities of Senior Officers

- 3.5 To adhere to the accounting policies and guidelines issued

4 ACCOUNTING RECORDS AND RETURNS

Why is this important?

- 4.1 Maintaining proper accounting records is one of the ways in which the Authority discharges its responsibility for stewardship of public funds. It has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resources.

Key controls

- 4.2 All Members, finance staff and budget managers operate within the required accounting standards and timetables
- 4.3 All transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis

- 4.4 Procedures are in place to enable accounting records to be reconstituted in the event of systems failure
- 4.5 Reconciliation procedures are carried out **regularly** to ensure transactions are correctly recorded
- 4.6 Prime documents are retained in accordance with legislative and other requirements.

Responsibilities of the Assistant Director (Finance and HR)

- 4.7 To determine the accounting procedures and records for the Authority.
- 4.8 To arrange for the compilation of all accounts and accounting records under his/ her direction.
- 4.9 To comply with the following principles when allocating accounting duties: -
- Separating the duties of providing information about sums due to or from the Authority and calculating, checking and recording these sums from the duty of collecting or disbursing them
 - Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
 - To ensure that all claims for funds including grants are made by the due date.
 - To prepare and publish the audited accounts of the Authority for each financial year, in accordance with the statutory timetable and with the requirement for the full Council to approve the statements of accounts before 30 September.
 - To administer the Authority's arrangements for under and overspendings to be carried forward to the following year.
 - To ensure the proper retention of financial documents in accordance with the requirements set out in the Document Retention Policy.

Responsibilities of Senior Officers

- 4.10 To maintain adequate records to provide a management trail leading from the source of income/ expenditure through to the accounting statements.
- 4.11 To consult with the Assistant Director (Finance and HR) before implementing any changes of systems or revised procedures or forms relating to financial matters.
- 4.12 To ensure that the following principles are observed in the allocation of accounting duties:
- (i) the duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, must be separated as much as possible from the duty of collecting or using them
 - (ii) officers charged with the duty of examining and checking the accounts of cash transactions may not themselves perform any of those transactions.
- 4.13 To ensure that the principles of internal check operate in his/her Division and that accounting procedures and financial records under his/her control are kept accurately and up to date.

5 THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

- 5.1 The Authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Full Council is responsible for approving the statutory annual statement of accounts.

Key Controls

- 5.2 The key controls for the annual statement of accounts are:
- the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Director of Resources.
 - the Authority's statement of accounts must be prepared in accordance with proper practices, as set out in the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (the SORP)(CIPFA/LASAAC).

Responsibilities of the Director of Resources

- 5.3 The preparation of the Authority's statement of accounts, in accordance with proper practices, as set out in the format required by the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC), for each financial year ending 31 March.

Responsibilities of the Assistant Director (Finance and HR)

- 5.4 To prepare the Authority's statement of accounts, in accordance with proper practices, as set out in the format required by the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC), for each financial year ending 31 March.
- 5.5 To select suitable accounting policies and to apply them consistently.
- 5.6 To make judgements and estimates that are reasonable and prudent.
- 5.7 To comply with the Statement of Recommended Practice.
- 5.8 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.
- 5.9 To make proper arrangements for the audit of the Authority's accounts in accordance with the Accounts and Audit Regulations 1996.

Responsibilities of Senior Officers

- 5.10 To comply with accounting guidance provided by the Assistant Director (Finance and HR) and to supply him/her with information when required.

B FINANCIAL PLANNING

6 BUDGETING

Format of the Budget

Why is this important?

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

Key Controls

- 6.2 The key controls for the budget format are:

- the format complies with all legal requirements
- the format complies with CIPFA's Best Value Accounting – Code of Practice
- the format reflects the accountabilities of service delivery

Responsibilities of the Director of Resources

- 6.3 To decide upon the detailed form of capital and revenue estimates and agree with general directions of the Executive Board
- 6.4 To collate the estimates approved by Boards and report to the Executive Board, which will recommend the local taxation to be charged for the next year

Budget Preparation, Monitoring and Control

Why is this important?

- 6.5 Budget management ensures that once the budget has been approved by the full Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Authority to review its budget targets during the financial year. By continuously identifying and explaining variances against the budget, the Authority can identify changes in trends and resource requirements at the earliest opportunity.

Key controls

- 6.6 The key controls for managing and controlling the revenue budget are:

- (a) budget managers are responsible only for income and expenditure that they can influence
- (b) there is a nominated budget manager for each cost centre
- (c) budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities
- (d) budget managers follow an approved certification process for all expenditure
- (e) income and expenditure are properly recorded and accounted for

- (f) performance levels/levels of service are monitored in conjunction with the budget and any necessary action is taken to align service outputs and budget
- (g) amounts provided under the annual revenue estimates are not vired to other purposes without the approval of Resources Board. See Fin Reg.2.3 for the ground rules for virement and budget transfer.

6.7 The inclusion of items in approved revenue estimates or capital programmes gives the right to incur such expenditure unless the Executive Board of the Council has placed a reservation on any such item. Expenditure on any such reserved item may only be incurred when that reservation has been removed.

6.8 Nothing in these Regulations will prevent the Chief Executive from incurring necessary expenditure through exercise of his emergency powers under Section 101(1) (a) of the Local Government and Finance Act 1972.

Responsibilities of the Assistant Director (Finance and HR)

6.9 To prepare estimates of income and expenditure on General Fund revenue accounts and the Housing Revenue Account in conjunction with Senior Officers. These should agree with the financial plans approved by the Council, taking into account all financial implications, including any impact upon Prudential Indicators set by the Council.

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

- each Senior Officer has available timely information on income and expenditure on each of their budget heads which is sufficiently detailed to enable them to fulfil their budgetary responsibilities
- Expenditure is only committed against an approved budget head
- All officers responsible for committing expenditure comply with the relevant guidance and the financial regulations
- Variances from approved budgets are investigated
- Periodic Budgetary Monitoring reports are provided to all Boards
- Consolidated Budgetary Monitoring reports are provided to Resources Board
- Housing Revenue Account Budgetary Monitoring reports are provided to Resources Board
- Periodic monitoring reports of capital expenditure are provided to Resources Board
- Before the beginning of each financial year all budget holders are provided with financial statements showing details of the budgets for which they are responsible
- Budget holders receive or have direct access to accurate, timely and appropriate financial information to allow them to carry out effective control

Responsibilities of Senior Officers

Estimates

- 6.11 To prepare estimates of income and expenditure on General Fund Revenue accounts, in consultation with the Assistant Director (Finance and HR) for submission to the appropriate Board. The estimates should agree with the financial plan(s) approved by the Council.
- To take into account all financial implications, including any impact upon Prudential Indicators set by the Council, so that each individual Board may report on its budget requirement
 - To submit revenue estimates for the Housing Revenue Account to the Resources Board
 - To ensure that for any proposal to Board which involves additional expenditure during a period for which Council has already approved a budget or a programme of capital expenditure, a report is submitted to Board indicating the sufficiency or otherwise of the existing financial provision in the budget or capital programme
 - To manage their divisions' budgets in accordance with these Regulations, either directly or by delegating to members of their staff, as appropriate
 - To be accountable for all the financial operations of the services under their control
 - To monitor expenditure and income against budgets for which they have responsibility
 - To vire or transfer monies, if necessary, under the rules drawn up by the Director of Resources, shown in this document, and approved by Resources Board
 - To inform the Board concerned, after consultation with the Director of Resources/Assistant Director (Finance and HR), if it appears that the expenditure of any head of estimate may be exceeded (after allowing for any virement or transfer)
 - To inform the Board concerned, after consultation with the Director of Resources/Assistant Director (Finance and HR), if it appears that the income of any head of estimate may not be reached (after allowing for any virement or transfer)
 - Not to charge any expenditure or income to another budget controlled by another budget holder without that Officer's prior agreement

Monitoring – Budgetary Control

- 6.12 To maintain budgetary control within their departments according to the principles agreed, and to ensure that all income and expenditure is properly recorded and accounted for.
- 6.13 To ensure that an accountable budget manager is identified, as appropriate, for income and expenditure under their control.
- 6.14 To ensure that budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where variations from the approved budget are forecast.
- 6.15 To ensure that a monitoring process is in place to review performance levels/ levels of service in conjunction with the budget and is operating effectively.

- 6.16 To ensure compliance with the scheme of virement.
- 6.17 To ensure that no expenditure or income is charged to a budget controlled by another budget holders without that Officer's prior agreement.
- 6.18 To ensure that, where it appears that the amount of any approved estimate head may be exceeded, or the amount of any head of approved income may not be reached (after allowing for any virement or transfer made in accordance with FR 2.4 to 2.13), that the Assistant Director (Finance and HR) is consulted and the relevant Board informed.

Board Responsibilities

- 6.19 Amounts provided under the various heads of the approved annual revenue estimates will not be vired to other purposes by a Board without the approval of the Resources Board, except that approval is not required below £6,000, provided that virement is consistent with approved policy and budgeting decisions and exclude any proposal which would mean additional expenditure in later years.
- 6.20 Any Board of the Council must, before incurring any expenditure which cannot be met from within an approved estimate (after allowing for any virement or transfer made in accordance with Financial Regulations) submit to Executive Board a supplementary estimate request with a detailed statement of the proposed expenditure. This requirement also applies to an expected reduction in income.
- 6.21 Where a Board proposes:
- a new policy
 - a variation of an existing policy
 - a variation in the means or time-scale of implementing an existing policy which affects or may affect the Council's finances

it must submit a report to Executive Board, which will report these to the Council.

- 6.22 Nothing in these Regulations will prevent the Chief Executive from incurring necessary expenditure through exercise of his emergency powers under Section 101 (1)(a) of the Local Government and Finance Act 1972.
- 6.23 Nothing in these Regulations will prevent a spending Board from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or which is referable to Section 138 of the Local Government Act 1972, subject to their action being reported to the following meeting of the Executive Board.

7 CAPITAL PROGRAMME

Why is this important?

- 7.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Authority, such as land, buildings and major items of plant, equipment and vehicles. Capital assets shape the way services are delivered in the long-term and create financial commitments for the future in the form of financing costs and revenue running costs.

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

Key controls

7.3 The key controls for a capital programme are: -

- Specific approval by the Executive Board for the capital programme expenditure
- A scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared.
- The development and implementation of an asset management plan
- Accountability for each proposal is accepted by a named manager
- Monitoring of progress in conjunction with expenditure and income and comparison with approved budget

Responsibilities of the Director of Resources

7.4 To prepare capital estimates jointly with the other Assistant Directors and to report them to Executive Board for approval .

7.5 To prepare and submit reports to the Resources Board on the projected income, expenditure and resources compared with the approved estimates.

7.6 To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques.

7.7 To determine the definition of 'capital', having regard to government regulations and accounting requirements.

Responsibilities of Senior Officers

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

7.9 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued.

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

7.11 To proceed with projects only when there is adequate provision in the capital programme that has been approved by the Executive Board.

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

- To ensure that, before a Board recommends to the Executive Board any scheme involving capital expenditure, the following procedure has been followed:

- To consult with the Director of Resources/ Assistant Director (Finance and HR)
- An estimate has been provided which includes the associated likely revenue expenditure and income, for approval by the appropriate Board. The estimate should be prepared on the standard form and include the following:
 - (a) Outcomes expected
 - (b) Options for delivery
 - (c) Estimate of the cost of the proposed work
 - (d) Estimated annual running costs
 - (e) Work (if any) to be replaced
 - (f) Method of financing recommended
 - (g) Any income produced by the scheme
 - (h) Any external funding
 - (i) Chosen options and reasons
 - (j) Benefits
 - (k) Link to priorities
 - (l) Lifetime costs

8 MAINTENANCE OF RESERVES

Why is this important?

- 8.1 The Authority must decide the level of general reserves it wants to maintain before it can decide the level of Council Tax. Reserves are maintained as a matter of prudence. They enable the Authority to provide for unexpected events and so protect it from overspending, should such an event occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.

Key controls

- 8.2 To maintain reserves in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC) and agreed accounting policies.
- 8.3 For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- 8.4 Authorisation and expenditure from reserves by the appropriate Senior Officer in conjunction with the Director of Resources or Assistant Director (Finance and HR).

Responsibilities of the Director of Resources

- 8.5 To advise Executive Board and / or the full Council on prudent levels of reserves for the Authority, and to take account of the advice of the external auditor in this matter.

Responsibilities of Senior Officers

- 8.6 To ensure that resources are used only for the purposes for which they were intended.

C RISK MANAGEMENT AND CONTROL OF RESOURCES

9 RISK MANAGEMENT

Why is this important?

- 9.1 The Authority, in all its undertakings, faces risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve our objectives, caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure our assets and to ensure our continued financial and organisational well-being. It is, therefore, an integral part of good business practice. It is concerned with the measures we have in place to manage identified risks and then recommending the action we need to take to control those risks effectively.
- 9.2 It is the responsibility of Resources Board to approve the Risk Management Strategy, and to promote a culture of risk management throughout the Authority.

Key Controls:

9.3 Key controls for Risk Management and Control of Resources are:

- (a) Procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating efficiently throughout the Authority.
- (b) A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.
- (c) Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives.
- (d) Provision is made for losses that might result from the risks that remain.
- (e) Procedures are in place to investigate claims within required timescales.
- (f) Acceptable levels of risk are determined and insured against, where appropriate.
- (g) The Authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibility of the Director of Resources

- To prepare and promote the Authority's risk management policy statement
- To develop risk management controls in conjunction with other senior officers

Responsibility of the Assistant Director (Finance and HR)

- To arrange all insurance cover and negotiate all claims in consultation with other Officers, where necessary
- To review all insurances annually, or at such other period as is necessary and in consultation with the Director of Resources and other Senior Officers, as appropriate

- To arrange for suitable fidelity guarantee and professional indemnity insurance for all appropriate employees of the Council

Responsibility of Senior Officers

- Senior Officers will take responsibility for risk management, having regard to advice from the Director of Resources, or his representative, and other specialist officers
- Senior Officers will ensure that there are regular reviews of risk within their departments and are responsible for maintaining risk registers in the agreed corporate form.
- All Senior Officers will complete an annual declaration of prioritised risks within their divisions, together with details of controls in place and action taken and any proposed measures to reduce the risk in the following year. Any new risks facing the service and details of any Partnerships in which it is involved must also be reported in the annual declaration
- Senior Officers will promptly inform the Assistant Director (Finance and HR) of all new risks, properties or vehicles which need to be insured and of any alterations affecting existing insurances.
- Senior Officers will straightaway inform the Assistant Director (Finance and HR) in writing of any loss, liability or damage or anything likely to lead to an insurance claim and supply any necessary supporting records as may be needed.
- Senior Officers will consult the Director of Resources or Chief Executive or Director of Housing and Environment relating to the terms of any indemnity which the Council is requested to give.
- Senior Officers must ensure that employees, Members or anyone covered by the Authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

10 INTERNAL CONTROL

Why is this important?

- 10.1 The Authority is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives. It has statutory obligations, and so needs internal controls to identify and monitor compliance with these obligations.
- 10.2 It 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 those risks.
- 10.3 The system of internal controls is established in order to provide the measurable achievement of:
- (a) Efficient and effective operations
 - (b) Reliable financial information and reporting
 - (c) Compliance with laws and regulations
 - (d) Risk management

Key Controls

10.4 The key controls and control objectives for internal control systems are: -

- (a) Key controls should be reviewed on a regular basis and the Authority should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively.
- (b) Managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
- (c) Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
- (d) An effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guidelines *Guidance for Internal Auditors*, CIPFA's *Code of Practice for Internal Audit in Local Government in the UK* and with any other statutory obligations and regulations.

Responsibilities of the Director of Resources

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

Responsibilities of Senior Officers

10.6 To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risk.

10.7 To review existing controls in the light of changes affecting the Authority and to establish and implement new controls in line with guidance from the Director of Resources.

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

11 AUDIT REQUIREMENTS

Internal Audit

Why is this Important?

11.1 The requirement for an internal audit function is implied by section 151 of the Local Government Act 1972, which requires that Authorities make arrangements for the proper administration of their financial affairs. The Accounts and Audit Regulations 1996 (SI 1996/590) regulation 5, more specifically require that "a relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems."

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

Key Controls

- That it is independent in its planning and operation
- The Audit Manager has direct access to the head of paid service, all levels of management and directly to elected Members
- The Internal Auditors comply with the Auditing Practices Board's guideline *Guidance for Internal Auditors* as interpreted by CIPFA's *Code of Practice for Internal Audit in Local Government in the UK*

Responsibilities of the Director of Resources

11.3 To ensure that Internal Auditors have the authority to:

- (a) Enter at all times any property of the Council.
- (b) Have access to all records, documents, minutes and correspondence relating to any financial and other related dealings of the Council which are within the Council's safekeeping or control, including any partnerships in which the Council is involved.
- (c) Ask for and receive such explanations as are necessary concerning any matter under examination.
- (d) Require any employee of the Council to produce cash, receipts, books, vouchers, stores, accounting records, plant or any other Council property under his/her control.
- (e) Access records belonging to third parties, such as contractors, when required.
- (f) Directly access the head of paid service, all levels of management and elected Members.
- (g) Review, assess and report to the Senior Officer of the Division being audited on the suitability and use of financial and other controls and the protection of the Council's property and assets against loss due to fraud and wasteful practices, poor value for money or other causes.
- (h) To ensure that there is effective liaison between external and internal audit.

11.4 Responsibilities of Senior Officers

- (a) To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purpose of their work.
- (b) To ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- (c) To consider and respond promptly to recommendations in audit reports.
- (d) To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner.

External Audit

Why is this important?

- 11.5 The Local Government Finance Act 1982 set up by the Audit Commission, which is responsible for appointing external auditors to each Local Authority in England and Wales. The external auditor has rights of access to all documents and information necessary for audit purposes.
- 11.6 The basic duties of the external audit are defined in the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the Act requires the Audit Commission to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice issued in March 2000 sets out the auditor's objectives to review and report upon: -
- The financial aspects of the audited body's corporate governance arrangements
 - The audited body's financial statements
 - Aspects of the audited body's arrangements to manage its performance, including the preparation and publication of specified performance information and compliance in respect of the preparation and publication of the BVPP
- 11.7 The Authority's accounts are scrutinised by external auditors, who must be satisfied that the statement of accounts 'presents fairly' the financial position of the Authority and its income and expenditure for the year in question and complies with legal requirements.

Key controls

- 11.8 External auditors are appointed by the Audit Commission normally for a period of five years. The Audit Commission prepares a code of practice, which external auditors follow when carrying out their duties.

Responsibilities of the Director of Resources

- 11.9 To ensure that external and internal auditors are given access at all reasonable times to premises, personnel, documents and assets that they consider necessary for the purposes of their work.
- 11.10 To ensure that there is effective liaison between external and internal audit.
- 11.11 To work with the external auditor and advise the full Council, Boards and Senior Officers of their responsibilities in relation to external audit.

Responsibilities of Senior Officers

- 11.12 To ensure that external and internal auditors are given access at all reasonable times to premises, personnel, documents and assets that they consider necessary for the purposes of their work.
- 11.13 To ensure that all records and systems are up to date and available for inspection.

12 PREVENTING FRAUD AND CORRUPTION

Why is this important?

- 12.1 The Authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Authority. The expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practice.
- 12.2 The Authority also expects that individuals and organisations (eg suppliers, contractors, service providers) with whom it comes into contact will act towards the Authority with integrity and without thought or actions involving fraud and corruption.

Key Controls

- 12.3 The key controls regarding the prevention of fraud and corruption are that:
- (a) The Authority has an effective fraud and corruption policy and maintains a culture that will not tolerate fraud and corruption.
 - (b) All Members and staff act with integrity and lead by example.
 - (c) Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt.
 - (d) High standards of conduct are promoted amongst Members by the Standards Board.
 - (e) A register of interests should be maintained in which any hospitality or gifts accepted must be recorded.
 - (f) Whistle blowing procedures must be in place and operate effectively.
 - (g) Legislation regarding the Public Interest Disclosure Act 1998 must be adhered to.

Responsibility of the Director of Resources

- 12.4 To develop and maintain an anti fraud and anti-corruption policy.
- 12.5 To maintain adequate and effective internal control arrangements.

Responsibilities of Senior Officers

- 12.6 To ensure that all suspected irregularities are reported to the Audit Manager.
- 12.7 To instigate the Authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- 12.8 To ensure that where financial impropriety is discovered, the Director of Resources is informed.

13 ASSETS

Security

Why is this important?

- 13.1 The Authority holds assets in the form of property, vehicles, equipment and furniture worth millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service

operations. An up to date asset register is a pre-requisite for proper fixed asset accounting and sound asset management.

Key Controls

- 13.2 The key controls for the security of resources such as land, buildings, equipment, software and information are:
- (a) Resources are used only for the purpose of the Authority and are properly accounted for.
 - (b) Resources are available for use when required.
 - (c) Resources no longer required are disposed of in accordance with the law and the regulations of the Authority so as to maximise benefits.
 - (d) An asset register is maintained for the Authority, assets are recorded when they are acquired by the Authority and this record is updated as changes occur with respect to the location and condition of the asset.
 - (e) All staff are aware of their responsibilities with regard to safeguarding the Authority's assets and information, including the requirements of the Data Protection Act and software copyright legislation.
 - (f) All staff are aware of their responsibilities with regard to safeguarding the security of the Authority's computer and internet security policies.

Responsibility of the Assistant Director (Finance and HR)

- 13.3 To ensure that an asset register is maintained in accordance with the following deminimis levels:
- 13.4 Equipment £5,000, Land and Buildings £10,000. The function of the asset register is to provide the Authority with information about fixed assets so that they are safeguarded, used efficiently and effectively and adequately maintained.
- 13.5 To decide on the frequency of the revaluation of assets in conjunction with the Solicitor to the Council and in accordance with the Accounting Code of Practice.
- 13.6 To ensure that assets are valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC).

Responsibilities of the Solicitor to the Council

- 13.7 To have custody of all title deeds, agreements, contracts, leases, easements and any other documents and items under his control, and be responsible for their security and safe-keeping.
- 13.8 To provide details to the Asset Registrar of all lease agreements entered into or cancelled.

Responsibilities of the Corporate Property Officer

- 13.9 To keep a record of all properties owned by the Council, identifying the purpose for which held, location, extent and plan reference, together with details of purchase, nature of interests, rents payable and details of tenancies granted.
- 13.10 To decide on the frequency of the revaluation of assets in conjunction with the Assistant Director (Finance and HR) and in accordance with the Accounting Code of Practice.

13.11 Responsibilities of Senior Officers

- (a) To notify all acquisitions and disposals of properties (land and buildings) to the Asset Registrar within a month of acquisition or disposal.
- (b) Where land and buildings are surplus to requirements, to report the recommendation for sale to Board.
- (c) To ensure the proper security of all buildings and other assets under their control.
- (d) To consult with the Assistant Director (Finance and HR) in any case where security is thought to be inadequate or where it is considered that special security arrangements may be needed or where arrangements agreed with the Council's insurers may be affected.
- (e) To ensure that lessees and other prospective occupiers of Council land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate.
- (f) To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Authority.
- (g) To ensure that any limits for cash holdings are agreed with the Director of Resources and are not to be exceeded without his/her express permission.
- (h) To ensure that proper security and privacy is maintained with regard to information held on personal computers, and in written form, and for security of other such confidential information held in that Division and for informing the Director of Resources of any new applications so they can be assessed for notification under the Data Protection Act 1998.
- (i) To ensure that any Officers holding keys to safes, similar containers, buildings and vehicles are responsible at all times for their safekeeping. The loss of any safe keys must be reported to the Assistant Director (Finance and HR) straightaway. A record should be maintained by each Senior Officer of all such keys under his/her control, showing the name of the holder, the date of issue and the receiving Officer's signature. The loss of any other keys should be reported to the appropriate Senior Officer, who will take the necessary action.
- (j) To ensure that the appropriate staff are aware of the following procedures:
 - i Key-holders should notify the Senior Officer of transfers of keys straightaway. Transfers of keys should be evidenced by the timed and dated signature of the receiving officer.
 - ii Combination lock holders are responsible for keeping such combinations, which should be changed periodically and on the termination of service of any such combination holder, or change of responsibility.

13.13 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.

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

loss could result in a cost to the authority in some way. All employees should comply with the instructions and guidance issued by Information Services.

Responsibility of the Assistant Director (Information and Procurement)

- 13.15 To ensure the security of all computers and computer software, and to control the access to all records, in compliance with the requirements of the Data Protection Act 1998.

14 INVENTORIES

Responsibilities of Senior Officers

- 14.1 To maintain an annual check of all items on the inventory, for taking action in relation to surpluses or deficiencies and noting the inventory accordingly. A copy of each inventory should be made available to the Assistant Director (Finance and HR) annually for insurance/audit purposes.
- 14.2 To ensure that no Authority asset is subject to personal use by an employee without proper authority.
- 14.3 To ensure that Council's property is not removed except in the ordinary course of the Council's business or used otherwise than for the Council's purpose unless specific directions are issued by the Senior Officer concerned.
- 14.4 To ensure that all property, machinery, plant and other items are to be included on inventories straightaway when received, and should, as far as possible, be marked in a suitable way as the property of the Council. Valuable and portable items, such as computers, cameras and video/DVD recorders should be identified with security markings as belonging to the Authority.

15 STOCKS AND STORES

Responsibilities of Senior Officers

- 15.1 To ensure the safekeeping of the stocks and stores of his/her Division.
- 15.2 To ensure that stocks are maintained at reasonable levels and are subject to at least an annual and independent (as far as practicable) physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion. Any differences revealed on items of stock when a comparison is made between physical and book-stock must be reported to Internal Audit.
- 15.3 To ensure that no articles or goods may be removed from any store or depot without an order signed by an authorised Officer.
- 15.4 To ensure that records of stores issued and goods received are in a suitable form to be agreed by the Director of Resources.
- 15.5 To supply to the Assistant Director (Finance and HR) any information as he/she requires in relation to stores for the accountancy, costing and financial records of the Council.

16 INTELLECTUAL PROPERTY

Why is this important?

- 16.1 Intellectual property is a generic term that includes inventions, writing and software development. If these are created by the employee during the course of employment, then they belong to the Authority.

Responsibility of Senior Officers

- 16.2 To ensure that controls are in place so that staff do not carry out private work in Council time and that staff are aware of the Council's rights with regard to intellectual property.

17 ASSET DISPOSAL

Why is this important?

- 17.1 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources, or those declared surplus to requirements under Contract Standing Orders and Property Procedures, should be disposed of in accordance with the law and the Authority's regulations.

Key Controls

- 17.2 That procedures protect staff involved in the disposal from accusations for personal gain.
- 17.3 Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the Authority, and best price is obtained, bearing in mind other factors such as environmental issues and in accordance with Contract Standing Orders and the Property Procedures.

Responsibility of the Assistant Director (Finance and HR)

- 17.4 To ensure that appropriate accounting entries are made to remove the value of disposed assets from the Authority's records and to include the sale proceeds if appropriate.

Responsibilities of Senior Officers

- 17.5 To ensure that all surplus or obsolete materials, stores or equipment are disposed of by competitive tender or quotation when the value for such surplus stock is estimated to be higher than £500 and in accordance with Contract Standing Orders.
- 17.6 To ensure that any disposal of surplus or obsolete materials and stores, or equipment recorded on inventories, below the value of £500, are notified to the Assistant Director (Finance and HR) in writing.
- 17.7 To seek advice from purchasing advisors on the disposal of surplus or obsolete materials, stores or equipment.
- 17.8 To ensure that income received for the disposal of an asset is properly banked and coded.

18 TREASURY MANAGEMENT

Why is this important?

- 18.1 Millions of pounds pass through the Authority's books each year. This led to the establishment of codes of practice. These aim to provide assurance that the Authority's money is properly managed

in a way that balances risk with return, but with the over-riding consideration being given to the security of the Authority's capital sum.

Key Controls

18.2 That the Authority's borrowings and investments comply with ***Treasury Management in the Public Services, Code of Practice and Cross-Sectoral Guidance Notes (Fully Revised Second Edition 2009)*** ~~CIPFA Code of Practice of Treasury Management~~ and the Authority's treasury management policy statement and strategy.

18.3 That the following clauses are included in the Council's Financial Regulations:-

- (i) The Council will create and maintain, as the cornerstones for effective treasury management:
- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable treasury management practices (TMPs), 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.

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

- (ii) Full Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- (iii) The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Resources Board, and for the execution and administration of treasury management decisions to the Director of Resources, who will act in accordance with the Council's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- (iv) The Council nominates Resources Board to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Responsibilities of the Director of Resources

- (a) ~~To create and maintain a Treasury Management Policy and Strategy, stating the policies and objectives of its treasury management activities~~ **make and administer treasury decisions in accordance with the policy statement , TMPS and CIPFA's Standard of Professional Practice.**
- (b) ~~To arrange the borrowing and investments of the Authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the Authority's Treasury Management policy statement and strategy.~~
- (c) ~~To maintain suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities. The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where~~

~~necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key recommendations.~~

- (d) To report to Resources Board not less than twice in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers given to him/her. One such report will be an Annual Report which must be presented to the Board by 30 September.
- (e) To maintain a register of stock, bonds and mortgages and keep records of all borrowing of money by the Authority.
- (f) To make arrangements for the safe keeping of all securities which are the property of or in the name of the Council or its nominees.
- (g) To ensure that all investments of money are in the name of the Authority.
- (h) To ensure that all borrowings are in the name of the Authority.
- (i) To operate bank accounts as are considered necessary.
- (j) To prepare Prudential Indicators for Treasury Management, which will be considered together with the strategy and the annual report on activities.

18.3 All executive decisions on borrowing, investment or finance are given to the Director of Resources or through him/her to his/ her staff, who are all required to act in accordance with CIPFA's *Treasury Management in the Public Sector :Code of Practice 2009 2004*.

18.4 All money in the hands of the Council will be aggregated for the purpose of treasury management and will be under the control of the appropriate officer for the purposes of Section 151 of the Local Government Act 1972, referred to in the Code as the Chief Financial Officer, who in this Authority is the Director of Resources.

19 **BANKING ARRANGEMENTS AND CHEQUES**

Why is this important?

Key Controls

- 19.1 All arrangements with the Council's bankers concerning the Council's bank accounts and the issue of cheques will be made through the Director of Resources.
- 19.2 Cheques will be signed by the Director of Resources or his/her authorised officers, as may be approved by the Resources Board.
- 19.3 Instructions to the Council's bankers to make bank transfers will only be signed by the Director of Resources or his/her authorised officers, as may be approved by the Resources Board.
- 19.4 Money transferred by use of a computer link may only be released by the Director of Resources, or his/her authorised officers, as may be approved by the Resources Board.
- 19.5 Computer-printed cheques in excess of £20,000 will bear the personal signature of the Director of Resources or other such Officer authorised to sign cheques by the Council. All hand-written cheques will be personally signed by the Director of Resources or his/her authorised representative.

Responsibilities of the Assistant Director (Finance and HR)

- 19.6 To open and operate such banking accounts as necessary. Such accounts must be in the name of North Warwickshire Borough Council.
- 19.7 To arrange for the provision of cheques and arrange for their safekeeping.
- 19.8 To make arrangements for suitable signatories to the Council's bank accounts.

Responsibilities of the Assistant Director (Revenues and Benefits)

- 19.9 To open and operate such banking accounts as necessary after consultation with the Assistant Director (Finance and HR). Such accounts must be in the name of North Warwickshire Borough Council.

20 CASH FLOATS AND PETTY CASH

Responsibilities of the Assistant Director (Finance and HR)

- 20.1 To give cash floats to Officers for the payment of minor expenses of the Council. Each cash float will be of such amount as the Assistant Director (Finance and HR) considers necessary and he/she may issue conditions in connection with spending as he/she may consider necessary.

Responsibilities of Senior Officers

- 20.2 To request any new floats or increases to existing floats, together with valid reasons for the increase, to the Assistant Director (Finance and HR).
- 20.3 To review and approve the arrangements made for the safekeeping of the float.
- 20.4 To ensure that where staff are leaving the employ of the Authority or otherwise ceasing to hold a float, the float is properly handed in and accounted for.

Responsibilities of Staff

- 20.5 An Officer responsible for a cash float will give the Assistant Director (Finance and HR) a certificate stating the balance of his/her cash advance at the 31 March each year, and at any other time the Assistant Director (Finance and HR) or the Director of Resources requires.
- 20.6 To record all transactions as they occur. Vouchers and cash balances must be available for checking at any time by the Director of Resources (or his/her representative).
- 20.7 To ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made.
- 20.8 To make arrangements for keeping the cash balances and vouchers in a safe place.
- 20.9 To ensure that any income received on behalf of the Council is not paid into a cash float but is banked or paid to the Authority.
- 20.10 To limit purchases through petty cash to minor items of expenditure and to such other items as the Assistant Director (Finance and HR) may approve. Any purchase must be supported by a receipted

voucher. Where appropriate, Value Added Tax vouchers must accompany any taxable payment made.

21 STAFFING

Why is this important?

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

Key Controls

21.2 The key controls for staffing are:

21.3 An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocation are matched.

21.4 Procedures are in place for forecasting staffing requirements and cost.

21.5 Controls are implemented that ensure that staff time is used efficiently and to the benefit of the Authority.

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

Responsibility of the Director of Resources

21.7 To ensure that budget provision exists for all new and existing employees.

Responsibilities of the Assistant Director (Finance and HR)

21.8 To make payment of all salaries, gratuities, compensation and other items to all employees or former employees or under arrangements approved and controlled by him/her.

Responsibilities of Senior Officers

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

21.10 To ensure that both HR and Payroll are notified promptly of any new staff or any leavers.

21.11 To notify Payroll in an agreed form and time of all staff absence from work for sickness.

21.12 To provide a list of officers who are authorised to sign timesheets, invoices, orders, etc on behalf of the Senior Officer. This should be on the prescribed form and include specimen signatures, together with any specified limits.

21.13 To ensure that all timesheets or other pay documents are certified by hand and returned to Payroll for processing.

D FINANCIAL SYSTEMS AND PROCEDURES

22 GENERAL

Why is this important?

- 22.1 Departments have many systems and procedures relating to the control of the Authority's assets. They are increasingly reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 22.2 The Director of Resources has a professional responsibility to ensure that the Authority's financial systems are sound and should therefore be notified of any new developments or changes.

Key Controls

- 22.3 The key controls for systems and procedures are:
- Basic data exists to enable the Authority's objectives, targets, budgets and plans to be formulated.
 - Performance is communicated to the appropriate managers in an accurate, complete and timely basis.
 - Early warning is provided of deviation from target, plans and budgets that require management attention.
 - Operating systems and procedures are secure.

Responsibilities of the Director of Resources

- 22.4 To make arrangements for the proper administration of the Authority's financial affairs including to:
- 22.5 Issue advice, guidance and procedures for officers and others acting on the Authority's behalf.
- 22.6 Establish arrangements for audit of the Authority's financial affairs.
- 22.7 Approve any new financial systems to be introduced.
- 22.8 Approve any changes to existing financial systems.

Responsibilities of the Assistant Director (Finance and HR)

- 22.9 To determine the accounting system, form of accounts and supporting financial records in consultation with the Director of Resources and follow recommended published standards and codes of practice.
- 22.10 To arrange for the accounts and accounting records to be produced.
- 22.11 To consult with other Senior Officers before revising any procedures.
- 22.12 To establish a scheme of delegation identifying officers authorised to act on Senior Officers' behalf with regard to financial matters.
- 22.13 To control the day to day financial administration of the Council by issuing detailed administrative and accounting instructions, as appropriate. These instructions will have the same standing as Financial Regulations.

Responsibilities of Senior Officers

- 22.14 To obtain agreement of the Assistant Director (Finance and HR) before introducing any revised system, books or forms relating to finances.
- 22.15 To ensure that the principles of internal check operate within his/her Division and that accounting procedures and financial records under his/her control are kept accurately and up to date.
- 22.16 To ensure that the following principles are observed in the allocation of accounting duties:
- 22.17 The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, are separated as much as possible from the duty of collecting or using them.
- 22.18 To ensure that relevant standards and guidelines for computer systems are observed.
- 22.19 To comply with the copyright, designs and patent legislation and, in particular, to ensure that:
- Only software legally acquired and installed by the Authority is used on its computers
 - Staff are aware of legislative provisions
 - In developing systems, due regard is given to the issue of intellectual property rights
- 22.20 Officers charged with the duty of examining and checking the accounts of cash transactions may not themselves perform any of those transactions.
- 22.21 Each Senior Officer must ensure that the principles of internal check operate in his/her Division.

Responsibility of the Assistant Director (Information Services and Procurement)

- 22.22 To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site.
- 22.23 To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.

23 INCOME

Why is this important?

- 23.1 Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services, as this improves the Authority's cash flow and also avoids the time and cost of administering debt. However, this may not always be possible.

Key Controls

- 23.2 The key controls for income are:
- (a) All income due to the Authority is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed.
 - (b) All income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery.

- (c) All money received by an employee on behalf of the Authority is paid without delay to the Assistant Director (Revenues and Benefits) straightaway, or as he/she directs to the Authority's bank or National Giro account, and properly recorded. The responsibility for collection should be separated from that:
- Of identifying the amount due
 - Of reconciling the amount due to the amount received
- (d) Effective action is taken to pursue non-payment within defined timescales.
- (e) Formal approval for debt write-off is obtained.
- (f) Appropriate write-off action is taken within defined timescales.
- (g) Appropriate accounting adjustments are made following write off action.
- (h) All appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule.
- (i) Money collected and deposited is reconciled to the bank accounts by a person who is not involved in the collection or banking process.

Responsibilities of the Director of Resources

23.3 To control the collection of all money due to the Council.

23.4 The Director of Resources has the right to inspect any documents or other evidence in connection with contracts, leases, agreements and other arrangements entered into, which involve the receipt of money by the Council.

Responsibilities of the Assistant Director (Revenues and Benefits)

23.5 All monies received on behalf of the Council in any Division must be paid to the Assistant Director (Revenues and Benefits) straightaway or, as he/she may direct, to the Council's bank account. No deduction may be made from such monies unless the Assistant Director (Revenues and Benefits/ Finance and HR) specifically agrees to it.

23.6 To make arrangements for the payment of Council Tax and Non-Domestic Rates.

23.7 To write-off, under delegated powers, uncollectible amounts of Council Tax and NDR of £1,250 or less and to report such write-offs to Board from time to time. Sums due to the Council in excess of £1,250 may not be written off except with the consent of the Council on the recommendation of the appropriate Board or by the Board acting under delegated powers.

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

Responsibilities of the Assistant Director (Finance and HR)

23.9 To ensure that there are proper arrangements for the control of all receipt forms, books, tickets and other such items including ordering and supplying them.

23.10 To make arrangements for the collection of monies due for sundry invoices.

23.11 To write off, under delegated powers, uncollectable amounts of sundry debt of £1,250 or less and to report such write-offs to Board from time to time. Sums due to the Council in excess of £1,250 may

not be written off except with the consent of the Council on the recommendation of the appropriate Board or by the Board acting under delegated powers.

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

Responsibilities of Senior Officers

23.13 To ensure that each Officer who banks money does so in accordance with the instructions of the Assistant Director (Finance and HR).

23.14 To ensure that staff are aware that personal cheques must not be cashed out of monies held on behalf of the Council.

23.15 To ensure that any transfer of official money from one member of staff to another is noted in the records of the Division concerned by the timed and dated signature of the receiving officer.

23.16 To give the Assistant Director (Finance and HR) details of work done, goods supplied or services provided and of all other amounts due as may be required by him/her to record correctly any money due to the Council and to make sure that accounts are issued promptly for the collection of the income due.

23.17 To ensure that no new charges or changes in existing charges are made unless reported to the appropriate Board unless the Board has given authority to a Council Officer.

23.18 To ensure that each Board reviews, at least once in each year, as part of the budget process, whether the fees and charges for facilities and services under its control should be amended in any way.

23.19 To notify the Assistant Director (Finance and HR) promptly of all monies due to the Council and of contracts, leases and other agreements and other arrangements entered into which involve the receipt of money by the Council.

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

23.21 To notify the Assistant Director (Finance and HR) of any outstanding income relating to the previous year as soon as possible after 31 March and in line with the timetable issued.

General

23.22 All cheques will be crossed specifically to the account of the Council when received.

23.23 To ensure that personal cheques are not cashed out of monies held on behalf of the Council.

23.24 Post-dated cheques will not be accepted in payment of debt, except by special arrangement with the Director of Resources.

23.25 All accounts for income due to the Council will be produced through the Assistant Director (Finance and HR) unless otherwise authorised, except accounts for local taxation, rents and mortgages which will be produced through the Assistant Director (Revenues and Benefits) and the Assistant Director (Housing). Accounts must be in the name of North Warwickshire Borough Council.

24 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Why is this important?

24.1 Public money should be spent with demonstrable probity and in accordance with the Authority's policies. We have a statutory duty to achieve best value in part through economy and efficiency. Our procedures should help to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with contract standing orders and the Procurement Policy and Strategy.

Key Controls

24.2 The key controls for ordering and paying for work, goods and services are:

- (a) All goods and services are ordered only by appropriate persons and are correctly recorded.
- (b) All goods and services shall be ordered in accordance with Contract standing orders.
- (c) Goods and services received are checked to ensure they are in accordance with the order. Wherever possible, goods should not be received by the person who placed the order.
- (d) Payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
- (e) All appropriate evidence of the transaction and payment documentation are retained and stored for the defined period, in accordance with the document retention policy.
- (f) All expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- (g) In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

Responsibilities of the Assistant Director (Finance and HR)

- 24.3 To ensure that all the Authority's financial systems and procedures are sound and properly administered.
- 24.4 To make payments from the Authority's bank accounts on the Director of Resources' authorisation that the expenditure has been duly incurred in accordance with financial regulations.
- 24.5 To approve any changes to the existing financial system and to approve any new system before it is introduced.
- 24.6 To make payments to contractors on the certification of the appropriate senior officer, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- 24.7 To approve the form of official orders.
- 24.8 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a Court Order.
- 24.9 To provide advice and encouragement on making payment by the most economical means.

24.10 To ensure that a budgetary control system is established that enables commitments incurred by placing orders against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.

Responsibilities of Senior Officers

24.11 Each Senior Officer is responsible for all orders issued from his/her Division, and must keep a list of all persons he/she has authorised to sign orders on his/her behalf, including any consultants or agency placements who have also been given appropriate authorisation. Orders will be raised electronically through the Council's Financial Management System. Any change in authorised officers must be notified straightaway to the Assistant Director (Finance and HR).

24.12 To ensure that each order for the supply of goods complies with the Council's approved Purchasing Strategy document.

24.13 To ensure that the cost of official orders is within the overall approved estimates; represents value for money and that Contract Standing Orders have been complied with. Where expenditure is incurred in an emergency, the relevant Senior Officer is responsible for obtaining any subsequent authorisation that may be required.

24.14 To ensure that official orders clearly show the nature and quantity of the materials, works or services required, and details of the agreed price (or estimated price), discounts and terms in relation to packing and delivery.

24.15 To ensure that best value is obtained from purchases by obtaining competitive prices for goods and services of the appropriate quality.

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

24.17 To ensure that before authorising an invoice, the following processes have been carried out:-

- The work, goods or services to which the account relates have been received, carried out, examined and approved;
- The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct;
- The relevant expenditure has been properly incurred, and is within the relevant estimate provision;
- The account has not been previously passed for payment and is a proper liability of the Council;
- Prepayments for goods and services may only be allowed in exceptional circumstances where a significant benefit may be obtained. This should be noted on the invoice/ cheque requisition.

24.18 To ensure that two members of staff are involved in the ordering, receiving and invoice authorisation process. If possible a different officer from the person checking a written invoice should authorise the invoice.

24.19 To ensure that any amendments to the names of officers authorised to sign off orders and invoices is notified to the Assistant Director (Finance and HR) without delay, along with specimen signatures.

- 24.20 To ensure that an agreement to pay any suppliers by direct debit is not entered into without the agreement of the Assistant Director (Finance and HR).
- 24.21 To ensure that all invoices are paid within 30 days, unless the supplier's terms of trade vary. The only exception is where the invoice is disputed. In this instance, the Creditor's section must be notified **promptly** of the dispute.
- 24.22 To ensure that leasing or rental arrangements are not entered into without prior agreement of the Assistant Director (Finance and HR). This is because of the potential impact on the Authority's borrowing powers, to protect the Authority from entering into unapproved credit arrangements and to ensure that value for money is being obtained.
- 24.23 To notify the Assistant Director (Finance and HR) of outstanding expenditure relating to the previous year as soon as possible after 31 March and inline with the timetable issued.
- 24.24 To notify the Assistant Director (Finance and HR) immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 24.25 To ensure that any payment by the Council's debit card or purchasing card is in accordance with the instructions issued by the Assistant Director (Finance and HR).
- 24.26 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention policy.

General

- 24.27 Every officer and member of the Authority has a responsibility to declare any links or personal interests that they have with purchasers, suppliers and/or contractors if they are engaged in any contractual or purchasing decisions on behalf of the Authority, in accordance with **the** appropriate codes of conduct.
- 24.28 All orders must be in the name of North Warwickshire Borough Council and must be in a form approved by the Director of Resources.
- 24.29 Official orders must be in a form approved by the Assistant Director (Finance and HR).
- 24.30 Official electronic orders must be issued for all work, goods or services to be supplied to the Council except for supplies of gas, electricity, water and telephone services, work carried out under written contracts, for periodical payments such as rent or rates, for petty cash purchases, payment of Officers' professional fees or other exceptions as the Assistant Director (Finance and HR) approves.
- 24.31 Verbal orders must be confirmed by electronic order the same day and be marked "Confirmation Order."
- 24.32 The Officer issuing the order has overall responsibility for examining, verifying and authorising the related invoice.
- 24.33 Apart from petty cash, the normal method of payment is by BACS or cheque or by other approved method, drawn on the Authority's bank account. The use of direct debit **for payments** requires the agreement of the Assistant Director (Finance and HR).
- 24.34 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of any of the Authority's contracts.

24.35 No officer is allowed to certify an invoice or claim form for reimbursement of expenditure to him/herself.

24.36 **Any alterations to manual entries shown on an invoice must be initialled by the officer authorising the payment.**

25 **CONTRACTS**

Responsibilities of the Assistant Director (Finance and HR)

25.1 To keep a contract register for payments to be made by instalments to show the state of account on each contract between the Council and the contractor.

25.2 To examine final accounts for contracts, to the extent he/she considers necessary, and to make all such enquiries and receive such explanations as he/she may require to satisfy himself/herself as to the accuracy of the accounts.

25.3 Where a contractor is unable to complete the material works of a contract, due to financial instability, bankruptcy, etc, to arrange for alternative insurance cover and assess the financial and contractual position.

Responsibilities of the Assistant Director (Information Services and Procurement)

25.4 To maintain a register of all Council-wide contracts and update on a regular basis. **This is to be maintained on the Internet.**

Responsibilities of Senior Officers

25.5 To notify the Assistant Director (Finance and HR) as soon as possible of all contracts, agreements, awards or other methods involving the payment or receipt of money on behalf of the Council.

25.6 To authorise payments on account to contractors on a certificate which complies with all tax requirements, issued by the appropriate Officer or other authorised Officer of the Council or other person appointed by the Council, showing the total amount of the contract, the value of work done to date, retention money, amount paid to date and the amount now certified as due.

25.7 Every variation, addition to, omission from, or alteration in identity of the parties to a contract should be authorised in writing by the appropriate Officer or other person in control of the works. The notification should specify the estimated cost or saving involved and a copy of all such notifications should be sent to the Assistant Director (Finance and HR).

25.8 To report to the appropriate Board where a variation of a contract exceeds £5,000 or 10% of the contract sum, whichever is the greater, or any contract exceeds its contract sum by more than 10%, for whatever reason, details of the variation or overspend and the reason(s) for it, as soon as practicable and to every following appropriate Board until the scheme is completed.

25.9 The final sum due under any contract or accepted estimate may not be certified for payment until a detailed statement of accounts, together with such documents, vouchers and information as the Director of Resources may require relating to prime costs, quantities, variations, rates, additions or omissions, has been approved by the Assistant Director (Finance and HR) or his/her representative.

25.10 It is the responsibility of the Senior Officer concerned to ensure that the final account is correct before being sent to the Assistant Director (Finance and HR).

- 25.11 To refer claims from contractors in respect of matters not clearly within the terms of an existing contract to the Solicitor to the Council for consideration of the Council 's legal liability, and where necessary, to the Director of Resources for financial consideration before a settlement is reached.
- 25.12 Where a contractor is unable to complete the material works of a contract, due to financial instability, bankruptcy, etc, the Senior Officer will report to the Board concerned and will secure the site immediately, arrange with the Assistant Director (Finance and HR) for alternative insurance cover and assess the financial and contractual position. Arrangements will be made for alternative contractors to continue or complete the works, by following contract standing orders as to the employment of contractors.
- 25.13 Where completion of a contract over £40,000 is delayed beyond the contract period, to take appropriate action in respect of any claim for liquidated damages and to report this to the Board concerned.
- 25.14 To notify the Assistant Director (Finance and HR) of any leasing or rental agreements prior to entering into such a contract.
- 25.15 To notify the Assistant Director (**Information & Procurement**) of all contracts entered into and contracts being arranged to enable monitoring of financial limits according to Contract Standing Orders, and to facilitate value for money.

General

- 25.16 Officers must not purposely disaggregate orders/contracts to avoid the limits and processes set out in contract standing orders.
- 25.17 Where orders for goods, services, materials, or for the execution of any work are made on a continuous basis for the same type of work with the same supplier, and it is envisaged that the total amount of such purchases in any one year will exceed the amounts specified in Contract Standing Orders, then the provisions and limits within those Standing Orders will apply. Orders of this type should be subject to competition.

26 PAYMENTS TO EMPLOYEES AND MEMBERS

Why is this important?

- 26.1 Staff costs are the largest item of expenditure. It is therefore important that payments are accurate, timely, made only where they are due for services to the Authority and that payments are in accordance with individual's conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are authorised in accordance with the scheme adopted by the Council.

Key Controls

- 26.2 The key controls for payments to employees are:
- (a) Proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:
- Starters
 - Leavers
 - Variations
 - Enhancements

and that payments are made on the basis of timesheets or claims if appropriate.

- (b) Frequent reconciliation of payroll expenditure against approved budget and bank account.
- (c) All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention scheme.
- (d) That Inland Revenue regulations are complied with.

Responsibilities of the Assistant Director (Finance and HR)

- 26.3 To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with prescribed procedures on the due date.
- 26.4 To make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- 26.5 To make arrangements for payment of all travel and subsistence claims or financial loss allowances.
- 26.6 To make arrangements for paying Members' travel or other allowances upon receiving the prescribed form, duly completed.

Responsibilities of Senior Officers

- 26.7 To ensure that appointments, resignations, dismissals, suspension, secondments and transfers are made in accordance with the regulations of the Authority and approved establishments, grades and scales of pay and that adequate budget provision is available.
- 26.8 To ensure that adequate and effective systems and procedures are operated, so that:
 - Payments are only authorised to bona fide employees
 - Payments are made only where there is a valid entitlement
 - Conditions and contracts of employment are correctly applied
 - Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness
- 26.9 To send an up to date list of the names of officers to sign timesheets and claims to Payroll.
- 26.10 To give careful consideration to the employment status of individuals employed on a self-employed consultant or sub-contract basis. The Inland Revenue applies a tight definition for employee status, and in cases of doubt, advice should be sought from Payroll.
- 26.11 To certify travel, subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that Payroll is informed, where appropriate.
- 26.12 To ensure that Payroll is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax assessment system.
- 26.13 To notify the Assistant Director (Finance and HR) in an agreed form and time of all absences from work for sickness.

Responsibilities of Members

26.14 To submit claims for Members' travel and subsistence allowances on a monthly basis.

27 TAXATION

Why is this important?

27.1 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.

Key Controls

27.2 The key controls for taxation are:

- (a) budget managers are provided with relevant information and kept up to date on tax issues
- (b) budget managers are instructed on required record keeping
- (c) all taxable transactions are identified, properly carried out and accounted for within stipulated timescales
- (d) records are maintained in accordance with instructions
- (e) returns are made to the appropriate Authorities within the stipulated timescale

Responsibilities of the Director of Resources

27.3 To complete all Inland Revenue returns regarding PAYE.

27.4 To complete a monthly return of VAT inputs and outputs to HM Customs and Excise.

27.5 To provide details to the Inland Revenue regarding the construction industry tax deduction scheme.

27.6 To maintain up to date guidance for Authority employees on taxation issues in the accounting manual and the tax manual.

Responsibilities of Senior Officers

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

27.8 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.

27.9 To ensure that all persons employed by the Authority are added to the Authority's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.

27.10 To follow the guidance on taxation issued by the Director of Resources in the Authority's accounting manual and VAT manual.

28 TRAVEL, SUBSISTENCE AND FINANCIAL LOSS ALLOWANCES

Responsibilities of the Assistant Director (Finance and HR)

- 28.1 To arrange for payment to be made as appropriate.
- 28.2 To set in place a process to check the insurance, license and MOT details for any officer using his/her car for official business.

Responsibilities of Senior Officers

- 28.3 To send the names of Officers authorised to certify travel and subsistence claims to the Assistant Director (Finance and HR), together with specimen signatures and to amend this, as appropriate. The certification by or on behalf of the Senior Officer means that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.

Staff responsibility

- 28.4 It is the responsibility of each officer using his/her car for official business to have up-to-date insurance and MOT cover. Details should be provided at least annually to the Assistant Director (Finance and HR) or his/her representative. Travel allowance will not be paid to any officer who does not produce the necessary documentation.
- 28.5 To ensure that all claims for payment of car allowances, subsistence payments, travelling and incidental expenses are submitted, certified in a form approved by the Assistant Director (Finance and HR), to him/her, within seven days of a specified day of each month.
- 28.6 In any instance where a spouse or other person is authorised to drive a leased car, then it is the responsibility of the leased car holder to produce that person's driving licence as part of the annual check carried out by the Assistant Director (Finance and HR).
- 28.7 Any change in the status of the driving licence, including penalty points, of the leased car holder or other person must be notified to the Assistant Director (Finance and HR) promptly.
- 28.8 Officers are responsible for any parking or speeding fines, even if incurred whilst on official business.
- 28.9 Officers' claims submitted more than three months after the expenses were incurred will be paid only with the approval of the Director of Resources.
- 28.10 Payments to Members, including co-opted Members of the Council or its Boards who are entitled to claim travelling or other allowances will be made by the Assistant Director (Finance and HR) upon receipt of the appropriate completed form. All claims for a financial year should be submitted within one month of 31 March.
- 28.11 Payment to approved individuals/groups who are entitled to claim travelling or other allowances will be made by the Assistant Director (Finance and HR) upon receipt of the appropriate completed form.

E EXTERNAL ARRANGEMENTS

29 PARTNERSHIPS

Why is this important?

- 29.1 Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local Authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.
- 29.2 Local Authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local Authorities will be measured by what they achieve in partnership with others.

General

- 29.3 The main reasons for entering into a partnership are:
- (a) the desire to find new ways to share risk
 - (b) the ability to access new resources
 - (c) to provide new and better ways of delivering services
 - (d) to forge new relationships
- 29.4 A partner is defined as either:
- (a) an organisation (private or public undertaking), part funding or participating as a beneficiary in a project
- or
- (b) a body whose nature or status give it a right or obligation to support the project
- 29.5 Partners participate in projects by:
- (a) acting as a project deliverer or sponsor, solely or in concert with others
 - (b) acting as a project funder or part funder
 - (c) being the beneficiary group of the activity undertaken in a project
- 29.6 Partners have common responsibilities:
- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation
 - (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives
 - (c) be open about any conflict of interests that might arise

- (d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors
- (e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
- (f) to act wherever possible as ambassadors for the project

Key Controls

29.7 The key controls for Authority partners are:

- (a) if appropriate, to be aware of their responsibilities under the Authority's financial regulations and the code of practice on tenders and contracts
- (b) to ensure that risk management processes are in place to identify and assess all known risks
- (c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise
- (d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences
- (e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution

Responsibilities of the Director of Resources

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

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

- (a) a scheme appraisal for financial viability in both the current and future years
- (b) risk appraisal and management
- (c) resourcing, including taxation issues
- (d) audit, security and control requirements
- (e) carry-forward arrangements

29.10 To ensure that the accounting arrangements are satisfactory.

Responsibilities of Senior Officers

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

29.12 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Director of Resources.

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

- 29.14 To ensure that all agreements and arrangements are properly documented.
- 29.15 To provide appropriate information to the Director of Resources to enable a note to be entered into the Authority's statement of accounts concerning material items.
- 29.16 **To report annually to the appropriate Board, or more frequently if required to Management Team, on the progress of the Partnership.**

30 **EXTERNAL FUNDING**

Why is this important?

- 30.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Authority. Local Authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies, such as the National Lottery and the single regeneration budget, provide additional resources to enable the Authority to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Authority's overall plan.

Key Controls

- 30.2 The key controls for external funding are:
- (a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
 - (b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Full Council.
 - (c) to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Director of Resources/ Assistant Director Finance and HR

- 30.3 To ensure that all funding notified by external bodies is received and properly recorded in the Authority's accounts.
- 30.4 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 30.5 To ensure that audit requirements are met.

Responsibilities of Senior Officers

- 30.6 To ensure that the Assistant Director is notified of all applications and approvals for external funding.
- 30.7 To ensure that all claims for funds are made by the due date.
- 30.8 To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

31 WORK FOR THIRD PARTIES

Why is this important?

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

Key Controls

- 31.3 The key controls for working with third parties are:
 - (a) to ensure that proposals are costed properly in accordance with guidance provided by the Director of Resources
 - (b) to ensure that contracts are drawn up using guidance provided by the Director of Resources and that the formal approvals process is adhered to

Responsibilities of Senior Officers

- 31.4 To ensure that the approval of the appropriate Board is obtained before any negotiations are concluded to work for third parties.
- 31.5 To maintain a register of all contracts entered into with third parties.
- 31.6 To ensure that appropriate insurance arrangements are made through the Assistant Director (Finance and HR).
- 31.7 To ensure that the Authority is not put at risk from any bad debts.
- 31.8 To ensure that no contract is subsidised by the Authority, unless this decision has been approved by Resources Board.
- 31.9 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 31.10 To ensure that the department/unit has the appropriate expertise to undertake the contract.
- 31.11 To ensure that such contracts do not impact adversely upon the services provided for the Authority.
- 31.12 To ensure that all contracts are properly documented.
- 31.13 To provide appropriate information to the Director of Resources to enable a note to be entered into the statement of accounts.

Agenda Item No 7

Resources Board

13 April 2010

**Report of the Assistant Director
(Corporate Services)**

**Procurement and Commissioning
Strategy 2010/11 – 2012/13**

1 Summary

- 1.1 This report presents the draft Procurement and Commissioning Strategy 2010/11 – 2012/13 to Members for their consideration, comment and approval.

Recommendation to the Executive Board

That the Board approves the draft Strategy provided as Appendix A.

2 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 Both Councillors' Bowden and Butcher have been sent a copy of the Strategy and any comments received from them will be reported verbally to the Board.

3 Introduction

- 3.1 This is the Council's third formal Procurement Strategy. It provides an update on what has been achieved through the implementation of the 2007 – 2010 Strategy and the Annual Action Plans which have supported it. However, its main purpose is to describe how the Council will procure and commission goods, services and works over the next three financial years.
- 3.2 Current good practice advice is encouraging the consideration of wider social, economic and environmental impacts and the need to consult and involve customers and the ultimate users of services in the design, selection and deliver of goods and services. This approach is known as "commissioning". In reality the Council has done this naturally in a lot of areas such as consulting tenants on refurbishments and involving young people and communities in play area design. The inclusion of "commissioning" in the title of the Strategy, and as a thread throughout the document, is intended to help embed this good practice and raise its visibility to all staff who procure on the Council's behalf.

3.3 The need to deliver savings and efficiencies will be particularly important over the period of the Strategy due to the impact of the “credit crisis” and the anticipated squeeze on public finances. Procurement and commissioning is one of the tools the council has to help it achieve savings, create capacity and deliver quality, value for money, sustainable service to meet peoples needs.

3.4 The strategy has been developed by the corporate Procurement Team in consultation with the Procurement Working Group and Assistant Directors. It has been based on good practice advice and the direction laid down for public sector procurement through initiatives such as the Operational Efficiency Programme.

4. The Procurement and Commissioning Strategy

4.1 The strategy provides direction and plans for achieving excellence in the commissioning, procurement and purchasing of goods, services and works. It articulates the Council’s positive commitment to partnering, equality and sustainability through procurement; in order to achieve the Council’s Priorities and helps deliver outcomes which improve the environment, economy and opportunities for local people and businesses.

4.2 The Procurement Principles that we have been using to guide the development of corporate procurement have been reviewed and updated and are:

- Procure Strategically, Compliantly and Fairly.
- Deliver Choice, Quality and Social Outcomes.
- Best Value Procurement.
- Build Skills and Capacity.

4.3 The aims and proposed actions for the next 3 years are described in Section 4 of the Strategy; with specific tasks, timescales and responsible officers included in the Annual Action Plan which is Appendix 1 of the Strategy.

5 Report Implications

5.1 Finance and Value for Money Implications

5.1.1 There are no financial implications arising from this report or from the implementation of the Strategy. However, procurement and commissioning activities will deliver savings and efficiencies that will contribute to savings targets.

5.2 Legal and Human Rights Implications

5.2.1 The Strategy includes up to date information on compliance with Procurement Legislation, specifically the recently implemented Remedies Directive.

5.3 Environment and Sustainability Implications

5.3.1 The Strategy includes specific actions which encourage the Council to procure sustainably and with regard to the environment, climate and carbon reduction. The Government Taskforce's "Flexible Framework for Sustainability" is included part of the Strategy and commitments to its implementation made in the Action Plan.

5.4 Risk Management Implications

5.4.1 Section 5 of the Strategy identified the risks that may impact on its implementation and the achievement of the benefits expected.

5.5 Equalities Implications

5.5.1 The strategy makes a commitment to implementing the duties laid down in equalities and diversity legislation as they relate to procurement. We will use the best practice defined by the EHRC guidance the specific duties relating to procurement and to ensure compliance with the requirements for the achieving level of the Equality Framework. The Action Plan for 2010/11 includes a specific action for the Procurement Team to work with the Senior Policy Support Officer to review our procurement documents and processes with regard to equalities.

5.6 Links to Council's Priorities

5.6.1 Good procurement and commissioning practices specifically support the Council's priority of achieving a balanced budget. However, the outcomes of the various procurement exercises could support and contribute to anyone of the Council's priorities and officers will be encourage to identify the priority being supported by major procurements.

The Contact Officer for this report is Linda Bird (719327)

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

North Warwickshire Borough Council

**Procurement and
Commissioning Strategy**

2010/11 – 2012/13



North Warwickshire
Borough Council

Version 1.1 : Draft : January 2010

Draft Procurement and Commissioning Strategy 2010/11 – 2012/13

1. Introduction..... 3

2. Where are we now? 4

2.1 Progress against the 2007 – 2010 Procurement Strategy..... 4

3. Strategic Issues influencing the Procurement Strategy 6

3.1 Council Priorities..... 6

Procurement Principles..... 6

3.2 Legislation..... 6

3.2.1 EU Procurement Directives..... 6

3.2.2 Data Protection Act 1998 and FOI 7

3.2.3 Equality and Diversity Legislation 7

3.2.4 Trading and Charging Powers 7

3.3 Government Initiatives and National Issues..... 7

3.3.1 Sustainability and Carbon Reduction..... 7

3.3.2 Employment, Skills and Local Businesses 8

3.3.3 Public Sector Finance and Efficiency 8

3.3.4 Service Provision, Partnerships and the Voluntary Sector 8

4. Aims & Proposed Actions 9

4.1 Providing leadership and building capacity 9

4.2 Partnering and Collaboration 10

4.3 Doing business electronically 10

4.4 Achieving social, economic and community benefits..... 11

5. Risks and Maintaining the Strategy 11

5.1 Risks..... 11

5.2 Maintaining the Strategy 12

Procurement Strategy - Action Plan

Appendix 1 13

Version	Action/Amendment	Date
V1.0	Draft out for consultation to Procurement Working Group, POG's EMT Comments due by 22 nd March 2010.	10/03/2010
	Draft to MT	23/03/2010
	Draft to Resources Board	13/04/2010
	Draft to Exec Board	
Final	Approved by Council	May 2010

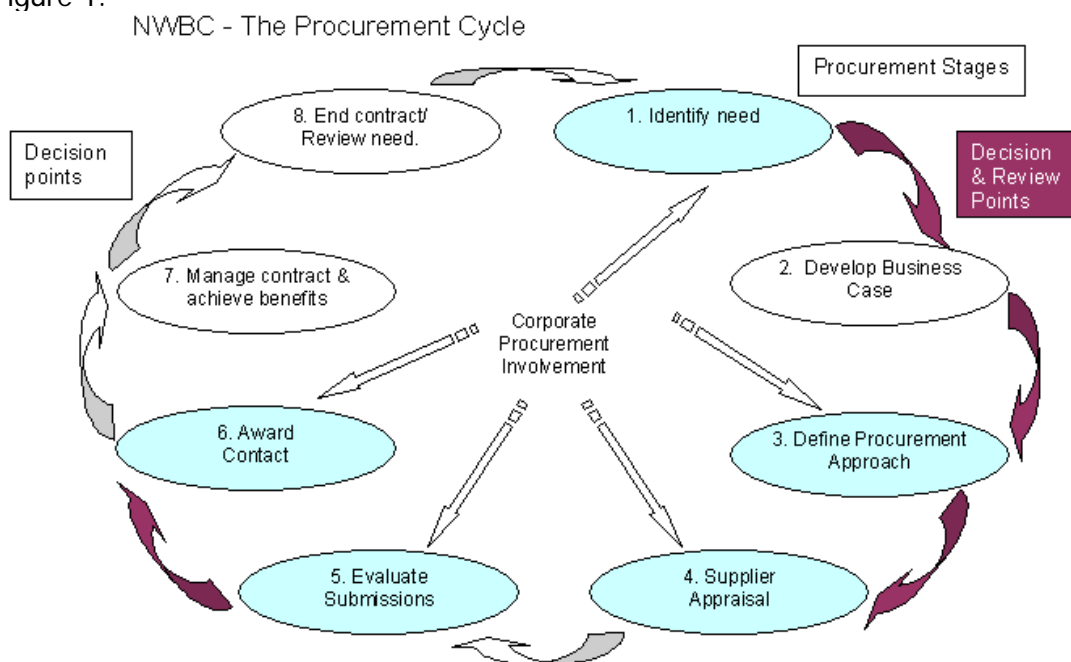
1. Introduction

The Council has had a Procurement Strategy since 2004. This strategy and associated action plan build on the significant past achievements and covers the three financial year period 2010/11 to 2012/2013. This is felt to be a realistic time frame given a three year funding settlement from central government, a similar time span for efficiency exercises and the changing environment within which the council operates.

The need to deliver savings and efficiencies will be particularly important for the council over period of the Strategy due to the ongoing impact of “credit crisis” and recession during 2008 and 2009. Procurement is one of the tools the council has to help it achieve its objectives, to make savings, create capacity and deliver high quality, best value, sustainable services.

Procurement does not just relate to “buying things” but covers the whole process from the initial examination of the need for a good or service, decisions about how and who provides the service, through selecting a supplier or partner, receiving the goods or service, managing a contract, achieving the benefits expected, to finally getting rid of an asset or ending a contract. This procurement process is described in the diagram below.

Figure 1.



Current good practice is encouraging people who buy goods and services to consider and aim to achieve wider social, economic and environmental impacts and outcomes from purchasing decisions. It also stresses the need to include the public, customers and people who are the ultimate users of services in their design, selection and delivery, where appropriate. This approach is known as “**commissioning**” and its implications and applicability to the council’s buying activity is an essential part of this strategy. For the majority of this strategy the term “procurement” will be used to describe our buying activity, although it will in reality encompass elements of commissioning.

Corporate Services Division takes a lead role in procurement; developing the strategy, overseeing its implementation and in the provision of day-to-day procurement support. We recognise that as a Council with a small procurement team (effectively 2 staff) it is

impossible for it to be involved in all procurements given the variety and frequency of buying activity and the specialist knowledge needed for some purchases. Therefore, delivering value for money from the Council's spend is the collective responsibility of everyone involved. We rely heavily on specialist in services such as Housing Contracts, on champions in Divisions who sit on the Procurement Working Group, on staff who carry out purchasing on a daily basis, on Financial Services for budget control and creditor management and Legal Services for advice and guidance on contracts.

Management Team (MT), Extended MT (EMT), Service Managers and Members, particularly through Resources Board, have an important role in supporting, but also challenging, procurement decisions and ensuring benefits are achieved. The Procurement Cycle diagram, figure 1 page 3, identifies a number of decision and review points where scrutiny can take place.

The Council has a good track record of working in partnership with others such as the County Council, other Warwickshire and Worcestershire District Councils, Eastern Shires Purchasing Organisation (ESPO), other buying consortia, local Councils, Improvement and Efficiency West Midlands and with consultants. The Council will continue to strive to work in partnership on procurement. The Procurement team will focus on developing good practice, establishing contracts, networks and partnerships and ensuring that the Procurement Working Group (PWG) and Management Team are aware of the opportunities these provide to improve procurement.

This strategy aims to provide plans to help us deliver excellence in socially responsible procurement and commissioning of goods, services and works. It articulates the Council's positive commitment to providing goods and services that meet the needs of the people of North Warwickshire and support the development of the areas economy. This strategy includes initiatives to support the delivery of the Council's priorities and strategies in other areas such as equality, asset management, carbon reduction and sustainability.

2. Where are we now?

In addition to the Strategy, Procurement Action plans are produced annually. These focus on specific actions relating to corporate procurement, e-procurement and delivering the strategy.

Past actions have been based on best practice arising from the National Procurement Strategy, the Byatt report, the Flexible framework for Sustainability and the National e-procurement project. Progress against the 2007– 2010 Strategy and the Annual Action plans is summarised below to give an indication of the Council current standing on Procurement.

2.1 Progress against the 2007 – 2010 Procurement Strategy.

The 2007 – 2010 Strategy identified various actions to deliver efficiencies and improvement. We used the National Procurement Strategy as a Framework and achieved the majority of actions, including:

Providing Leadership and Building Capacity

- Updated Financial Regulations and Contract Standing Orders¹ to reflect legislation and best procurement practice.

¹ Minor Revisions 2008 and 2010.

DRAFT Procurement and Commissioning Strategy 2010/11 – 2012/13

- Articles covering good procurement practices have been published in the Council's internal newsletter "Insider" and on the Council's Intranet.
- The Procurement manager gained the Chartered Institute of Purchase and Supply's professional qualification (MCIPS).
- Put in place management arrangements for the majority of our top 20 suppliers to help ensure services are delivered as promised and costs are reviewed.
- Introduced a range of Performance Indicators for Procurement and took part in CIPFA benchmarking in preparation for a Value for Money (VFM) review in 2010/11.
- Delivered savings through good procurement and monitored actual savings against the targets set by the Director of Resources.
- Developed standard documents for various areas of procurement e.g. Pre-qualification, Tendering and Evaluation.
- Rationalised the number of suppliers used, through improved processes and the use of TASK (now known as TOTAL) Finance System, and worked to reduce the number of invoices received.
- Strengthened the role of corporate procurement, providing us with the opportunity to consolidate purchasing and achieve efficiencies.

Partnering and Collaboration

- Worked with Worcester and Warwickshire District Councils to develop good practice and delivery joint procurement projects.
- Procurement was one of the four services investigated by the Coventry, Solihull and Warwickshire Shared Services Project.
- Worked with Improvement and Efficiency West Midlands (IEWM) District Procurement Group and took advantage of joint learning and contracts e.g. Agency Staff contract.
- Took advantage of a number of ESPO (Eastern Shires Purchasing Organisation) negotiated contracts.
- Used national OGC (Office of Government Commerce) framework contracts for photocopiers, telephony and Microsoft software licenses.
- The Housing Service partnered to provide capacity within Housing Maintenance and to help deliver the Decent Homes Programme.

Doing Business Electronically

- The use of the Finance System (TOTAL) for raising orders continues to increase and the electronic catalogue of goods is maintained by the Procurement Team.
- Staff have been trained to use TOTAL to streamline the purchasing process by requisitioning goods, authorising requisitions and recording delivery electronically.
- Purchase cards are used for certain low value goods and e-payments encouraged.
- We use our own and others websites (e.g. Supply2Gov) to advertise procurement opportunities and we can receive responses electronically.
- We took part in two Spikes Cavell Spend analysis exercises funded by IEWM. The information enables us to look at who we spend with and what we spend on and helps us set priorities for new procurement exercises and collaboration.

Stimulating Markets and Achieving Community Benefit

- Worked with the County to provide meet the buyer events to help local businesses understand and access public sector procurement opportunities.
- Included sustainability criteria and the need to comply with "green" accreditations in procurement exercises including print and Housing partnering waste disposal.
- Included the need for community benefit and involvement in procurements including play scheme design and provision and the Decent Homes refurbishments.

- Worked with our office supplies provider to procure environmentally friendly products and reduce the frequency of deliveries to reduce carbon emissions.
- The Council procured goods and services which have an environmental impact and help reduce energy use for example the pool cover at Atherstone Leisure Centre.
- Reviewed and updated our procurement documentation (PQQ and Tender) to include best practice with regard to equality in procurement.

3. Strategic Issues influencing the Procurement Strategy

There are a number of issues and initiatives that impact on this Strategy and which will influence how we commission and procure goods, services and works over the next 3 years.

3.1 Council Priorities

Procurement supports the achievement of the Council's priorities and targets expressed in the Sustainable Community Plan and Local Area Agreement; as they all need goods, services, people or skills to be provided to make them happen. If procurement is not effective there will be less capacity, fewer goods, financial uncertainty, inequality and poorer outcomes for our citizens, communities and environment.

Procurement Principles

The Council's procurement principles, which help guide us and enable us to deliver more effective and efficient procurement in the Council, have been reviewed and updated. The Principles for the next 3 years are detailed below:-

- **Procure and Commission Strategically, Compliantly and Fairly** – We will procure to support the delivery of the Council's Priorities. Procurement processes and systems will be fair and open and must comply with the Council's regulations, with legislation and good practice.
- **Deliver Choice, Quality and Social Outcomes** – We will make purchasing decisions on the basis of quality criteria and whole life cost. Service users, staff and specialists will, where appropriate, be involved in the design, decision and selection processes to ensure we get the right things for the job and beneficial social and economic outcomes.
- **Best Value Procurement** - We will use procurement to realise savings and efficiencies and to help us work effectively. This will be done through service provision decisions, working collaboratively and corporately, delivering best value and adopting good practice.
- **Build Skills and Capacity** – We will develop the skills and capacity needed to improve procurement and ensure it contributes to priorities and corporate governance as measured through value for money and use of resources assessments.

3.2 Legislation

The Council has updated its Contract Standing orders and Financial Regulations to reflect and support recent legislative developments, including:

3.2.1 EU Procurement Directives

The main legislation, which guides how the public sector purchases, is driven by EU Directives that are then brought into UK law. The EU lays down processes for buying goods and services over certain values. Purchases above these thresholds have to be advertised in

the Official Journal of the European Union (OJEU). Due to the threshold values the Council carries out very few OJEU procurements each year. Guidance on the process is on the Intranet and assistance is available from the Procurement Team.

In 2009 the UK implemented the Remedies Directive, which deals with suppliers' complaints about processes and the redress they can get, and the Alcatel period which enforces a gap between supplier selection and contract award to allow unsuccessful suppliers to challenge.

3.2.2 Data Protection Act 1998 and FOI

Both the Data Protection Act and the Freedom of Information Act (FOI) have implications for procurement. Under the DPA we are required to keep personal information private. Under FOI we are required to make non-personal information available to the public, guidance on how this relates to procurement, where contract information is involved, is available on the Council's Internet / Intranet.

3.2.3 Equality and Diversity Legislation

Legislation gives councils a positive duty to pro-actively promote equalities and makes it illegal to discriminate in the procurement and provision of goods and services on the grounds of sex, disability, race, sexual orientation, religion or belief. It is important that we take equalities duties into consideration in our procurement practices. This means advertising opportunities widely and openly, not using selection criteria to discriminate illegally and making every effort to ensure suppliers comply with equality in employment legislation

3.2.4 Trading and Charging Powers

The Council as a relatively small Borough Council with finite, heavily committed resource and limited spare capacity is unlikely to take-up the powers it has to trade under the Local Government Act 2003. We will however review this if a service has a compelling business case to do so.

3.3 Government Initiatives and National Issues

In addition to the impact of legislation a number of Government initiatives will affect our procurement strategy and practices.

3.3.1 Sustainability and Carbon Reduction

Sustainability Procurement is defined as: "A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment"

North Warwickshire is committed to Sustainable procurement. Factors that need to be taken into account include but are not limited to:

- Consideration of the whole life cost of products or assets including costs of disposal.
- The environmental impact over the life cycle of a product/asset, including its impact in terms of carbon dioxide emissions, water use, pollution, waste products, energy etc.
- Social aspect such as labour conditions, equality and diversities and fairly traded products.
- Any applicable regulations, requirements, conditions or specifications such as EU directives.

DRAFT Procurement and Commissioning Strategy 2010/11 – 2012/13

- All local, regional, national or international policies contributing to sustainable procurement and development.
- The consideration of price, quality, risk, availability and functionality of goods works and services.
- Achieving a sustainable economy, including the impact on local skills and labour.

The Council will consider sustainability in all its procurement activities. It will initially focus on those over the tender limit (£43,500 in 2010) and those which have specific environmental impact (e.g. water, energy, fuel, paper, waste and recycling and building material).

The re-use, recovery, recycling and disposal of our goods and assets are a large part of sustainable procurement. The WEEE directive (Waste from Electronic and Electrical Equipment) impacts on what we can do with certain assets coming to the end of their life. It also influences the disposal and recycling services we provide to our customers. The Council will re-use and recycle where possible and dispose of assets in a safe and sustainable manner.

The Council is committed to following the Flexible Framework for Sustainability, issued by the government's public sector taskforce and which sets out milestones and levels authorities should achieve (see Appendix 2).

3.3.2 Employment, Skills and Local Businesses

The Council is a major local employer and purchaser. It is important that Procurement is mindful of the impact purchasing decisions can have on local traders and small businesses.

The West Midlands Economic Inclusion Panel² has produced the "Framework for Jobs and Skills" to help organisations consider the development of employment opportunities and skills through procurement activities to help address the regions skills shortages and the lack of employment opportunities for local people. The Council will review and implement the framework as appropriate.

3.3.3 Public Sector Finance and Efficiency

Although the Council has plans to meet its 2010/11 efficiency targets it is expected that further, even more challenging targets, will be set nationally and locally to help address public sector budget deficits caused by the 2008/09 credit crisis. Savings and efficiencies are also needed to help the Council deliver its priorities and balance budget and service pressures.

Procurement has been identified in a number of Government reports and Programmes³ as one of the main routes for delivering cash savings and achieving efficiencies. Procurement is a key part of the Council's Value for Money and Use of Resources assessment which inform our corporate assessment and contributes to Comprehensive Area Assessment (CAA).

3.3.4 Service Provision, Partnerships and the Voluntary Sector

The government is encouraging the public sector to work with social enterprises and voluntary, community and charitable organisations (known as the third sector) to deliver

² The West Midlands Economic Inclusion Panel is made up of Government Office West Midlands, Advantage West Midlands and a number of public, private and voluntary sector partners.

³ Operational Efficiencies Programme – Collaborative Procurement – HM Treasury (May 09), Driving Innovation through Public Procurement (BIS), Sharing the Gain – CIPFA.

improved services and efficiencies. The Council recognises and values the added benefits that the voluntary and social enterprise sector provides. Procurement opportunities will be widely advertised and third sector bodies will be given the same sort of long-term contracts and conditions that are offer private sector companies.

Current advice on best practice in procurement recommends that smaller councils work in partnership and take advantage of contracts established by larger councils and professional buying. This strategy commits the Council to this approach as it enables us to procure effectively and take advantage of contracts based on much larger volumes than ours.

How the Council decides to provide services and which services it provides will become increasingly important during the life of this Strategy as it strives for savings, efficiencies and social and economic outcomes. Shared services is one of the ways the council can transform its services as the formation of a Shared Services encompasses the need for the council to answer the “make or buy” questions when reviewing and deciding how to provide services.

4. Aims & Proposed Actions

As a council we want to deliver best value procurement to support the delivery of excellent services by getting the quality of goods, services and works that people need and which deliver the desired outcomes.

The Council's procurement Action Plan will be driven by:

- Developing procurement to meet council priorities and service needs.
- Delivering actions which address the Strategic issues identified in Section 3 of this Strategy.
- Realising the Council's Procurement Principles

An Action Plan for 2010/11 is provided as Appendix 1, with the main actions summarised below:-

4.1 Providing leadership and building capacity

This objective covers the commitment of the council to procurement excellence by promoting and managing procurement strategically and resourcing and skilling it appropriately. We will:

- **Roles and Responsibilities** - Continue to develop the role of the Procurement Working Group and the Corporate Procurement Team.
- **Contract Register** - Maintain the Council's Contract Register and use it to plan and prioritise future tenders.
- **Equality** – The Procurement Team and the Senior Policy Support Officer will review and develop the Council's procurement processes and documentation to ensure they conform with equalities legislation and best practice.
- **Networking** – Participate in Procurement networking groups to share good practice and identify joint procurement opportunities.
- **Efficiencies** –Continue to introduce mechanisms for realising and measuring savings and benefits.
- **Challenge** – Challenge procurements and contribute to tackling instances of “spend to keep” and “business as usual” behaviour.
- **Standard Procurement Documentation** – Develop, promote and where necessary enforce the use of standard procurement documentation

- **Skills** – Ensure staff are trained and briefed as appropriate in procurement practices and legislative requirements.
- **Performance Monitoring & Benchmarking** – Maintain a range of performance indicators for Procurement and carry out benchmarking to deliver improvements.
- **Expertise** - Recognise our limitations and source experts, brokers or agents where they are needed to provide specific procurement advice.
- **Contract Standing Orders** - Ensure contract standing orders are up to date and fit for purpose and that they are being followed and compliance monitored.

4.2 Better Procurement

This objective covers the continuous improvement and bettering of the procurement of goods and delivery of services and works. We will:

- **Savings** – Identify and deliver savings through procurement exercises.
- **Partnering** – Continue to investigate and enter into sustainable partnering and shared services arrangements where they provide capacity and deliver efficiencies and service benefits.
- **Process Improvement** – Review and develop procurement processes, documents and practices to ensure efficiency and effectiveness.
- **Supplier Relationships** – Continue to implement supplier and contract management processes whereby we managed the relationships as well as the contract.
- **Joint Working** - Procure and commission jointly where possible and practical.
- **Consortia** - Make use of consortia such as ESPO and OGC where they deliver value.
- **Frameworks** - Use and develop framework agreements such as those negotiated by OGC. Develop our own frameworks where necessary e.g. external print and design.
- **Council Standards** - Ensure partners who provide services on the Councils behalf adhere to our standards, aims and values as laid out in Council strategy and policy.
- **Service Delivery** – Consider the options for delivering services (public, private, third sector, outsourced etc) so that they give the desired outcomes.

4.3 Doing business electronically

This objective covers the use of technology to get improvements and efficiencies in the procurement cycle including reducing the time and cost of purchasing. We will:

- **TOTAL Ordering** - Enforce the use of TOTAL for orders not covered by a Finance exemption. Continue to reduce the number of orders and invoices produced to deliver efficiencies.
- **E-Ordering** - Develop the electronic distribution of orders and electronic communication with suppliers.
- **Electronic Catalogue** – Maintain and develop the TOTAL e-catalogue and look to integrate with suppliers catalogues to make price and item maintenance easier.
- **Procurement Information** – Continue to develop procurement and “Supplying to the Council” information on the website and internal procurement advice on the Intranet.
- **E-tendering** – Review the need for an e-tendering solution for advertising opportunities and receiving responses.
- **E-auctions** – Take advantage of opportunities to participate in e-auctions organised by larger councils and consortia.
- **E-payments** – Review and develop the opportunity for people to used e-payment methods.
- **Business Process Review** - Review e-procurement/procurement processes to identify and implement improvements.

4.4 Achieving social, economic and community benefits

This objective covers working with suppliers and using procurement to help deliver the Council's priorities and targets and delivering economic, social and environmental outcomes. We will:

- **Carbon Reduction** – Deliver carbon reduction by reducing deliveries, seeking carbon reduction in the supply chain, use of low emission vehicles and fuel etc.
- **Climate Change** – Use procurement to support the Council's Strategy on climate change and its commitment to the Nottingham Declaration through green energy, energy efficiency, fuel use etc.
- **Sustainability Framework** - Work to achieve the actions and levels identified in the Government Taskforces Sustainability Framework.
- **Sustainability Accreditation** - Look for suppliers and goods with sustainability/"green" accreditations, compliance with standards and energy efficiency ratings etc.
- **Sustainability Criteria** - Include environmental and sustainability implications in the procurement process, documentation and selection criteria. Focusing first on major purchases, that is those in Band⁴ C (£43,500 - £100,000) and D (£100,001 plus) levels.
- **Re-use and Recycling** – Aim to re-use goods and recycle assets where possible.
- **Local Suppliers (SME's)** - Encourage a diverse and competitive supply market including small firms, local firms, social enterprises and the voluntary and community sector. We will do this by making procurement adverts inclusive and making those companies we support aware of opportunities.
- **Skills and Jobs** – Implement the "Framework for Jobs and Skills" where appropriate.
- **Staff implications** - Where procurement impacts on staff employment, we will ensure the procurement process includes staff consultation in line with council employment policy and that contracts address workforce matters.
- **Whole life costing** - The Council will work toward the identification of whole life costs and benefits for purchases at or above band C.
- **Community Benefits** - Where it would be possible and practical encourage procurement managers to invite costed proposals for the delivery of community benefits.
- **Customer Choice** - Assess the implications of the ongoing move towards customer choice and its impact on supplier and service selection.

5. Risks and Maintaining the Strategy

5.1 Risks

The main risks that may prevent us from achieving our objectives and getting the benefits from better procurement include:

- Using poor data as the basis for procurement decisions.
- Cash savings get swallowed up and are not ring fenced or re-deployed to meet corporate priorities.
- The need to achieve savings may impact on quality and sustainability criteria and outcomes.
- Lack of support for corporate buying and non-adoption of standard documents and processes.
- New procurement processes, documents and standards are unworkable and processes become non compliant.
- Collaborative procurements have an adverse effect on local suppliers.
- Consideration of sustainability may not get embedded into processes and outcomes not achieved.

⁴ The Council has five value based Bands for procurement - bands C and D are the highest.

DRAFT Procurement and Commissioning Strategy 2010/11 – 2012/13

It is anticipated that the actions identified in this strategy will mitigate against the impacts of these main risks. Specific risks to individual procurements will be identified as part the procurement project.

5.2 Maintaining the Strategy

This Strategy will be owned by and updated through the Procurement Working Group.

The Action Plan will be updated annually to reflect changing priorities and developments in procurement legislation and best practice.

**Procurement Strategy - Action Plan
Appendix 1**

Below are the actions that are required to implement the Procurement and Commissioning Strategy. This Action Plan will be updated annually and progress against it monitored through the Procurement Working Group and reported to ADs/EMT.

1. Providing leadership and building capacity				
Ref	Action	Deliverables	Target Date	Responsibility & Involvement.
1.1	Ensure the Council's Contract Register is kept up to date and used to plan tender exercises.	Up to date contract register. Prioritized list of tender exercises.	Jul 2010	AD (Corp Serv) PWG
1.2	Introduce mechanisms for realizing procurement savings and measuring benefits and outcomes.	Savings realized and benefits and outcomes identified.	Dec 2010	AD (Corp Serv) Proc. Team
1.3	Review and Produce procurement performance indicators.	Performance Indicators identified.	Dec 2010	Proc Team, PWG Proc. Team
1.4	Benchmark Procurement Performance using CIPFA benchmarking service.	Benchmarking carried out.	Dec 2010	Proc. Team
1.5	Carry out VFM review of Corporate Procurement	VFM Review Completed	Mar 2011	AD (Corp Serv)
1.6	Monitor compliance with contract standing orders.	Compliance information gathered.	Ongoing	PWG
1.7	Review and Update DPA and FOI advice re procurement and contracts	Compliant information and advice.	Dec 2010	Proc. Team Policy
1.8	Review and develop the Council's procurement processes and documentation to ensure they conform with equalities legislation and best practice.	Compliant documentation and processes	Dec 2010	Proc. Team and the Senior Policy Support Officer
2. Better Procurement				
Ref	Action	Deliverables	Target Date	Responsibility & Involvement.

DRAFT Procurement and Commissioning Strategy 2010/11 – 2012/13

2.1	Continue to investigate and enter into partnering arrangements where they provide capacity and efficiencies.	Effective partnerships.	Ongoing	ADs
2.2	Purchase goods & commission work jointly where practical	Joint procurements and contracts.	Ongoing	Proc Team, PWG
2.3	Identify and deliver savings through better procurement.	Savings target achieved.	Mar 2011	Proc Team, PWG
2.4	Purchase through consortia and frameworks where they deliver value.	Joint procurements and contracts.	Ongoing	Proc Team, PWG
3. Doing business electronically				
Ref	Action	Deliverables	Target Date	Responsibility & Involvement.
3.1	Enforce the use of TOTAL for all orders not covered by an exemption identified by Financial Services.	Orders processed through TOTAL.	Ongoing	Financial Serv, Proc. Team
3.2	Review and Manage the number of suppliers on TOTAL.	Optimum number of suppliers on TOTAL	Oct 2010	Proc. Team
3.3	Investigate and if feasible implement e-tendering solution.	Improved Management of Tender returns.	Mar 2011	Proc. Team
3.4	Continue to develop procurement information on the Web.	Comprehensive information on Website.	Dec 2010	Proc. Team
3.5	Improve and Update procurement advice for staff on the Intranet.	Advice up to date.	Oct 2010	Proc. Team
4. Achieving social, economic and community benefits				
4.1	Update Procurement Documentation to include Sustainability advice, questions and criteria.	Documentation up to date	Oct 2010	Proc. Team
4.2	Use procurement to support the council's stance on climate change.	Procurements & contracts to consider various elements of sustainability.	Oct 2010	Proc. Team, Facilities Mngr
4.3	Work to achieve Government Taskforces Sustainability Framework targets and plan for further levels.	Position reviewed and plans for progress produced.	Jun 2010	AD (Corp Serv)
4.6	Re-use or recycle goods and assets	Re-use & recycling opportunities identified and put in place.	Mar 2011	PWG, Proc Team
4.7	Encourage a diverse & competitive market including SMEs, local firms, social enterprises and community organisations.	Widely advertised opportunities. Meet the buyer events	Apr 2011	Proc. Team
4.8	Investigate and implement the Framework for Jobs and Skills where appropriate.	Advantages and disadvantages explored and implemented appropriately.	Jun 2010	AD (Corp Serv)

Agenda Item No 8

Resources Board

13 April 2010

**Report of the
Assistant Director
(Leisure and Community Development)**

Transfer of Land at Hurley

1 Summary

- 1.1 This report sets out a proposal for the transfer of land at Hurley from the Housing Revenue Account to the General Fund in order that it may be used to provide allotments for the local community.

Recommendation to the Board

That the site identified at Appendix A be transferred from the Housing Revenue Account to the General Fund for use as allotments.

2 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1 The Portfolio and Shadow Portfolio Holders for Housing, Countryside and Heritage, Safer Communities, Health, Well-being and Leisure, Environment, Community Life and Resources, together with Ward Members, have had the opportunity to comment on the content of this report.

3 Report

- 3.1 Ward Members and officers have been approached by a group of residents in Hurley, which is keen to establish an allotment site in the village. The residents have identified land off Queensway as a potential site for any such development. Following an initial meeting to discuss the potential formation of an allotment association to manage a site, the group submitted a petition to the Council, with 19 signatories, to request the provision of allotments in the village.
- 3.2 Under Section 23 of the Small Holdings and Allotments Act 1908, the Council is obliged to take into consideration any representation in writing by any six registered parliamentary electors, or persons who are liable to pay an amount in respect of Council Tax, requesting the provision of allotments.

- 3.3 It is the policy of the Council, as set out in both the adopted North Warwickshire Green Space Strategy and the Allotments Policy Statement, to support the development of new allotment sites where appropriate. In this regard, the Community and Environment Board, at its meeting held on 08 March 2010, approved, in principle, its support for this project, subject to the land being made available for the proposed development.
- 3.4 The site off Queensway, shown in the plan at Appendix A, was originally acquired for housing use. Access to the site for development, however, is poor. Other than a tacit agreement with a local farmer, the land is currently not in use. The Assistant Director (Housing) and the Assistant Director (Streetscape) have both confirmed that the site is not currently identified in any proposals for development and, as such, have no objection to its proposed transfer to the Community and Environment Board.
- 3.5 The Forward Planning Manager has advised that the use of this land for allotments would be acceptable, but further states that, as it lies within the development boundary, in principle development would also be appropriate at this location. Hurley is tightly constrained by Green Belt and this is one of few sites available that could provide future housing in the village. Its "loss" in this respect could be of potential concern. Allotments can be located within the Green Belt, where a sound case can be made that this is "appropriate" development, but officers are not aware of the availability of any such land at the current time.
- 3.6 It is proposed, therefore, that the Borough Council should support the local community's efforts to develop allotments in Hurley by making the identified land at Queensway available. This would require the transfer of the land from the Housing Revenue Account to the General Fund.

4 Report Implications

4.1 Finance and Value for Money Implications

- 4.1.1 The land in question is valued at only £1,000 by the Council's Valuer and, as this is below the minimum threshold, it is not included on the Council's balance sheet. There is, therefore, no requirement for any financial consideration between the General Fund and the Housing Revenue Account.
- 4.1.2 The costs associated with preparing the site for use as allotments would be met from the existing allotments revenue budget.
- 4.1.3 Future costs incurred with operating the site as allotments would be met by the association to whom the site would be let.
- 4.1.4 Income from letting the site for allotment use would be in the order of £12 per annum.

4.2 Safer Communities Implications

4.2.1 Community engagement at allotment sites can contribute to a reduction in crime and anti-social behaviour, both directly by offering positive activities and indirectly by changing the perception of an area through good management and an increased community presence. Well-managed allotment sites also make a valuable contribution to the pride and well-being of local communities and help to ensure that these areas are less vulnerable to vandalism and fly-tipping.

4.3 Legal and Human Rights Implications

4.3.1 Under Section 23 of the Small Holdings and Allotments Act 1908, the Council is obliged to take into consideration any representation in writing by any six registered Parliamentary electors, or persons who are liable to pay an amount in respect of Council Tax, requesting the provision of allotments. Such representation has been received from residents in Hurley, which was the precursor to the consideration of the provision of allotments in the village.

4.3.2 Any improvements undertaken to new or existing allotment sites will be compliant with the provisions of the Disability Discrimination Act.

4.3.3 The provisions contained within leases to allotment associations shall be compliant with all relevant equalities legislation and the constitutions and lettings policies of voluntary associations will be vetted to ensure similar compliance.

4.4 Environment and Sustainability Implications

4.4.1 Regeneration of allotment sites offers the opportunity for community engagement in sustainable food production, composting of green waste and wildlife-friendly land management. As such, related activity affords opportunities for constructive and healthy activity within communities, an improvement of the local environment, enhanced social inclusion and heightened individual and collective quality of life.

4.5 Risk Management Implications

... 4.5.1 A risk assessment is attached as an appendix to the report.

4.6 Equalities Implications

... 4.6.1 An initial Equality Impact Needs Assessment is attached to the report.

4.7 Links to Council's Priorities

4.7.1 The implementation of the Council's Allotments Development Programme contributes directly to the corporate priorities of:

- Enhancing community involvement and access to services
- Protecting and improving our environment
- Defending and improving our countryside and rural heritage
- Tackling health inequalities through improving well-being and providing leisure opportunities to all our citizens
- Working with our partners to tackle crime, the fear of crime and anti-social behaviour
- Making best use of our resources

4.7.2 Additionally, the Allotments Development Programme delivers against priorities set out in the adopted North Warwickshire Green Space Strategy (2008 to 2018) and the Authority’s Allotments Policy Statement.

4.7.3 The Allotments Development Programme also has positive and direct links to the priorities of the North Warwickshire Sustainable Community Plan (2009 to 2016) to:

- Raise aspirations, educational attainment and skills
- Develop healthier communities
- Improve access to services

The Contact Officer for this report is Alethea Wilson (719212).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
None			

Equality Impact Assessment Summary Sheet

Please complete the following table summarised from the equality impact assessment form. This should be completed and attached to relevant Board reports.

Name of Policy Procedure/Service	Transfer of Land at Hurley
Officer Responsible for assessment	Alethea Wilson

Does this policy /procedure /service have any differential impact on the following equality groups /people

- (a) Is there a positive impact on any of the equality target groups or contribute to promoting equal opportunities and improve relations or:
- (b) could there be a negative impact on any of the equality target groups i.e. disadvantage them in any way

Equality Group	Positive impact	Negative impact	Reasons/Comments
Racial	Not specifically	No	The provisions of a lease to an allotment association will be compliant with relevant equalities legislation and the constitution and lettings policy of the allotment association will be vetted to ensure similar compliance
Gender	Not specifically	No	As above
Disabled people	Yes	No	Physical improvements to the allotment site will be compliant with the provisions of DDA and the opportunity will be taken to make tailored provision where appropriate
Gay, Lesbian and Bisexual people	Not specifically	No	The provisions of a lease to an allotment association will be compliant with relevant equalities legislation and the constitution and lettings policy of the allotment association will be vetted to ensure similar compliance
Older/Younger people	Not specifically	No	As above
Religion and Beliefs	Not specifically	No	As above

People having dependents caring responsibilities	Not specifically	No	As above
People having an offending past	Not specifically	No	As above
Transgender people	Not specifically	No	As above

If you have answered **No** to any of the above please give your reasons below

As set out above

Please indicate if you believe that this document

Should proceed to further Impact assessment

Needs no further action – Needs no further action

**Risk Management Form
NORTH WARWICKSHIRE
BOROUGH COUNCIL**

Division

Cost Centre or Service

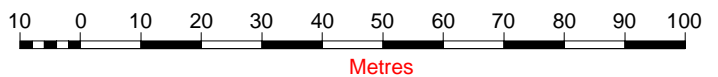
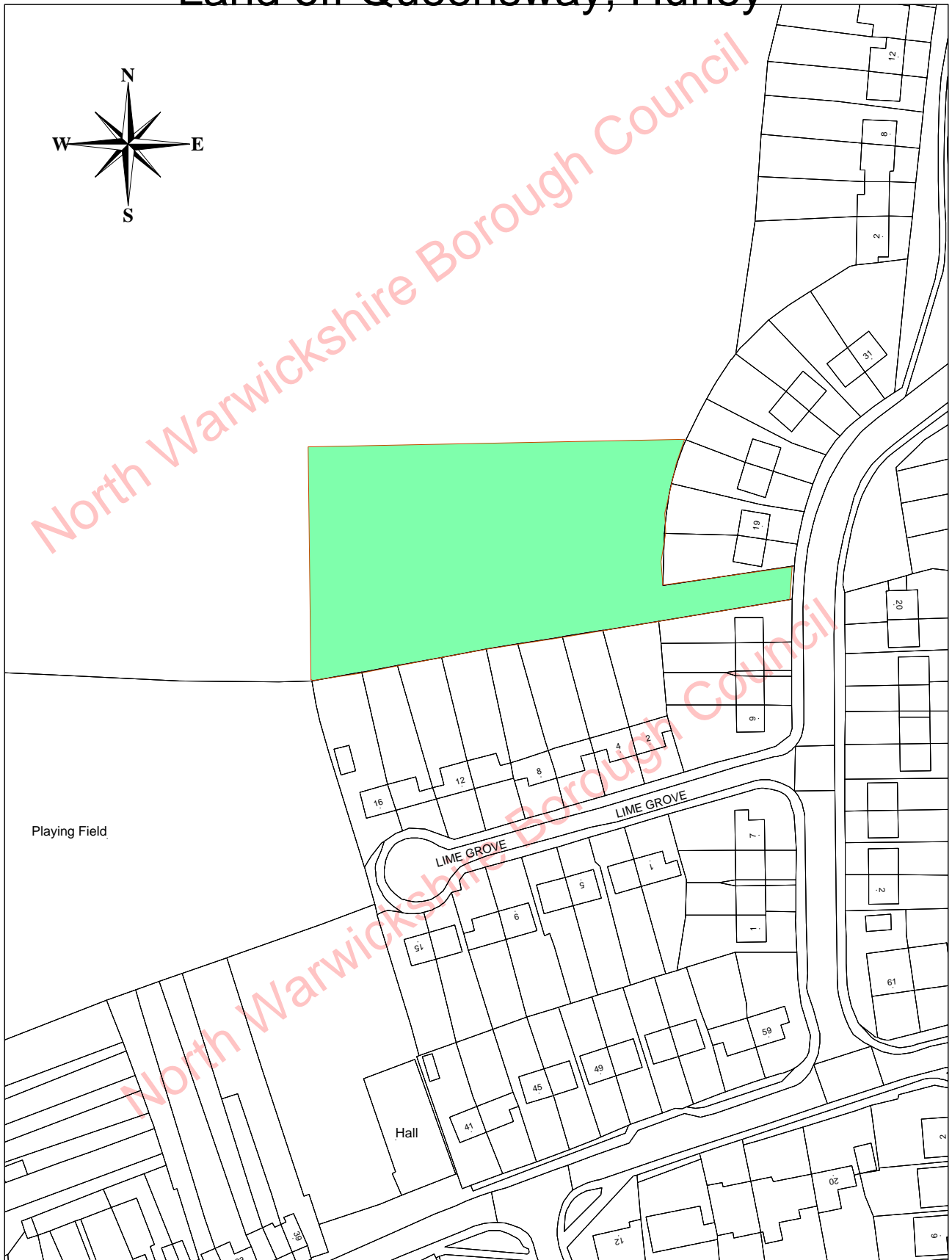
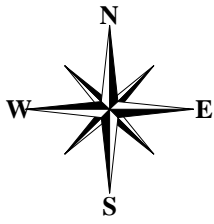
Risk Ref	Risk: Title/Description	Consequence	Division			Cost Centre or Service					
			Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Gross Risk Rating	Responsible Officer	Existing Procedures	Control	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating
1	Legal action against the Council in respect of failure to provide land for allotments in Hurley	Financial loss Loss of reputation	4	2	8	Landscape Manager	Proposed transfer of land		1	1	1
2	Inability to realise capital receipt through sale of the land once allotments are established	Financial loss	2	2	4	Corporate Property Officer	Site valued at only £1000 on asset register		2	2	4
3	Unplanned costs arising from the establishment and management of allotments on the site	Financial Loss Loss of Reputation	3	2	6	Landscape Manager	Budget to establish the site in place Site to be let to an allotment association for self-management according to a tried and tested model		2	2	4

Risk Ref	Options for additional / replacement control procedure	Cost Resources	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating

Completed By: Alethea Wilson

Date:29.03.10

Land off Queensway, Hurley



North Warwickshire
Borough Council



This material has been reproduced from
Ordnance Survey digital map data with
the permission of the Controller of
Her Majesty's Stationery Office.
© Crown copyright 100017910

Agenda Item No 9

Resources Board

13 April 2010

Report of the Director of Resources

Internal Audit – Plan of Work for 2010-11

1 Summary

- 1.1 The report explains the basis upon which the Audit Plan for 2010/11 has been developed, using a variety of sources of information to ensure that all appropriate aspects of service activity are embraced as part of the approved three-year review programme.

2 Recommendation to the Board

That the Audit Plan for 2010/11 be approved.

3 Audit Plan for 2010/11

- 3.1 The Code of Practice for Internal Audit requires the development of a risk based audit plan. The development of a systematic and continuous evaluation of audit risk was based upon:

- a formal and structured definition of the criteria used in evaluating audit risk; amongst the criteria used are the operation risk scorings developed by individual service managers and the relevance of the Council's identified strategic risks;
- a clear linkage between the relative risk attributed to different systems and the allocation of audit resources; and
- a facility to revise risk assessments to reflect the findings of subsequent audits.

- 3.2 In a current state of flux and with some uncertainty surrounding staffing resource the Audit Plan for 2010/11, which is attached as Appendix A, is for one year only. It reflects the assessment of risk based upon defined criteria and the results of audits completed during recent years.

...

- 3.3 A review of the section will be undertaken early in the year when a structure conducive to the continued provision of an efficient, experienced and effective audit service will be established.

- 3.4 Given that extensive work has been completed in the last three years and reflecting this in the required audit days to provide an effective and reliable

level of audit cover, this plan is based upon a reduced number of audit days, potentially saving the Council valuable resource where appropriate.

3.5 As well as risk data, the Annual Plan also takes account of:

- PwC's requirement that key controls over fundamental financial systems are reviewed annually
- National Government initiatives or flavours
- Level of budget allocation
- Any incidents of potentially fraudulent or corrupt activity
- Any past history of weaknesses or problems, staffing changes or new/replacement software; and
- Experience of the delivery of the audit programme in previous years. These considerations are reflected in the provision for annual reviews of key controls over fundamental systems in years where the Plan does not call for a full audit.

4 Report Implications

4.1 Risk Management Implications

4.1.1 The Audit Plan for 2010/11 takes specific account of the Council's strategic and operational risks.

4.1.2 Failure to produce and deliver an appropriate or flexible audit plan built on sound evidence may result in criticism from the external auditors.

4.2 Links to Council's Priorities

4.2.1 The Audit Plan for 2010/11 takes into account Council key priorities, as outlined in the Community and Corporate Plans.

The Contact Officer for this report is Barbara Haswell (719416).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

**NORTH WARWICKSHIRE BOROUGH COUNCIL
STRATEGIC AUDIT PLAN 2010/11**

Estimate of Available Resources

Internal Audit Section has an establishment of three full-time equivalent auditors although two will be used with the shortfall bought in. There is also budgetary provision to buy-in up to 24 days of specialist support for the audit of IT that will be sourced through the contract negotiated by Warwickshire IT Audit Consortium with Haines Watts and up to 20 days Counter Fraud support through CEAC.

Calculation of Available Days:

52 weeks x 5 days X 2	=	520 days
less bank holidays 12 X 2	=	24 days
less sickness provision		25 days
less annual leave		43 days
Gross days available		428 days internal resources

Allocation of Available Resources

START:	428 days
Less	
Training & Development, general duties	30 days
Management, planning, corporate	70 days
	100 days

SECTION 151 ACTIVITIES 328 days

Consultancy/Contingency

- Internal Clients 20 days
 - Consultancy 15
 - PwC 10 days
- 45 days**

Special Investigations 10 days

Strategic Audit Plan 273 days
Cyclical Programme shows **308 days**

Potential Shortfall to buy in **35 days**

INTERNAL AUDIT PLAN FOR 2010-11

Strategic Audit Plan – Available Days		273 days
Buy in time		<u>35</u>
		308 days
Key Financial Systems		
• Main Accounting		10
• Creditors		10
• Budgetary Control/Budgeting		5
• Payroll		10
• Benefits		15
• Capital Expenditure/Accounting		5
• Council Tax		15
• Cash and banking		10
• NDR		10
• Debtors		10
• Asset Management		10
• Stocks and Stores		3
• Housing Rents		10
• Treasury Management		<u>5 128</u>
Corporate Audits		
Corporate Governance		10
Performance Indicators and performance management		20
Risk Management		15
Partnerships		5
Energy Management		5
Fees and charges		10
NFI		<u>15 80</u>
Resource Directorate		
HR processes		10
Petty cash		3
Housing maintenance etc		15
Housing Management	10	
Choice Based Lettings		10
Service Charges		3
Concessionary travel		5
Mortgages		3
Printing and Stationery services		5
Procurement		<u>10 74</u>
ACEO Directorate		
Emergency Planning & Business Continuity		<u>10 10</u>
Community & Environment Directorate		
Licensing		3
Office cleaning		10
Car parks		<u>3 16</u>
Total		308 days

Agenda Item No 10

Resources Board

13 April 2010

Report of the Assistant Director (Corporate Services)

Information Security Policy 2010 – 2012

1 Summary

- 1.1 The purpose of this report is to seek approval for the Council's Information Security Policy for the period 2010 - 2012. The policy is needed to help protect the Council's information and ensure it is used legally and effectively.

Recommendation to the Executive Board

That the Information Security Policy 2010 – 2012, attached as Appendix A, is approved.

...

2 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 Both Councillors' Bowden and Butcher have been sent a copy of the policy and any comments received from them will be reported verbally to the Board.

3 Introduction

- 3.1 The Council has had a formally approved information and computer security policy since 1993. Information produced or processed by the Council, whether it is held on computer, paper or provided verbally, is covered by the policy and is one of our main and most valuable assets. It is important that the Council protects its information from all threats, internal or external, deliberate or accidental, that could disrupt or damage the work and reputation of the Council or infringe the rights of staff and citizens.
- 3.2 The Policy is one of the tools we use to give the public, our customers, service delivery partners, central Government and staff confidence in our manage information safely and securely. We must be able to engender trust in us not to put them, their finances, privacy, information or systems in jeopardy by poor security management.
- 3.3 The Policy is based on industry best practice guidance including ISO27001:2005, the "International Standard for an Information Security Management System". The Standard takes a risk-based approach to security, but it is a large, complex and comprehensive document and includes some areas that are not relevant to the Council.

- 3.4 We have reviewed and updated the Policy to reflect changes in legislation, regulation and advice, which surrounds and governs our use of information. We have had to pay particular attention to the compliance requirements of “Government Connect” for the secure sharing and use of information and from the Purchasing Card Industry who are enforcing data security standards (PCIDSS) for card payment services and transactions.
- 3.5 The other main drivers for the update to the policy are organisational, technological and social changes which have an impact on how and where we can use information and technology. These include mobile working, home working, social networking websites and shared services and collaboration.
- 3.6 The current and enforceable version of the Policy is made available on the Council’s Intranet so that people can easily access the information they are seeking. Information Services provide a briefing on the policy for new staff as part of their ICT Induction. Managers must reinforce this and identify specific issues and responsibilities; as part of the induction of new staff, when staff change roles and at appraisal.

4 **The Policy**

- 4.1 The policy is made up of three parts. Section 1 must be read by everyone in the Council, as it describes what each person needs to do to maintain good security and to ensure they are working within the policy. Section 2 covers the controls we have to prevent security problems; this section must be read by Managers, Information Services staff and staff with responsibility for system administration.
- 4.2 The third element of the policy is an overarching “Information Security Policy Statement” that states the objectives we have for information security management, which are to ensure that: -
- Ownership - Information owned or processed by the Council is protected against threats, be they internal or external, deliberate or accidental
 - Confidentiality – Confidentiality of information is assured; we will protect our information from unauthorised access, use, disclosure or interception
 - Integrity - Integrity of information is maintained; we will protect information from unauthorised changes or misuse, so that it can be relied upon as accurate and complete
 - Availability – Information is available when and where it is needed
 - Legality - Legal and regulatory requirements are understood and met
 - Communication - Information and training on information security is up to date and available to all staff
- 4.3 The Policy reiterates a number of key principles that need to be brought to the attention of the Council’s computer and information users. They are: -
- 4.3.1 Non Work Related Use - The Council allows the use of computer resources, including email and Internet access, for appropriate non-work related purposes. The policy states what is regarded as “inappropriate”.

- 4.3.2 Privacy - Computers and software are provided for business use; there can be no assumption of privacy for non-work related information held on or processed by the Council's computers or systems.
- 4.3.3 Personal Responsibility – Compliance with the Information Security Policy is an individual responsibility and acceptance of it will be sought before access is given to the Council's computer network and systems.
- 4.3.4 Breaches of the Policy – These may be regarded as a disciplinary matter and as such will be dealt with under the Disciplinary Code.
- 4.3.5 Monitoring – The Council will monitor the use of its information, business communications and computer assets to protect them, ensure appropriate use and to provide access where needed to maintain services. As required the Policy explicitly identifies the monitoring we can or do employ.

5 Report Implications

5.1 Finance and Value for Money Implications

- 5.1.1 There are no financial implications arising from this report or from the implementation of the Policy.

5.2 Safer Communities Implications

- 5.2.1 Good Information Security helps prevent us being open to computer related fraud and crime.

5.3 Legal and Human Rights Implications

- 5.3.1 The Information Security Policy addresses compliance with a number of pieces of legislation. It also clearly states the Council's approach to information management and access to information. Adherence to the Policy should ensure we do not break the law in these areas or infringe people's rights.

5.4 Human Resources Implications

- 5.4.1 All individuals who use the Council's computer equipment, applications or information need to be aware of the Policy and its implications and sign to say they abide by it.

5.5 Risk Management Implications

5.5.1 Risk Assessments relating to various aspects of Information Security are maintained, updated and acted up on by Information Services. The implementation of the Policy helps mitigate against these risks.

5.6 Links to Council's Priorities

5.6.1 Information is an important asset and, as such, its proper and secure management, as defined by this policy, contributes to the Council's priority relating to the making the best use of our resources.

The Contact Officer for this report is Linda Bird (719327)

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date



North Warwickshire Borough Council

Information Security Policy 2010 – 2012

Contents

Information Security Introduction	3
Information Security Policy Statement	4
Section 1 – Compliance	5
1. Information Security Policy & Organisation.....	5
1.1 General Information	5
1.2 Incident Reporting.....	5
1.3 Monitoring and Liability	5
2. Communications and operations management.....	6
2.1 Virus Protection	6
2.2 Exchanging of Information (including email control)	6
Inappropriate content and activities:-.....	7
2.3 Internet use.....	7
2.4 Printing & Information Storage and Disposal.....	7
2.5 Operations and Network Monitoring	8
3. Access Control.....	8
3.1 Access to systems – New starters, leavers and changes.....	8
3.2 Password Standard	8
3.4 Locking Workstations.....	9
4. Personnel Security Issues	9
4.1 Recruitment	9
4.2 Training and awareness	9
5. Physical and environment al security.....	9
5.1 Physical Access Control	10
5.2 Environmental Control	10
5.3 Information Storage	10
5.4 Physical Security – e.g. Laptops.....	10
6. Asset Classification and Control.....	11
6.1 Hardware and Software Inventory Management	11
7. Systems development and maintenance.....	11
7.1 Change Management	11
8. Business Continuity management.....	11
8.1 Technology support	11
9. Compliance – Legal, contractual etc.....	12
9.1 Data Protection Act 1998.....	12
9.2 Computer Misuse Regulations.....	12
9.3 Copyright designs and Patent Act 1988	12
9.4 Records – Retention and Disposal	12
9.5 Freedom of Information	12
9.6 Regulation of Investigatory Powers Act 2000 (RIPA)	13
Section 2 – Security Controls	14

Information Security Introduction

Information is an important asset and of significant value to North Warwickshire Borough Council. The Council must protect its information from threats; internal and external, deliberate or accidental, that could disrupt the work of NWBC, or infringe the rights of staff or citizens.

Information security involves the protection of information for:

<i>Confidentiality:</i>	Keeping information out of the wrong hands.
<i>Integrity:</i>	Making sure that information is accurate and complete.
<i>Availability:</i>	Ensuring reliable and timely availability of information and services.

This policy has been developed using a Risk Management approach, based on the International Standard for Security Management, ISO 27001. Therefore it contains a Policy Statement followed by sections organised under the Control Areas defined in the Standard. The overall aim of the Policy is to minimise damage to the Council, its assets and reputation, by preventing and reducing the impact of security incidents.

All information created or processed on behalf of NWBC is regarded as being owned and accessible by it as part of the Council's "business record". The Policy focuses on electronic information processed by a computer and on protecting the technology used to hold, process and transmit the Council's information. However, the principles apply to paper records, microfiche and spoken conversation, including voicemail.

The Policy applies to all employees, members, contractors and temporary staff working on behalf of NWBC. Aspects of this policy may be relevant to people we share information with, such as voluntary organisations or partnerships, as part of the work of NWBC.

The Council does allow appropriate non-work related use of computer resources including email and the Internet. However, staff should have no expectation of privacy in anything they create, store, send or receive using the Council's computer equipment.

Terminology

The following terms and abbreviations are used in this document;

"Policy" -	Information Security Policy and measures identified in the Policy document.
"Software" -	Operating systems, Applications, Games, utility software, shareware etc.
"Hardware" -	Any device (computer, printer) that can attach to the network, directly or remotely.
"Staff" -	Those people working for the Council (officers, members, agency staff etc)
"DPA" -	Data Protection Act 1988
"FOI" -	Freedom of Information Act
"RIPA" -	Regulation of Investigatory Powers Act

Using the Policy

All Staff must ensure they have read the Information Security Policy Statement and Section 1 of the Policy. These identify the aspects of security we need to manage. The policy describes why we need to manage security in the particular area under the "Objective". Then for each activity it describes what everyone must do to maintain good security and ensure they are working within the policy.

Section 2 identifies the controls in place to prevent security problems. Information Services staff, staff with specific responsibilities for administering systems and Managers, must read this section.

Information Security Policy Statement

Objective

Our Information Security Policy is in place to ensure that:

- Information owned or processed by the Council is protected against threats, be they internal or external, deliberate or accidental.
- Confidentiality of information is assured – we will protect our information from unauthorised access, use, disclosure or interception.
- Integrity of information is maintained – we will protect information from unauthorised changes or misuse, so that it can be relied upon as accurate and complete.
- Availability – information is available when and where it is needed.
- Legal and regulatory requirements are understood and met.
- Information and training on information security is up to date and available to all staff.

Approach

This Policy is based on an industry standard framework and on aspects of ISO27001:2005 “International standard for an Information Security Management System” and ISO27002:2005 “Information technology - Security techniques - Code of practice for information security management”. Both of which recognise the need to match Security Policy and its implementation to the security risk and the impact of a security breach. The policy aims to articulate what is considered a fair balance between the expectations of the Council and employee’s expectations.

Roles and Responsibilities

- This Policy applies to all employees, members, contractors, and temporary staff working on behalf of NWBC.
- This Policy was developed in consultation with Unison and is endorsed and supported by NWBC’s Management Team and approved by the Council.
- All managers and supervisors are directly responsible for promoting, publicising and implementing the Policy within their service and for monitoring adherence by their staff.
- It is everyone’s responsibility to make themselves aware of the Policy and to adhere to it.
- Information Services are responsible for developing, maintaining and advising on the Policy and for ensuring a number of the Controls identified are actioned.

Breaches of this Policy

Policy breaches should be reported to your Assistant Director/ Head of Service and to the Assistant Director Corporate Services as soon after the incident as possible. Breaches of the Policy are regarded as a disciplinary matter and those classed as gross misconduct may lead to dismissal. The authority reserves the right to take legal action in relation to a serious breach of policy.

Updates to Policy

The Policy and supporting standards will be reviewed every two years, unless legislation or prevailing good practice requires an earlier amendment. This process will be led by IS within the appropriate consultation and approval process. The current and enforceable version of the

Policy and supporting Standards are held on the Intranet. Staff will be informed by email, the Intranet or where necessary paper memo, when changes are made to the Policy.

Information Security Policy – Guidance

Section 1 – Compliance

This section identifies the aspects of security we are all responsible for and what we must do to maintain good security and ensure we are working within the policy.

1. Information Security Policy & Organisation

Objectives:

- To manage and provide management direction and support for information security.
- To provide a clear hierarchy and procedures for reporting, monitoring and decision-making that adheres to relevant legislation and policy.
- To minimise and/or mitigate the risk of the authority being brought into disrepute or becoming liable to prosecution for breach of legislation, accepted working practices, or general employer responsibility.
- To define and schedule activities to test the effectiveness and application of this Policy.

1.1 General Information

- ✓ Staff and Members should make themselves aware of the Policy, sign the Policy Acceptance Declaration (available on the Intranet) and ensure they comply with the Policy.
- ✓ Staff are responsible for ensuring others working on their behalf (temporary staff, contractors, partners) are aware of and abide by the Policy when undertaking NWBC business and have signed the Code of Conduct (available on the Intranet)
- ✓ Information Services (IS) will define and schedule activities to test the effectiveness, awareness and application of the Policy.
- ✓ IS will provide advice on Information Security or seek external advice for complex issues.

1.2 Incident Reporting

- ✓ If a security breach is suspected report the matter to your Assistant Director and the Assistant Director (Information & Procurement Services) as soon as possible after the incident. **Do Not Touch anything related to the incident.**
- ✓ Staff are encouraged to report security weaknesses, viruses and other related issues to Information Services' Service Desk, who will log the matter and investigate the problem.
- ✓ IS will fully document any security incidents and implement lessons learnt.

1.3 Monitoring and Liability

- ✓ All forms of network monitoring, user monitoring and data monitoring will be declared within the Policy. IS will inform Staff of changes to the published monitoring practices.
- ✓ In the event of an act that exposes the authority to risk of corporate liability the matter may be treated as a disciplinary offence, which could in some cases lead to termination of employment, and/or the authority taking legal action.
- ✓ Staff involved in testing the policy, security related monitoring, reporting the analysis of findings or disciplinary proceedings relating to information security must be aware of, and abide by, relevant Council Policy and legislation, they must also respect confidentiality.

2. Communications and operations management

Objective:

- To minimise the risk of failure and protect the integrity of software and information
- To prevent loss, modification or misuse of information between organisations.
- To minimise the risk of harm or offence due to inappropriate material.

2.1 Virus Protection

- ✓ If staff become aware of a potential information security threat such as a virus they must contact the IS Service Desk, which is able to assess the validity of the threat/alert (many are hoaxes) and take the appropriate action.
- ✓ Follow any instructions give by IS in response to a virus incident. Deliberate non-compliance with advice given will be a disciplinary matter.
- ✓ Do not open suspicious messages, email attachments, Internet links, Facebook links or other social networking links particularly if they come from an unknown sender or are executable files (end with .exe, vb, scr)
- ✓ If a virus is suspected or detected IS will isolate the computer and any potentially infected media (disk, CD etc). They will investigate the incident and take the appropriate action.
- ✓ No media (CD, Camera, Phone, DVD, USB devices (memory sticks) etc) should be used on a NWBC Computer unless you have been authorised to do so by your manager and have agreed to and signed the "Portable Device and Media Declaration". Guidance on the use of these devices and the process for virus checking is outlined in the declaration.
- ✓ If you need a file copied from a media device but have not agreed to the "Portable Device and Media Declaration" please contact the IS Service Desk.
- ✓ On the Internet do not open programmes which "pop-up". If in doubt, seek guidance from the IS Service Desk.

2.2 Accessing and Exchanging Information (e.g. Email and Internet)

- 🔒 **Monitoring** - All incoming and outgoing emails and attachments are captured and retained within the email archive software for up to 2 years.
- 🔒 **Monitoring** – Emails and attachments are electronically scanned for inappropriate content, viruses & malicious code, and to control the transmission of unnecessarily large attachments. Emails trapped and quarantined by these processes are investigated by IS Staff and if a Policy breach is suspected the relevant Assistant Director is informed who may initiate a further investigation.
- 🔒 **Monitoring** – Management Team may approve the supplementation of regular electronic monitoring if it is believed that a breach of this Policy is being or has been committed. This may include, but is not restricted to, accessing the content of emails, telephone logs and website logs.
- ✓ Staff must abide by any guidance developed for the exchange or transmission of information, including email guidance and electronic commerce guidance (e.g. use of e-payments software).
- ✓ Staff must only used Council provide secure USB data storage device to take data off site.
- ✓ Council data must not be emailed to private email addresses.
- ✓ Information must only be disclosed to, or exchanged with, people or organisations that are entitled to have that information, if you are unsure consult your manager or refer to the Data Protection Act notification (accessible through Policy Section)
- ✓ Staff must take all possible care when exchanging information via fax, telephone, voicemail, email, via the internet or using physical media to ensure that it does not go to the wrong person/organisation and that the recipient is ready and able to receive the information.
- ✓ All data must be desensitised prior to transmission where possible.
- ✓ Sensitive or confidential information must only be exchanged where desensitised or anonymised information will not suffice and must abide by DPA regulations for disclosure.

- ✓ The risk associated with exchanging information should be assessed and appropriate mitigating actions taken e.g. encryption or secure email.
- ✓ Email must not be used to commit the Council to a course of action you are not authorised to undertake e.g. enter into a contract, request goods or services (without an order), distribute confidential data. Email is admissible as evidence in Court.
- ✓ Staff may use the Council's email and Internet system for reasonable and appropriate non-work related use (see 2.2.1).
- ✓ Staff are advised not to use their NWBC email address to register on non work related websites as this increases spam (unwanted emails) into the Council.
- ✓ Employees must not use NWBC equipment to try to access, send or distribute material, in any way, including via email or the Internet, that is likely to be construed as inappropriate or take part in inappropriate activities, including but not limited to any of the following:-

2.2.1 Inappropriate content and activities:-

- i. Pornographic material e.g. nakedness, sexual behaviour or sexual language.
 - ii. Discriminatory or defamatory on the grounds of race, gender, sexuality/sexual orientation, religion, disability or age.
 - iii. Hateful, inciting, bullying or violent.
 - iv. Abusive or libellous including swearing.
 - v. Participating in or encouraging any illegal activity.
 - vi. Wastes time and resource e.g. gaming, gambling, chain mail, trading, on-line chat, sending personal email via distribution lists, personal use of social networking websites.
 - vii. Divulging of closely guarded Council information particularly via participation in "chat" rooms or "blogs", accidentally or on purpose.
 - viii. Developing, downloading, installing or storing unauthorised software, freeware, shareware or websites or non work related pictures, music or video.
- ✓ If Staff receive inappropriate material they should inform their Line Manager and the IS Service Desk.

2.3 Internet use

- ✓ NWBC employees, members, contractors, and temporary staff working on behalf of NWBC must not attempt to access information or sites that may contain material or activities listed as inappropriate (see 2.2.1).
- ✓ If you accidentally access inappropriate material exit immediately and notify your manager and IS Service Desk.

2.4 Printing & Information Storage and Disposal

- ✓ Staff must be aware of the legislative constraints (DPA) when they print potentially sensitive data, ensuring printouts are not left unattended or uncollected in print trays.
- ✓ The secure printing option should be used when sending sensitive information to the Ricoh printers. This ensures the printout is not produced until someone is at the printer and they enter their PIN number.
- ✓ Staff are responsible for using the recycling/confidential waste facility to dispose of sensitive materials.
- ✓ Computer media such as disk, tape, CD, DVD, data card or USB device must be destroyed or disposed of securely. Media that requires secure destruction should be taken to the IS Service Desk.

2.5 Operations and Network Monitoring

- ✓ Staff are encouraged and expected to report abnormal, unusual or unacceptable network or application performance to the IS Service Desk to enable them to record and investigate any potential issues.

3. Access Control

Objective:

- To prevent unauthorised access to information and systems.
- To ensure information security when using mobile computing and teleworking facilities.

3.1 Access to systems – New starters, leavers and changes

- ✓ Access for staff to use any system must be formally requested by a Senior Manager or information owner, using the 'Create New Users' form. This can be found on the intranet or through the IS Service Desk.
- ✓ Managers must ensure they request only the appropriate level of access, to information or systems, needed by their staff to do their jobs.
- ✓ A Manager or "Information owner" must request additional access or changes to existing access levels.
- ✓ Managers must ensure that people's access rights are reviewed regularly and specifically if they are due to change roles or responsibilities.
- ✓ Access rights that allow staff to carry out tasks that would usually not be permitted by other regulations will normally not be granted, e.g. raise and then approve the same order.
- ✓ Management approval must be sought for work that requires access to systems out of hours. You must request this access from IS with at least 48 hrs notice. If this clashes with pre-planned technical work or work to resolve problems access may be refused.
- ✓ Managers and/or HR must inform IS in advance of staff leaving, with advice on the retention of any data and who should be given access to it.

3.2 Password Standard for accessing the network (Complex)

- ✓ You must change your password the first time you log on to the NWBC network.
- ✓ Password change for the network is enforced every 90 days.
- ✓ You must change your password if it has been compromised and you feel someone else knows what it is.
- ✓ Passwords must be kept secret and user id's should not be shared.
- ✓ Passwords must not be written down.
- ✓ Passwords should be at least 8 characters in length.
- ✓ Passwords should not be easy to guess i.e. your children's names, football teams etc.
- ✓ Passwords must contain characters from three of the following four categories
 - Upper case characters (English) A-Z
 - Lower case characters (English) a-z
 - Numbers 0-9
 - Non-alphanumeric symbols e.g. ! \$ # % . , @ =)

For the applications you use please ensure you set a strong password following the guidelines above where possible.

3.3 Locking Workstations

- ✓ Staff should “lock” their computer screen by using the Alt, Ctrl and Del keys and then selecting “Lock Computer” when they are leaving it unattended for any period of time.
- ✓ Do not leave screens showing confidential or sensitive information. This is particularly important in public areas or where personal information is used.
- ✓ Screen savers will be activated after a period of computer inactivity.

3.4 Remote and Mobile Access

- ✓ Technological solutions, over and above simple user id and password authentication, have been implemented where it is felt that the sensitivity and confidentiality of the information requires heightened control or where hardware may become unsecured e.g. a stolen laptop or Blackberry.
- ✓ The loss or theft of a laptop, mobile device or removable storage device (e.g. memory stick) must be reported to the IS Service Desk as promptly as possible.
- ✓ If you are to use a device such as a Laptop or Blackberry abroad first contact Information Services to discuss security and any special measures that may need to be taken.

4. Personnel Security Issues

Objectives:

- To reduce the risk of human error, theft, fraud or misuse of facilities.
- To ensure that people are equipped to support the organisational security policy in the course of their normal work.
- To minimise the damage from security incidents and malfunctions, and to monitor and learn from such incidents.

4.1 Recruitment

- ✓ Managers must consider whether security responsibilities, over and above those generally required, need to be included in job descriptions due to the nature of the duties involved.

4.2 Training and awareness

- ✓ Employees will be provided with information on security and the opportunity to receive training. Additional training should be identified using the appraisal process.
- ✓ Managers must ensure staff are adequately trained to use the information systems they need to use in a safe and secure manner. They must be made aware of how they are affecting the information they are using or updating. Specific needs for accuracy or confidentiality must be explained.
- ✓ Managers must identify and address information security training requirements for their staff (existing and new), on the basis of their job functions and the computer systems/information they are required to access, to ensure risk of damage due to lack of knowledge is minimised. This training should be recorded, reviewed and updated.

5. Physical and environmental security

Objectives:

- Preventing unauthorised access, damage and interference to information, hardware and premises.
- Preventing the loss, damage or compromise of information or hardware due to any interruption to business activities.

5.1 Physical Access Control

- ✓ Staff must not try to gain access to areas they are not permitted to enter or they have no need to enter.
- ✓ Staff should help maintain good security by not allowing the public or visitors into areas they are not authorised to be in and by challenging people who are in an area they shouldn't be.
- ✓ Access controlled doors must not be left open unattended. Most of these doors are also fire doors and are should not be left or propped open.
- ✓ Non IS staff or third parties (contractors, suppliers etc) who need to work in the computer room should be supervised or at a minimum (if known and trusted) signed in and out.
- ✓ Staff that have been supplied with security devices (RSA key fobs, BSecure cards etc) should ensure that they keep the device safe and report any loss to the IS service desk.

5.2 Environmental Control

- ✓ Only devices that have been electrically tested and approved should be used in NWBC premises. Advice on the use of electrical equipment including heating or cooling equipment should be sought from Facilities Management.
- ✓ To reduce energy consumption please ensure that when you are not using your system for any length of time you shutdown your PC.
- ✓ Your PC will be set to minimise energy consumption when not in use, please do not change any of the power or screensaver options.

5.3 Information Storage

- ✓ Information, including electronic information and printouts produced from computer systems, must be stored and used in accordance with the principles of the DPA 1998 and any other legislation or NWBC policy that determines or influences its use and storage
- ✓ Staff can choose to use their own network drive or Trim folder, for information that isn't public or a shared drive or Trim folder for information that should be shared by their colleagues.
- ✓ Divisions should ensure they have processes in place that provides relevant people with access to individual's information (email & network drives). This is particularly important for ensuring we can maintain services and respond to FOI requests during absences such as holidays or sickness.
- ✓ Information should not be stored on local C drives, as these are not backed up and will not be recovered if problems occur.
- ✓ Information produced on a laptop computer, which does not connect and synchronise with the network, does not get copied to the network and therefore is NOT backed up. **Laptop users need to ensure they have backup copies of important files and information.**
- ✓ Disks, USB devices, CD's etc must not be used as the only storage medium for important information as they can get damaged and information can become inaccessible.
- ✓ Desks should be cleared of sensitive/confidential information before they are left unattended.
- ✓ Staff should store data using meaningful descriptions and in locations (such as Trim) that make it accessible and compliant with the Council's Retention of Records Policy.

5.4 Physical Security – e.g. Home workers, Laptops

- ✓ In the office environment hardware must be kept securely, if there is judged to be a risk of theft portable hardware should be stored in a lockable or otherwise secure location.
- ✓ Risk assessments should be carried out, and necessary adjustment made, by Divisions to ensure the security of equipment and information used by their home or remote workers.
- ✓ When transporting hardware ensure it is not left on view (e.g. put it in a car boot) and it is not obviously identifiable as valuable hardware, such as a laptop computer.

- ✓ Staff must take all appropriate measures to ensure that information and hardware is not accessed or used by unauthorised people or used for unauthorised purposes.
- ✓ Computer hardware and software should only be disposed of by IS.

6. Asset Classification and Control

Objectives:

- To maintain the appropriate protection of organisational assets
- To ensure that information assets receive the appropriate level of protection

6.1 Hardware and Software Inventory Management

- ✓ No computer or network communications hardware should be moved without the prior agreement of IS.
- ✓ No computer, network communications hardware or software should be taken off NWBC premises without prior senior line management agreement and IS agreement.
- ✓ Only hardware owned by the Council or approved by IS can be connected to the Council's network or used for NWBC business.
- ✓ Software and Hardware used on the Council's computer equipment must be installed by Information Services or with their approval / assistance.

7. Systems development and maintenance

Objectives:

- To ensure that security is built into information systems.
- To protect the confidentiality, authenticity or integrity of information.
- To ensure that IT Projects and support activities are conducted in a secure manner.
- To maintain the security of application system software and information.

7.1 New Hardware, Software and Systems

- ✓ There are processes for the justification and purchase of new hardware, software and systems. These are managed by Information Services and must be followed to ensure compatibility and security consideration are covered. Please liaise with Information Services.

7.2 Change Management

- ✓ Procedures for changes and upgrades to systems exist and must be followed to minimise the risk of problems and adverse impact on services. These are planned and carried out in conjunction with the appropriate service department(s) and signed off by them.
- ✓ Minor changes (new software, moving hardware etc) must be requested via the IS Service Desk.

8. Business Continuity management

Objective:

- To counteract interruptions to business activities and to protect critical business processes from the effects of major failures and disasters.

8.1 Technology support

- ✓ IS Disaster Recovery arrangements are tested annually and will be reviewed and updated as areas of business risk are identified and Business Continuity arrangements are developed.

- ✓ Services/Divisions are responsible for developing their Business Continuity Plans and should liaise with IS to identify get agreement for the IS/IT elements of their plans.

9. Compliance – Legal, contractual etc.

Details of the legislation identified below can be found on the Council’s Intranet. Staff should make themselves aware of the legislation and how it impacts on them.

Objectives:

- To avoid breaches of any criminal and civil law, statutory, regulatory or contractual obligations and of any security requirements.
- To ensure compliance of systems with organisational security policies and standards.

9.1 Data Protection Act 1998

The Data Protection Act covers the collection, processing, storing and disclosing of personal data relating to living individuals, on computer or in paper-based systems. Guidance and answers to specific questions or interpretation of the Act can be obtained from the Assistant Chief Executive and further information is available on the Intranet.

- ✓ Councillors who use the Council’s computer for personal and constituency use and hold personal data related to that use, must register (notify) the Information Commissioner.
- ✓ Additional conditions are placed on the collection, processing and disclosure of “sensitive” information which includes, sexuality, financial information, criminal record details etc.

9.2 Computer Misuse Regulations

The Computer Misuse Act 2000 defines a number of criminal offences, relating to hacking, copying of software, introduction of viruses and other similar activities.

- ✓ Staff must not attempt to access, change or in anyway tamper with hardware, information or software applications used/owned by the Council.
- ✓ Staff must not copy software, except as allowed under its licence.

9.3 Copyright designs and Patent Act 1988

This legislation places restrictions on the copying and use of copyright material including computer software, publications and images.

- ✓ Software must not be downloaded to, purchased for installation on or installed on NWBC hardware without the explicit authority of IS.
- ✓ The legality of any software used and the appropriate license to use it must be proven to the satisfaction of Information Services.

9.4 Records – Retention and Disposal

The Council’s Records Retention and Disposal Policy and Publication Schema is available on the Intranet and should be referred to with respect to this matter.

9.5 Freedom of Information

The Council has published its procedural guidelines that arise from the FOI Act and these are available on the Intranet.

9.6 Regulation of Investigatory Powers Act 2000 (RIPA)

RIPA 2000, and The Telecommunications (Lawful Business Practice) Regulations 2000, provides a framework for monitoring activity, data and persons.

- ✓ NWBC employees, members, contractors, and temporary staff working on behalf of NWBC should be aware that they should not expect privacy with regard to the use of hardware and information covered within this framework.
- ✓ Any individual involved in monitoring activity must comply with this legislation if required to undertake monitoring.
- ✓ Monitoring, as defined by RIPA, must only take place with the approval of a member of Management Team.

Section 2 – Security Controls

This section describes the controls the Council has in-place to help ensure good security. **This section need only be read by Information Services staff, Managers and staff with a responsibility for managing or administering systems.**

Information Security Policy

- An Information Security Policy document is available and approved by NWBC.
- The current and enforceable version of the Policy and supporting Standards are on the Intranet.
- Staff will be informed via email and Intranet when changes are made to the Policy.
- The Policy and supporting standards will be reviewed every two years, unless legislation or prevailing good practice requires an earlier amendment.
- The policy will be tested and results of the testing reported through EMT.

Management & Incident Reporting

- Internet access is logged and log files reviewed by specific Information Services (IS) Staff.
- Where a breach of NWBC's Information Security Policy leads to action, this shall be dealt with through the formal investigation process and within the disciplinary procedure. Breaches of the Policy may be reported to Assistant Directors (AD) Group or Management Team.
- Suspected policy breaches are notified to the appropriate AD who may initiate further investigation.
- All Assistant Directors will have access to trend analysis reports relevant to their section/service.
- Information Services require a member of EMT to authorise the release or access to information as part of the investigation of a security breach.

Hardware and Software Inventory Management

- IS maintains an inventory of all hardware and software purchased.
- Hardware is assigned an asset number, which is displayed on a sticker attached to the device and which must only be removed by IS.
- Profile based controls prevent unauthorised software installations.

Recruitment & Training

- Recruitment Policy controls how people are employed the Council. All applicants undergo a selection process which includes checking references and a Criminal Records Bureau check, where required.
- Managers are responsible for identifying security implications of specific job roles (e.g. Web Content provision, system administration) and for providing or requesting training in line with the role.
- Managers are responsible for ensuring information security is covered as part of the induction process for new starters and for all staff when changes to the Policy are implemented.
- IS are responsible for providing updates on the Policy when changes occur and training guidance to Managers & Personnel so that they may ensure training remains current.

Access & Environmental Controls

- Access to the server room is controlled by door security and an out of hours alarm system.
- Access to the server room is not permitted without the agreement of IS.
- Access to secure areas of NWBC offices is protected by door access controls.
- There is an environmental control system in server room.
- There is a no smoking policy in Council. In addition to the fire risk reduction, this also helps prevent damage to electrical devices from smoke pollution.
- Maintenance and support contracts are in place for all environmental and physical security systems.

Information Storage & Backup

- By default all information created using a NWBC Computer, which is connected to NWBC network, is stored on a network drive.

- 🔒 NWBC maintains a Notification, of the personal information it processes, with the Information Commissioner (as required by the DPA 1998). New systems must be included in the Notification.
- 🔒 Information must be removed from NWBC hardware before it is reallocated or disposed of by the Council or as part of an agreed disposal process with a company accredited for secure disposal.
- 🔒 Confidential waste facilities are available and must be used for sensitive and confidential information.
- 🔒 IS backup the information on the network each evening to enable recovery in the event of a failure.
- 🔒 Backup data is stored securely away from the data they protect.
- 🔒 The status of the backup is checked daily and the outcome recorded. If any element has failed, this must be recorded along with mitigating actions.

Physical Security – e.g. Laptops

- 🔒 The Assistant Director (Corporate Services) has responsibility for NWBC's computer hardware. Within each Division the AD has responsibility for assets, including computer hardware, used by staff.
- 🔒 The loss or theft of NWBC hardware or software must be reported to IS as soon as possible after the event. If theft is involved the police must be informed and a crime number obtained.

Virus Protection

- 🔒 **Monitoring** - All incoming and outgoing emails and attachments are scanned for viruses before they enter the NWBC network by the Council's Internet Service Provider (ISP).
- 🔒 An internal anti virus system is installed and distributed across the NWBC network, with scheduled updates obtained and distributed regularly.

Operations and Network Monitoring

- 🔒 IS define and work to set procedures and work instructions for the Operation of NWBC's server hardware and applications.
- 🔒 One off exercises are undertaken to monitor the use, performance and resilience of the network.
- 🔒 Where skills are not available in-house, 3rd Parties (e.g. consultants) are engaged to carry out pieces of work to ensure security is maintained.

Exchanging of Information (including email & Internet control)

- 🔒 The exchange and disclosure of personal information is controlled by the DPA 1998 and must comply with the disclosures identified in our Notification to the Information Commissioner.
- 🔒 **Monitoring** – Software is used to capture and scan emails and attachments for inappropriate content, viruses & malicious code, and unnecessarily large attachments. Software is used to further control access to web pages that are known to contain inappropriate text or image content.
- 🔒 **Monitoring** – Management Team may approve the supplementation of regular electronic monitoring if it is believed that a serious breach of the Policy is being or has been committed.

Access to systems – New starters, leavers and changes

- 🔒 Access to the network is controlled using a user id and password. The Council has Standards for the passwords and the use of user ids.
- 🔒 Where there is a business need to access information held in a persons email account or personal drive this access must be formally requested via the IS Service Desk and approved by a member of EMT.
- 🔒 The administration of access rights to the network and corporate applications is managed by IS.
- 🔒 Administration of some service applications is carried out by a named, trained administrator in a service area. This is limited to user and functionality management.
- 🔒 Access to the network and applications is restricted outside office hours (8am – 6pm).
- 🔒 Remote access is achieved via a VPN (Virtual Private Network) and secure Citrix connection.
- 🔒 Repeated unsuccessful attempts to log-on to the network/applications results in accounts being "locked". IS Service Desk can unlock the account on request from the owner of the account.
- 🔒 People are given the appropriate level of system access they need in-order to do their job.
- 🔒 New users (and changes) are set up by IS on the receipt of an 'Information Systems Access' form.
- 🔒 Twice a year IS prompt a review of users and their access rights to ensure that user lists are up to date and that access is appropriate to job roles and responsibilities.

- 🔒 Managers (or personnel) must inform IS of leavers and indicate what action is required.
- 🔒 **Monitoring** – systems (including the telephone system) used by NWBC can produce log files showing activity details such as user ref/id, time, action taken. These are monitored and could be used in the event of a problem or investigation.

Password Standards

- 🔒 Password standards exist and all users of NWBC's computers and network services are only able to access their systems once an appropriate user id and password has been created.
- 🔒 In some systems re-use of passwords is prevented, but this is not possible in all systems.
- 🔒 **Monitoring** – Audit software is used to identify missing or non-compliant passwords.

Locking Workstations

- 🔒 Desktop computers are locked out automatically after 9 minutes of inactivity. The computer can only be unlocked by entering the users password or by an IS Administrator.
- 🔒 The user is able to manually secure their computer at any time by pressing the following three keyboard keys at the same time; Ctrl, Alt and Del and choosing the "Lock Computer" option.

Defining Security requirements

- 🔒 IS provide information on security requirements when systems are being purchased or amended.
- 🔒 The provision and inclusion of this information is part of the Project Methodology followed by IS and a standard element in requirements documents.
- 🔒 Specialist advice is sought where the nature of the system or the type of access needed requires specific security arrangements and may impact on the overall security of systems or information.

Change Management & Business Continuity

- 🔒 IS/IT Projects are managed using the Prince Project Management Methodology. This ensures that the impact of change is recognised and standards procedures are followed.
- 🔒 IS maintains a Disaster Recovery arrangement which provides an alternative office site. This provides from single server replacement up to full hardware and application provision offsite.
- 🔒 Accommodation with voice and data capability is provided for up to 6 staff.

Legislation

Computer Misuse Regulations

- 🔒 The Network is monitored to ensure malicious software used for 'hacking' and other related methods of computer misuse as identified by these regulations are not present.
- 🔒 Regular data backups are taken to facilitate restores, in the event of data loss or damage incidents.
- 🔒 The Network is monitored to ensure unlicensed software is not installed without IS knowledge; to enable the software inventory held by IS to remain current, and compliant.
- 🔒 Network access rights are set to ensure only authorised installations of software can occur.

Regulation of Investigatory Powers Act 2000

- 🔒 Forms of network monitoring, user monitoring and data monitoring is declared in the Policy.
- 🔒 IS informs Staff of changes to the published monitoring practices.

Monitoring

- 🔒 The current legal framework for system monitoring is regularly checked to ensure the continued compliance of the authority.
- 🔒 Authorised personnel will view emails quarantined and suspected of containing inappropriate content.
- 🔒 Data collected for monitoring or reporting purposes will be viewed by authorised personnel only (IS Support Staff or Staff engaged in an investigation) and presented to MT/EMT in summary form.
- 🔒 Data collected as part of any Policy Breach investigation will be treated with the confidentiality required by the Disciplinary process.

1 Summary

- 1.1 This report presents the 2010/11 ICT Strategy Action Plan that supports the delivery of the Information and Communications Technology (ICT) Strategy 2009 – 2012.

Recommendation to the Board

That the Information and Communications Technology Strategy Action Plan for 2010/11 provided as Appendix A be approved.

2 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 Councillors' Bowden and Butcher have been sent a copy of the Action Plan and any comments received from them will be reported verbally to the Board.

3 Background

- 3.1 The Council's current ICT Strategy was approved in 2009 and is available on the Intranet and on the Council's Website.

- 3.2 The Strategy guides ICT development and helps ensure ICT investment is aligned with the Council's priorities in order to improve services to citizens and give efficiencies.

4 2010/11 Action Plan

- 4.1 The Action Plan for 2010/11 has been developed to build on, and deliver, the commitments made in the Strategy.

- 4.2 We have updated our assessment of the Council's computer assets and applications (Appendix A, Section 2) and used this information to inform the Council's Capital Programme. Schemes which have received initial approval have being included as projects in the Action Plan.

- 4.3 Actions have also been included to take account of new or developing influences and issues. These include:

- Security – To continue to comply with stringent government and finance industry security requirements and assessments.
- Shared Services – To work with others in the sub region on contracts and initiatives including projects on flexible working and co-location.
- Asset Management – To remain aware of our ageing telephone and network assets and ensure their maintenance and replacement is planned for.
- Flexible Working – To support the Council's plans for flexible working and the outcomes of the Accommodation project by providing appropriate and resilient ICT solutions.
- Efficiencies – To contribute to savings and efficiency through ICT procurement and by using ICT to improve services and processes to help drive out cost.

4 Report Implications

4.1 Finance and Value for Money Implications

- 4.1.1 There are no financial implications arising directly from this report. Funding where it has been approved is shown in the Action Plan. Funding for new initiatives will be identified as part of a business case and a bid made through the budget process if needed.
- 4.1.2 It is expected that the use of ICT will enable the Council to make savings and service improvements which will help provide value for money and efficiencies.

4.2 Legal and Human Rights Implications

- 4.2.1 The ICT Strategy and Action Plan aim to support developments, such as security improvements, to ensure that human rights are not infringed and that the Council complies with relevant legislation.

4.3 Environment and Sustainability Implications

- 4.3.1 The use of ICT can help deliver sustainability improvements and cut carbon emissions by reducing the need to travel.
- 4.3.2 The Action Plan also includes projects which support the Council's Accommodation Project and which could lead to a reduction in our energy needs in the Council House.

4.4 Human Resources Implications

- 4.4.1 The Action Plan makes commitments to providing training and development opportunities to help staff and members increase and maintain the skills and knowledge they need to work effectively.

4.5 Equalities Implications

4.5.1 The use of ICT can enable people to access services and information that they need, when they need it and which they may have been unable to access when provided in traditional ways (face to face, phone). However, we must also aim to ensure people are not excluded or disadvantaged through the provision of on-line services.

4.5.2 A summary Equalities Impact Assessment was completed in 2009 when the Strategy was redeveloped and there are no changes in this Action Plan which impact on it.

4.6 Links to Council's Priorities

4.6.1 The ICT Strategy and its implementation supports the Council's priorities around the effective use of resources and its commitment to community engagement and access to services.

The Contact Officer for this report is Linda Bird (719327).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
Information and Communications Strategy 2009 – 2012	Linda Bird	Board Report and Strategy Document	9/2/2009

ICT Strategy – Action Plan 2010 – 2011

ICT Governance					
Aim	Action	Deliverable	Target Date	Contributes to...	Resource
Shared Services					
Shared Services	Support the delivery of the outcomes of the Sub Regional ICT Shared Services Project.	Collaboration through common suppliers and systems.	Sept 2010	Use of Resources.	CSWAITO. ¹
		Feasibility and possible implementation of “touch down” points in CSW.	March 2011	Use of Resources (UoR)	CSWAITO and Officer Sub Group – WCC leading.
Email, internet and web filtering services.	Work together to establish a joint contract for email, web and internet filtering services.	Compliant joint contract, which delivers savings and maintains security.	March 2011	UoR, Information Security Policy.	CSWAITO – Coventry CC leading.
NWBC & WDC – Server Project	Work with WDC to investigate the feasibility of locating NWBC server equipment in WDC’s server room	Feasibility Report Implement if approved.	May 2010 March 2011	UoR	Savings and efficiencies anticipated.
On-line Services and Information					
e-payments	Investigate ways to improve taking e-payments.	Costed options.	Dec 2010	UoR and Customer Access.	
Use of E-services	Increase the take up of e-services and migrate customers from more costly channels where practical.	Most frequently used online forms / services redeveloped.	Oct 2010	UoR and Customer Access (CA).	In-house staffing resource ² .
Mobility					
Home and Flexible working.	Technical solutions to meet agreed Home/ flexible working arrangements	Solutions investigated and implemented.	Dec 2010	UoR	Funding needs being included in Accom. Project.
Access & Accessibility					

¹ CSWAITO – The group consisting of the Heads of ICT Services from all the Warwickshire Authorities, Solihull MBC and Coventry CC.

² Details of staff involved are provided in the Service Plans or in specific project plans.

ICT Strategy – Action Plan 2010 – 2011

Customer Access	Support LEADER Projects as they are approved e.g., Village Hubs.	Approved projects technically implemented.	March 2011	Customer Access	Funding via LEADER programme.
Customer Profiling and insight	Support work on customer insight and profiling.	Proposals on taking Mosaic Data use forward.	June 2010	Customer Access (CA)	In-house staffing resource.
		Mosaic data used to support decision making.	Feb 2011	CA	In-house and partners - WCC Observatory
Service Improvement	Use Customer Feedback (GovMetric etc) to improve and shape services.	Service changes and improvements done.	March 2011	CA	In-house staffing resource.
Business Continuity					
ICT Disaster Recovery (DR)	Work with the County, districts & partners to provide ICT DR.	Test ICT DR arrangements annually	March 2011	UoR	Funding and staffing to do test in place.
Benefits realisation					
Measuring Benefits	Benefits realisation exercises to identify savings and efficiencies.	At least 3 each year (see Service Plan)	March 2011	UoR	Efficiencies identified by process.
Performance and Service Management					
Benchmarking ICT	Benchmark ICT costs via Socitm if funding available (last done 2007).	Costs and areas for improvement identified.	Dec 2010	UoR, Quality of Service	Potentially funded from IS Budgets
Audit Compliance	Support ICT related Audits and implement agreed recommendations.	Adequate Audits and actions completed.	March 2011	UoR	In-house staffing resource.
Standards, Legislation & Good Practice					
Aim	Action	Deliverable	Target Date	Contributes to...	Resource
Information Security					
Minimise risk of data loss	Continue to put in place systems and safeguards to minimise the risk of data loss.	Implement intruder & log file management solution purchased 2009/10	Sept 2010	UoR, Information Security.	Solution funded 2009/10.
Security Standards					
Security Standard Review	Review ISO27001 and implement any appropriate good practice.	Work towards compliance and good practice adopted.	Dec 2010	UoR, Information Security.	In-house staffing resource.

ICT Strategy – Action Plan 2010 – 2011

Data transfer					
Government Connect	Maintain Government Connect connection and compliance.	Procedures and systems in place and adhered to.	March 2011	UoR, Govt requirement	Requirements may be identified during Audit.
Secure Data Transfer from the Council.	Implement solutions for secure data transfer as stipulated by government, partners or our own security needs.	Solutions implemented as required. E.g. DWP data, fly tipping, NPI collection, Grant claims.	March 2011	UoR, Govt requirement	Gov Connect and associated solutions funded by Govt until at least 2011.
		Investigate and obtain PCIDSS ³ compliance as needed.	March 2011	UoR – Finance industry requirement,	Solutions funded by through Gov Connect projects.
Service Standards					
Project Methodology	Review use of Prince 2 and ensure adequate project management methods are adopted and used.	Adequate project management processes in place	July 2010	UoR, Quality of Service	In-house staffing resource.
Information Management					
Census Data Matching	Support to 2011 census preparation by resolving address anomalies.	Improved Data Quality	Dec 2010	UoR, Data Quality	In-house staffing resource.
GIS & LLPG data improvement	Work to improve GIS and the Land and Property Gazetteer (LLPG).	Improved data quality. Deliver Planning data/GIS improvements.	March 2011	UoR, Data Quality.	In-house staffing resource.
Compliance					
Retention Policy	Work with Policy to review the retention periods for documents in EDRM ⁴ & email archive.	Correct retention schedules applied which conform to legislation.	Sep 2010	Data Quality	In-house staffing resource.
Green IT					
Green IT initiatives	Maintain an awareness of “Green IT” agenda and implement initiatives as appropriate.	Initiatives implemented where feasible.	Dec 2010	UoR, Climate Change	In-house staffing resource.

³ PCIDSS – Payment Card Industry Data Security Standard – Standards put in place by the payment card providers to ensure the security of financial information.

⁴ EDRM – Electronic Document and Records Management System – system used to hold and managed the Council’s document and records.

ICT Strategy – Action Plan 2010 – 2011

Applications					
Aim	Action	Deliverable	Target Date	Contributes to...	Resource
Be business driven					
Community Support	Develop a business case to review and potentially replace system	Options and costs identified.	Dec 2010	UoR , Housing Service Plan	Costs will be identified as part of options appraisal.
Leisure System	Identify a way forward for the Leisure Management system if supplier imposes upgrade.	Options and costs identified.	TBC	Leisure Service Plan	Costs will be identified as part of options appraisal.
Revenues and Benefits	Improve letters and workflow processed	Options identified and preferred implemented	March 2011	Revs & Bens Service Plan	Costs and funding identified as part project
Development Control	Implement enhancements to enforcements / complaints module	System and process changes implemented	Dec 2010	Development Control Plan	Costs identified as part project
Reuse					
Web sub-sites	Use existing Web site software to develop specific sub sites as needed	Tailored sub sites to meet business need	March 2011	UoR, Data Quality	In-house staffing resource.
Corporate roll out of EDRM.	Develop corporate documents and workflows to improve business processes and service improvement.	Standard documents and processes. Service improvements.	March 2011	UoR, Data Quality	In-house staffing resource.
Comprehensive					
Members Laptop Replacement	Plan for the replacement of the Laptops provided to members.	Members consulted and equipment provided post May 2011.	March 2011	UoR	Replacement Budget in place.
Streetscape System.	Support the development of a business case for a “Streetscape” application and its implementation if approved.	Streetscape system business case and its implementation if approved.	March 2011	Streetscape and Leisure Service plans.	Funding to be found by Services involved (Streetscape / Landscape)
Application & Hardware Review					
Review and	Investigate & implement application /	Reviews complete and	March	UoR	Costs identified as

ICT Strategy – Action Plan 2010 – 2011

Replacement Plan	hardware replacements identified in Appendix 2 where there is a funded business case.	recommendations implemented.	2011		part of Business Case and bid for through budget process.
Infrastructure					
Aim	Action	Deliverable	Target Date	Contributes to...	Resource
Availability					
Hot-desking.	Investigate and report on the options to support any plans for hot-desking as part of the Accom Project.	Costed plans and solution if approved.	March 2011	UoR	Funding needs being included in Accom. Project.
Communication					
Messaging	Investigate and report on improving communication through technology such as Instant Messaging.	Feasibility and options for different communication technologies.	Dec 2010	Communication	In-house staffing resource.
Intranet	Review and improve the Intranet.	Consultation on and redevelopment of Intranet	Sept 2010	Communication	In-house staffing resource.
“Web2” technology					
Use Web2 technologies	Investigate and utilise appropriate Web2 technologies.	Investigate & implement approved options	March 2011	CA, Community Engagement	In-house staffing resource.
Appropriate Technology					
Windows 2000 replacement	Carry out essential server replacements.	Planning Server	Dec 2010	UoR	Bid against 2010/11 capital programme.
Desktop PCs	Implement Desktop PC refresh programme for 2010/11	Plan & business need to be defined once flexible working plan agreed.	March 2011	UoR	Approved 2010/11 Hardware Capital and Revenue Budget.
Email and Archiving	Review and upgrade/replace Email and archiving system	Plan produced and implementing to plan.	Dec 2010		Bid against 2010/11 capital programme.
Microsoft Software	Plan and implement later versions of Microsoft Software.	Plan produced and implementing to plan. All clients MS 2003.	March 2011	UoR	Last year of Enterprise Agreement Capital funded.
New infrastructure					

ICT Strategy – Action Plan 2010 – 2011

Infrastructure	Research, design and cost options for an infrastructure to support Accommodation Project.	Research done and designs produced and costed.	March 2011	UoR, Accommodation Project	Cost options to be identified as part of project.
Cheque Printing	Investigate the replacement of exiting line-printers with lasers.	Investigation complete and replaced if feasible.	Oct 2010	UoR, Accom Project	Approved 2010/11 Capital Infrastructure.
Skills					
Aim	Action	Deliverable	Target Date	Contributes to...	Resource
New Software					
New Microsoft Software	Provide training and awareness for staff and members.	Training identified and delivered as needed.	March 2011	UoR	Bid to Development Programme
Technical Skills					
ICT Staff Skills	Provide ICT technical skills required by the Council	Identify and provide training for own staff	Dec 2010	UoR	Bid to Development Programme
Joint working and resilience		Work with others to supplement skills	March 2011	UoR, Shared Services	Joint working via CSWAITO.
Process Improvement					
Support Business Process Improvement.	Systems Thinking Training – Support projects Recommend and provide process improvement training and skills	Projects completed Skills developed and shared.	March 2011	UoR	Bid to Development Programme. IEWM funding
	Business Process Improvement – BIT Training – NVQ 2	Skills developed, used and shared	March 2011	UoR	Bid to Development Programme. IEWM funding

Application, Hardware and Infrastructure Status and Plans

Business Area	Application	Date Implemented	Fit for purpose	Progress / Plans
Service Applications				
Revenues & Benefits	Academy	Pre 2000	Yes	Hardware replaced 2009/10. Review 2014/15
Housing Maintenance	ISB	2003	Yes	Hardware replacement 2011
Housing rents and allocations.	ISB	2005	Yes	No plans to replace application – Review 2012/13
Land Charges	Northgate(SX3)	2005	Yes	Hardware replacement 2010/11 Review 2013
Planning	Northgate(SX3)	2005	Yes	Hardware replacement 2010/11 Review application 2013
Environmental Health	Civica - Flare	Pre 2000	Yes	Hardware replaced 2009/10
Refuse	In-house	Pre 2000	No	Replace 2009
Committee Minutes	Jadu (website)	2009	Yes	Replaced 2009/10
IT Helpdesk	Richmond	Pre 2000	Yes	No plans to replace.
Leisure management and booking.	Flex	2006	Yes	Major upgrade needed 2010/11?.
Electoral Registration and Management	eXpress	2008	Yes	Review 2014.
Shared Applications (corporate cross-cutting information systems)				
Contact Centre – CRM	Northgate Front Office	2004 – New Contract 2008	Yes	5 year contract Dec 08. Review 2013
Automatic Call distribution (ACD)	MacFarlane	2004	Yes	Technology refresh & upgrade 2009/10
Finance & e-procurement	Total TASK	2005	Yes	Software upgraded & Hardware replaced 2009/10
Local Land and Property Gazetteer	Northgate(SX3)	2005	Yes	Review 2012
Assets Management	Asset 4000	2010	Yes	Being implemented for 2010/11
Bank / payment transfer	EIGER (BACS)	2005	Yes	No plans to replace.
Cash receipting & telephone Payments	Civica ICON	Upgraded 2008 & 2009	Yes	Review 2014
HR and Payroll	WCC Service	2009	Yes	Review 2014

Business Area	Application	Date Implemented	Fit for purpose	Progress / Plans
Application Support Tools (software to help people use and present information)				
GIS	Cadcorp GIS	2005	Yes	Review 2012/13
Reporting Software	Crystal Reports	Existing	Yes	Review 2012/13
Project planning software	Microsoft Project	Existing	Yes	No plans to replace.
Common Infrastructure Services				
Corporate EDRMS & Workflow	Tower Trim	2005	Yes	Rolled out 2009/10.
Content Management (Web & Intranet)	Jadu	2005. Hardware 08	Yes	2014 (upgrade planned 2010/11)
Directory Services	Microsoft AD	Existing	Yes	Update in 2009
Personal Productivity – Word, Excel etc.	Microsoft Office	Part of PC repl. and EA ⁵	Yes	Upgrade to 2003 and 2007 by 2011.
Email & Calendar	Exchange 2003 & Outlook	Upgraded 2005	Yes	Upgrade Exchange by 2010/11
Email archive & backup	Cryoserve	2005	Yes	Review 2010/11
Infrastructure				
Members ICT	Hardware & Software provided to members	June 2007	Yes	Review and replace after May 2011 election.
Microsoft Server operating system.	Windows 2003 Server.	Upgrade at end of support	Yes	Replaced 2009/10
Unix Operating System	Solaris	New 2004, Upgraded 2009	Yes	Review 2014 – part of Academy project.
Desktop operating system	Windows 2000 / XP	Eliminate 2000.	Yes	Moved to XP & Vista during 2009.
Internet browser software	IE 7 Firefox	Existing Existing	Yes Yes	Upgrade as needed no plans to change
Telephone Switch Management	Oak	Pre 2000	Partially	Accommodation Project.
Desktop and server Anti-virus software	Symantec Anti virus	Existing	Yes	Review Annually before renewal.
Backup software	Veritas	Upgraded 2008	Yes	Review and upgrade 2011/12
Preferred Database Management Systems	Oracle SQL Server	Existing	Yes	No plans to replace.

⁵ EA = Microsoft Enterprise Agreement, 3 year agreement (2008 – 2011) to enable us to implement latest version of Microsoft software.

Agenda Item No 12

Resources Board

13 April 2010

Report of the Assistant Director (Corporate Services)

Procurement Performance Indicators and Benchmarking

1 Summary

- 1.1 This report provides an update for Members on the performance indicators being developed by the Council's Corporate Procurement function and the benchmarking exercise carried out in preparation for the value for money review of Procurement scheduled for 2010/11.

Recommendation to the Board

That this report is noted.

2 Introduction

- 2.1 The Council has a history of measuring its services performance using indicators and benchmarking, and then using the results and feedback to inform improvement plans.
- 2.2 Over the last 18 months we have been working to identify suitable performance indicators for procurement and a way of benchmarking procurement performance. A key problem is that there are no National Indicators in this area, with the exception of NI8 which measures speed of invoice payment. There is also no recognised standard set of indicators in common use.
- 2.3 To devise a set of indicators we have reviewed those defined by National Audit Office, by the IDeA, by the Society of Procurement Officers and by Regional Centres of Excellence. The indicators chosen were agreed with the Procurement Working Group and Management Team and have been piloted to help us judge their relevance, ease of collection and impact on improvement.
- 2.4 We also took part in a benchmarking exercise through CIPFA to help us understand their process and set a baseline in preparation for the VFM review.
- 2.5 The Council, as part of a group of Worcestershire and Warwickshire District Councils, had an analysis of its spend carried out by a company called Spikes Cavell. This exercise was funded by Improvement and Efficiency West Midlands. The information coming out of this project is being analysed by

Procurement Staff and will be used to compile a programme of work to deliver savings and efficiencies. The spend analysis and work programme will be provided to a future meeting of this board.

3 Performance Indicators

3.1 The indicators chosen focus primarily on data compiled from the invoices processed by the Council through its finance system (TASK (now called Total)). The indicators are split into Strategic Indicators, which focus on how the council spends its budgets for example is it spent in collaboration, through the correct systems and under compliant contracts. The remaining, Operational Indicators, concentrate on improving our processes and gaining efficiencies for example by aiming to reduce the number of suppliers used, by reducing the numbers of invoices received and increasing the value of each invoice.

3.2 The two remaining indicators are customer satisfaction and an attempt to look at value through monitoring the cost of a “basket of goods”. A customer satisfaction survey was completed, but we have been unable to develop and benchmark the “basket of goods” indicator, and as such we will remove it from our current indicator set. We will however carry out cost benchmarking as part of specific procurement projects to help ensure we are getting value for money.

... 3.3 Appendix A details performance against the indicators for 2008/09. However, a number of the figures were skewed by the large spend with Lovells for Decent Homes work.

In summary:

- We achieved our target for the percentage of spend made under a contract (or approved exception) – 88% against a target of 85%.
- We failed to achieve the 20% target of procuring in collaboration with others. However, we achieved 21% if Lovells spend is excluded.
- The numbers of invoices received reduced by 7% against a target of 3%.
- The number of invoices received whose value was below £100 decreased by 3%.
- The Customer Satisfaction score was 4.1 out of 5

4 Benchmarking

4.1 The final results of the CIPFA benchmarking have only recently been received. Over 100 organisations took part, but disappointingly only 6 of them were Shire Districts.

4.2 In summary the Council's procurement function was higher than average cost but was having a higher than average impact on the organisations procurements, ensuring contracts were used properly and modern practices adopted.

- 4.3 In preparation for the 2010/11 VFM Review, part of which will include repeating the benchmarking, we have identified a few key areas for improvement based on this years results:
- Examine the costs assigned to the Procurement Function.
 - Increase the number of suppliers who we work with in partnership or through framework agreements (particularly in areas of high spend).
 - Increase the spend going through e-purchasing.

5 Report Implications

5.1 Finance and Value for Money Implications

5.1.1 There are no financial implications arising from this report. The performance information and approach will be built on as part of the VFM review of procurement scheduled for 2010/11.

5.2 Links to Council’s Priorities

5.2.1 Performance Management and value for money contribute to the Council’s priority relating to making the best use of our resources.

The Contact Officer for this report is Linda Bird (719327)

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

Procurement Performance Incidators
Performance Against Indicators

Indicator	Comments	2007 / 2008 Data	2008/09 Target	2008 / 2009 Data	2008 / 2009 Performance/Comments
% of invoiced expenditure against a contract or a valid exception (both NPO and Task PO).	- % Expenditure on contract etc	78%		85%	88% 3% above target
% of invoiced expenditure against a collaborative procurement.	- % Expenditure in collaboration	8%		20%	13% Figure is 21% if Lovells spend excluded
% of invoices raised against Task Orders	- % by number	49%		60%	46% Skewed by £4,922,609 Lovells spend which did not go through Task
	- % by Value	37%		40%	28% 12% below target
% of Non Purchase Order (NPO) invoiced expenditure which does not comply with an Exception (FR Sec 17) e.g. utility, contract, rent, grant payment	-% Expenditure which does not comply	16%		10%	5% 5% above target
Satisfaction with quality of service				4.1 out of 5	
Number of invoices received and avg value (Suppliers with >1 invoice)	- Number of invoices received.	9,567	3% target reduction	8,890	7% actual reduction
	- Avg value	£1,326.00	Increase in value	£1,626.00	23%
Number of Suppliers	- No of Individual Suppliers	622		612	
	- No of Invoices	1,781		1,459	
Calculated using the Number of Invoices received and the Number of Invoices for Suppliers whose average invoice value is less than £100	- No of suppliers whose avg Invoice Value is below £100	112		111	
	- %age of Suppliers	18%	3% reduction	18%	No Change
	- %age of invoices below £100	19%		16%	3% Reduction