

Notice of Audit and Governance Committee



Date: Thursday, 7 March 2024 at 6.00 pm

Venue: Committee Room, First Floor, BCP Civic Centre Annex, St Stephen's Rd, Bournemouth BH2 6LL

Membership:

Chair:

Cllr M Andrews

Vice Chair:

Cllr E Connolly

Cllr J Beesley
Cllr B Castle
Cllr A Chapmanlaw

Cllr R Herrett
Cllr M Phipps
Cllr C Weight

Cllr S Armstrong
Lindy Jansen-VanVuuren
Samantha Acton

All Members of the Audit and Governance Committee are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to view the live stream of this meeting at the following link:

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=5597>

If you would like any further information on the items to be considered at the meeting please contact: Jill Holyoake 01202 127564 or email democratic.services@bcpCouncil.gov.uk

Press enquiries should be directed to the Press Office: Tel: 01202 118686 or email press.office@bcpCouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpCouncil.gov.uk

GRAHAM FARRANT
CHIEF EXECUTIVE

28 February 2024

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app



Maintaining and promoting high standards of conduct

Declaring interests at meetings

Familiarise yourself with the Councillor Code of Conduct which can be found in Part 6 of the Council's Constitution.

Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests



What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

For more information or advice please contact the Monitoring Officer
(janie.berry@bcpcouncil.gov.uk)

Selflessness

Councillors should act solely in terms of the public interest

Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

Leadership

Councillors should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

AGENDA

Items to be considered while the meeting is open to the public

1. Apologies

To receive any apologies for absence from Councillors.

2. Substitute Members

To receive information on any changes in the membership of the Committee.

Note – When a member of a Committee is unable to attend a meeting of a Committee or Sub-Committee, the relevant Political Group Leader (or their nominated representative) may, by notice to the Monitoring Officer (or their nominated representative) prior to the meeting, appoint a substitute member from within the same Political Group. The contact details on the front of this agenda should be used for notifications.

3. Declarations of Interests

Councillors are requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance.

Declarations received will be reported at the meeting.

4. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the meeting held on 11 January 2024.

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5. Public Issues

To receive any public questions, statements or petitions submitted in accordance with the Constitution. Further information on the requirements for submitting these is available to view at the following link:-

<https://democracy.bcpccouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&info=1&bcr=1>

The deadline for the submission of public questions is midday 3 clear working days before the meeting.

The deadline for the submission of a statement is midday the working day before the meeting.

The deadline for the submission of a petition is 10 working days before the meeting.

6. Addressing the Local Audit Backlog & proposal for the 2022/23 Audit

To provide the Audit and Governance Committee with a summary of the proposals for addressing the Local Audit Backlog in England which has recently been published for consultation. Included as part of the report is the Council's response to this consultation.

The report also includes a letter from Grant Thornton with their proposal for the delivery of the 2022/23 audit.

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7. **Annual Evolution (for the 2024/25 financial year) of the 'Anti-Fraud & Corruption Policy', the 'Whistleblowing Policy', the 'Declaration of Interests, Gifts & Hospitality Policy' (for Officers) and the 'Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy'**

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An annual review of the Council's:

- Anti-Fraud & Corruption Policy,
- Whistleblowing Policy,
- Declaration of Interests, Gifts & Hospitality Policy (for Officers)
- Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy

has taken place to ensure they are updated in line with best practice and legislation.

Some changes have been made to the Council's **Anti-Fraud & Corruption Policy** including adding links to 'Other Relevant Legislation' and adding guidance on examining identity documents. Appendix C of the policy 'Anti-Money Laundering Requirements' has been updated with a statement that the Council will cooperate fully with law enforcement authorities, regulatory bodies, and other relevant agencies in combating money laundering and terrorist financing.

The **Whistleblowing Policy** has been updated with some changes including adding the seriousness/impact of a person knowingly making a false accusation and adding a note to explain that a whistleblowing referral will not affect, stop or delay any investigation into a theft/fraud/disciplinary/employment dispute involving the whistleblower. Other changes include adding a 'Protect' reference and website link (was previously Public Concern at Work) and allocating a unique reference number for each referral. The 'Preliminary Enquires' process in the Whistleblowing Procedure has been expanded to include additional potential outcomes and the introduction of a formal decision record.

Some minor changes have been made to the Council's **Declaration of Interests, Gifts & Hospitality Policy (for Officers)** including the addition of a 'In Year Amendments and Editing Log', and also the need to keep declarations confidential clarified under Service Director and Monitoring Officer responsibilities.

The **Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy** has been updated with some minor changes including the addition of a Contents front page and 'In Year Amendments and Editing Log', the update of Authorising Officer job titles, and inclusion of the consequence that subjects of surveillance may bring their own proceedings on Human Rights grounds if correct procedures are not followed.

8. **Financial Regulations - Annual evolution for the financial year 2024/25**

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Evolutionary changes to the Council's Financial Regulations are summarised in this report and shown in red text throughout the document at Appendix A and include:

Key changes exist in Part G and include:

Change 1 - Threshold adjustment

Base change throughout from the £25,000 excluding VAT threshold to £30,000 inclusive of VAT to reflect the changes required by the Public Contracts Regulations which also includes the requirement to calculate the estimated value of the contract to be inclusive of VAT.

Change 2 - Procurement & Contracts Board

A new entry in regulation 3 – Standards, has been added to reflect the formation of a new Procurement & Contracts Board that will have oversight over all planned spend decisions across the entire Council and will have the authority to require any Officer to attend a meeting and provide information and/or explanation as required by The Board.

Change 3 - Removal of waivers (of Financial Regulations) Reference to waivers throughout have been removed and replaced with the requirement for those decisions to be signed off as part of the existing Procurement Decision Records (PDRs) approval process in regulation 5 and soon to be required by legislation changes. This change has clarified any ambiguity and will remove duplication of processes. The existing reporting requirements to the Audit & Governance Committee will remain – the annual report that was Waivers and Breaches of Financial Regulations will now be PDR's and Breaches of Financial Regulations.

Change 4 - Competition Requirements

Reformatted and update to regulation 22 - Competition Requirements, which combines several previous regulations into one consistent regulation and clarifies the requirement at each threshold:

- Under £5,000
- £5,000 to £30,000
- Over £30,000

Change 5 – Other minor editing and re-ordering

Other minor changes throughout have been added for clarification and to address any previous ambiguities. Some reordering and aggregation of previous regulations have also taken place which makes direct comparison to previous versions more challenging. Such reordering and aggregation are not shown in red text because the regulation(s) has not been changed.

Legislative changes resulting from the Procurement Act 2023 are explained and the likely resulting impact on Financial Regulations will be that there may be some in-year changes required to ensure alignment.

No other items of business can be considered unless the Chair decides the matter is urgent for reasons that must be specified and recorded in the Minutes.

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BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 11 January 2024 at 6.00 pm

Present:-

Cllr M Andrews – Chair

Cllr E Connolly – Vice-Chair

Present: Cllr J Beesley, Cllr B Castle, Cllr A Chapmanlaw, Cllr R Herrett,
Cllr M Phipps, Cllr C Weight, Cllr S Armstrong, Lindy Jansen-
VanVuuren and Samantha Acton

Also in attendance: Cllr M Cox, Cllr J Hanna, Cllr V Slade

48. Apologies

There were no apologies for this meeting.

49. Substitute Members

There were no substitute members for this meeting.

50. Declarations of Interests

There were no declarations of interest for this meeting.

51. Confirmation of Minutes

The minutes of the meeting held on 30 November 2023 were confirmed as a correct record and signed by the Chair, subject to a correction to the list of members present to read 'Lindy Jansen-VanVuuren'.

52. Public Issues

The Committee was advised of the receipt of three public questions and three public statements, all in relation to Agenda Item 8:

Public Questions from Mr Alex McKinstry (Agenda Item 8)

Question 1.

In the officer's report on the governance of Council companies, paragraph 2.3 states there were initially going to be six Council representatives on the "shareholders team" of FuturePlaces, but this was reduced to two because of "budgetary pressures". I have to admit this is the first I've heard of a shareholders team on FuturePlaces. Who, then, were the original six; who were the ultimate two; and how did "budgetary pressures" have an impact, exactly - were the original team going to be remunerated, for instance?

Response:

The Cabinet Report approved on 29 September 2021 entitled 'Accelerating Regeneration and Investment in the BCP area' set out the need for a Delivery Team to provide oversight of all regeneration and development activity undertaken by BCP FuturePlaces Limited, the Bournemouth Development Company, and the Boscombe Towns Fund Board. This was to be a Council officer team consisting of six posts including a Service Director. However, not all posts were initially recruited to, and were subsequently deleted. In April 2023, the Service Director left the Council, and the post was taken as a saving. Since then, a further post has been made redundant. The remaining posts will form part of the new Investment and Development directorate which is being created following the closure of FuturePlaces as set out in Cabinet paper entitled 'The Future of BCP FuturePlaces Ltd, Investment and Development' which was approved on 27 September 2023.

Question 2.

Paragraph 2.10, meanwhile, states that the reason no commissioning agreement was ever finalised between the Council and FuturePlaces - nor any resource agreement - was "differences between the parties". What were these differences, and how come they weren't resolved during the two and a half years that the company was operating?

Response:

When FuturePlaces was created it was envisaged that a contract would be put in place setting out the working procedures for the delivery of services to the Council along with a Resource Agreement which would set out the provision of support services back to the company. Both these documents were complicated and required substantial information, including process mapping, to be collated. These processes inevitably evolved as the new company began to operate. There were no major ideological differences between the parties on the approach to be taken, however, the time required to align the detail of the contractual arrangement was substantial and officers from both the council and the company were unable to dedicate the time and resources required. As a result, although the documents were never finalised, the parties entered into the two agreements by conduct and adhered to the practical working arrangements set out.

Question 3.

Finally, the governance aspirations listed in Annexes B2 and C include the following: "C10. There should be evidence of ongoing assessment of value-for-money and quality offered by the entity through an adequately resourced monitoring function." To underscore the importance of this ambition, can you confirm:

- i) The total amount of rent paid by FuturePlaces for its premises in Exeter Park Road, which it occupied between August 2022 (the signing of the licence agreement) and 31 October 2023 (its termination)
- ii) The total amount of bonus payments paid to FuturePlaces staff in 2022 (said to be 10% of their base salaries) and in 2023 (said to be 12.5%). Can

you also confirm what mechanisms were in place to ensure that these payments, i.e. the rent and the staff bonuses, constituted value for money?

Response:

i) The agreed rental was £54,000 per annum paid in advance. The rental amounts paid were £54k (Aug 2022 – July 2023) & £27k (August 2023 – January 2024), a total of £81k.

ii) The total amount of bonus payments paid to FuturePlaces staff in 2022 (said to be 10% of their base salaries) and in 2023 (said to be 12.5%):

FY22 Directors bonuses = £9,700 Other Employees = £6,907
(10.0%)

FY23 Directors bonuses = £36,875 Other Employees = £56,994
(12.5%)

As with any other company, it was the responsibility of the board of directors to ensure the rental costs represented good value for money. The board of directors is accountable to the shareholder for the performance of the company.

The bonuses were determined by the FuturePlaces Limited Remuneration Committee, which consisted of the non-executive directors of the company.

Public Statements from Mr Alex McKinstry (Agenda Item 8)

The figures in Statement 3 are taken from this FOI https://www.whatdotheyknow.com/request/funding_of_bcp_futureplaces_ltd#incoming-2063819 plus the paper at September's Cabinet, "The Future of FuturePlaces", and I'd be glad to provide references for any other assertions if needed.

Statement 1.

When FuturePlaces was formed, the Council paid external consultants to devise a commissioning plan for this outfit, and the result was a six-stage "gateway process" that would chart each project from inception phase to delivery; a commissioning team would be appointed, and a "project management office" established to manage the said gateways, monitor key milestones, and assess risk. That process was then refined, and the finessed procedure approved by full Council on 12 July 2022. Yet we find in tonight's report that KPIs were "absent" from FuturePlaces; there were "unclear and informal routes for operational decision-making", and the company was even initiating work "without a clear commission". This really is scandalous, and the Committee should drill into how and why the company's governance protocols were bypassed in such a way, as the eleven short paragraphs in tonight's report do the matter scant justice.

Statement 2.

The report also reveals, at Paragraph 2.11, that there were "differences in understanding between the Council and the company in relation to how the financial model works". This is incredible, not least because the then-Leader of the Council (and then-Portfolio Holder for Finance) was one of the executive directors. The finance model was the Aristotelian flaw in this company: my concern was that a political group with a majority could whip any scheme through full Council - regardless of its defects - to pay the

company a success fee and thus get its loan repaid. Conversely, there was a risk that if schemes were not approved, the company would continue chomping through its loan facility - and it was this, indeed, that appears to have scuppered the company. The finance model was in short encircled with risk, and should not be repeated in any subsequent Council venture.

Statement 3.

Finally there is the matter of the company's costs, which aroused residents' concerns from the beginning. A working capital loan of £400,000 was advanced to the company in 2021 and drawn down in full. The company was then allocated £3.024 million from the revenue budget, of which £1,329,063 had been spent by June 2022 when the company was transitioning to capital. £647,000 transitional funding was then made available, followed by the £8 million loan facility of which £4.75 million had been spent by September 2023. That expenditure alone totals up to £7.1 million. Given the cryptic line on p. 91 of tonight's report - that company payments should not be approved "on the nod" - this Committee should request a full, forensic accounting of the expenses incurred by this company, including the costs of its imminent dissolution.

53. External Audit - Annual Audit Findings 2021-22 Progress

The Committee received a verbal update from the External Auditors, Grant Thornton, on the progress of their Annual Audit Findings 2021-22.

The Committee was reminded that a report on the draft findings following the audit of the Council's statement of accounts 2021/22 had been considered at its November meeting. Members noted that, as previously reported, the required response from the Dorset Pension Fund auditor in respect of the IAS19 Pension Fund net liability remained the only outstanding item of work. Subject to the receipt of this information, which it was hoped would be prior to the March Committee, the External Auditors anticipated returning a clear audit opinion on the Council's statement of accounts 2021/22. Members reiterated their frustration with the continued delay caused by this one issue. The External Auditor undertook to bring a final report to the March Committee, with or without this information being available.

The External Auditor was asked about the availability of an IT audit report for 2022. He explained that although not published every year this was a rolling programme of work which formed part of the risk assessment and was referenced in the draft and final audit findings reports as required.

RESOLVED that the update from the External Auditors on the progress of their annual Audit Findings 2021-22 be noted.

Voting: Unanimous

54. Treasury Management Monitoring report for the period April to December 2023 and Treasury Management Strategy 2024/25

The Assistant Chief Financial Officer (CFO) presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

The first part of the report covered the monitoring of the Council's Treasury Management function for the period 1 April 2023 to 31 December 2023. It was noted that a surplus of £650k would be achieved due to the increase in interest rates. The second part of the report at paragraphs 16 to 32 explained the reasons for considering changes to the Council's current approach to the repayment of debt, known as the Minimum Revenue Provision (MRP). Following a review of the MRP policy it was recommended to change the calculation method to an annuity basis, as this provided a more suitable and cost effective strategy while remaining prudent and compliant with statutory guidance. The final part of the report outlined the main changes to the annual Treasury Management Strategy for 2024/25, which included the proposed changes to the MRP.

The Portfolio Holder for Finance explained that he was assured by a number of factors around the changes to the MRP, including the experience in this field of Link Group who had undertaken the MRP review, the involvement of internal and external audit, and the fact that the annuity method was used by 60% of councils and had received positive feedback at a recent Local Government Association conference.

The Assistant CFO responded to questions from the Committee on the MRP. He confirmed that this was all asset backed debt, some of which was historic. The key advantages/disadvantages of the changes in policy were set out in the report. It was noted that the Council may wish to consider providing an additional amount of MRP over and above the prudent amount, known as voluntary revenue provision (VRP). It was explained that the current method for calculating MRP had been inherited from previous councils pre 2019. The Council was required to periodically review its approach and this had resulted in options being put forward which best suited BCP Council and accorded with the statutory guidance.

RECOMMENDED TO COUNCIL that

- a) **the Minimum Revenue Provision (MRP) change for 2023/24 set out in paragraphs 16-32 of the report be approved; and**
- b) **the Treasury Management Strategy 2024/25 set out at Appendix 4 of the report be approved.**

RESOLVED that the reported activity of the Treasury Management function for the period ending 31 December 2023 be noted.

Voting: Unanimous

55. Council Owned Companies Shareholder Governance Review

The Interim Corporate Director for Resources presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

The Interim Corporate Director explained the objectives of the review of shareholder governance arrangements for all Council-owned companies which he had undertaken in November 2023. He referred to the importance of having the right shareholder model and his knowledge of the difficulties which some councils had experienced in this area. The proposals arising from the review aimed to provide clearer understanding of the respective roles, decision-making arrangements, and improved accountability along with next steps for implementation. It was noted that a review of each council company would be completed by the end of March 2024 with results reported to Cabinet in July 2024.

The Portfolio Holder for Transformation and Resources advised the Committee of the updated recommendations in relation to this report which were agreed by Cabinet on 10 January 2023, following input from the Overview and Scrutiny Board. A copy of these recommendations was circulated to the Committee for reference.

The Committee's main focus of debate was around the need for regular monitoring and improved accountability and to avoid the need for any further 'lessons learned'. The roles of Cabinet and Scrutiny in this process were discussed. Members agreed that the Audit and Governance Committee also had a role, in seeking assurance that governance arrangements were working effectively, and suggested that the Committee receive an annual monitoring report.

The Leader of the Council and the Portfolio Holder for Finance commented on the purpose of the review, in protecting the Council and ensuring governance arrangements were set up properly going forward. An annual review by the Committee would be welcomed and it was hoped that members were assured by the level of commitment and speed at which action had been taken. The Interim Corporate Director confirmed that external expertise should not be required if the detailed methodology was followed. He clarified that the second phase of the review would include all arms-length bodies where the Council had influence. He also agreed to review the wording around the monitoring of conflicts of interest to ensure this was undertaken robustly.

RESOLVED that

- a) the following updated recommendations agreed by Cabinet on 10 January 2024 be noted:**

That Cabinet:

- 1) Approves the shareholder governance model set out at Appendix 1 for adoption by the Council in relation to all Council companies with immediate effect, subject to the amendment of the third red box on the right, replacing the words “Company has no role at scrutiny –“ with “Company may be requested to provide evidence to support scrutiny as required .”
 - 2) Notes that the future arrangements for Council companies will be based on the Local Partnerships best practice model, Local Authority Company Review Guidance.
 - 3) Notes that a review of all Council companies will be undertaken based on the work started by internal audit and actions plans completed to ensure that the company arrangements comply with the best practice model. This review will be completed by 31 March 2024 with progress and subsequent action plans reported to Cabinet in July 2024.
 - 4) Notes that the review of council companies will also consider in each case whether the original reason for establishing the company still applies and appraise the future options for delivering the function performed by the company, taking into account the cost benefits, the benefits to residents, the potential for accountability and transparency, and the avoidance of potential conflict between the aims of the council and those of the council company.
 - 5) Notes that although the scope of this report is limited to companies where the council is a shareholder, a second phase that will be the subject of a future report will consider council control and representation on the boards of other organisations such as charities, associations, community interest companies, and societies.
- b) The Audit and Governance Committee receives an annual report from Internal Audit to monitor the governance arrangements for Council owned companies.

Voting: Unanimous

56. Risk Management - Corporate Risk Register Update

The Risk and Insurance Manager presented an update report on the Corporate Risk Register, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

The material updates for Quarter 3, 2023/24, were outlined in sections 9 to 14 of the report, the main one being the removal from the Corporate Risk Register of CR14 – Continuity of Public Health arrangements for health

protection. It was noted that no new risks were added. The Risk and Insurance Manager provided a summary of the risk management process and explained the role of Corporate Management Board (CMB) in reviewing director level risk registers. It was noted that there was now a further layer to the review process focussing on dynamic risk.

The Committee was assured that the next quarterly report would include all information which it had not been possible to incorporate into this report due to deadlines. A number of queries had been raised in advance of the meeting and the Committee was assured that these would be addressed and responded to. The Risk and Insurance Manager agreed to review the order of risks in the dashboard at Appendix 3 to put the highest scoring risks first. Attention was drawn to risk CR20 'Adaptation and mitigation of the negative impacts of climate change including sea level rises and weather pattern changes on BCP's communities' and officers were asked how this risk was being escalated, bearing in mind it was the highest scoring risk and its overarching impact on all other risks. The Committee was advised that once the Corporate Strategy was approved, the Corporate Risk Register would be fundamentally reviewed with risks being re-aligned as necessary. It was agreed to include a specific update on CR20 in the next quarterly report.

RESOLVED that the update provided in this report relating to corporate risks be noted.

Voting: Unanimous

57. Annual Governance Statement 2022/23 – Action Plan and update

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

The report outlined progress on actions to be taken to address the five significant governance issues identified in the 2022/23 draft Annual Governance Statement (AGS). Members were referred to Table 1 of the report for a more detailed update against the action plan in relation to each issue. Members were also provided with an update against compliance with the Financial Management Code (FM Code). It was noted that the self-assessment reported in July concluded that the Council was compliant with the FM Code with some opportunities for further improvement remaining. Table 2 of the report provided a more detailed update against actions required in these areas of improvement.

RESOLVED that

- a) the progress made to address the significant governance issues on the BCP Council Annual Governance Statement Action Plan 2022/23 be noted**
- b) the position in respect of compliance with the Financial Management Code be noted**

Voting: Unanimous

Assurance Framework & Internal Audit Planning Consultation 2024/25

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

The Committee was asked to agree the BCP Assurance Framework which was included at Appendix 1 of the report. The Assurance Framework had been updated this year with some minor changes to reflect current organisational structure and governance arrangements. The Head of Audit and Management Assurance explained the three line assurance model applied to each of the key assurance functions identified.

The Committee was also asked to consider the proposed 2024/25 Internal Audit Plan approach as part of the consultation process before coming back to the Committee for formal approval in April 2024. It showed the amount of resource to provide core audit work and fraud work, which was proposed to be materially the same as the original 2023/24 Audit Plan. The overall level of resource would increase due to the engagement of three audit apprentices during 2023/24 in place of two auditor posts. This would enable time to be spent on a council tax single person discounts review project. As this used less experienced /qualified staff than in previous years, careful management of the resource would be required. The Head of Audit and Management Assurance confirmed that the amount of resource was considered sufficient to be able to deliver the Chief Internal Auditor's Annual Opinion. The Committee noted that an updated table of audit plan days 2024/25 with some minor corrections had been circulated prior to the meeting. A copy of the updated table appears as Appendix 'F' to these Minutes in the Minute Book.

The Head of Audit and Management Assurance was asked why some teams/areas, such as economic development and council owned companies, were not itemised in the Assurance Framework. He explained that these were included across/within some of the key assurance functions listed, for example, procurement. It was noted that a more detailed version available in April would refer to individual teams/areas. The Head of Audit and Management Assurance also responded to a question on resources and cost/benefit of the council tax single person discounts review project. He explained that it was too early to give a firm view but that initial results appeared favourable. It was noted that the project would form part of the revenue and benefits savings proposals.

RESOLVED that

- a) the BCP Assurance Framework be agreed by the Committee**
- b) the proposed draft 2024/25 Internal Audit Plan – high level allocation of resource and delivery approach, be noted.**

Voting: Unanimous

59. Internal Audit - 3rd Quarter, 2023/24, Audit Plan Update

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book.

The report detailed progress made on delivery of the 2023/24 Audit Plan for the 3rd quarter - October to December (inclusive) 2023. The Head of Audit and Management Assurance referred members to the points highlighted in the executive summary. He was pleased to report that the three apprentices were exceeding expectations with training going well. Recruitment for a replacement Audit Manager was also underway. Details of the issues found in relation to the three partial assurance audit reports were included at paragraph 5 of the report. As mentioned in the preceding agenda item, the council tax single person discount pilot project which commenced in September 2023 was starting to deliver. In an update to the report, members were advised that the total additional council tax yield resulting was now £105k, with a current weekly yield of £15k. Some assumptions on yield were included in the Medium Term Financial Plan. It was noted that the weekly yield would reduce once those cases more likely to indicate a single person claim error had been dealt with.

Committee members spoke in support of the council tax single person discount project and thanked officers for their work. Unfortunately, the Council was only allowed to charge a £70 nationally capped fine (on top of the unpaid Council tax). This fine was meant to represent the administrative charge for correcting the single person discount error made by the claimant. Members did not feel this fine was much of a deterrent. It was noted that there was ongoing dialogue with the Government about restrictions on penalty charges. It was confirmed that non-payment could result in a County Court Judgement (CCJ). The Committee was advised that the Revenue and Benefits team were now preparing to take over the project from Internal Audit. It was noted that the potential of applying this approach to the second homes premium was being considered.

RESOLVED that the progress made and issues arising on the delivery of the 2023/24 Internal Audit Plan be noted.

Voting: Unanimous

60. Forward Plan - Refresh for the 2023/24 municipal year

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'H' to these Minutes in the Minute Book.

The Committee noted the remaining agenda items due to be considered at its March and April meetings. The Head of Audit and Management Assurance had contacted members regarding potential items for the 2024/25 municipal year. He also explained that it was intended to rerun the

insurance training session which had been postponed in September 2022 due to the passing of Queen Elizabeth II.

RESOLVED that the Forward Plan set out at Appendix A of the report be approved.

Voting: Unanimous

The meeting ended at 8.10 pm

CHAIR

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AUDIT AND GOVERNANCE COMMITTEE

Report subject	Addressing the Local Audit Backlog & proposal for the 2022/23 Audit
Meeting date	7 March 2024
Status	Public Report
Executive summary	<p>To provide the Audit & Governance Committee with a summary of the proposals for addressing the Local Audit Backlog in England which has recently been published for consultation. Included as part of the report is the Council's response to this consultation.</p> <p>The report also includes a letter from the Grant Thornton with their proposal for the delivery of the 2022/23 audit.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <ol style="list-style-type: none"> 1. Note the Councils submission to the governments consultation in addressing the local audit backlog in Appendix 1 2. Note Appendix 2 the letter from Grant Thornton, the external auditors, in regard to the delivery of the 2022/23 audit
Reason for recommendations	Members are asked to note the Addressing the Local Audit backlog proposal consultation, and its considered impact on the Council.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	<p>Adam Richens, Chief Financial Officer</p> <p>Matthew Filmer, Assistant Chief Financial Officer</p>
Wards	Council-wide
Classification	For Information

Background

1. The backlog in the publication of audited accounts of local bodies in England has grown to an unacceptable level.

2. In July 2023, the Minister for Local Government published a cross system statement setting out proposals to tackle the local audit backlog. Since then, organisations involved in the regulation and oversight of local body financial reporting and audit (“system partners”) have been working collectively to agree a proposed solution to clear the outstanding historical audit opinions and ensure that delays do not return.
3. A significant number of local audits remain outstanding. The number of outstanding opinions peaked at 918 on 30 September 2023. As at 31 December 2023, the backlog of outstanding audit opinions stood at 771.
4. As a reminder the Council has yet to conclude the audit of the 2021/22 accounts and the 2022/23 accounts audit has yet to commence.

Addressing the Local Audit backlog

5. To clear the backlog of historical accounts and ‘reset’ the system, the Department for Levelling Up, Housing and Communities (DLUHC) proposes putting a series of dates in law (the “backstop date”) by which point local bodies would publish audited accounts for all outstanding years.
6. These proposals have now been published for consultation with the Council’s response set out in Appendix 1. The deadline for submission is the 7 March 2024. The consultation comprises of the following:
 - DLUHC’s intentions for amending the Accounts and Audit Regulations including a joint statement providing context and explanation of the proposals and how their various elements are intended to interact;
 - NAO intentions for amending the Code of Audit Practice;
 - CIPFA LASAAC proposals for temporary changes to the Accounting Code to reduce burdens on those who prepare and audit local body accounts (not yet issued).
7. The proposed measures consist of three phases:
 - **Phase 1: Reset** - legislating for a statutory backstop date for the publication of audited financial statements up to and including financial year 2022/23. Auditors should issue opinions based on the work they have completed by the backstop date – which may lead to a modified or qualified opinion – and are expected to prioritise to ensure that their audit work provides as much assurance as possible ahead of the date;
 - **Phase 2: Recovery** - a series of statutory backstop dates covering the financial years 2023/24 to 2027/28 to allow auditors to rebuild assurance over a five-year period of local bodies’ financial information, which has been subject to modified opinion as part of the reset. To reduce burdens on preparers and auditors, CIPFA will make temporary changes to the Code of practice on Local Authority Reporting;
 - **Phase 3: Reform** - the FRC, alongside DLUHC and other system partners, will continue to work to address systemic challenges in the local audit system and embed timely financial reporting and audit.

Phase 1: Reset

8. The key elements within the proposal are as follows:
 - (a) The backstop dates will be deadlines by which authorities must publish audited accounts, and auditors would be required to issue an opinion based on the work

they have been able to complete to enable authorities to meet the publication deadline. The proposed date for accounts up to 2022/23 is 30 September 2024.

(b) Auditing standards already provide for the impact of backstop dates. System partners will provide clear explanations of what the different types of audit opinions mean, especially to clarify that modified / disclaimed opinions attributable to the backstop date do not necessarily indicate significant financial reporting or financial management issues in the audited body.

(c) Reporting on VFM arrangements will remain a high priority, focussing on enabling auditors to produce a single commentary on VFM arrangements covering all outstanding periods for 2022/23 and earlier years.

(d) There are expected to very limited exemptions (if any) for either authorities or auditors.

(e) The Government indicate an intention to publish a list of local bodies and their auditors which do not meet the backstop date.

9. There do not appear to be any minimum expectations for the work that auditors would need to carry out at individual authorities, so that there would be a minimum level of assurance provided by the auditor. The Joint Statement promises an expectation that auditors will complete as much audit work as possible by the backstop date. The promise is also made that the NAO, working with the FRC, will produce statutory guidance and any additional advice needed to ensure the reset works as intended.

Phase 2: Recovery

10. The acknowledged problem of the Reset phase is that for, authorities impacted by the backstop, auditors will not have the assurance from closing balances that would normally support opening balances for 2023/24. Auditors will therefore need to perform sufficient testing on opening balances to rebuild assurance.
11. To prevent this recovery work causing delays to future audits, the proposals involve further backstop dates for all years up to and including 2027/28, in consideration that recovery work may take a number of years as modified opinions/disclaimers are rolled forward. The backstop dates within the Recovery phase are proposed as follows:
 - 2023/24: 31 May 2025
 - 2024/25: 31 March 2026
 - 2025/26: 31 January 2027
 - 2026/27: 30 November 2027
 - 2027/28: 30 November 2028
12. For Value for Money (VFM) it is proposed that the Audit Code identifies that auditor's Annual Report is issued in draft to those charged with governance by 30 November each year (from 2023/24 onwards), irrespective of the position on the audit. This will enable auditors to report the majority of the VFM arrangements work on a timely basis.

Phase 3: Reform

13. There are no firm proposals put forward at this stage for Phase 3, but commitments are made in the following areas:

- The government remains committed to establishing the Audit, Reporting and Governance Authority as system leader for local audit when Parliamentary time allows;
- CIPFA LASAAC's has a workstream looking at long-term reforms to financial reporting based on the needs of accounts users;
- HM Treasury will shortly be setting out the outcome of the thematic review into the valuation of non-investment assets;
- the FRC intends to publish its Local Audit Workforce Strategy during 2024, including plans to increase the supply of suitably skilled auditors, including changes to Key Audit Partner requirements;
- the government has successfully procured the development of a Local Audit Qualification which will shortly be launched by CIPFA;
- CIPFA and the Local Government Association are working on a workforce strategy for local government finance teams.

Grant Thornton Letter to the Council

14. The External Auditors Grant Thornton have written to the Councils Section 151 officer setting out their view of the backstop proposal which can be found in appendix 2 to this report. In summary the application of the backstop will be applied for the 2022/23 accounts as it will not be possible to complete the audit by the 30 September 2024.
15. As a result, it is possible there will be a lower fee for the 2022/23 audit but potentially a higher fee for 2023/24 as significant additional work will be required in the absence of being able to fully rely on the opening balances position.

Summary of financial implications

16. There are no direct financial implications arising for the council as a result of this report, although by considering the proposal and any impact on the Council, we are demonstrating efficient arrangements for the proper administration of the council's financial affairs.

Summary of legal implications

17. The addressing the local audit backlog in England: consultation proposals seek to amend the Accounts and Audit (England) Regulations 2015, via a series of dates (the "backstop date") by which point local bodies would publish audited accounts for all outstanding years

Summary of human resources implications

18. There are no direct human resources from this report.

Summary of sustainability impact

19. There are no direct sustainability impact implications from this report.

Summary of public health implications

20. There are no direct public health implications from this report.

Summary of equality implications

21. There are no direct equalities implications from this report.

Summary of risk assessment

22. This report requires no decision, a risk assessment has not been carried out.

Background papers

None

Appendices

Appendix 1 – Councils response to the government addressing the local audit backlog

Appendix 2 – Grant Thornton 2022/23 Backstop letter

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Appendix 1 – Addressing the local audit backlog in England, BCP Council’s proposed response

This appendix shows the consultation explanatory narrative, followed by a series of questions, in bold for that section of the consultation, BCP Council proposed response shown in yellow highlight.

Consultation Introduction

Local audit is both a vital and independent source of assurance and a key element of the checks and balances within the local accountability framework.

A significant number of local audits in England are outstanding. The government, working with the Financial Reporting Council (FRC) and other system partners, is taking steps to clear the backlog and put the system on a sustainable footing moving forward.

This consultation seeks views on proposed legislative changes to the Accounts and Audit Regulations 2015 (the 2015 Regulations). These are central to cross-system proposals agreed by the Department for Levelling-Up Housing and Communities (DLUHC), the FRC, the National Audit Office (NAO), the Chartered Institute of Public Finance and Accountancy (CIPFA), the Institute of Chartered Accountants in England and Wales (ICAEW), and Public Sector Audit Appointments (PSAA).

Given the requirement for concerted action, system partners have published a joint statement explaining the package of measures and how the various elements are intended to interact. This Joint Statement provides vital context for this consultation and should be reviewed before responding to the questions below.

As the Joint Statement explains, the wider package of measures consists of 3 stages:

Phase 1: Reset involving clearing the backlog of historical audit opinions up to and including financial year 2022/23 by 30 September 2024

Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles

Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit

These are not proposals we take lightly, but these are exceptional times. All system partners, including the government, share the conviction that bold steps are necessary to reset the system.

The NAO is also consulting, in parallel to this consultation, on related changes to the Code of Audit Practice. Further detail on the NAO’s proposals can also be found in the Joint Statement.

CIPFA LASAAC will consult on temporary changes to the Code of Practice on Local Authority Accounting for 2023/24 and 2024/25 to reduce burdens on the finance teams and auditors. Further detail on CIPFA LASAAC’s proposals can also be found in the Joint Statement.

The government has published a draft statutory instrument (PDF, 179 KB) alongside this consultation. As explained further below, this covers the core elements of the proposed amendments to the 2015 Regulations.

Phase 1: ‘Backstop’ proposals for financial years 2015/2016 to 2022/2023

The proposed changes to the 2015 Regulations would require Category 1 authorities to ensure that (subject to consideration of potential exceptional circumstances – see below) by 30 September 2024 they have published audited accounts for financial years 2015/2016 to 2022/2023.

An authority's ability to meet the requirement above would be contingent on an audit opinion being issued in time. For this reason, the NAO is proposing that the Code of Audit Practice be amended so that auditors are required (unless specific circumstances apply – see below) to issue their opinion in time for the authority to publish its accounts by the specified date in the 2015 Regulations (in this case, 30 September 2024).

Regulation 10(2) currently imposes a duty on authorities to publish a delay notice if an audit of accounts has not been concluded before the date specified. We propose to disapply this duty for accounts with outstanding audits for financial years 2015/2016 to 2022/2023. This is because, under these proposals, authorities would be required to publish audited accounts by the backstop date.

The proposal to set the backstop date at 30 September 2024 reflects the need to ensure sufficient time for auditors to issue opinions, including modified or disclaimed opinions due to the backstop, and for bodies to publish accounts containing those audit opinions once the legislation has come into force.

The NAO's consultation proposes that the Code of Audit Practice would introduce exemptions from the proposed statutory deadline for auditors in certain circumstances. These would include, for example, if the auditor is unable to issue their opinion where there are outstanding objections to the accounts that could be material to that opinion.

Where there is an outstanding objection of this nature, we consider it may be desirable to create an equivalent exemption for Category 1 authorities. This consultation also seeks views on other exceptional circumstances in which Category 1 authorities might be exempted from the 30 September 2024 backstop date.

Our intention is to publish a list of Category 1 authorities and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not, making it clear any instances where unaudited accounts had also not been published by the required date.

Under these proposals, the existing requirements in the 2015 regulations relating to the publication of unaudited accounts and to public inspection periods would continue to apply in their current form (see 'Part 5' of the Regulations).

Under these proposals, the published, audited accounts must also be approved in accordance with regulation 9(2) and therefore the approval must be given before the backstop date.

Further context on these aspects of the proposals can be found in the Joint Statement (especially paragraphs 5 to 14 and 25 to 46) as well as the draft regulations (PDF, 179 KB).

Questions

Q1. Notwithstanding the possibility of exemptions in exceptional circumstances (covered by questions 3 and 4 below), do you agree that Category 1 authorities should be required to have published audited accounts for all financial years up to and including financial year 2022/2023 by 30 September 2024? (agree, disagree, unsure)

Agree

Do you have any comments on this issue?

The backstop addresses only part of the issue which persists, a fundamental review of the accounting and audit requirements of local authorities is required. The Redman review made good suggestions to alleviate some of the issues.

Q2. Do you agree that the requirement at Regulation 10(2) for Category 1 authorities to publish a delay notice should be disappplied in relation to any outstanding audits covering financial years 2015/2016 to 2022/2023? (agree, disagree, unsure)

Agree

Do you have any comments on this issue?

No

Q3. Do you think it would be appropriate for Category 1 authorities to be exempt from the statutory backstop date of 30 September in circumstances where the auditor is unable to issue their opinion due to outstanding objections to the accounts that could be material to that opinion? (agree, disagree, unsure)

Agree

Please explain your response. This is pragmatic in the circumstances.

Q4. Do you think there would be any other exceptional circumstances which might create conditions in which it would be appropriate for Category 1 authorities to be exempt from the 30 September backstop date? (agree, disagree, unsure)

Agree

Please explain your response, including, where relevant, details of exceptional circumstances you consider would justify an exemption.

There are a number of Council who have issued a S114 notices and subsequently seen significant changes to their draft account after the notice has been issued.

Q5. We intend to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not. Do you think there should be additional consequences for Category 1 authorities or audit firms (excluding an authority or firm covered by an exemption) if they do not comply with the statutory deadline of 30 September 2024? (agree, disagree, unsure)

Agree publication of list. Disagree with additional consequences.

Please explain your response and, where relevant, include any suggested consequences.

Publishing a list of Council and audit firms allows public accountability and transparency.

Phase 2: 'Backstop' proposals for the recovery period, financial years 2023/2024 to 2027/2028

The proposed changes to the 2015 Regulations would require (subject to consideration of potential exceptions – see below) Category 1 authorities to publish audited accounts by the following dates for financial years 2023/2024 to 2027/2028:

2023/24: 31 May 2025

2024/25: 31 March 2026

2025/26: 31 January 2027

2026/27: 30 November 2027

2027/28: 30 November 2028

As per the Phase 1 backstop proposals, the NAO is proposing that the Code of Audit Practice would require auditors (unless specific circumstances apply) to issue their opinion in time for the authority to publish its accounts by the specified dates.

As per the Phase 1 backstop proposals, we propose to disapply regulation 10(2), which requires authorities to publish a delay notice if the audit of accounts has not been concluded before the date specified.

Also to maintain consistency with the proposals for phase 1, the NAO's consultation proposes that the Code of Audit Practice would introduce exemptions from the proposed statutory deadlines for auditors in certain circumstances. These would include, for example, if the auditor is unable to issue their opinion where there are outstanding objections to the accounts that could be material to that opinion.

Where there is an outstanding objection of this nature, we consider it may be desirable to create an equivalent exemption for Category 1 authorities. This consultation also seeks views on other exceptional circumstances in which Category 1 authorities might be exempted from the backstop dates for this period.

Our intention is to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not, making it clear any instances where unaudited accounts had also not been published by the required date.

Questions 10 and 11 below seek views on whether, in light of the proposed deadlines for the publication of audited accounts, the existing 31 May deadline for the publication of unaudited accounts (see regulation 15(1)(a)) remains appropriate for financial years 2024/2025 to 2027/2028. (Note that the deadline of 31 May 2024 for the publication of unaudited accounts for the current financial year is not under consideration.)

Under these proposals, the existing requirements in the 2015 regulations relating to public inspection periods would continue to apply in their current form (see 'Part 5' of the Regulations).

Under these proposals, the published, audited accounts must also be approved in accordance with regulation 9(2) and therefore the approval must be given before the backstop date.

Further context on these aspects of the proposals can be found in the Joint Statement (especially paragraphs 15 to 46), as well as the draft regulations (PDF, 179 KB).

Questions

Q6. Notwithstanding the possibility of exemptions in exceptional circumstances (covered by questions 7 and 8 below), do you agree that Category 1 local authorities should be required to publish audited accounts for financial years 2023/2024 to 2027/2028 by the following dates (agree, disagree, unsure)?

Agree

2023/24: 31 May 2025

2024/25: 31 March 2026

2025/26: 31 January 2027

2026/27: 30 November 2027

2027/28: 30 November 2028

Do you have any comments on these dates?

The dates appear pragmatic in the circumstances and show a clear aspiration to move back to a timely audit opinion. We feel 30 November is good balance to a more realistic on-going or longer term position.

Q7. Do you think it would be appropriate for Category 1 authorities to be exempt from the statutory backstop dates for Phase 2 in circumstances where the auditor is unable to issue their opinion due to outstanding objections to the accounts that could be material to that opinion? (agree, disagree, unsure)

Agree

Please explain your response. This is pragmatic in the circumstances.

Q8. Do you think there would be any other exceptional circumstances which might create conditions in which it would appropriate for Category 1 authorities to be exempt from the backstop dates for Phase 2? (agree, disagree, unsure)

Councils that have issued a S114 notice.

Please explain your response, including, where relevant, details of exceptional circumstances you consider would justify an exemption.

See answer to question 4.

Q9. We intend to publish a list of local bodies and audit firms which meet statutory deadlines for the publication of audited accounts and those which do not. Do you think there should be additional consequences for Category 1 authorities or audit firms (excluding an authority or firm covered by an exemption) if they do not comply with the statutory deadlines for Phase 2? (agree, disagree, unsure)

Agree publication of list. Disagree with additional consequences.

Please explain your response and, where relevant, include any suggested consequences.

Publishing a list of Council and audit firms allows public accountability and transparency.

Q10. The Accounts and Audit Regulations 2015 (regulation 15(1)(a)) currently requires Category 1 local authorities to publish unaudited accounts by the 31 May following the end of the financial year. In light of the proposed deadlines for the publication of audited accounts, do you think the 31 May deadline remains appropriate for financial years 2024/2025 to 2027/2028? (agree, disagree, unsure)

Disagree

Please explain your response.

Producing a set of draft accounts for a newly established unitary authority with housing revenue accounts and group accounts within 2 months of year end is a challenge but one the Council has always met. However the quality of the accounts produced suffers and therefore audit become more prolonged than it should be. By allowing more time to get the accounts correct from the outset will ease the subsequent audit process.

Q11. The existing annual deadline for the publication of unaudited accounts is 31 May. As set out above, we are proposing a backstop date for the publication of audited accounts for the financial year 2023/2024 of 31 May 2025. This would mean that 31 May 2025 would be the statutory deadline for both the publication of audited accounts for financial year 2023/2024 and unaudited accounts for financial year 2024/2025. Do you expect this would create any significant issues? (agree, disagree, unsure)

Disagree

Please explain your response.

Although BCP Council has always met the statutory deadline to provide draft accounts by the end of May, there needs to be greater recognition of the time it takes to both prepare and audit the accounts of large complex local authorities. This position is made more challenging by the amount of audit time spent on the valuation of Plant, Property and Equipment and pension fund assets that arguably add little value to the intended users of the accounts.

Q12. The government anticipates that the Phase 1 backstop proposals will result in modified or disclaimed opinions. A modified or disclaimed opinion at the end of Phase 1 would require auditors to subsequently rebuild assurance. The Phase 2 backstop dates are intended to enable this work to be spread across multiple years. Given this additional work, and noting the further explanation at paragraphs 15 to 46 of the Joint Statement, do you have any views on the feasibility of audited accounts being published by the proposed statutory backstop dates for Phase 2?

To rebuild assurance in a timely manner would require amendment to the requirement of auditors from NAO otherwise the sector will be setting itself up to fail as to rebuild assurance will be prolonged and miss the deadlines proposed.

Publication of an audit letter

Regulation 20 of the 2015 Regulations places a duty on Category 1 authorities to consider and then publish any audit letter received from the auditor “following completion of an audit.”

The NAO’s Code of Audit Practice currently specifies that an auditor’s annual report meets the definition of an ‘audit letter’ in the 2015 Regulations. In practice, therefore, Category 1 authorities have a duty to consider and publish annual audit reports in accordance with Regulation 20.

The 2020 Code of Audit Practice states that an auditor’s annual report brings together all of the auditor’s work over the year. This should be presented at an appropriate forum at the body (e.g. Audit Committee or Full Council) and be made available on the authority’s website.

A core element of the auditor’s annual report is a commentary on the organisation’s arrangements to secure value for money through the economic, efficient and effective use of its resources. The commentary should be clear, readily understandable and highlight any issues that the auditor wishes to draw to the attention of the body or the wider public. This should include details of any recommendations arising from the audit and follow-up of

recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

These arrangements previously allowed for timely and reasonably predictable public reporting of local auditors' audit letters. The recent backlog issues have, however, resulted in both delays to this public reporting and much less predictability in terms of when the auditors' letters would be published.

Under the proposed changes to the NAO's Code of Audit Practice, aimed at helping with clearing the backlog of local audit opinions and restoring more timely reporting of auditors' work on arrangements to secure value for money, the NAO plans to consult on a fixed annual deadline of 30 November for production and subsequent publication of the auditor's annual report.

A fixed cycle may mean that, due to the proposed deadlines for publication of audited accounts for financial years 2023/2024 to 2027/2028, the auditor would issue their annual report before they have completed all of their work. However, it is hoped that these changes will enable the auditor to report the outcome of the majority of their work on financial sustainability and governance in a more timely and predictable way.

It may therefore be helpful for the 2015 Regulations to require reports categorised as 'audit letters' to be considered and published by Category 1 authorities whenever they are issued, rather than limiting this to circumstances in which an audit has been completed.

Further context on these proposals can be found in the NAO's consultation.

Question

Q13. Do you agree that it would be beneficial for the 2015 Regulations be amended so that Category 1 bodies would be under a duty to consider and publish audit letters received from the local auditor whenever they are issued, rather than, as is currently the case, only following the completion of the audit? (agree, disagree, unsure)

Agree

Do you have any comments on this issue? This would aid transparency and increase public awareness and trust.

Equality impacts

In considering new legislation, under section 149 of the Equality Act 2010 (the Act), the government is required to:

eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;

advance equality of opportunity between people who share a protected characteristic and those who do not; and

foster good relations between people who share protected characteristics and those who do not.

Under the Act, protected characteristics refer to:

age

disability

sex

gender reassignment

marriage or civil partnership

pregnancy and maternity

race

religion or belief

sexual orientation.

Question

Q14. Do you have any comments on whether any of the proposals outlined in this consultation could have a disproportionate impact, either positively or negatively, on people with protected characteristics or wish to highlight any other potential equality impacts?

No

Further feedback

Question

Q15. Finally, do you have any further comments on the proposed changes to the 2015 Regulations not covered by the questions so far, including relating to any unintended consequences?

The backstop addresses only part of the issue which persists, a fundamental review of the accounting and audit requirements of local authorities is required. The Redman review made good suggestions to alleviate some of the issues.

A four week consultation in the middle of Council budget setting period is inadequate time for such as consultation.

(Where possible, please limit your response to 500 words)

Adam Richens
Chief Finance Officer and Director of Finance
BCP Council

[Via email](#)

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23 February 2024

Dear Adam

Proposed Government Backstop Dates for unaudited accounts

I am following up on our recent discussions regarding the proposed local government backstop date for unaudited accounts.

Proposed backstop date

As you will aware, following discussion between the Department for Levelling Up, Housing and Communities (DLUHC), the Financial Reporting Council (the FRC) and the National Audit Office (NAO), DLUHC is now proposing a backstop date for all unaudited accounts up to and including 2022/23 of 30 September 2024. We understand this proposal has been approved by the Minister, Simon Hoare.

DLUHC have now issued their consultation on these proposals with the deadline for responses of the 7 March 2024. Consultation is expected to be followed by a change in legislation, in the form of an amendment to the Accounts and Audit Regulations.

The NAO Code of Audit Practice ('the Code') will also need to be updated to require auditors to issue an opinion by the proposed date (the backstop date) of 30 September 2024. All account audits up to and including 2022/23 not completed prior to or on 30 September 2024 will be subject to the backstop and an audit opinion will need to be issued by this date. Where the audit is not concluded, then the opinion will either need to be qualified or disclaimed, depending on the extent of work outstanding.

Whilst the Code of Audit Practice is expected to be amended to require audits to be completed by a due date, there are now no plans to change the scope of audit work required on the financial statements for accounting periods up to and including 2022/23. As such, all of these periods of accounts will require a full audit (assuming they can be completed by 30 September 2024).

Delivery of audit for 2021/22

As set out in our 2021/22 Audit Findings Report presented to Audit Committee on 30 November 2023, our 2021/22 opinion audit is very well progressed. A further verbal update was provided to Audit Committee in January 2024 indicating that the only substantive area outstanding and preventing us from issuing an unqualified opinion on your 2021/22 financial statements is the receipt of the IAS19 Pension Fund Liability letter of assurance from the auditors of Dorset Pension Fund.

Although the continued delay of this letter and any subsequent work required to gain assurance over the material accuracy of the pension fund liability disclosures is preventing us from concluding this audit, we are confident the 2021/22 opinion audit will not be impacted by

the proposed backstop. However, it does have ramifications for the 2022/23 financial statements audit.

Delivery of audit for 2022/23

We have discussed the implications of the continued delay in the completion of the 2021/22 opinion audit for BCP. In my view, it is not possible to complete the audit of your 2022/23 accounts by 30 September 2024. Specifically:

- The 2022/23 opinion audit will be reliant on the receipt of the IAS19 Pension Fund Liability letter of assurance from the auditors of Dorset Pension Fund. We understand they will be backstopping the Dorset Pension Fund audit and even if the work required to issue a IAS19 letter of assurance be undertaken, the track record of delivery strongly indicates this will not be provided ahead of the 30 September 2024 deadline; this means even if all other elements of the audit could be completed, our opinion would still be qualified;
- The complexity of BCP's financial statements combined with the continued usage of multiple predecessor financial systems has implications for delivery of a timely audit. As does the number of errors identified that require further audit procedures. The 2021/22 audit has now been in progress for 16 months a similar duration to the 2020/21 audit. Even accounting for the extra time waiting for the IAS19 letter of assurance, the duration is well in excess of the time remaining between now and the 30 September 2024 deadline;
- The completion of the 2022/23 opinion audit would necessitate BCP revisiting the 2022/23 draft financial statements published in May 2023 to reflect the impact of the findings to date from our 2021/22 audit. It would then necessitate significant resource commitment from the Council's finance team between now and the end of September to progress the audit with no guarantee that this would be achievable;
- Finance capacity at BCP is stretched given the number of initiatives underway including supporting the internal financial reporting arrangements to deliver the budgetary process, as well as the implementation of the Council's new accounting systems which was effective from 1 April 2023. The later should prove beneficial for the 2023/24 opinion audit but is currently placing additional time pressures on the finance team, amongst others;
- As a firm, we need to make careful choices as to how we use our audit resources most effectively. Our priority over the next few months will be to focus on those audits where we have a realistic prospect of concluding our work by September. We strongly feel that any resource input into 2022/23 at this late stage would not deliver a clean, unqualified opinion but would also delay the timely commencement of the 2023/24 audit. The part completion of the audit would provide limited benefit to the work required in the following year. The application of the backstop would allow us to make an early start on 2023/24 with the aspiration to sign off this set of accounts in a more timely manner recognising Grant Thornton are taking on the audits of Dorset Council and Pension Fund with effect from 2023/24.

Opening balances audit 2023/24

There are ramifications to backstopping the 2022/23 financial statements.

Where accounts are disclaimed we are required by auditing standards to consider what impact the modified opinion has on the opening balances for the following year. Potentially this could require significant additional audit work. We understand the FRC are considering setting out guidance on what audit work is required, and consideration is also being given to ways in which auditors may conduct this work as efficiently as possible whilst meeting auditing standards. We will let you know once we have further information on this.

Summary

The application of the backstop for 2022/23, as set out above, would reduce the work we will need to undertake to conclude our responsibilities for 2022/23 in terms of our opinion work. Although, yet to be confirmed this is likely to result in a lower fee for 2022/23 than if we have continued with the full audit. We have completed our 2022/23 Value for Money work as planned, and as outlined above, we intend to make a prompt start on your 2023/24 financial statements audit. We understand that PSAA will be issuing further guidance on fees in respect of 2022/23 in due course.

Whilst we now have a strong indication of a September 2024 backstop date, for all years up to 2022/23, this is still subject to consultation and legislation. Proposals may therefore be subject to change. We will let you know as and when the situation develops.

Yours sincerely



Peter Barber, Key Audit Partner

For Grant Thornton UK LLP

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Annual Evolution (for the 2024/25 financial year) of the 'Anti-Fraud & Corruption Policy', the 'Whistleblowing Policy', the 'Declaration of Interests, Gifts & Hospitality Policy' (for Officers) and the 'Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy'
Meeting date	7 March 2024
Status	Public Report
Executive summary	<p>An annual review of the Council's:</p> <ul style="list-style-type: none"> • Anti-Fraud & Corruption Policy, • Whistleblowing Policy, • Declaration of Interests, Gifts & Hospitality Policy (for Officers) • Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy <p>has taken place to ensure they are updated in line with best practice and legislation.</p> <p>Some changes have been made to the Council's Anti-Fraud & Corruption Policy including adding links to 'Other Relevant Legislation' and adding guidance on examining identity documents. Appendix C of the policy 'Anti-Money Laundering Requirements' has been updated with a statement that the Council will cooperate fully with law enforcement authorities, regulatory bodies, and other relevant agencies in combating money laundering and terrorist financing.</p> <p>The Whistleblowing Policy has been updated with some changes including adding the seriousness/impact of a person knowingly making a false accusation and adding a note to explain that a whistleblowing referral will not affect, stop or delay any investigation into a theft/fraud/disciplinary/employment dispute involving the whistleblower. Other changes include adding a 'Protect' reference and website link (was previously Public Concern at Work) and allocating a unique reference number for each referral. The 'Preliminary Enquires' process in the Whistleblowing Procedure has been expanded to include additional potential outcomes and the introduction of a formal decision record.</p> <p>Some minor changes have been made to the Council's Declaration of Interests, Gifts & Hospitality Policy (for Officers) including the addition of a 'In Year Amendments and Editing Log', and also the need to keep declarations confidential clarified under Service Director and Monitoring Officer responsibilities.</p> <p>The Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy has been updated with some minor changes including the addition of a Contents front page and 'In Year Amendments and Editing Log', the update of Authorising Officer job titles, and inclusion of the consequence that subjects of surveillance may bring their own proceedings on Human Rights grounds if correct procedures are not followed.</p>

Recommendations	<p>It is RECOMMENDED that Audit & Governance Committee:</p> <p>Approve the Council's Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy (for Officers) and the Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy for the 2024/25 financial year.</p>
Reason for recommendations	To ensure Council policies are regularly reviewed and updated in line with best practice and legislation.
Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	<p>Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk</p>
Wards	Council-wide
Classification	For recommendation approval

Background

1. The Audit & Governance Committee Terms of Reference states the committee should consider and approve arrangements for counter-fraud and corruption.
2. This report provides an updated Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts and Hospitality Policy (for Officers), and Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy following an annual review to ensure they are in line with best practice and current legislation.
3. All four policies form part of the Council's governance arrangements for preventing, detecting and acting upon fraud and corruption.
4. The approved evolved policies will go live on 1 April 2024 and will remain in place for the financial year 2024/25.

Anti-Fraud & Corruption Policy (see Appendix A)

5. The purpose of the Council's Anti-Fraud & Corruption Policy is to:
 - highlight relevant legislation,
 - set out the Council's approach to countering fraud and corruption,
 - detail roles and responsibilities of officers and councillors, and to
 - provide further detailed guidance for officers and managers,
6. Some changes have been made to the policy as part of the annual evolution as summarised below:
 - Other Relevant Legislation - added links to Proceeds of Crime Act 2002, Regulation of Investigatory Powers Act 2000 and Investigatory Powers Act 2016
 - Appendix A Further Guidance for Officers & Managers – added guidance on examining identity documents.

- Appendix C Anti-Money Laundering Requirements – added statement that the Council will cooperate fully with law enforcement authorities, regulatory bodies, and other relevant agencies in combating money laundering and terrorist financing

Whistleblowing Policy (see Appendix B)

7. The Council's Whistleblowing Policy seeks to enable individuals to feel confident in raising concerns in the public interest about suspected serious wrongdoing in the Council and its services without fear of reprisals or victimisation even where the concern or allegations are not subsequently confirmed by the investigation.
8. Several changes have been made to the policy as part of the annual evolution as summarised below:
 - Section 4 'What is Expected from the Whistleblower' - added the seriousness/impact of a person knowingly making a false accusation and added a note to explain that a whistleblowing referral will not affect, stop or delay any investigation into a theft/fraud/disciplinary/employment dispute involving the whistleblower.
 - Added Protect reference and website link (was previously Public Concern at Work).
 - Appendix 1 Seven Stage Whistleblowing Procedure - added allocation of a unique reference number.
 - Stage 3 of Whistleblowing Procedure Initial Response (Preliminary Enquiries) – moved wording for checking relevance to the policy, added additional potential outcomes of 'no further action' and 'identified that the concern was frivolous or malicious and disciplinary action maybe required', and included reference to a formal decision record being kept.

Declaration of Interests, Gifts & Hospitality Policy (for employees) (see Appendix C)

9. The purpose of the Declaration of Interests, Gifts & Hospitality Policy is to protect the Council and employees against conflicts of interest and allegations of impropriety. The public must be confident that decisions made by employees of whatever nature are made for good and proper reasons and are not influenced inappropriately by the interests of individual employees, their relatives or friends.
10. Some minor changes have been made to the policy as part of the annual evolution as summarised below:
 - Responsibilities of Service Directors and Monitoring Officer – added need to confidentially store declarations received.
 - Added new In Year Minor Amendments and Editing Log.

Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy (see Appendix D)

11. The BCP Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy explains the type of surveillance the Council can and cannot undertake and also explains those limited circumstances where covert surveillance, requiring external authorisation, may be appropriate.
12. A few changes have been made to the policy as part of the annual evolution as summarised below:
 - Added Contents page.
 - Section 6 'The Policy' - Authorising Officer title changes – Regulatory Services Manager replaced with Head of Public Protection and Director of Communities replaced with Director of Housing & Communities.
 - Section 10 'Enforcement and Sanctions' - Added subjects of surveillance may bring their own proceedings on Human Rights grounds if correct procedures are not followed.
 - Added new In Year Minor Amendments and Editing Log.

Training and Awareness

13. As part of the annual evolution process, further training and awareness will be carried out on the annually reviewed policies to ensure they are widely communicated, recognised and available.

Options Appraisal

14. An options appraisal is not applicable for this report.

Summary of financial implications

15. There are no direct financial implications from this report. All four policies seek to establish strong governance arrangements to prevent fraud and corruption including financial loss through wrongdoing.

Summary of legal implications

16. The relevant legal implications (including non-compliance) are included in the attached policies.

Summary of human resources implications

17. Council Policies generally apply to all relevant individuals acting on behalf of the Council. Some of the content and requirements of the four policies in this report only apply to council employees and where this is the case specific other arrangements may exist for other individuals acting on the Council's behalf such as Councillors or contractors.

Summary of sustainability impact

18. There are no direct sustainability impact implications from this report.

Summary of public health implications

19. There are no public health implications from this report.

Summary of equality implications

20. The equality implications have been considered as part of the development of the policies attached to this report. Equality impact assessment screening tool forms have been reviewed and updated.

Summary of risk assessment

21. There are no direct risk assessment implications from this report.

Background papers

None

Appendices

Appendix A - Anti-Fraud & Corruption Policy

Appendix B - Whistleblowing Policy

Appendix C - Declarations of Interests, Gifts & Hospitality Policy (for Officers)

Appendix D - Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy

Anti-Fraud & Corruption Policy

Live from 1 April 2024

Annual evolution changes to this policy are shown in red text each year

Finance

Author: Head of Audit & Management Assurance

Version: V2024.1

Review Date: Annual evolution, next due April 2025



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1 PURPOSE OF THIS POLICY

Public trust and confidence in the way the Council conducts its business is vital in preserving its reputation as an organisation that operates with integrity and high standards as it strives to achieve its objectives as stated in the Council's Corporate Strategy.

Public confidence will be weakened if fraud and corruption occur and will be strengthened if positive action is taken to prevent, detect, and deal with fraudulent acts.

The purpose of this document is to:

- Highlight relevant legislation
- Set out the Council's approach to countering fraud and corruption
- Detail roles and responsibilities of officers and councillors
- Provide further detailed guidance for officers and managers

2 WHO MUST COMPLY WITH THIS POLICY?

This policy applies to:

- Any person who is currently employed, directly or indirectly by Bournemouth, Christchurch and Poole Council (BCP) including those whose relationship is with a wholly owned entity, including trading companies and Arm's Length Management Organisations (ALMOs);
- Elected or Co-Opted councillors; and
- Any other individual who undertakes activities on behalf of the Council including for example, volunteers, partners, contractors, etc.

Failure to comply with the procedures set out in this policy may lead to a criminal offence being committed and disciplinary action being taken. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.

3 STATEMENT FROM THE CHIEF EXECUTIVE

I am fully committed to implementing and maintaining the highest standard of corporate and financial governance and ethical behaviour throughout BCP Council's activities and by all councillors and colleagues.

The diverse nature of services provided by the Council means that there are many areas where we could be a target for fraud. BCP Council will ensure that we understand the main fraud and corruption risks we are facing and will strive to ensure we have robust processes in place to prevent it occurring in the first instance. We will also ensure that our anti-fraud measures continue to evolve to meet the changing challenges of potential fraudsters.

We recognise that fraud against the Council harms residents and taxpayers of Bournemouth, Christchurch and Poole and for that reason fraud and corruption will not be tolerated. We will deal openly and forcefully with councillors, employees, contractors, service providers or the public who act dishonestly or with the intent to defraud the Council or our partners.

All councillors and colleagues have a personal responsibility to promote a culture of good governance by ensuring that effective measures are in place to prevent fraud, corruption and other irregularities and by promptly identifying and reporting potential instances for investigation.

4 LEGISLATION AND DEFINITIONS

FRAUD

The Chartered Institute of Public Finance defines fraud as “any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss”.

Please note, where this policy refers to ‘fraud’ this also encompasses theft.

The [Fraud Act 2006](#) created a general criminal offence of fraud and identified three main ways in which it can be committed:

- Making false or misleading representations
- Failing to disclose to another person information which he/she is under a legal duty to disclose
- Abuse of a position of trust

CORRUPTION

There is no universally recognised definition of corruption, however a good working definition is: The abuse of entrusted power for private gain. Forms of corruption include lack of impartiality, cronyism, and embezzlement.

WHISTLEBLOWING

The [Public Interest Disclosure Act 1998](#) aims to protect individuals who make certain disclosures of information in the public interest, to allow such individuals to bring action in respect of victimisation, and for connected purposes.

As the types of disclosures covered by the Public Interest Disclosure Act 1998 extend beyond fraud and corruption, the Council maintains a separate Whistleblowing Policy.

MONEY LAUNDERING

Money Laundering is a process by which the illegal proceeds of crime are converted into assets which appear to have a legitimate origin so they can be retained permanently or recycled into further criminal enterprises.

[The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#) (and as amended 2019) require the Council to put in place best practice procedures and policies to prevent and protect their services from being used for potential money laundering activities.

The Council’s arrangements for complying with these regulations are found at Appendix C.

BRIBERY

The [Bribery Act 2010](#) defines bribery as giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith.

The Council's arrangements for complying with the Bribery Act 2010 are found at Appendix D.

CRIMINAL FINANCES

Part 3 of the [Criminal Finances Act 2017](#) entered into force on 30 September 2017 creates the corporate criminal offence of failure to prevent tax evasion.

The Council's arrangements for complying with the Criminal Finances Act 2017 are found at Appendix E.

THEFT

The [Theft Act 1968](#) defines theft as "a person is guilty of theft if they dishonestly appropriate property belonging to another with the intention of permanently depriving the other of it."

SOCIAL HOUSING FRAUD

The [Prevention of Social Housing Fraud Act 2013](#) made tenancy fraud a criminal act.

OTHER RELEVANT LEGISLATION

There is other related fraud and corruption legislation not detailed here (e.g. [Proceeds of Crime Act 2002](#) and the [Regulation of Investigatory Powers Act 2000](#) (RIPA) and [Investigatory Powers Act 2016](#) (IPA) which came into force on 11 June 2019).

5 COUNCIL RESPONSIBILITIES

The Council has a statutory duty under Section 151 of the Local Government Finance Act 1972 to make arrangements for the proper administration of their financial affairs. BCP has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.

The Accounts and Audit Regulations (England) 2015 require the Council to have appropriate control measures in place to enable the prevention and detection of inaccuracies and fraud. The Council is committed to an effective anti-fraud approach designed to reduce losses by:

- Acknowledging and understanding fraud risks faced.
- Preventing fraud happening and detecting it when it does occur.
- Pursuing and punishing fraudsters and recovering losses.

All officers and councillors are expected to follow the 'Nolan' [seven principles of public life](#) which are the ethical standards expected of public office holders. The principles are selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

Detailed roles and responsibilities in relation to fraud and corruption are set out in Section 13 of this document.

6 FRAUD AND CORRUPTION RISKS

The Council regularly reviews its exposure to the risk of fraud and corruption. Internal Audit supports the maintenance of a risk register of all Council fraud and corruption risks. Management are responsible for ensuring that fraud and corruption risks are identified within their service area, and appropriate mitigating actions are put in place.

All officers and managers have a role in identifying and managing the risks of fraud and corruption within the Council. The risk of fraudulent or corrupt activity is assessed as part of the Council's overall risk management arrangements.

The Internal Audit Plan includes targeted reviews of service areas which have been identified as at high risk of fraud and corruption. Internal Audit also provide specialist investigative resources to support management with some aspects of external fraud risks to the Council.

Internal Audit participates in a number of anti-fraud networks through which they are alerted to new and emerging risks.

7 DETERRENCE, PREVENTION AND DETECTION

DETERRENCE

A strong anti-fraud culture is an effective deterrent to potential fraudsters, whether internal or external to the Council, who may be considering committing or attempting to commit fraudulent or corrupt acts.

The Council is committed to embedding an anti-fraud culture where staff at all levels regard fraud and corruption as unacceptable, are vigilant in the workplace to the indicators of fraud and corruption and are confident in the mechanisms for reporting and investigating fraud. Arrangements include HR policies and procedures, staff fraud awareness training and the Council's Whistleblowing Policy which encourages individuals to raise concerns.

Acts of fraud and corruption by employees are considered to be gross misconduct which, if proven, will lead to dismissal. The Council will consider the full range of sanctions, including prosecution, and where appropriate cases will be referred to the Police for further investigation.

PREVENTION

The Council's codes of conduct, declaration of interests, gifts & hospitality policy, financial regulations, procurement guidance and recruitment procedures have all been designed to reduce the risk of fraud and corruption. Managers have a responsibility to ensure that employees are aware of, and comply with, these and other relevant policies.

Managers are responsible for assessing the potential risk exposure of fraud and corruption within their own service's activities and for implementing strategies to reduce this risk. They are responsible for ensuring that robust systems are in place which meet key control objectives and minimise the potential for fraud and corruption. They must regularly ensure that the controls are appropriate and working as intended.

They must also ensure that opportunities for fraud are identified and eliminated from systems at the earliest opportunity. Further guidance for officers and managers can be found in Appendix A.

Internal Audit provide advice to managers to ensure they are fully aware of the need to consider the preventative aspects of fraud and corruption work.

The recruitment of appropriate personnel to the organisation is essential in maintaining a strong anti-fraud culture. Procedures for recruitment include obtaining references, right to work and criminal record checks.

DETECTION

The implementation and review of robust systems of internal control by management is critical to detecting irregularities. Important controls to detect potential fraud include management checks, reconciliation processes and exception reports.

Internal Audit carry out a programme of counter-fraud work every year and report the outcomes to the Audit & Governance Committee.

8 REPORTING CONCERNS

EVERYONE TO WHOM THIS POLICY APPLIES is responsible for

- Contacting the Police immediately if a crime is in progress, or an emergency response is required.
- Making an immediate note of the concerns (recording all relevant details, such as what was said in phone or other conversations, the date, the time and the names of anyone involved)
- Promptly reporting the suspicions to your line manager or Internal Audit (see contact details below). If the concern falls under the Council's Whistleblowing Policy the employee will be afforded protection from any detriment
- Not telling anyone else about the suspicions
- Not approaching or accusing individuals directly
- Not reporting the matter to the Police (unless under the circumstance above)
- Not carrying out an investigation (as this may damage any subsequent investigation)
- In cases of suspected money laundering, immediately advising the Council's designated Money Laundering Reporting Officer (See Employee Obligations under the Council's Anti Money Laundering Requirements Appendix C)

Concerns can be reported to Internal Audit via the following:

- Fraud Hotline: 01202 817888
- Fraud email: fraud@bcpcouncil.gov.uk

MANAGERS are additionally responsible for

- Contacting the Police where a theft or burglary has occurred or has been reported by an employee as having taken place (and the Insurance Team notified).
- Ensuring any concerns raised with them are promptly notified to the Head of Audit & Management Assurance. The investigation process will follow the Fraud Response Plan (see Appendix B).

9 INVESTIGATIONS & SANCTIONS

INVESTIGATION

The Chief Internal Auditor is responsible for determining the nature of any investigative work required in respect of any allegation of fraud or corruption, usually in consultation with the service manager.

Investigations will follow the procedures outlined in the fraud response plan as shown at Appendix B.

Financial Regulations set out rights of access for the Chief Internal Auditor and nominated representatives to enable an effective investigation to be undertaken.

SANCTIONS

Acts of fraud and corruption by employees are considered to be gross misconduct which, if proven, will lead to dismissal. The Council will consider the full range of sanctions, including prosecution, and where appropriate cases will be referred to the Police for further investigation.

The decision to refer cases to the Police will be taken by the Chief Internal Auditor following consultation with the relevant manager, the Monitoring Officer and the Chief Financial Officer. A protocol has been established to guide and document this process, which ensures that the application of sanctions is done in a comprehensive, consistent, and proportionate manner.

Financial Regulations give the Chief Internal Auditor the right to refer cases directly to the Police where a clear criminal offence has occurred, or it is considered that an internal inquiry would compromise the integrity of the investigation and/or otherwise prejudice the interests of the Council or the general public.

The Council will take all possible action to recover losses from fraud and corruption, including expenses incurred during an investigation, using criminal and civil law to the fullest extent.

10 FRAUD AWARENESS

Mandatory fraud awareness training is in place for all employees, through an [E-learning portal](#), to reinforce key anti-fraud messages and ensure a consistent level of awareness across the organisation. In addition to this, specialist training is available to officers, in particular those areas identified as at risk from bribery or money laundering.

Regular communications are issued by Internal Audit to promote fraud awareness by communicating information on corporate anti-fraud policy and guidance to staff, schools and Councillors including examples of recent frauds.

The Council ensures that those undertaking anti-fraud work, including investigation and systems review, do so within ethical and professional frameworks and with appropriate training, accreditation and resources for the role.

11 WORKING WITH OTHERS

The Council works in partnership with other organisations including other Local Authorities to share knowledge of fraud risks and specialist anti-fraud resources, investigate allegations, and also to provide a co-ordinated response.

The Council is committed to exchanging information with other local and national agencies to identify and prevent fraud. The Council is committed to full participation in the National Fraud Initiative and other data-matching exercises.

12 MONITORING

The Council's arrangements for countering fraud and corruption are measured and reported upon in the following ways:

- Records are maintained of whistleblowing reports and fraud investigations, including the outcome of police investigations, subsequent application of sanctions, and recovery of losses.
- The Council participates regularly in fraud surveys and benchmarking exercises.
- The Council aspires to continually improve its resilience to fraud and Internal Audit measures improvement using the CIPFA 'Code of Practice on Managing the Risk of Fraud and Corruption' tool.
- Annual report to the Audit & Governance Committee covering the outcomes of all anti-fraud work and the effectiveness of the Whistleblowing Policy.

13 DETAILED RESPONSIBILITIES

All Employees	<p>Employee responsibilities are:</p> <ul style="list-style-type: none">• to uphold the highest standards of conduct, propriety and accountability by adherence to legal and Council requirements, rules, procedures and practices including the 'Nolan' seven principles of public life.• to be open, honest and politically neutral in their work• to comply with the Council's Anti-Fraud & Corruption Policy• to comply with the Council's Employee Code of Conduct• to comply with the Council's Declaration of Interests, Gifts & Hospitality Policy including making a 'base' declaration where required and keeping this declaration up to date.• to be aware of the possibility of fraud and corruption both internal and external• to report any concerns or suspicions regarding fraud, corruption or other irregularities, if need be via the Whistleblowing Policy• to report any vulnerabilities or suspicions of money laundering in accordance with guidance issued by the Money Laundering Reporting Officer
Managers	<p>In addition, Manager's responsibilities are:</p> <ul style="list-style-type: none">• to create an atmosphere where honesty and integrity are valued highly, and fraud, corruption and dishonesty are not tolerated

	<ul style="list-style-type: none"> • to promote staff awareness and ensure staff understand their own responsibilities • to make available appropriate training to employees • to ensure that there are mechanisms in place within their service areas to assess the risk of fraud & corruption. • to ensure that any systems under their control have been designed to minimise the likelihood of acts of fraud and corruption • to notify the Chief Internal Auditor immediately of any suspected fraud, irregularity, improper use or misappropriation of the Council's property and/or resources • pending investigation and reporting, managers must take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration • to act in accordance with the Whistleblowing Policy to support any employees who have 'blown the whistle' • to ensure declarations of interests, gifts & hospitality forms are held centrally with the service directorate or with the Monitoring Officer for Tier 4 and above officers. • to instigate the Council's disciplinary procedures where the outcome of an audit or special investigation indicates improper behaviour
Chief Internal Auditor	<ul style="list-style-type: none"> • to consider the adequacy of the Council's anti-fraud and corruption arrangements • to support the preparation and maintenance of an Anti-Fraud & Corruption Policy • to liaise with the Police and Courts in the investigation and prosecution of fraud and corruption as necessary • to determine the nature of any investigation work required in respect of any allegation of fraud or corruption. • to ensure that actions are identified to improve controls and reduce the risk of recurrence of irregularities • to produce an annual report to the Audit & Governance Committee covering the outcomes of all anti-fraud work and the effectiveness of the Whistleblowing Policy
Chief Finance Officer	<ul style="list-style-type: none"> • to develop, maintain and implement an Anti-Fraud & Corruption policy (and associated whistleblowing policy) that stipulates the arrangements to be followed for preventing, detecting, reporting and investigating suspected fraud and irregularity • to advise on the controls required for fraud prevention and detection • to appoint a Money Laundering Reporting Officer and Deputy to ensure that systems are in place to counter opportunities for money laundering and that appropriate reports are made • to ensure that effective preventative measures are in place to reduce the opportunity for bribery occurring in accordance with statutory requirements of the Bribery Act 2010 • to ensure rights and powers of internal auditors and fraud investigators are upheld at all times across the organisation
Monitoring Officer	<ul style="list-style-type: none"> • to advise councillors and officers on ethical issues, standards and powers to ensure that the Council operates within the Law and statutory Codes of Practice

Chief Executive	<ul style="list-style-type: none"> to support and promote the development of a strong anti-fraud & corruption culture.
Councillors	<ul style="list-style-type: none"> to support and promote the development of a strong anti-fraud & corruption culture. to adopt high standards of conduct in order to uphold “general principles of conduct” and all other legal requirements, rules, procedures and practices to immediately notify an appropriate officer of any suspicions of fraud or corruption to report any suspected breach of the Code of Conduct by another Councillor to the Standards Board
Audit & Governance Committee	<ul style="list-style-type: none"> to consider arrangements for anti-fraud and corruption, including ‘whistle-blowing’ including approval of the Anti-Fraud & Corruption Policy and the outcomes of any investigations in relation to this policy
Standards Committee	<ul style="list-style-type: none"> to monitor and advise upon the content and requirement of Codes, Protocols and other procedures relating to standards of conduct for councillors
External Audit	<ul style="list-style-type: none"> to establish an understanding of management processes in place to prevent & detect fraud to establish an understanding of how the Audit & Governance Committee gain assurance from management over the identification and responding to risks of fraud in the Council. to respond to whistleblowing disclosures when acting as an external prescribed person or body.
Partners, Contractors, Suppliers, Public	<ul style="list-style-type: none"> to be aware of the possibility of fraud and corruption against the Council and report any genuine concerns or suspicions to a Manager, Internal Audit, the Chief Executive or a Councillor.

14 FURTHER INFORMATION AND EVIDENCE

Consultees

The following individuals/groups have been consulted during this year's evolution of this policy:

Name
Internal Audit
Statutory Officers Group

Equalities Impact Assessment

Assessment date	Reviewed as part of this year's evolution. Minor amendments have been made which have been assessed by Service Unit Equality Champion as having no equalities impacts. Updated EIA assessment as per Appendix H.
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Document Control

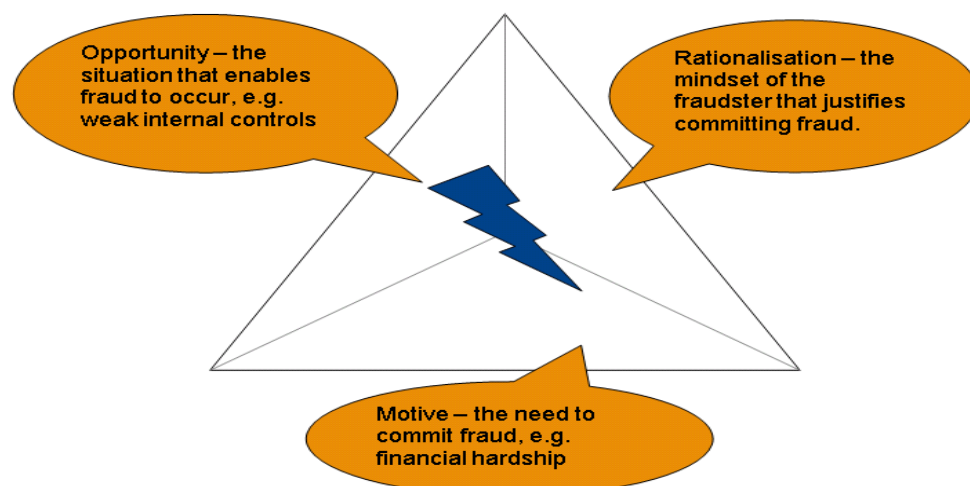
Approval body	Audit and Governance Committee
Approval date	7 March 2024
V1 – December 2018	New Policy created (please note any version changes in the future will be shown in red text)
V2 – March 2020	Annual policy review. Added Criminal Finances Act 2017 Requirements (new Appendix E). Added new definition of Corruption. Updated legislation/link <u>The Money Laundering, Terrorist Financing (Amendment) and Transfer of Funds (Information on the Payer) Regulations 2019</u> and value to not take any cash payment amended from £12,000 to £10,000 (same as Financial Regulations). Some other minor changes made including reformatting to BCP corporate formatting requirements.
V2021.1 – March 2021	Annual policy review. Included reference to new BCP Declaration of Interests, Gifts & Hospitality Policy. Updated contact details and made some minor best practice wording changes. Appended EIA screening tool.
V2022.1 – March 2022	Annual policy review. Updated definition of corruption. Included Regulation of Investigatory Powers Act 2000 and Investigatory Powers Act 2016 under other relevant legislation. Minor other wording and contact detail changes.
V2023.1 – March 2023	Added manager guidance to contact the Police where a theft or burglary has occurred and to notify the Insurance Team. Added statement that Financial Regulations give the Chief Internal Auditor the right to refer cases directly to the Police where a clear criminal offence has occurred. Anti-Money Laundering Requirements Appendix C: updated legislation/link to <u>The Money Laundering and Terrorist Financing (Amendment) (No. 2) Regulations 2022</u> . Anti-Money Laundering Requirements Appendix C: added need to investigate the circumstances where a refund is requested and expanded indicators to look for to include attempts to make any large cash payments / deposits, attempts to makes any abnormally large payment / deposits, and requests a refund for a series of overpayments.
V2024.1 – March 2024	Annual policy review. Under Other Relevant Legislation added links to <u>Proceeds of Crime Act 2002</u>, <u>Regulation of Investigatory Powers Act 2000</u> and <u>Investigatory Powers Act 2016</u>. Added to Appendix A Further Guidance for Officers & Managers guidance on examining identity documents. Included in Appendix C Anti-Money Laundering Requirements a statement that the Council will cooperate fully with law enforcement authorities, regulatory bodies, and other relevant agencies in combating money laundering and terrorist financing.

FURTHER GUIDANCE FOR OFFICERS & MANAGERS

WHY DOES FRAUD OCCUR?

Three key elements exist in most acts of fraud and corruption and are shown in the diagram below;

The Fraud Triangle



1. Opportunity

The fraudster will usually look for opportunities to commit fraud. They may have heard stories from others who have cheated an organisation in a certain way before and may seek to copy this. Detailed knowledge of internal systems may make it easier for fraud to occur, particularly if the fraudster is aware of its weaknesses or has excessive control responsibility.

Weak internal controls make it easier for fraud to be successful and reduce the likelihood of it being identified. Managers are therefore responsible for ensuring that any systems under their control have been designed to minimise the likelihood of acts of fraud and corruption.

2. Motive/Incentive/Pressure

A person who commits fraud may be pressured to, or need to, commit fraud. It might be due to a financial need such as living beyond their means, debts, a desire for material goods, or to feed an addiction. The sense of beating the system may also act as a motivator.

3. Rationalisation

A fraudster will often justify to themselves why they have committed fraud. They may see their act as revenge for inadequate pay or excessive workload. They may convince themselves that they'll pay the money back one day; or that the organisation is so big it won't miss the small amount taken.

TRUST & HONESTY

- Almost all internal fraud involves the abuse of trust
- Reliance on trust and honesty is not a fraud control

WARNING SIGNS OF POTENTIAL FRAUD

Supplier Invoices

- There is no record of an official order made
- The invoice contains errors in details such as officer's name and addresses
- Goods have not been received
- Stated website has limited contact information
- Invoices and or supporting documents appear inadequate/photocopied or obviously altered

Customer Applications and Payments

- Gaps in information given
- Unable to supply identification
- Unable to provide original documents
- Unwilling to meet at their home
- Large transactions paid by cash
- Overpayments made and refunds requested

Internal

- A person has a sudden change of lifestyle without apparent reason or unexplained and sudden wealth
- Noticeable personality or routine changes - continually works after hours, comes in frequently on weekends, insists on taking work home, requests for unusual patterns of overtime
- Possessiveness of job and records - reluctant to take holiday, go off sick or share responsibility
- Misfiled or missing documents such as receipts, estimates, correspondence.
- Computer enquiries made which are not necessary/relevant to job role
- Suppliers & contractors insisting on dealing with a particular officer
- Unexplained budget pressures
- Poor audit trails

EXAMPLE KEY CONTROLS

Some "key" controls that should ensure systems are robust are detailed below:

- Pre-employment checks are carried out for all new staff.
- Sound accounting processes, prompt financial reporting, budgets independently monitored, apparent discrepancies investigated, bank accounts promptly reconciled.
- Supervision of high fraud risk areas like cash collection.
- Independent monitoring and checking of data and supporting documentation.
- Proper arrangements for the receipt, recording and checking of goods received or services rendered.
- Responsibility for financial tasks clearly defined, documented and understood.
- Adequate separation of duties ensuring that more than one employee is involved in tasks like income collection and payment processing.
- Proper authorisation procedures which require approval of material transactions
- Physically securing and accounting for controlled stationery and cheques.
- Payment only on production of original supporting documentation.
- Processes to monitor compliance with these controls by, for example, reviewing completion of control documents and reconciliations.

REPORTING CONCERNS – Guidance for EMPLOYEES	
✓	✗
<ul style="list-style-type: none"> • do raise the matter <ul style="list-style-type: none"> ○ the sooner the problem is raised and looked into the sooner any wrong doing can be stopped. • do make an immediate note of your concerns <ul style="list-style-type: none"> ○ it is important that you make an immediate note of key details such as what caused your suspicion, when things happened and who was involved. • do pass on your suspicions to someone in authority <ul style="list-style-type: none"> ○ for an employee this would normally be your Line Manager, however this may not always be appropriate (see “Reporting Concerns” under the Anti-Fraud & Corruption Policy) • do check the Council’s whistle-blowing policy <ul style="list-style-type: none"> ○ this will give you more information on how you can safely raise a genuine suspicion within the Council and who you should talk to. 	<ul style="list-style-type: none"> • don’t do nothing <ul style="list-style-type: none"> ○ if you are worried that some wrong-doing is happening within the Council, please don’t keep it to yourself. • don’t be afraid to raise your concern <ul style="list-style-type: none"> ○ the Council’s whistle-blowing policy will provide safeguards. • don’t approach or accuse any individual directly • don’t try to investigate the matter yourself <ul style="list-style-type: none"> ○ both the above could only make matters worse and prejudice the official investigation.

N.B. The regulations for Money Laundering have specific and clear guidance for what to do if you suspect Money Laundering is occurring. Check the Anti-Money Laundering Requirements at Appendix C.

REPORTING CONCERNS – Guidance for MANAGERS	
✓	✗
<ul style="list-style-type: none"> • do be responsive to staff concerns <ul style="list-style-type: none"> ○ you need to encourage staff to be able to raise any genuine concerns with you. You should reassure them that if they raise concerns with you, they will be protected from victimisation or reprisal. • do note details <ul style="list-style-type: none"> ○ get as much information as possible from the person raising the concern. If they have made notes or have documentary evidence, ask for copies of these. • do evaluate the information objectively and consult <ul style="list-style-type: none"> ○ before you take the matter further, you need to decide whether the suspicions seem justified. Consider the facts as you have them and consult with Internal Audit about what should happen next. 	<ul style="list-style-type: none"> • don’t ignore concerns raised with you <ul style="list-style-type: none"> ○ as a Manager you should reassure staff about raising concerns. • don’t approach or accuse any individuals directly <ul style="list-style-type: none"> ○ you may inadvertently tip off a fraudster before evidence has been collected. • don’t convey your suspicions to anyone other than those with the proper authority to investigate • don’t try to investigate the matter yourself

<ul style="list-style-type: none"> • do deal with the matter promptly <ul style="list-style-type: none"> ○ the sooner the problem is passed on by you for investigation the sooner the potential fraud or corruption can be stopped • do advise the Chief Internal Auditor who will advise on the appropriate course of action, in line with the Fraud Response Plan Appendix B 	<ul style="list-style-type: none"> ○ both the above could only make matters worse and prejudice the official investigation.
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GUIDANCE ON EXAMINING IDENTITY DOCUMENTS

The National Document Fraud Unit at the Home Office, has prepared valuable guidance around document identification and verification to increase awareness of the different types of identity documents used for identification purposes, including indicators to help recognise forged documents. Please click on the link below to access this information - [Home Office Guidance on Examining Identity Documents 2023](#)

Remember that detecting document fraud requires a combination of attention to detail, familiarity with authentic documents, and the use of appropriate tools and technologies. If you suspect a document is fraudulent, please consult your manager or contact Internal Audit.

Further advice can be sought from Internal Audit on any of the above areas by e-mail fraud@bcpcouncil.gov.uk or phone 01202 817888.

FRAUD RESPONSE PLAN

Please note that this is intended as a guide and not all stages will be followed in all circumstances or necessarily in the order detailed below.

Stage 1 – Commencing an Investigation

Decisions to proceed with an investigation will be made by the Chief Internal Auditor (in liaison with the appropriate service manager). The Chief Internal Auditor will determine the involvement of other officers including the Chief Finance Officer and the Head of Human Resources, and the applicability of the Council's Whistleblowing Policy.

Stage 2 – Appointment of Investigating Officers

For each investigation, the first step will be to appoint an Investigating Officer. This will usually be an officer from the service concerned who will consult on the detailed investigation process with Internal Audit. The Chief Internal Auditor will appoint a lead officer from Internal Audit and decide on the overall lead for the investigation (depending on its nature/significance).

Stage 3 – Planning the Investigation

The Investigating Officer will need to liaise with the Internal Audit lead officer to ensure that a plan of action is drawn up. Internal Audit will as a matter of priority ensure that all relevant evidence including documentary records pertaining to the investigation are immediately secured.

Stage 4 – Referral to Police

If the investigation relates to a suspected criminal offence, the Chief Internal Auditor will need to consider (in conjunction with the Manager, the Monitoring Officer and the Chief Financial Officer) whether to inform the Police. If they decide that a formal police investigation is necessary, then liaison with the Police will normally be via the Internal Audit lead officer.

Stage 5 – Gathering Evidence

The Investigating Officer will ensure, in conjunction with the Internal Audit lead officer that all evidence of fraud or corruption relating to the investigation is gathered legally, objectively, systematically and in a well-documented manner. Where this is being carried out in conjunction with a Police investigation the Internal Audit lead officer will be responsible for preparing any required statement and assembling all evidence and exhibits. The Internal Audit lead officer will keep the Investigating Officer fully informed of all developments with any Police investigation.

Stage 6 – Progress Reviews

During the investigation, the Investigating Officer/lead Internal Auditor will produce interim reports (which can be verbal reports) on progress and findings.

Stage 7 – Conclude Investigation and Improve System Controls

The Investigating Officer/lead Internal Auditor will produce a final report that may be used by management as a basis for disciplinary action, where necessary, in liaison with Human Resources. An issues report will identify any system weaknesses that enabled the fraud to occur and recommend improvements.

Stage 8 – Recovering Losses

The Investigating Officer/Lead Internal Auditor will ensure that all opportunities are followed to obtain compensation for any losses incurred including insurance, voluntary restitution or compensation claims.

Stage 9 – Press Release

The decision to issue press statements about fraud or corruption cases that have been investigated and proven by the Council will be made by the Investigating Officer, Chief Internal Auditor, and Monitoring Officer together with the Council's Communications Team. They will take account of, on a case by case basis, any sensitive and legal issues involved and the need for confidentiality.

ANTI-MONEY LAUNDERING REQUIREMENTS

1 INTRODUCTION

What is money laundering?

Money laundering is a process by which the illegal proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently or recycled into further criminal enterprises.

The source of money, either in cash, paper or electronic form (often referred to as “dirty money”) is disguised and is given the appearance of being clean funds. These are normally used to hide the proceeds of serious criminal activities such as but not limited to terrorism, drug smuggling, theft and fraud.

Legislation

The legislation which is relevant to this Anti-Money Laundering Policy is:

- [The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017 \(“MLR”\) as amended by \[The Money Laundering and Terrorist Financing \\(Amendment\\) Regulations 2019\]\(#\) and \[The Money Laundering and Terrorist Financing \\(Amendment\\) \\(No. 2\\) Regulations 2022\]\(#\)](#)
- The Proceeds of Crime Act 2002 (“POCA”) (as amended by the Serious Organised Crime and Police Act 2005)
- The Terrorism Act 2000 (“TA”) (as amended by the Anti-Terrorism and Security Act 2001 and the Terrorism Act 2006).

Money Laundering Regulations

The Council is not defined as a ‘regulated business’ under the regulations and therefore is not legally obligated to apply the provisions of all of the regulations. However, the Council is committed to complying with the spirit of the legislation and regulations as advocated by the Chartered Institute of Public Finance & Accountancy’s (CIPFA) guidance.

The money laundering legislation, regulations and this policy aim to provide preventative measures to reduce the risk of money laundering occurring and to aid identification of any money laundering activity that may occur.

While the risk to the council of contravening the legislation is low, it is important that all employees are familiar with their responsibilities. Serious criminal sanctions may be imposed for breaches of the legislation.

The Council will cooperate fully with law enforcement authorities, regulatory bodies, and other relevant agencies in combating money laundering and terrorist financing.

2 THE COUNCIL’S AND EMPLOYEES’ OBLIGATIONS

Council’s Obligations

Under the legislation and best practice guidance the Council must:

- Appoint a Money Laundering Reporting Officer (“MLRO”) (Compliance and Nominated Officer) to receive disclosures from employees and councillors of money laundering activity (Paragraph 3);
- Implement a procedure to enable the reporting of suspicions of money laundering (Paragraph 4);
- Maintain client identification procedures (due diligence) where appropriate;
- Maintain record keeping procedures (Paragraph 5);
- Undertake an assessment of the money laundering risk that the Council is exposed to (Paragraph 6);
- Train relevant employees on their anti-money laundering responsibilities (Paragraph 7).

Employees’ Obligations

Under the legislation and best practice guidance employees must:

- Immediately report any suspected money laundering activity (see section 9, Possible indicators of money laundering) to the Money Laundering Reporting Officer (MLRO) as detailed in the Money Laundering Disclosure Procedure section below
- Not take any cash payment over £10,000 (please note this can be a single transaction or a series of related transactions) and formally report any attempt to do so to the MLRO.
- Verbally report any cash transactions over £5,000 but lower than £10,000 to the MLRO (see Money Laundering Disclosure Procedure section below)
- Investigate the circumstances where a refund is requested.
- Not discuss money laundering suspicions with anyone other than the MLRO
- Undertake customer due diligence wherever possible.

3 THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

The Money Laundering Reporting Officer (MLRO) for the Council is the Head of Audit & Management Assurance. The MLRO is responsible for receiving disclosures regarding suspicions of money laundering activity, evaluating the information provided and, determining whether to report suspicions of money laundering to the National Crime Agency.

Disclosures of suspected money laundering must be made to the MLRO using the Money Laundering Disclosure Procedure in paragraph 4 below. If the MLRO is unavailable the Deputy Money Laundering Officer (Deputy Chief Internal Auditor) must be contacted in their absence.

4 MONEY LAUNDERING DISCLOSURE PROCEDURE

Disclosure by an Employee

Numerous scenarios could occur where Council employees in the course of their job become aware of potential money laundering activity. In order to prevent the risk of prosecution, employees need to be aware of the need to report these instances.

Where an employee knows or suspects that a money laundering activity is taking/has taken place or becomes concerned that their involvement in a matter may breach legislation, they must disclose this to the MLRO **immediately**.

The suspected money launderer **must not** be informed in any way that a report has been made against them.

The disclosure must include as much detail as possible and should include:

- Names and addresses of persons involved (if a company/public body please include nature of business)
- Nature, value and timing of activity involved
- Suspicions regarding the activity

Once the employee has reported the matter to the MLRO they must follow any directions they are given. The employee **must not** make any further enquiries into the matter.

Consideration of Disclosure by the Money Laundering Reporting Officer

Upon receipt of a disclosure, the MLRO must note the date and acknowledge it.

The MLRO will consider the disclosure and any other available internal information they think relevant. This may include:

- Reviewing other transaction patterns and volumes
- The length of any business relationship involved
- The number of any one-off transactions and linked one-off transactions
- Clarification of events with the discloser
- Any identification evidence held.

The MLRO will undertake such other reasonable enquiries they think appropriate in order to ensure that all available information is taken into account in deciding whether a report to the National Crime Agency (NCA) is required (such enquiries being made in such a way as to avoid any appearance of “tipping off” those involved).

Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:

- There is actual or suspected money laundering taking place; and
- There are reasonable grounds to know or suspect that this is the case; and
- Whether he needs to seek consent from the NCA for a particular transaction to proceed.

5 CUSTOMER DUE DILIGENCE

The Council is not defined as a ‘regulated business’ under the regulations but as the Council is committed to complying with the spirit of the regulations customer due diligence best practice should be followed wherever possible:

- Identify the person seeking to form the business relationship or conduct the transaction (this could be an individual or a company)
- Verify their identity using reliable, independent sources of information
- Identify who benefits from the transaction
- Monitor transactions to make sure they are consistent with what you understand about that person or company
- Understand the source of their funds
- Ensure there is a logical reason why they would want to do business with the Council

6 MONEY LAUNDERING RISK

The Council will produce a risk assessment to identify and assess the risk of money laundering and terrorist financing that the Council faces. In addition, money laundering will form part of the Council's Fraud Risk Register.

7 TRAINING

In support of this policy, the Council will:

- Make all staff aware of the requirements and obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation; and
- Give targeted training to those most likely to encounter money laundering.

8 OFFENCES UNDER THE ACTS

The broad definition of money laundering means that potentially anybody (and therefore any Council employee, irrespective of what sort of Council business they are undertaking) could contravene the money laundering regulations if they become aware of, or suspect the existence of criminal property, and continue to be involved in the matter without reporting their concerns.

Primary money laundering offences:

1. Concealing, disguising, converting, transferring criminal property or removing it from the UK
2. Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
3. Acquiring, using or processing criminal property

Secondary money laundering offences:

- Failure to disclose any of the three primary offences
- "Tipping off" whereby somebody informs a person or persons who are, or who are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation

Failure to report suspicious money laundering activities or be involved in money laundering activities may lead to a criminal offence being committed and disciplinary or legal action being taken against you. Any internal disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.

9 PRACTICAL GUIDANCE

Possible Indicators of Money Laundering

The success of money laundering often depends upon a transaction appearing 'normal' however there are a number of ways to identify possible money laundering.

Beware of potential transactions where the other party:

- Enters into transactions which make little or no financial sense, or which go against normal practice;
- Cancels transactions without good reason and requests a cheque for previously deposited funds;
- Attempts to make any large cash payments / deposits;
- Attempts to make any abnormally large payment / deposits;
- Makes large overpayments of fees or money on account;
- Requests a refund for a series of overpayments;
- Is happy to enter into an apparent bad deal for them;
- Is unwilling to explain the purpose of a transaction or method of payment or refuses to provide information requested without reasonable explanation;
- Suddenly changes their pattern of activity or method of payment;
- Enters into arrangements beyond their apparent financial means or if the Buyer or Seller's financial profile does not fit (particularly in relation to property transactions);
- Unnecessarily routes funds through third party accounts or has overly complicated financial systems; and / or
- Uses more than one Solicitor / Conveyancer in the sale or purchase of a property or land or if there is an unexplained and unusual geographic use of a solicitor in relation to a property's location

Similarly, you will need to be wary if information about the customer reveals criminality or association with criminality (e.g. previous benefit fraud or suspected benefit fraud).

ANTI-BRIBERY REQUIREMENTS

1 INTRODUCTION

This policy appendix is in place to ensure compliance with the Bribery Act 2010. It explains the process through which the Council intends to maintain high standards and to protect the organisation, employees, councillors and business partners against allegations of bribery and corruption.

The Council is committed to the highest possible standards of openness, probity and accountability and to conduct its business in an honest and open way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

The Council attaches the utmost importance to this policy and any breach of this policy will be regarded as a serious matter and is likely to result in disciplinary action and possibly criminal prosecution.

2 WHAT IS BRIBERY?

The [Bribery Act 2010](#) defines bribery as giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith.

The Bribery Act 2010 introduced the following criminal offences:

- **The offence of bribing another person (section 1).** This can occur where a person offers, promises or gives a financial or other advantage to another individual to perform improperly a relevant function or activity, or to reward a person for the improper performance of such a function or activity. It is not an issue whether the person given the bribe is the same person who will perform the function or activity concerned.
- **The offence of being bribed (section 2).** This is where a person receives or accepts a financial or other advantage to perform a function or activity improperly. It does not matter whether the recipient of the bribe receives it directly or through a third party, or whether it is for the recipient's ultimate benefit or not.
- **Bribery of a foreign public official (section 6).** This is where a person directly or through a third party offers, promises or gives any financial or other advantage to a foreign public official in an attempt to influence them as a public servant and to obtain or retain business, or any other related advantage in the conduct of business.
- **A corporate offence of failure to prevent bribery (section 7).** A commercial organisation* could be guilty of bribery where a person associated with the organisation, such as an employee, agent or even a sub-contractor, bribes another person intending to obtain or retain business for the organisation or to obtain or retain an advantage in the conduct of business for the organisation.

*The Council accepts that public bodies (in particular its commercial activities) may be classed as a "commercial organisation" in relation to the corporate offence of failing to prevent bribery. In any event, it represents good governance and practice to have adequate procedures in place to protect the Council, councillors, employees and partners from reputational and legal damage. It is in the interests of everybody connected to the Council to act with propriety at all times.

3 WHAT ARE THE CONSEQUENCES?

An individual guilty of a criminal offence under sections 1, 2 or 6 of the Bribery Act, in addition to potential disciplinary action, is liable on conviction in:

- A magistrates court, to imprisonment for a maximum term of 12 months (six months in Northern Ireland), or to a fine not exceeding £5,000, or to both.
- A crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both.

The Council, if convicted under sections 1,2, or 6 will also face the same level of fines and if guilty of an offence under section 7, is liable to an unlimited fine.

4 WHAT DO I NEED TO DO AS AN EMPLOYEE?

- **Be aware of the Bribery Act 2010** and this document
- **Declare any conflicts of interests** in accordance with the Council's Declaration of Interests, Gifts & Hospitality Policy.
- **Declare any gifts or hospitality** in accordance with the Council's Declaration of Interests, Gifts & Hospitality Policy.
- **Abide by separation of duties** in systems
- **Comply with delegated authority limits** for decisions
- **Ensure transparency of all activities** by retaining sufficient documentation for all transactions
- **Complete the Fraud Awareness e-learning module**
- **Speak up if you have any concerns** (see 'Reporting Concerns' section of the Council's Anti-Fraud & Corruption Policy and/or the Council's Whistleblowing Policy)

5 WHAT HAS THE COUNCIL PUT IN PLACE TO PREVENT BRIBERY OCCURRING?

The Council has put in place robust arrangements which comply with Ministry of Justice Guidance which focuses on the Six Principles for Bribery Prevention:

1. Proportionate Procedures

There are several policies and procedures which are in place that contribute towards prevention, detection and investigation of bribery including:

- Constitution and Scheme of Delegation
- Financial Regulations
- Procurement Guidelines
- Anti-Fraud & Corruption Policy
- Whistleblowing Policy
- Declaration of Interests, Gifts & Hospitality Policy
- Internal Audit Plan
- Risk Management Framework
- Codes of Conduct for councillors and Employees
- Disciplinary Procedures and Rules

2. Top level commitment

- A strong anti-fraud culture is established and outlined in the Council's Anti-Fraud & Corruption Policy. Councillors and senior management are committed to ensuring anti-bribery arrangements are robust and adequate.

3. Risk Assessment

- An annual Fraud and Corruption Risk Assessment is undertaken which considers the risk of bribery across all service areas
- All managers are responsible for regularly reviewing the risks from Fraud and Corruption in their business

4. Due diligence

- All necessary efforts are made to ensure that business partners are known and that business relationships are transparent and ethical

5. Communication (including training)

- Commitment to embedding anti-bribery within the Council is in place via policies, procedures and anti-fraud training arrangements.
- Consistent and proportionate sanctions are applied in line with disciplinary policies and the Anti-Fraud & Corruption Policy

6. Monitoring and review

- Internal Audit regularly review systems assessed as at high risk of bribery
- The relevant policies and procedures are regularly reviewed

CRIMINAL FINANCES ACT 2017 REQUIREMENTS

1 INTRODUCTION

This policy appendix is in place to ensure compliance with the Criminal Finances Act 2017 Part 3 (CFA 2017).

The CFA 2017 introduces a new Corporate Criminal Offence of failure to prevent the facilitation of tax evasion. Under the CFA 2017, the Council, if found to be facilitating tax evasion, could face an unlimited fine and consequent damage to its reputation.

The Council aims to conduct its financial affairs in a law abiding way and does not tolerate either the commitment or facilitation of tax evasion.

The Council attaches the utmost importance to this policy and any breach of this policy will be regarded as a serious matter and is likely to result in disciplinary action and possibly criminal prosecution.

2 LEGISLATION

Part 3 of the CFA 2017 entered into force on 30 September 2017, and creates the corporate criminal offence of failure to prevent tax evasion.

Tax evasion is the illegal non-payment or under-payment of taxes, usually as the result of making a false declaration (or no declaration) of taxes due to the relevant tax authorities, which results in legal penalties if the perpetrator is caught.

Tax avoidance, by contrast, is seeking to minimise the payment of taxes without deliberate deception. This is often legitimate but is sometimes contrary to the spirit of the law, e.g. involving the exploitation of loopholes.

Importantly the corporate criminal offence of facilitation only applies to tax evasion. The third party must be found guilty of tax evasion before the Council can be found to have facilitated it.

It is a criminal offence for anyone to evade paying tax of any kind, and also to help anyone to do so. Any individual found to be guilty of this could be subject to criminal proceedings under existing legislation. However, under the Criminal Finances Act 2017 in the event of there being both:

- a) Criminal tax evasion by either a UK or overseas taxpayer (as an individual or an entity) under existing law, and,
- b) Criminal facilitation of this offence by an 'associated person' of the Council

then the Council will automatically be charged with the corporate offence of failing to prevent its representatives from committing the criminal act of facilitation unless it can demonstrate that it had 'adequate' or 'reasonable procedures' in place to prevent that facilitation. If found guilty, the typical consequences for the Council could be an unlimited fine and reputational damage and the potential disbarment from public/governmental contracts.

The scope of 'associated persons' is widely drafted and includes Council officers, its employees, workers, agents, sub-contractors and other people/organisations that provide services for, or on behalf of Council.

3 WHAT DO I NEED TO DO AS AN EMPLOYEE/ASSOCIATE?

Staff and associates are reminded that they are required at all times to abide by the Council's policies, procedures and guidance.

Failure to comply with these policies, procedures and guidance, including in particular failure to comply with the obligations detailed in this policy, may result in disciplinary action for staff and the termination of arrangements with associates.

Should staff or associates be concerned that another employee or associate is facilitating a third party's tax evasion, they should report this to their (own) manager. The Council's Whistle-Blowing Policy can also be engaged.

4 WHAT HAS THE COUNCIL PUT IN PLACE TO PREVENT FACILITATION OF TAX EVASION?

It is a defence to the corporate criminal offence of facilitating tax evasion if the Council can prove that it has in place such prevention procedures as it is reasonable to expect in the circumstances.

Government guidance suggests an appropriate set of prevention measures which gives due recognition to the following:

1. Risk assessment

The Council's systems of risk and control are designed to ensure regularity. The Council's Internal Audit Team conduct regular compliance checks paying specific attention to areas of high risk (as identified from the Council's Fraud Risk Register) and report any concerns to management and the Audit & Governance Committee.

The following are common Council tax evasion risks which management and employees have a duty to prevent. This list is by no means exhaustive:

- **Incorrect VAT treatment/reclaim**
 - Employee agrees to mis-describe services provided to a third-party in order to facilitate a VAT reclaim by them.
 - Employee authorises a VAT invoice from a supplier knowing that they are not VAT registered.
- **Income Tax\National Insurance Payments**
 - Off payroll working (IR35) - Council fails to identify workers and associates that should be paid via the payroll system rather than the creditors system. A supplier wishes to be treated as a self-employed contractor so that payments to them are paid gross and they can evade paying the appropriate income tax and national insurance liabilities. Council officer helps the supplier by falsifying information on the Employment Status Questionnaire.

- Failure to deduct the tax and NI at the correct rate. For example, a manager agrees to allow one of their staff to claim home to work travel through an expense claim. However, knowing that it is against Council policy and to help their employee from having to pay tax which is properly due, they allow their employee to describe the claim as travel away from the office.
- An employee is rewarded by way of a gift voucher over and above HMRC trivial gift limits (currently £50).
- **Incorrect Expense claims**
Employee authorises an expense claim with photocopied receipts knowing that the claimant will use the original receipts to support a tax reclaim.
- **Construction Industry Scheme**
Supplier submits an artificially low labour breakdown on their invoice to avoid tax being deducted on the labour element or no tax being deducted at all. A lack of understanding as to what work comes within the scope of the scheme or the implications of not applying the scheme.
- **Paying the wrong entity**
Employee accepts request to pay one entity knowing that the goods/services have been provided by another entity and that the purpose of the change is to evade tax.
- **Incorrect gift aid**
Employee allows a payment for goods/services to be described as a donation so that the donor can claim tax relief.
- **Payment in Kind**
Third parties not employed by the Council perform work in return for a payment in kind e.g. travel to a conference or use of facilities, knowing that no tax will be paid on the payment.
- **Direct Payments (for Care & Support Services)**
Failure to ensure deduction of Income Tax and National Insurance from payments made to personal assistants by recipients of Direct Care Payments.
- **Grants**
Failure to ensure that grant funding is used for its intended purpose. The Council gives a grant to an organisation for a specific project or service which may include the employment of staff. Staff are paid without the appropriate deduction of Income Tax and National Insurance.
- **Payment to overseas workers**
Using a third-party to pay in-country workers on the Council's behalf, where you know that there is a withholding obligation, and that the third-party will not comply with that obligation.

2. Proportionality of risk-based prevention procedures.

The Council has systems of controls in place to address specific risks. These controls include policy and guidance documents such as the Council's Whistle-Blowing Policy and Anti-Fraud & Corruption Policy.

3. Top level commitment.

This policy appendix has been endorsed by the Corporate Management Board and the Audit & Governance Committee as part of the Anti-Fraud and Corruption Policy.

4. Due diligence.

Reasonable care and caution is exercised when processing all transactions particularly high value/high risk area payments. Regular monitoring takes place and particular caution is exercised when making payment to new suppliers.

5. Communication (including training).

All staff, especially those involved in processing and approving financial transactions, will be made aware of this policy via their induction. Information is also available on the Council's intranet.

6. Monitoring and review

Regular monitoring and review of systems of controls and policies is carried out by Internal Audit and any findings/concerns reported to management and the Audit & Governance Committee.

GUIDANCE NOTE FOR SCHOOLS

The 'Schools Financial Value Standards' issued by the Department for Education contains the following advice:

1	<p>What are adequate arrangements against fraud and theft?</p> <p>Schools need a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets. Arrangements should both prevent malpractice and enable prompt detection should it nonetheless occur.</p>
2	<p>What are possible types of fraud and theft?</p> <p>The list below gives examples but cannot be exhaustive:</p> <ul style="list-style-type: none"> • theft (e.g. retaining cash collected for school dinners, trips, etc. for personal use; taking away school assets for personal use); • false claims (e.g. for travel which did not take place, for un-worked overtime etc.); • unauthorised purchase of equipment for personal use; • improper use of petty cash for personal purposes; • failing to charge appropriately for goods or services (e.g. not charging for school rooms used for private functions) or providing improper gifts or hospitality; • processing false invoices for goods or services not received and pocketing the proceeds; • making false entries on the payroll, such as inventing a fictitious employee and arranging to be paid an additional salary; • payment of inappropriate bonuses; • misusing school financial systems to run a personal business; • improper recruitment (e.g. employing a family member or individual known personally to an employee without following appropriate recruitment procedures); • buying from a supplier or contractor known personally to an employee without following required procurement procedures or declaring a business interest; • separating purchases to avoid tendering thresholds; and • suppliers or contractors failing to deliver the agreed goods or services but still being paid in full
3	<p>Noting any instance of fraud or theft detected in the last 12 months</p> <p>All schools should keep a written log of any instances of fraud or theft detected. This should include attempted fraud or theft, so long as this wouldn't prejudice any ongoing action such as legal action against the perpetrator(s). This log will help the school to identify patterns of misconduct and any weaknesses in their current arrangements which need to be addressed.</p>
4	<p>Why you need to have adequate arrangements in place to guard against fraud and theft</p> <p>Schools manage substantial sums of public money and consequently need to safeguard public funds. Local authorities would be likely to take strong action against maintained schools that appeared persistently vulnerable to fraud and theft.</p>
5	<p>How to ensure that your school has adequate arrangements in place to safeguard against fraud and theft</p> <p>The governing body will expect the head teacher and other senior staff to assure them that adequate arrangements are in place, rather than seeking to put operational arrangements in place themselves. The main features of such arrangements are likely to include:</p> <ul style="list-style-type: none"> • financial management checks, reconciling accounts at the end of each month and keeping an audit trail of documents; • separation of duties – no one employee should be responsible for both validating and processing a transaction, for example certifying that goods have been received and making the payment for them; • strictly limited access to systems for authorising and making payments;

	<ul style="list-style-type: none"> • spot checks on systems and transactions – this will help identify new risks and measure the effectiveness of existing controls. It also indicates to staff that fraud prevention is a high priority; • investigation and logging of every incident of irregularity, including instances of attempted fraud; • careful pre-employment checks on staff who will have financial responsibilities; and • making employees' financial responsibilities clear through written job descriptions and desk instructions.
6	<p>Make the information available to all staff</p> <p>The governing body and head teacher should inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them, and the consequences of breaching these controls. This information should be included in induction for new school staff and governors. Staff should be reminded of this information if an incident occurs.</p>
7	<p>What to do if adequate arrangements are not in place in your school</p> <p>Adequate arrangements will need to be put in place as soon as possible. If you are unsure how to do this and are a maintained school, you should contact your local authority urgently. You need to identify which arrangements are not adequate and agree an action plan to address them with a deadline for implementation. Once the new arrangements are in place, you should evaluate their effectiveness and regularly review the school's full arrangements to make sure they remain adequate.</p>
8	<p>What to do if fraud or theft is suspected or discovered (including any instances of attempted fraud or theft)</p> <p>Maintained schools should contact their local authority (LA) for help and support in instances where fraud or theft is suspected or discovered and should always report the matter to the LA's Internal Auditors.</p>
9	<p>Further information</p> <p>For maintained schools, your Local Authority should be able to provide further information and support on establishing adequate arrangements to safeguard against fraud and what should happen if fraud is suspected or discovered. In addition, these websites/contacts provide help and advice:</p> <ol style="list-style-type: none"> 1. School Fraud Risk - CIPFA This self-assessment checklist can be used by organisations in order to check their own health against the fraud risk areas 2. Department for Education (DfE) – www.education.gov.uk – this website contains a wide range of information and resources for schools. Here you can access information on the supporting legal framework for school revenue funding, audit and whistle-blowing policy. 3. Action Fraud – www.actionfraud.police.uk this website is the UK's national fraud reporting centre and provides information of what fraud is and the different types of fraud. 4. Institute of School Business Leadership (ISBL) – www.isbl.org.uk – provides information and training for all those involved in school business management including on fraud. 5. Internal Audit is able to provide advice to Maintained Schools on financial control systems. <p>Telephone 01202 817888 or e-mail fraud@bcpcouncil.gov.uk</p>

IN YEAR MINOR AMENDMENTS AND EDITING LOG

Minor Amendments and Editing Log

The Chief Finance Officer has primary responsibility for developing, maintaining, and implementing the Anti-Fraud & Corruption Policy. Where changes affect the powers or responsibilities of councillors approval of the Audit & Governance Committee is required.

It is recognised there may be a need to clarify or update certain elements of the Anti-Fraud & Corruption Policy from time to time, this may require minor amendments or editing. The Chief Finance Officer has delegated to the Head of Audit & Management Assurance the ability to make minor amendments and editing changes. Any such changes will be logged in the table below.

Date	Description of amendments or editing	Page
-	-	-

Equality Impact Assessment: conversation screening tool

Policy/Service under development/review:	Anti-Fraud & Corruption Policy
What changes are being made to the policy/service?	Annual policy refresh including update of relevant legislation, guidance on examining identity documents and a statement that the Council will comply with all relevant agencies in combating money laundering & terrorist financing.
Service Unit:	Finance
Persons present in the conversation and their role/experience in the service:	Chief Internal Auditor Service Equality Champion
Conversation dates:	08/02/2024
Do you know your current or potential client base? Who are the key stakeholders?	Key stakeholders are <ul style="list-style-type: none"> any person who is currently employed, directly or indirectly by Bournemouth, Christchurch and Poole Council (BCP) including those whose relationship is with a wholly-owned entity, including trading companies and Arm's Length Management Organisations (ALMOs); Elected or Co-Opted councillors; and Any other individual who undertakes activities on behalf of the Council including for example, volunteers, partners, contractors, etc.
Do different groups have different needs or experiences in relation to the policy/service?	All protected characteristics have been considered, and no different needs or experiences have been identified as a result of these updates.
Will the policy or service change affect any of these service users?	No as these changes apply equally to all key stakeholders
What are the benefits or positive impacts of the policy/service change on current or potential service users?	None identified
What are the negative impacts of the policy/service change on current or potential service users?	None identified

Will the policy or service change affect employees?	Yes, as this policy applies to all BCP Council employees
Will the policy or service change affect the wider community?	No, as this policy only affects BCP Council employees
What mitigating actions are planned or already in place for those negatively affected by the policy/service change?	No negative impacts have been identified; thus no mitigating actions are required
Summary of Equality Implications:	No equalities implications have been identified as a result of the changes to this policy

Whistleblowing Policy

Live from 1 April 2024

Annual evolution changes to this policy are shown in red text each year

Finance

Author: Head of Audit & Management Assurance

Version: V2024.1

Review Date: Annual evolution, next due April 2025



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1 PURPOSE OF THIS POLICY

- 1.1 Bournemouth, Christchurch and Poole Council (BCP) (hereafter referred to as 'the Council') is committed to high standards of conduct and to compliance with legal obligations and good practice. The Council's intent is to expose and deal with malpractice and it expects its employees, and others who help to deliver its services, to report all instances where they have reasonable suspicions of wrongdoing. Failure to report wrongdoing may lead to financial or reputational damage, poor staff morale and erosion of trust.
- 1.2 The term whistleblowing is generally used only with reference to workers (referred to in Law as making a protected disclosure) and has a specific legal definition pursuant to the Public Interest Disclosure Act 1998 (PIDA), i.e. a disclosure of information which, in the reasonable belief of the worker, is made in the public interest. This Policy is primarily intended to deal with wrongdoing alleged against the Council or its employees and therefore the protected disclosures should relate to Council business. The disclosure of information must always be more than an un-particularised allegation or mere opinion.
- 1.3 The Council recognises that, as a public body, it might receive a disclosure of information not just from its workers but from members of the public. A disclosure made by any person who is not a worker of the Council does not meet the legislative definition of whistleblowing (a protected/qualifying disclosure) and will be addressed by applying other relevant Council Policies.
- 1.4 The Council recognises that it is a [prescribed person](#) and that workers from external organisations may approach the Council to report suspected or known wrongdoing in relation to Health and Safety, Consumer Protection and Food Standards. The relevant individual services have their own procedures for dealing with such disclosures.
- 1.5 This policy incorporates the requirements of PIDA into the Council's governance framework and provides managers with the necessary information to consider cases of whistleblowing. The legislation is contained in Part IV A of the Employment Rights Act 1996 sections 43A to 43L, 47B, 103A and secondary legislation identifying the prescribed persons to report concerns to and the specific areas each covers.
- 1.6 In addition, this policy aims to ensure that those covered by this policy:
- feel confident in raising concerns in the public interest about suspected serious wrongdoing in the Council and its services without fear of reprisals or victimisation even where the concern or allegations are not subsequently confirmed by the investigation;
 - can raise concerns in confidence and receive feedback on any action taken;
 - receive a response to concerns and are aware of how to pursue them if they are not satisfied;
 - and are protected from possible reprisals or victimisation where they have reported concerns in the public interest.

- 1.7 The Council will take any action necessary in proportion to the nature of the complaint. The Policy's intent is to ensure that whenever a qualifying person (see 3.1-3.3) has a reasonable belief that their disclosure is in the public interest and meets with one or more of the circumstances in paragraph 3.7 (a to f), they will be protected from detriment (for example victimisation, bullying or being disciplined).

2 WHO MUST COMPLY WITH THIS POLICY?

- 2.1 This policy applies to:
- any person who is currently employed by Bournemouth, Christchurch and Poole Council (BCP),
 - Elected or co-opted councillors,
 - Any other individual who undertakes activities on behalf of the Council including for example, volunteers, partners, contractors, foster carers etc.
- 2.2 It is expected that all organisations that are part or wholly owned by the Council will have their own whistleblowing arrangements which ensure that proper reporting arrangements are in place which are consistent with the requirements of the PIDA and that staff are fully protected in line with this legislation. If such organisations do not have their own Whistleblowing Policy arrangements, then the Council's will apply.
- 2.3 All organisations that carry out activities on behalf of the Council, for example providers of commissioned services, are expected to have appropriate and robust whistleblowing arrangements which are consistent with the requirements set out in legislation and in this policy.
- 2.4 The Department for Education state that Maintained schools should have their own [in-house whistleblowing procedures](#). Maintained schools can make representation to the Head of Audit and Management Assurance (HAMA) to act as an external representative.
- 2.5 The [Academy Trust Handbook](#) (also known as the Academies Financial Handbook) sets out the requirements for Academies in respect of their whistleblowing arrangements. In doing so, the Handbook (section 2.43) states that "The academy trust **must** have procedures for whistleblowing, to protect staff who report individuals they believe are doing something wrong or illegal."

3 WHAT IS THE POLICY?

Who is protected

- 3.1 An employee* is protected by the legislation from any detriment as a result of having made a qualifying protected disclosure and/or from being dismissed where it could be found that the main reason for their dismissal (if there is more than one) was because they had made such a disclosure.

*The terms 'worker' and 'employee' are interchangeable for the purposes of this policy.

- 3.2 Other people protected are:
- Most agency employees,
 - Some trainees such as apprentices,
 - Former employees who have made disclosures whilst still employed (and they suffer a detriment after employment).

- 3.3 The people described in 3.1 and 3.2 will be referred to as 'qualifying individuals' in the rest of this policy.

Who is not protected

- 3.4 The following individuals, whilst having to comply with this policy, are not protected by the relevant legislation:
- Councillors
 - Volunteers
 - Public appointments
 - Self-Employed persons
 - Foster Carers/Shared Lives providers
 - Interns
 - Former employees who have made disclosures after leaving the Council.
- 3.5 These people will be offered support, confidentially as far as possible, and will be provided with a contact who can receive complaints which might otherwise be considered whistleblowing type concerns. Members of the public maybe signposted to a relevant 'prescribed person' to send their concern to if the Council is not the appropriate body.
- 3.6 Councillors are not employees of the Council and are therefore not protected under whistleblowing legislation. However, Councillors should raise any concerns via the proper democratic processes of the Council, by contacting one or more of the following:
- Leader of the Council
 - Head of Paid Service
 - Monitoring Officer
 - The relevant Overview and Scrutiny Board

Types of disclosure covered by this policy

- 3.7 PIDA specifies what 'Qualifying Disclosures' are. The qualifying individual disclosing information must have a reasonable belief that their disclosure is made in the public interest and tends to show that any of the following apply:
- (a) that a criminal offence has been committed, is being committed or is likely to be committed,
 - (b) that a person has failed, is failing or is likely to fail to comply with any legal obligation to which he/she is subject,
 - (c) that a miscarriage of justice has occurred, is occurring or is likely to occur,
 - (d) that the health or safety of any individual has been, is being or is likely to be endangered,
 - (e) that the environment has been, is being or is likely to be damaged, or
 - (f) that information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately concealed.

- 3.8 There can be some confusion between grievances and whistleblowing. Whistleblowing is the raising of a concern about a danger or risk so that it may be investigated, while a grievance seeks redress for a wrong done to oneself (or a group of employees if the individual is also one of those employees).
- 3.9 This policy does not apply to raising grievances about a person's personal situation and thus does not replace existing procedures for resolving personal differences or conflicts. If an employee has concerns in respect of a personal grievance (e.g. bullying, harassment, discrimination) they should consult the Grievance Policy and Procedure, their immediate manager, Human Resources (HR) and/or Legal Services who can advise them about the correct procedure to follow.

Safeguarding Concerns raised by Council Employees

- 3.10 Employees have a duty to report in a timely way any concerns or suspicions they may have that an adult or child at risk, is being, or is at risk of being, harmed and the Council has specific arrangements in place to address concerns raised, which are summarised below:

If you think someone may be at immediate risk of serious harm, contact the Police.

- 3.11 Children's Safeguarding:
To report Children's safeguarding concerns staff should contact the Multi Agency Safeguarding Hub via email childrensfirstresponse@bcpcouncil.gov.uk or via telephone on 01202 123334

An allegation against someone who works with children and young people or a concern about their suitability to work with children and young people should be reported direct to the Local Authority Designated Officer (LADO) - lado@bcpcouncil.gov.uk or via telephone 01202 817600.

For emergency safeguarding concerns outside of office hours contact can be made with the children's social care Emergency Duty Service via telephone on 01202 738256

- 3.12 Adults Safeguarding:
For safeguarding concerns relating to Bournemouth, Christchurch or Poole residents, get in touch with the ASC Contact Centre who are responsible for receiving and assessing Adults safeguarding concerns via email asc.contactcentre@bcpcouncil.gov.uk or via telephone: 01202 123654.

For emergency safeguarding concerns outside of office hours contact can be made with the adult social care Emergency Duty Service on 0300 123 9895.

- 3.13 A safeguarding concern (Children's or Adults) raised by an employee may also be a 'qualifying disclosure' under whistleblowing legislation (as per paragraph 3.7). If the concern relates to wrongdoing alleged against the Council or its employees, the employee will be protected under this policy and should be reported to the Head of Audit & Management Assurance (HAMA) who is responsible for annual reporting (see paragraph 6.6).

4 WHAT IS EXPECTED FROM THE WHISTLEBLOWER?

- 4.1 Employees will normally raise their concerns with their line manager. The matter will then be dealt with in line with the seven-stage procedure at Appendix 1.
- 4.2 If a qualifying individual makes a disclosure within the Council, they are expected to:
- have reasonable grounds for suspicion about the malpractice;
 - have a reasonable belief that the disclosure is in the public interest; and
 - not make the disclosure for personal gain.
- 4.3 The Council acknowledges the seriousness of knowingly making false accusations, as such actions can undermine the credibility of the whistleblowing process and potentially harm the Council's or an individual's reputation. Failure to comply with the expectations above, including, making a frivolous or malicious disclosure may result in disciplinary action being taken.

Note: If an individual is currently involved in a theft, fraud, disciplinary matter or employment dispute, and the individual subsequently makes a whistleblowing disclosure, then this will not stop or pause any ongoing investigation into the original matters. In such circumstances any qualifying disclosures will be treated separately in line with this Policy.

Disclosures that are not proved

- 4.4 A qualifying disclosure that is not confirmed by subsequent investigation will not lead to any action, penalty or detriment against the person making the allegation or disclosure providing the provisos contained in 4.2 apply.

Disclosures to other organisations

- 4.5 The Council is committed to addressing all genuine and serious concerns raised and therefore disclosures should be made to the Council in the first instance. However, if a qualifying individual feels unable to use the procedure described in this policy the disclosure should be made to a prescribed person, so that their employment rights are protected.
- 4.6 If a qualifying individual decides they cannot go to the Council with the disclosure first, they should contact a [prescribed person or body](#).

Anonymous disclosures

- 4.7 Whilst this policy is intended to deter people from making anonymous disclosures, they will be considered to the extent that it is reasonable and practicable to do so. It is often difficult to attach equal weight to anonymous allegations due to the investigator's difficulty in confirming or following up evidence.

5 HOW IS THE WHISTLEBLOWER PROTECTED?

- 5.1 The following safeguards and principles should be applied in all cases.

Confidentiality and Anonymity

- 5.2 The Council's Whistleblowing Policy seeks to protect the identity of the individual making a disclosure. However, in alleged cases of serious wrongdoing, it must be appreciated that the Council cannot guarantee that this will be maintained particularly if external legal action results from the disclosure. In some cases, a qualifying individual's concern may require further action and they may have to act as a witness and/or provide evidence, for example serious criminal offences which are referred to the Police.
- 5.3 Anyone within the Council who inappropriately breaches a whistleblower's confidentiality or anonymity will be subject to disciplinary action which may lead to dismissal.
- 5.4 If a disclosure relates to a child at risk or abuse of a vulnerable adult, then the Council is required to investigate this under separate procedures and this takes priority over any request for anonymity.

Harassment and Victimisation

- 5.5 The Council acknowledges that the decision to report a concern can be a difficult choice for an individual to make, not least because of the fear of reprisal from those responsible for the malpractice. Any qualifying individual who makes a 'qualifying disclosure' which meets the requirements of the PIDA is legally protected against victimisation or harassment for whistleblowing.
- 5.6 Anyone within the Council who harasses or victimises a whistleblower will be subject to disciplinary action which may lead to dismissal.
- 5.7 Managers are responsible for monitoring how whistleblowers are subsequently treated after raising a concern. They will ensure that any harassment or victimisation is dealt with under disciplinary arrangements.
- 5.8 Any qualifying individual who believes they have been victimised as a result of making a disclosure or whistleblowing should report their concerns to their Service Director (or the Corporate Director if this is more appropriate).

6 HOW IS THIS POLICY IMPLEMENTED?

Procedure

- 6.1 Disclosures will be dealt with under the following stages. Not all disclosures will follow all stages in the order below, subject to the circumstances of each case. The action taken by the Council will be reasonable and proportionate, depending on the nature of the concern.
- 6.2 Disclosures will be dealt with under the following stages:
- Stage 1 – Informal Resolution
 - Stage 2 – Formal Resolution
 - Stage 3 – Response for a Formal Resolution
 - Stage 4 – Investigation

- Stage 5 – Responding to the Investigation
- Stage 6 – Confirmation of the Outcome
- Stage 7 – Lessons learnt in consultation with the whistleblower

Further details can be found in Appendix 1 – Seven Stage Whistleblowing Procedure.

- 6.3 If the individual is dissatisfied with the outcome response or the process followed, they should put their concern in writing to the Chief Executive and request that the investigation is reviewed. [Protect](#) (previously Public Concern at Work) may also be contacted on 020 3117 2520.

Implementation and Communication

- 6.4 New staff joining the Council will be given information and guidance on the policy during their corporate induction and it will be integrated into training and documents relating to conduct and behaviour. The policy will be publicised using the Council's intranet site.
- 6.5 All managers will be expected to take note of their responsibilities in relation to allegations and protecting whistleblowers from any adverse treatment. Where appropriate, management should seek advice from HR and/or Legal Services.
- 6.6 The responsibility for ensuring that the Council adheres to this policy rests with all managers, who have an obligation to support and encourage staff to speak out, to protect them from detriment and to take action where staff are subjected to any disadvantage relating to whistleblowing.

How will the policy be monitored?

- 6.7 The Council has a responsibility for registering the nature of all concerns raised and to record the outcome. The Head of Audit & Management Assurance (in liaison with Human Resources) will produce an annual report to the Audit and Governance Committee in respect of the number, type and outcomes reported of whistleblowing allegations.

How long will disclosure records be kept?

- 6.8 Staff disciplinary cases - see Human Resources Retention & Destruction schedule and liaise with HR Business Partner.
- 6.9 Internal Audit investigations - 3 years.
- 6.10 Proven cases following a criminal investigation - see [Government guidance paragraph 5](#).

7 SUPPORTING INFORMATION

- 7.1 Individuals who have major concerns arising from their employment may wish to seek advice from their union or the whistleblowing charity [Protect](#) (020 3117 2520), to see whether the information which they wish to report would meet the definition of a 'qualifying disclosure' and whether they should be using this procedure, or an alternative.

- 7.2 The Department for Business, Energy and Industrial Strategy has published [‘Whistleblowing: Guidance for Employers and Code of Practice’](#).

8 FURTHER INFORMATION AND EVIDENCE

Consultees

The following individuals/groups have been consulted during this year’s evolution of this policy:

Internal Audit
Statutory Officers Group
Head of Human Resources

Equalities Impact Assessment

Assessment date	Reviewed as part of this years’ evolution. Minor amendments have been made which have been assessed by Service Unit Equality Champion as having no equalities impacts. Updated EIA assessment as per Appendix 3.
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Document Control

Approval body	Audit & Governance Committee
Approval date	7 March 2024
V1 December 2018	New Policy created (please note any version changes in the future will be shown in red text)
V2 March 2020	Policy annual review. Some minor changes made including reformatting to BCP corporate formatting and changed “Department for Business Innovation and Skills”, to “Department for Business, Energy and Industrial Strategy”.
V2021 March 2021	Policy annual review. Several links and Adults safeguarding contact details updated. Added section in relation to the Council acting as a prescribed person. Added links to templates for initial response and outcome confirmation to the whistleblower. Appended updated EIA screening tool.
V2022 March 2022	Policy annual review. Added various areas following review against ISO37002 Whistleblowing Management Systems including; impact of not reporting wrongdoing, retention of disclosure records, requesting feedback from the whistleblower, breaches of a whistleblower’s confidentiality or anonymity process, assessing the risk of detriment to the whistleblower, and ensuring timely response to the disclosure. Clarified Policy primary purpose to deal with protected disclosures relating to Council business. Clarified process regarding safeguarding concerns (Children’s or Adults) raised by an employee. Other minor wording changes and updated links and contact details.
V2023 March 2023	Policy annual review. Update to a Children’s safeguarding contact number and reference to a section of Employment Rights Act legislation. Some minor amendments made to Appendix 1 Seven Stage Whistleblowing Policy to clarify the process. Outcome template letter amended to ask for receipt confirmation and to advise that feedback will be sought. Repeated in Section 6 ‘How Is This Policy Implemented’ the process to follow if the individual is dissatisfied with the outcome response or the process followed.

<p>V2024 March 2024</p>	<p>Section 4 'What is Expected from the Whistleblower' para 4.3 - added the seriousness/impact of a person knowingly making a false accusation and added note to explain that a whistleblowing referral will not affect, stop or delay the investigation into a theft/fraud/disciplinary/employment dispute involving the whistleblower. Added Protect reference and website link (was previously Public Concern at Work).</p> <p>Appendix 1 Seven Stage Whistleblowing Procedure - added allocation of a unique reference number.</p> <p>Stage 3 of Whistleblowing Procedure - Initial Response (Preliminary Enquires) – moved wording for checking of relevance to the policy, added additional potential outcomes of 'no further action' and 'identified that the concern was frivolous or malicious and disciplinary action maybe required', also included reference to a formal decision record being kept.</p>
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SEVEN STAGE WHISTLEBLOWING PROCEDURE

The individual does not need to declare their disclosure as a “Disclosure in the Public Interest” for it to be acted upon. Management must be aware of their responsibilities in identifying and reporting the disclosure in line with this policy.

When making a disclosure, give as much information as possible about:

- The nature of the problem
- The background (with dates if possible)
- Who is involved
- The reasons you are concerned

Every qualifying disclosure must be notified immediately to the HAMA who will keep a log and register the details **including allocating a unique reference number** (the HAMA can be contacted via email: nigel.stannard@bcpcouncil.gov.uk or via telephone: 01202 128784. In each instance, when the matter is resolved, the HAMA must be notified promptly, and the register will be updated. If the allegation is without foundation or resolved informally, the register will reflect this, but it is crucial that a record is maintained of all allegations for transparency and audit purposes.

Stage 1 – Informal Resolution

In some situations, the issue may be resolved without the need for a major investigation. If an individual is aware or concerned about misconduct or wrongdoing taking place inside the organisation that he or she thinks may damage or undermine the interests of the wider public they are advised in the first instance to share the details with their line manager or Service Director, who in consultation with the HAMA will see if it can be resolved without following the formal resolution stages of this policy.

The applicable line manager and HAMA will decide on the basis of the information provided how the matter can be resolved including assessing the risk of detriment to the whistleblower. This may include informal resolution or formal consideration. The outcome will be explained to the whistleblower and it may be agreed to end the process at this point. Move to straight to stage 6 if no formal resolution is deemed necessary.

Stage 2 – Formal Resolution

If the individual feels unable to discuss their concerns with their line manager or Service Director or does not accept that the response at the informal resolution stage is sufficient or believes that senior management is involved in the matter of concern, more formal resolution will be required. The HAMA, Monitoring Officer or the Head of Paid Service should be contacted.

If the allegation concerns one or more of these officers, the disclosure may be made to the Council's External Auditors or any another relevant [prescribed person or body](#).

It should be noted that a qualifying individual making disclosures to a prescribed person, such as an industry regulator, must reasonably believe that the matter falls within the regulator's area of responsibility and that the information and any allegations contained in it are substantially true.

At this stage, the person making the disclosure (the 'whistleblower'), will be asked whether he or she wishes their identity to be disclosed and will be reassured regarding protection from possible reprisals or victimisation.

He or she may also be asked to consider making a written or verbal statement. In the latter case, a summary of the interview will be made which will be agreed by both parties.

Details of the disclosure will be considered by the HAMA, or the Monitoring Officer or the Head of Paid Service or his/her representative, including any recommendations for further action.

Stage 3 – Initial Response for a Formal Resolution

The HAMA, Monitoring Officer or the Head of Paid Service or representative who has received the disclosure will take any urgent action they deem necessary and then decide how to respond to the disclosure, having regard to all the circumstances, including the evidence available. Preliminary inquiries will be made to establish the nature of the issue, **the relevance to this policy**, and how best to respond in the public interest.

Depending on the nature of the issue raised and the findings of the preliminary enquiry, the response, in the judgement of the HAMA, Monitoring Officer or the Head of Paid Service will decide whether one or more of the following courses of action is appropriate:

- a management investigation in consultation with HR and Legal Services;
- a disciplinary investigation in accordance with the Council's policies;
- a referral for consideration under other procedures;
- a referral to the Police;
- a referral to the External Auditor;
- an independent investigation;
- amendment of procedures;
- **preliminary enquiry identifies that no further action is required**
- no action due to lack of sufficient evidence; or
- **preliminary enquiry identifies that the concern was frivolous or malicious and disciplinary action may be required**

A formal decision record will be created by the HAMA, Monitoring Officer or Head of Paid Service outlining which of the courses of action above will be taken. This decision record will include the rationale and factors considered.

The whistleblower will be notified of the intended response to the disclosure in a timely manner (usually within one calendar month) and the reasons for it. The template letters below are available as a guide but other forms of written communication, such as embedding similar content in an email, may be more suitable in certain circumstances. The timeframes for an initial response to a formal disclosure will depend on the nature and complexity of the concern raised.

Move straight to stage 6 if no form of investigation is deemed necessary.

Stage 4 – Investigation

Where the decision has been made to carry out an investigation, a manager or other person will be appointed as the investigating officer.

He or she will agree terms of reference with the HAMA, Monitoring Officer or the Head of Paid Service or relevant representative and identify a provisional date when the investigation should be completed by. The investigation will be carried out observing the strictest confidentiality. The investigation is essentially a 'fact finding' exercise, to establish the facts and determine what further action may be necessary and make recommendations accordingly. A report will be produced detailing the findings and recommendations for review by the HAMA.

The investigating officer will have regard to the human rights of any individuals affected by the investigation. The investigation may also serve as the information gathering part of the Council's disciplinary procedures. In such cases this will be made clear to any people who may be subject to such investigation and any right to be accompanied will be made clear.

Normal support arrangements - e.g. counselling/unions/HR - will be available as required, to the whistleblower, any person accused of being involved in, or having concealed, wrong-doing and any others affected.

Stage 5 – Responding to the Investigation

The HAMA, Monitoring Officer or the Head of Paid Service or representative will decide whether any further action is necessary as a result of the investigation report and recommendations. If the result of the investigation is that there is a case to be answered by any individual, the relevant Council policy or procedure will be followed.

The amount of contact between the officers considering the issues and the employee raising the concern will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided. If necessary, further information may be sought from the person raising the concern.

The Council will take all steps to ensure that the whistleblower suffers no reprisals or victimisation as required by the Public Interest and Disclosure legislation.

Stage 6 – Confirmation of the Outcome

So far as legally possible and subject to rights of confidentiality, the whistleblower will be informed of the outcome of the response to the disclosure (stage 1 & 3) or the outcome of any investigation (stages 4 & 5) and how the matter has been resolved. The template letters below are available as a guide but other forms of written communication, such as embedding similar content in an email, may be more suitable in certain circumstances. In consultation with the whistleblower any ongoing protection measures will be agreed. If the whistleblower is dissatisfied with this response, they should put their concern in writing to the Chief Executive and request that the investigation is reviewed.

Stage 7 – Lessons learnt in consultation with the whistleblower

The HAMA, Monitoring Officer or the Head of Paid Service or representative will collect feedback from the whistleblower where this is practical and if the whistleblower is willing to do so.

Service / Team
Address Line 1
Address Line 2
Town / City Postcode



Mr/Mrs

Date: (Insert date)

Address Line 1

Our Ref: 000000000000

Address Line 2

Contact:

Town

Email: (Insert Council email address)

Postcode

Tel: (Insert work telephone address)

Draft letter to Employee (Whistleblower) confirming how matter will be progressed

Dear

Reporting of concern under Whistleblowing Procedure

I am writing to confirm acknowledgement of the concerns you have raised under the Council's Whistleblowing Procedure (available on the Council's Intranet) and to outline how the matter will be taken forward.

Firstly, thank you for raising concerns. It is important for employees to bring forward any issues of concern which could damage public trust and confidence in the services provided by the Council.

After initial consideration of the issues that you have raised, I have made the decision that. [Either](#): a) the concerns you have raised fall more properly within the Council's Grievance Policy [\(or some other policy\)](#) (copy attached), and if you wish to take the matter further you should follow the process outlined in that document. [Explain reasons](#)

You can seek support from a member of the HR Team who will be able to talk through the process with you. [\(Insert name and contact\)](#) Or b) I believe that your complaint warrants a formal investigation. [Provide further details, e.g. Management investigation, Internal Audit investigation, Police referral, referral to regulatory body](#)

I will act as the Designated Officer in this case / It has been agreed that [\(Name & Role\)](#) to be the Designated Officer in this case. [\(delete as appropriate\)](#)

If you are asked to attend a meeting as part of the investigation you may of course be accompanied by either a Trade Union representative or workplace colleague.

It is anticipated that it will take [\(insert indicative timescales\)](#) before I can advise you of progress. You will be contacted by [\(insert details\)](#)

I/Designated Officer will keep you informed. Once the investigation is complete I/Designated Officer write to you and confirm the outcomes of the investigation into the concerns you have raised.

In the meantime, if you require any support you should contact [\(Name & Role\)](#)
The Council will treat this matter confidentially in accordance with the terms of the Whistleblowing Policy.

If you have any queries about the contents of this letter, please let me know.

Yours sincerely,
[\(Insert title\)](#)

Service / Team
Address Line 1
Address Line 2
Town / City Postcode



Mr/Mrs

Date: (Insert date)

Address Line 1

Our Ref: 000000000000

Address Line 2

Contact:

Town

Email: (Insert Council email address)

Postcode

Tel: (Insert work telephone address)

Draft letter to Employee (Whistleblower) confirming outcome of concerns

A meeting with person who has raised concerns may take place to advise them of the outcome. In this case, the letter should be confirmation of what was discussed at that meeting.

Dear

Outcome of Investigation into concerns raised under Council's Whistleblowing Policy

I refer to the concerns you raised under the Council's Whistleblowing Policy on (insert date). I am writing to confirm the outcome of the management investigation that took place.

Conclusions of the Investigation

The principal conclusions of the investigation were as follows:

- Either the full findings of the investigation report or a summary of the findings may be listed here.
- If the concern was unfounded, this needs to be made clear with reasons.

As a result of this investigation, the following action has been taken:

- Describe changes (if any) in operational practice
- (Where relevant) The (employee in question) has been formally counselled about their role in this matter, and the situation will be closely monitored to ensure no reoccurrence in the future
- (Where relevant) the (employee in question) has been dealt with under the Disciplinary/Capability Policy and:

I would like to thank you again for bringing this matter to our attention.

I trust you feel that this has been dealt with satisfactorily. If you are dissatisfied with this response or the process that has been followed, in accordance with the Whistleblowing Policy, you can put your concern in writing to the Chief Executive and request that the investigation is reviewed. You may also seek advice from **Protect (previously Public Concern at Work)** who can be contacted on 020 3117 2520.

Please confirm receipt of this communication. I will be in touch subsequently to seek any feedback to assist with lessons learned from the process (Stage 7 of the Whistleblowing Policy).

If applicable - Should you wish, we can arrange a meeting to discuss the contents of this letter, please contact me on (insert details)

Yours sincerely

Senior Manager overseeing investigation.

IN YEAR MINOR AMENDMENTS AND EDITING LOG

The Chief Finance Officer has primary responsibility for developing, maintaining, and implementing the Whistleblowing Policy. Where changes affect the powers or responsibilities of councillors approval of the Audit & Governance Committee is required.

It is recognised there may be a need to clarify or update certain elements of the Whistleblowing Policy from time to time, this may require minor amendments or editing. The Chief Finance Officer (CFO) has delegated to the Head of Audit & Management Assurance (HAMA) the ability to make minor amendments and editing changes. Any such changes will be logged in the table below.

Date	Description of amendments or editing	Page
-	-	-

Equality Impact Assessment: conversation screening tool

Policy/Service under development/review:	Whistleblowing Policy
What changes are being made to the policy/service?	Annual policy refresh including minor amendments such as acknowledging the seriousness of accusations, noting that a whistleblowing referral will not impact on an investigation into a theft/fraud/disciplinary etc., changes to contacts and expanding potential outcomes of no further action to a referral.
Service Unit:	Finance
Persons present in the conversation and their role/experience in the service:	Chief Internal Auditor Service Equality Champion
Conversation dates:	08/02/2024
Do you know your current or potential client base? Who are the key stakeholders?	Key stakeholders are <ul style="list-style-type: none"> any person who is currently employed by Bournemouth, Christchurch and Poole Council Elected or Co-Opted councillors; and Any other individual who undertakes activities on behalf of the Council including for example, volunteers, partners, contractors, etc.
Do different groups have different needs or experiences in relation to the policy/service?	No protected characteristics are affected differently by the changes to this policy
Will the policy or service change affect any of these service users?	No as these changes apply equally to all key stakeholders
What are the benefits or positive impacts of the policy/service change on current or potential service users?	None identified
What are the negative impacts of the policy/service change on current or potential service users?	None identified
Will the policy or service change affect employees?	Yes, as this policy applies to all BCP Council employees
Will the policy or service change affect the wider community?	No, as this policy only affects the key stakeholders identified above
What mitigating actions are planned or already in place for those negatively affected by the policy/service change?	No negative impacts have been identified; thus no mitigating actions are required
Summary of Equality Implications:	No equalities implications have been identified as a result of the changes to this policy

Declaration of Interests, Gifts and Hospitality Policy (for Officers)

Live from 1 April 2024

Annual evolution changes to this policy are shown in red text each year

This policy has been produced collaboratively by Internal Audit, Human Resources and Law & Governance

Author: Nigel Stannard, Head of Audit & Management Assurance

Version: V2024.1

Review Date: Annual evolution, next due April 2025



1. Purpose Statement

- 1.1 The purpose of the policy is to protect the Council and employees against conflicts of interest and allegations of impropriety. The public must be confident that decisions made by employees of whatever nature are made for good and proper reasons and are not influenced inappropriately by the interests of individual employees, their relatives or friends.
- 1.2 The Council is entitled to put in place a series of precautionary measures to ensure that conflicts or potential conflicts of interest are notified to the Council at an early stage.
- 1.3 The [Bribery Act 2010](#), and the [Local Government Act 1972](#) are relevant.
 - The Bribery Act 2010 makes it an offence for an employee to give advantage to someone in return for favours in relation to the Council's business.
 - [Section 117 of the Local Government Act 1972](#) requires that employees notify the authority in writing of any direct or indirect financial interests which they have in any Council contracts, or proposed contracts, of which they become aware. Breach of Section 117 is a criminal offence subject to a fine.
- 1.4 All but incidental gifts and hospitality received by a council employee may be perceived as a potential conflict or may be viewed as a potential bribe. The Council generally requires all but incidental gifts and hospitality to be declared on Form 1 or Form 2 as appropriate.

2 Who the policy applies to

- 2.1 This policy applies to all BCP Council employees, including casual, part-time and temporary staff including those supplied by employment agencies.
- 2.2 This policy does not apply to BCP 'maintained' schools' employees where an individual school policy exists. A BCP 'maintained' school may use all or parts of this policy if they wish to do so.

3 This policy replaces

- 3.1 This policy replaces sections of any legacy Councils' respective Code of Conduct or any standalone policies, procedures or guidance of legacy Councils relating to conflicts of interest and or accepting/declaring gifts or hospitality.
- 3.2 This policy operates in conjunction with the BCP Council Code of Conduct for employees and the disciplinary procedure. The BCP Code of Conduct states 'Employees are required to follow the 'Declaration of interests, gifts and hospitality policy' (this policy).

4 Approval process

- 4.1 The Audit & Governance Committee reviews and annually approves the policy as part of their role to ensure the adequacy of governance arrangements in place to prevent fraud and corruption.

5 Links to Council Strategies

- 5.1 This policy supports BCP Council's Corporate Strategy, specifically the core value "we have integrity" and also supports "we are a modern, accessible and accountable council".

6 The Policy

In relation to Conflict of Interest

- 6.1 A conflict of interest is a conflict between the public duty and the private interest of an individual in which that individual private capacity interest could improperly influence the performance of their Council duties and responsibilities.
- 6.2 Employees may hold interests for which they cannot see obvious potential conflict. However, caution is always advisable because others may see it differently. It will be important to exercise judgement and to declare such interests where there is otherwise a risk of imputation of improper conduct. The perception of an interest can be as damaging as an actual conflict of interest.
- 6.3 The Council requires all employees to declare the following interests:
- a direct or indirect financial interest in any contracts with the Council or under consideration by the Council. The financial interests of a person with whom you live also counts for this purpose (this is a requirement of Section 117 of the Local Government Act 1972; it is potentially a criminal offence not to declare such an interest);
 - a financial interest or employment or other role in any business or organisation which has a business, funding or regulatory relationship with the Council;
 - any personal membership that they or their partner/relative/close friend may have with any organisation or association not open to the public without formal membership and/or commitment of allegiance and/or has secrecy about rules or membership or conduct;
 - any partner/relative/close friend who has an interest in an organisation which could have a relationship with the Council; and
 - any partner/relative/close friend who works for the Council or is a BCP councillor.

This list is not exhaustive, employees should additionally refer back to 6.2 and consider whether their specific job role or personal circumstance requires any further declaration.

- 6.4 Appendix A includes the definitions of the terms used in this section.

In general terms – Relating to receiving gifts and hospitality

- 6.5 If it is likely that a typical member of the public would think that a specific gift or incidence of hospitality is inappropriate, then it probably is and should therefore be declined. It is always better to be cautious and politely decline any offer of a gift or hospitality.
- 6.6 The overriding principle is that employees should not compromise their position as public service workers by accepting gifts or hospitality and allowing themselves to reach the position where they might be, or might be thought by others to have been, influenced in making a certain decision as a consequence.
- 6.7 Employees must:

- Treat any offer of a gift or hospitality if it is made to them personally with extreme caution;
- Not receive any payment or fee other than their salary;
- Never accept cash or cheques or other monetary gifts (including gift vouchers) of any kind*;
- Always refuse offers of gifts, hospitality or services to them (or their family members) from organisations or persons who do, or might, provide work, goods or services, to the Council or who require a decision from the Council**; and
- Always report any such offers above to their line manager.

*Any exceptions to this specific policy bullet point must be agreed in writing by the Chief Executive and lodged with the Monitoring Officer.

**Incidental promotional gifts, such as calendars, diaries, pens, mugs etc. may be accepted, but should be declared if the total estimated value is £25 or more.

In specific terms – Relating to receiving gifts

- 6.8 A gift is any item or service that an employee receives free of charge. It also includes any goods or services which are personally offered at a discounted rate or on terms not available to the general public. It does not include staff offers / discounts which are negotiated corporately.
- 6.9 When deciding whether or not to accept an offer of a gift, the context is very important. An offer from an organisation seeking to do business with or provide services to the Council or in the process of applying for permission or some other decision from the Council should not be accepted, regardless of the value of the gift. By contrast, a gift estimated to be worth less than £25 given at Christmas by a service user as a gesture of appreciation to an employee will generally be acceptable.
- 6.10 Employees must declare (on Form 1 or Form 2 as appropriate) all instances where gifts are accepted or where they are declined except in these specific circumstances:
- Employees may accept a gift which is a one-off or infrequent gesture, from a service user and which has only a small or token value, estimated to be less than £25 in value, without making a declaration or obtaining the approval of a more senior officer.
 - If the gift is from a representative of an organisation or persons who, or might, provide work, goods or services to the Council or who require a decision from the Council and is incidental promotional items such as a calendar, diary, pen etc with an estimated total combined value of less than £25, then these may be accepted without needing to be declared.
- Note, employees should always politely and courteously decline a gift if the estimated value is more than £25 or becomes more frequent than one-off.*
- 6.11 If as a result of their employment an employee becomes aware that he or she is likely to become a beneficiary in a service user's Will, this must always be reported to their line manager and Service Director to consider any appropriate action. If as a result of their employment an employee becomes a beneficiary in a service user's Will, this must always be reported to their line manager and Service Director. The employee must not accept the bequest, regardless of its size or value unless granted explicit permission by their Service Director. Permission is very unlikely to be granted unless the legacy is of little financial value, such as a sentimental item.
- 6.12 In exceptional circumstances a gift from a third-party representative (not a service user) may be accepted if the employee is accepting the gift of behalf of the Council (or

residents) and they deem that refusing the gift would cause significant offence; for example, a gift from a 'twinning association'. In this circumstance the relevant Corporate Director or Service Director must be informed as soon as possible, and they will decide what will happen to the gift and will complete an officer decision record.

In specific terms – relating to receiving hospitality

- 6.13 Hospitality is the offer of food, drink, accommodation or entertainment or the opportunity to attend any cultural or sporting event offered as a result of being employed by BCP Council.
- 6.14 Employees may accept hospitality including invitation to events or functions where the employee is demonstrably representing the Council. e.g. opening ceremonies, trade shows, events where they are invited to speak, events hosted or sponsored by the Council, working lunches provided to enable the parties to continue to discuss business, refreshments offered in connection with any meeting, meals or refreshments funded by other public sector partners as part of joint working or collaboration, meals or refreshments provided as part of a ceremony or event to promote or launch a project or initiative supported by the Council.
- 6.15 Hospitality accepted, after applying 6.14 above, must be declared (on Form 1 or Form 2) as appropriate if the estimated value is more than £50. Hospitality accepted, as per 6.14 above, does not need to be declared if the estimated value is less than £50.
- 6.16 The following hospitality should not be accepted***:
- hospitality of any kind attended in the employee's own time and/or where the employee is not demonstrably representing the Council;
 - hospitality offered to a partner/relative/close friend (of the employee);
 - hospitality from a tenderer in the immediate period before tenders are invited or during the tender process. If employees are carrying out site visits as part of the tender process, they can accept the offer of light refreshments (only) provided it is proportionate and not extravagant;
 - Lavish or extravagant hospitality including meals; or
 - Offers of holidays, overnight stays, air or rail travel, use of a company's own holiday accommodation, after dinner speaker celebrity events, sporting or cultural events (e.g. theatre tickets, football match, golfing event).

***Any exceptions to these specific policy bullet points must be agreed in writing by the Chief Executive and lodged with the Monitoring Officer.

- 6.17 Hospitality declined, after applying 6.16 above, must be declared (on Form 1 or Form 2 as appropriate) if the estimated value is more than £50. Hospitality declined, as per 6.16 above, does not need to be declared if the estimated value is less than £50.

In specific terms – relating to giving hospitality

- 6.18 Only Service Directors, Corporate Directors and the Chief Executive have authority to approve expenditure to give hospitality; where they consider this to be in the interests of the service or the Council and is capable of public justification.

In specific terms – relating to BCP Council receiving and giving sponsorship or donations

6.19 Where an external organisation or individual wishes to sponsor a BCP Council activity, whether by invitation, tender, negotiation or voluntarily, or make a donation to the Council this policy will apply. Only Service Directors, Corporate Directors and the Chief Executive can approve acceptance of sponsorship or donations, where they consider this to be in the interests of the service or the Council and is capable of public justification, including consideration of the following criteria:

- Does the sponsorship/donation contribute to the Council's Corporate Objectives?
- Is there a risk of damage to the Council's reputation?
- Could it be construed as influencing Council decisions, for example, procurement?
- Will there be any additional or on-going resource requirements associated with the donation (e.g. officer time, maintenance costs)?

6.20 From time to time BCP Council sponsors, or gives grants for, sporting and cultural events such as exhibitions, plays or performances, or games. No employee or any member of the employee's family should receive any benefit from such sponsorship or grant in a direct or indirect way without there being full disclosure, in advance of the award, to their line manager (and must declare on Form 1 or 2 as appropriate).

7 How to use this policy

7.1 Whilst implementing the requirements of this policy employees must follow the 'Procedures for declaring interests, gifts and hospitality (accepting and declining)' in Appendix B.

8 Roles and responsibilities

8.1 Core roles & responsibilities of all Employees

- Make a personal declaration to their Line Manager/Team Leader/Head of Service and keep this declaration up to date as required (Form 1 or Form 2 as appropriate).
- Nil declarations are required for employees who use their own discretion to make eligibility decisions, award decisions or grant permissions (for example planning officers and officers who approve grants). Where local service arrangements exist this policy requirement must also be complied with.
- Work with the Line Manager/Team Leader/Head of Service to agree any mitigation (of conflict risks) actions or strategy.
- Maintain discussion with the Line Manager/Team Leader/Head of Service at one to one meetings to ensure on-going review of the mitigation actions or strategy.
- Declare on Form 1 or Form 2 as appropriate any gifts or hospitality accepted or declined (*One-off gifts from a service user or incidental promotional items such as calendars and pens, with a total estimated value of less than £25, do not need to be declared*).

8.2 Additional roles & responsibilities of Line Managers/Team Leaders/Heads of Service

- Regularly promote and ensure Policy compliance in their teams/service areas.
- Where a potential conflict of interest is declared by an employee, assess any risk to the Council and the employee.
- Work with the employee to agree any mitigation (of conflict risks) actions or strategy and document this on the employee's declaration (Form 1 or Form 2 as appropriate).
- Escalate to the Service Director any issues that cannot be satisfactorily agreed.
- Ensure all completed Form 1s are held centrally within the Service Directorate.

- Maintain discussion with the employee at one to one meetings to ensure on-going review of the mitigation actions or strategy.
- Lead on any disciplinary action that may be necessary where employees have failed to comply with this Policy.

8.3 Additional roles & responsibilities of Heads of Service (Tier 4 officers, including any acting)

- Make a personal declaration on Form 2 of interests, gifts and hospitality (accepted and declined), to the Monitoring Officer; nil declarations are required, and officers must keep this declaration up to date as required.

8.4 Additional roles & responsibilities of Service Directors (Tier 3 officers, including any acting)

- Make a personal declaration on Form 2 of interests, gifts and hospitality (accepted and declined), to the Monitoring Officer; nil declarations are required, and officers must keep this declaration up to date as required.
- Regularly promote and ensure Policy compliance in their teams/service areas.
- Securely & confidentially store (for their Service area) all employee declarations of interest, gifts and hospitality accepted and declined in the prescribed BCP Council format (Form 1).
- Determine any mitigation (of risk) actions or strategy in escalation instances, where the employee, Line Manager/Team Leader/Head of Service have been unable to agree.
- Escalate to the Corporate Director any issues that cannot be satisfactorily agreed.
- In exceptional circumstance, determine what happens to gifts which have been wrongly accepted by an employee in their service area.
- In the case of an employee being a beneficiary in a service user's Will, determine the appropriate course of action in line with 6.11.
- Lead on any disciplinary action that may be necessary where a line manager/team leader/head of service has failed to comply with this Policy.

8.5 Additional roles & responsibilities of Corporate Directors (Tier 2 officers, including any acting)

- Make a personal declaration on Form 2 of interests, gifts and hospitality (accepted and declined), to the Monitoring Officer; nil declarations are required, and officers must keep this declaration up to date as required.
- Promote and ensure Policy compliance in their teams/service areas.
- Seek annual assurance from Service Directors that arrangements relating to this policy are operating effectively within their directorates.
- Lead on any disciplinary action that may be necessary where a Service Director (Tier 3 officer) has failed to comply with this Policy.

8.6 Additional roles & responsibilities of the Monitoring Officer

- Make a personal declaration on Form 2 to the Chief Executive, of interests, gifts and hospitality (accepted and declined); nil declarations are required, and the Monitoring Officer must keep this declaration up to date as required.
- Promote and ensure Policy compliance in their teams/service areas.
- Securely & confidentially store Head of Service, Service Director, Corporate Director and Chief Executive (Council Tier 4 officers and above) declarations of interest, gifts and hospitality accepted and declined in the prescribed BCP Council format.
- Prepare an annual report to the BCP Audit & Governance Committee summarising the declarations of interest, gifts and hospitality (accepted and declined) of the Council's Tier 4 officers and above.

8.7 Additional roles & responsibilities of the Chief Executive

- Make a personal declaration on Form 2 of interests, gifts and hospitality (accepted and declined), to the Monitoring Officer; nil declarations are required, and the Chief Executive must keep this declaration up to date as required.
- Promote and ensure Policy compliance amongst the Corporate Management Board (CMB).
- Securely store the Monitoring Officer's declarations of interest, gifts and hospitality accepted and declined in the prescribed BCP Council format.
- Lead on any disciplinary action that may be necessary where a Corporate Director (Tier 2 officer) has failed to comply with this Policy.

9 Enforcement and sanctions

- 9.1 Employees must comply with the requirements in this Policy. Failure to do so is a disciplinary matter, and disciplinary action may be taken, regardless of whether the actions amount to a criminal offence.
- 9.2 Criminal charges will apply if an employee fails to declare an interest in a contract or proposed contract or they or a relative have abused their position to influence Council contracts for their or their relative's gain.
- 9.3 It is also a criminal offence for any employee to demand or accept a gift or reward in return for allowing oneself to be influenced as a local government employee.

10 Further information and evidence

- 10.1 Employees should be aware that:
- Under the Bribery Act 2010, both individuals and organisations are liable for conviction in court, imprisonment and/or fines if found guilty of an offence;
 - Fraud is defined as "deliberate deception intended to provide a direct or indirect personal gain"; and that
 - Corruption is defined as the "abuse of entrusted power for private gain".
- 10.2 Any queries or concerns about whether a particular interest or offer of, or the receipt of a gift or hospitality is appropriate, or if any clarification is required about this policy employees should approach their line manager in the first instance.
- 10.3 If a line manager is unable to answer the query, the line manager, can seek clarification from the Head of Audit & Management Assurance, the Head of Human Resources or the Monitoring Officer.

Consultees

The following individuals/groups have been consulted during this year's evolution of this policy:

Name
Internal Audit
Statutory Officers Group

Equalities Impact Assessment

Assessment date	Reviewed as part of this years' evolution. Minor amendments have been made which have been assessed by Service Unit Equality Champion as having no equalities impacts. Updated EIA assessment as per Appendix D.
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Document Control

Approval body	Audit & Governance Committee
Approval date	7 March 2024
V2020.1 – March 2020	Policy introduced w.e.f. 1 st April 2020.
V2021.1 – March 2021	Annual policy refresh. Introduced Nil declarations requirement for employees who use their own discretion to make eligibility decisions, award decisions or grant permissions (using Form 1). Some minor wording amendments. Amended Tier 2 Officer requirements relating to assurance from Service Directors. Appended EIA screening tool.
V2022.1 – March 2022	Annual policy refresh. Clarified need to for employees to comply with this policy when using their own discretion to make eligibility decisions, award decisions or grant. Added responsibility of Line Managers/Team Leaders/ Heads of Service to ensure all completed Form 1's are held centrally within the Service Directorate. Added responsibility of Service Directors to, in the case of an employee being a beneficiary in a service user's Will, determine the appropriate course of action. Updated definition of corruption as "abuse of entrusted power for private gain". Introduced Officer decision record required for the acceptance of gifts that are done to avoid causing significant offence. Clarified that the Gifts flowchart does not apply to a gift from a third-party representative (not a service user) which may be accepted if the employee is accepting the gift of behalf of the Council (or residents) and they deem that refusing the gift would cause significant offence. Amended Gifts flowchart to clarify that any gift of value over £25 from a representative of organisation or persons who do, or might, provide work, goods or services to the Council or who require a decision from the Councils should never be accepted. On Forms 1 and 2 added sections for the approving manager to detail why they have made their decision about the declaration/gift/hospitality. Added Appendix E – Frequently Asked Questions. Added if as a result of their employment an employee becomes a beneficiary in a service user's Will, this must always be reported to their line manager and Service Director and also clarified that permission to accept is very unlikely to be granted unless the legacy is of little financial value, such as a sentimental item.
V2023.1 – March 2023	Annual policy refresh. List of areas the Council requires all employees to declare interests expanded to include consideration if their job role or personal circumstance requires any further declaration (and added to Appendix B flowchart). Guidance added on the Council giving/receiving donations and clarification made for giving/receiving sponsorship. Additional clarification made of terms used re officer tiers in Appendix A.
V2024.1 – March 2024	Added In Year Minor Amendments and Editing Log. Added confidentially store declarations to responsibilities of Service Directors and the Monitoring Officer.

In Year Minor Amendments and Editing Log

The Chief Finance Officer & Monitoring Officer have primary responsibility for developing, maintaining, and implementing the RIPA & IPA Policy. Where changes affect the powers or responsibilities of councillors approval of the Audit & Governance Committee is required.

It is recognised there may be a need to clarify or update certain elements of the Declaration of Interests, Gifts & Hospitality Policy from time to time, this may require minor amendments or editing. The Chief Finance Officer has delegated to the Head of Audit & Management Assurance the ability to make minor amendments and editing changes. Any such changes will be logged in the table below.

Date	Description of amendments or editing	Page
-	-	-

Appendix A – Definitions of terms (relevant to para 6.3)

“Partner” means a spouse, civil partner or the other member of a couple consisting of two people who are not married to each other but are living together as a couple.

“Close Friend” means someone who you know well and whom you regard with liking, affection or loyalty. A closer relationship is implied than that of mere acquaintance or work colleague.

“Relative” means a parent, grandparent, child, grandchild, sibling, aunt, uncle, niece, nephew, cousin, step-child/sibling/parent, mother/father/son/daughter/brother/sister in-law. All of the aforementioned include adoptive relationships and relationships of full blood or half blood and including the relatives of the employee’s partner. For these purposes, relative also includes a guardian or special guardian or ward.

“Business” means any company, partnership or other business arrangement in which the employee has an interest, whether in the form of shares, dividends, bonds, or otherwise and where the value of that interest exceeds 5% of the value of the business. Business also includes any business in which the employee is employed.

“Business Interest” and “business relationship” shall be construed in relation to the terms “Business” and relationship to “Partner”, Close Friend” and “Relative” above.

“Business Associate” means a person with whom the employee has a business relationship.

“Tier 4 officer or above” = Head of Service, Service Director, Corporate Director, Chief Executive.

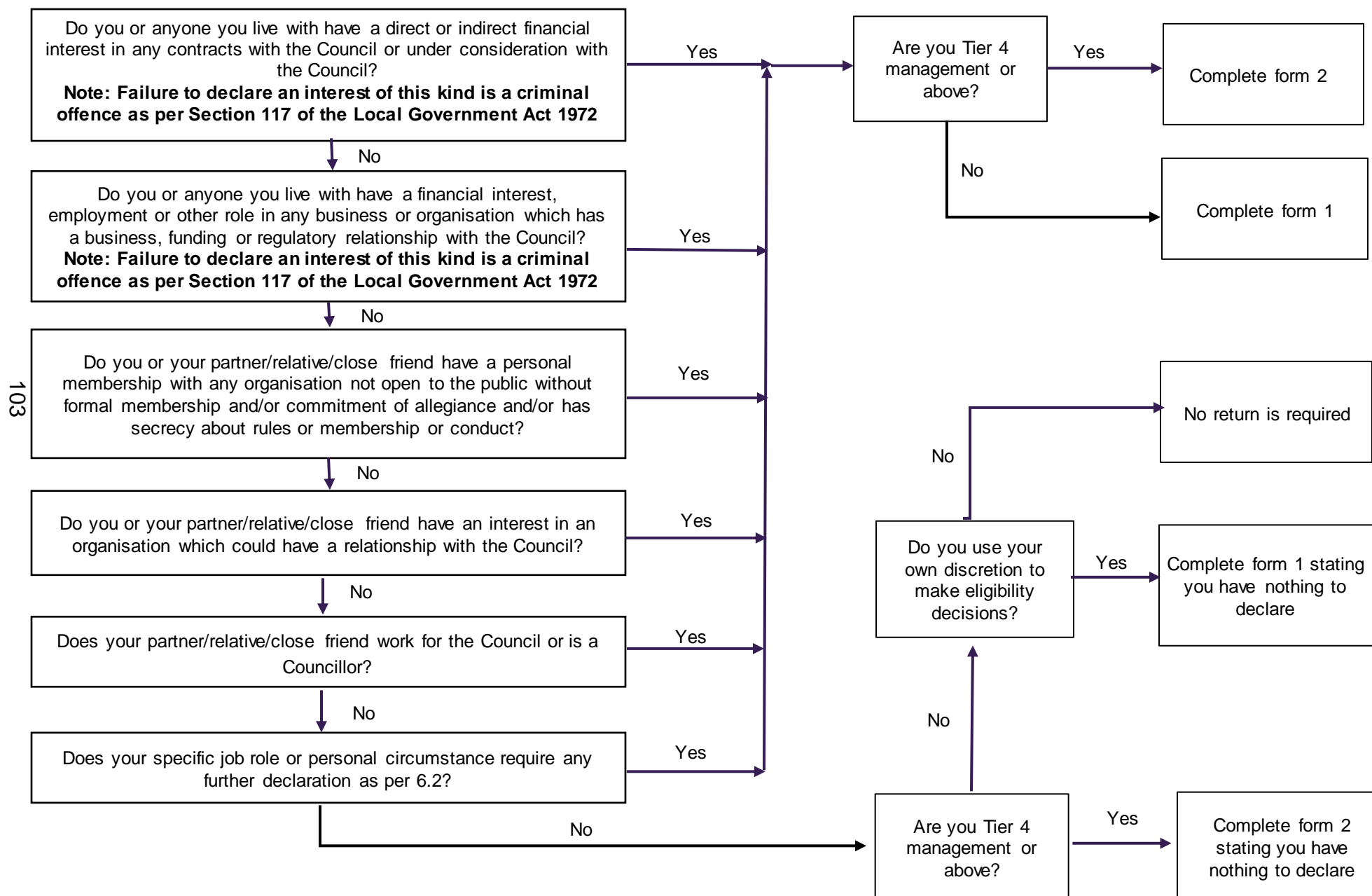
“Tier 4 officer” = Head of Service or equivalent (senior officer who formally reports directly to a Tier 3 officer)

“Tier 3 officer” = Service Director

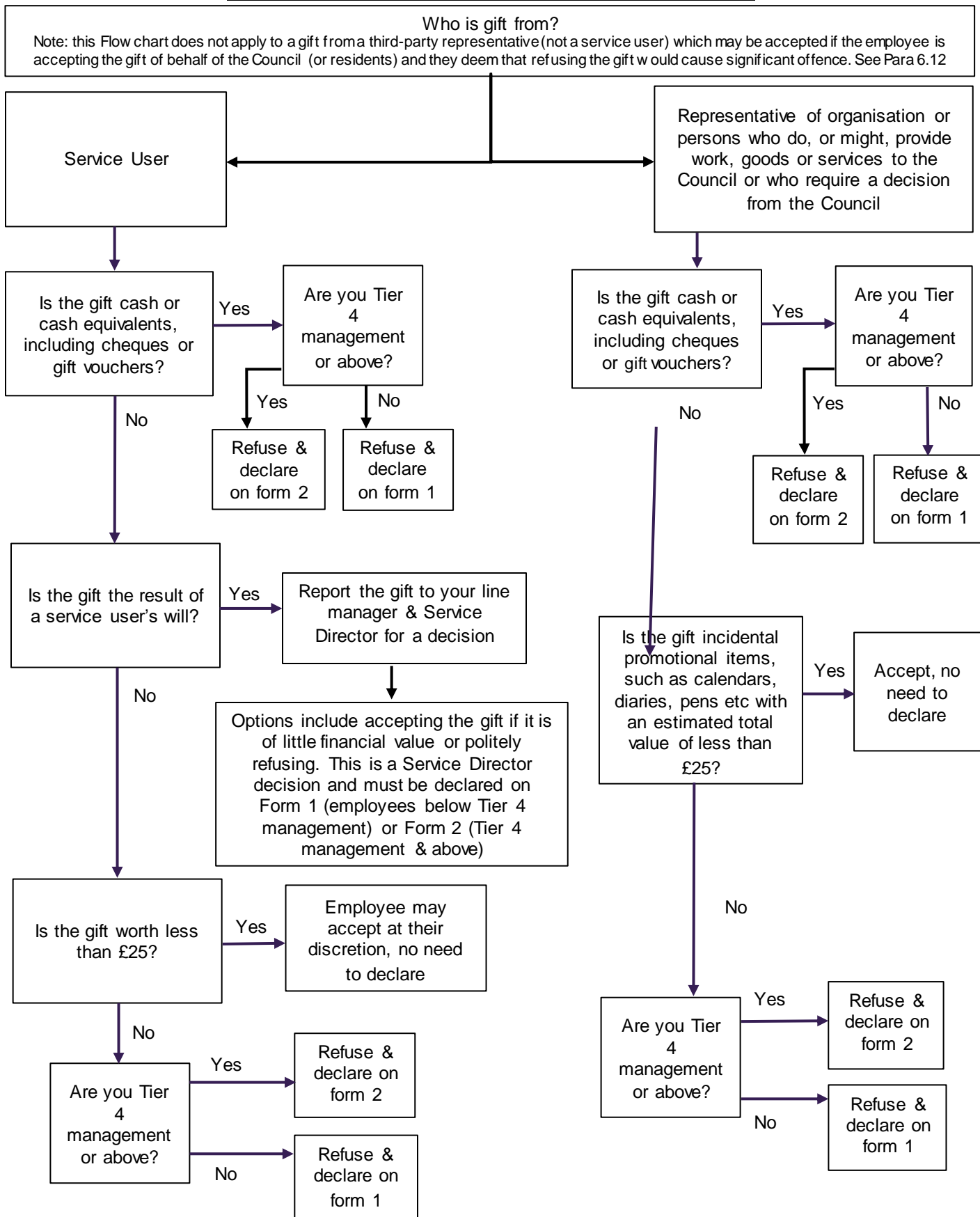
“Tier 2 officer” = Corporate Director

“Tier 1 officer” = Chief Executive

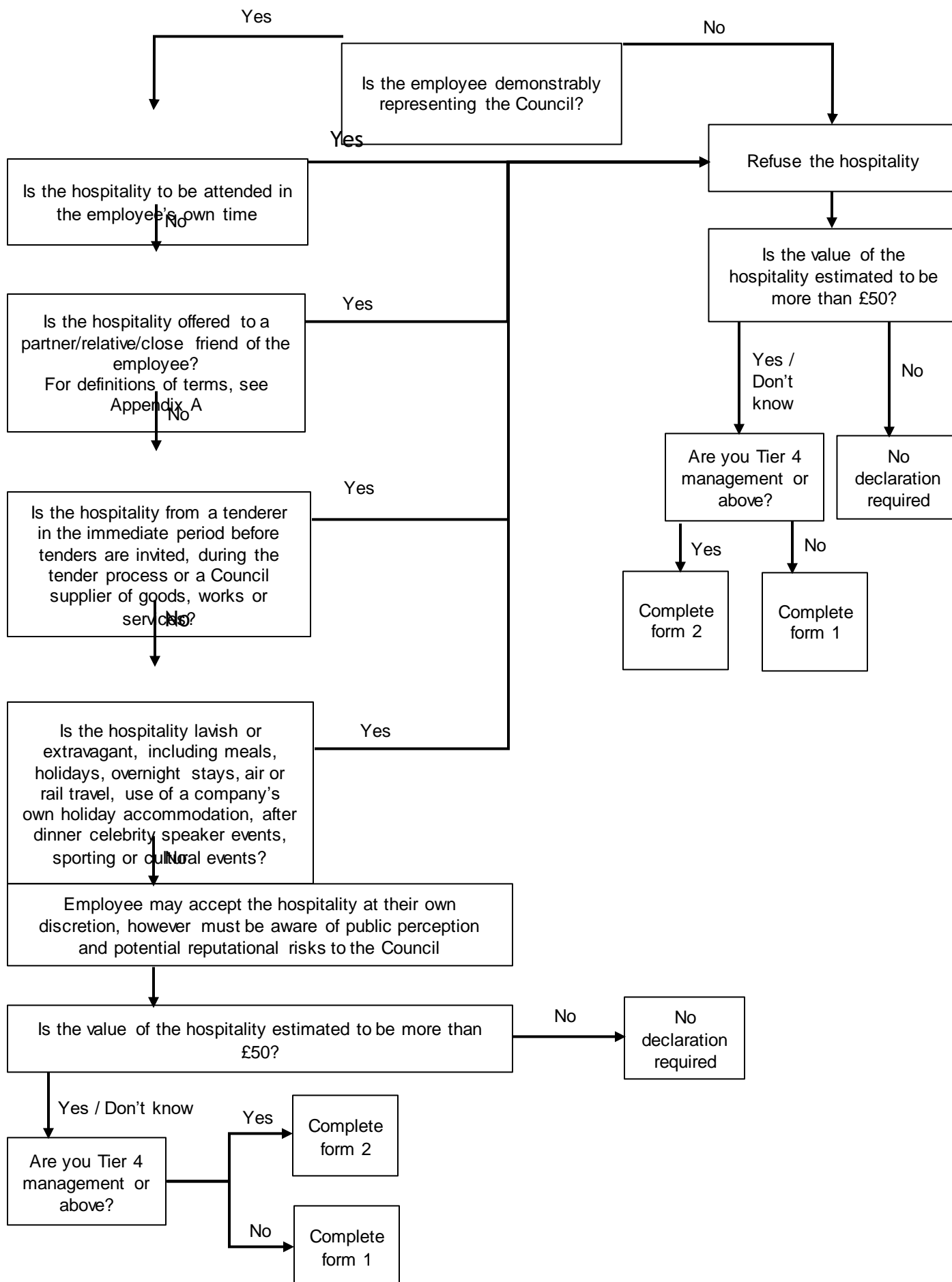
Declarations of Interest procedure (6.1 to 6.3)



BCP Gifts Flowchart (6.8 to 6.12)



Hospitality flowchart (6.13 to 6.17)



DECLARATION OF INTEREST, GIFTS OR HOSPITALITY



FORM 1

PART A – To be completed by the employee making the declaration																	
Employee Name:																	
Job Title:																	
Service:																	
Section / Team:																	
Date of Declaration:																	
Type of Declaration:	<table border="0"> <tr> <td>Other Employment</td> <td><input type="checkbox"/></td> <td>Close Personal Relationship</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Gift and / or Hospitality</td> <td><input type="checkbox"/></td> <td>Financial Interest</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Business Interest</td> <td><input type="checkbox"/></td> <td>Personal / Other Interest</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Organisation not open to the Public</td> <td><input type="checkbox"/></td> <td>'Nil' Return</td> <td><input type="checkbox"/></td> </tr> </table>	Other Employment	<input type="checkbox"/>	Close Personal Relationship	<input type="checkbox"/>	Gift and / or Hospitality	<input type="checkbox"/>	Financial Interest	<input type="checkbox"/>	Business Interest	<input type="checkbox"/>	Personal / Other Interest	<input type="checkbox"/>	Organisation not open to the Public	<input type="checkbox"/>	'Nil' Return	<input type="checkbox"/>
Other Employment	<input type="checkbox"/>	Close Personal Relationship	<input type="checkbox"/>														
Gift and / or Hospitality	<input type="checkbox"/>	Financial Interest	<input type="checkbox"/>														
Business Interest	<input type="checkbox"/>	Personal / Other Interest	<input type="checkbox"/>														
Organisation not open to the Public	<input type="checkbox"/>	'Nil' Return	<input type="checkbox"/>														
<p>Please provide as much detail as possible in relation to your declaration.</p> <p>In the case of other employment, please include details relating to who the other employer will be, the nature of the role (including duties and responsibilities) and the times/days that you are proposing to work.</p> <p>In the case of gifts and hospitality received, please include details of the donor, the reason for the offer and the estimated value.</p> <p>In the case of a close personal relationship with a fellow employee, please provide details of that person.</p>																	
Please forward your completed form to your line manager for consideration.																	
PART B - To be completed by the approving manager																	

The Manager is responsible for considering the contents of this form and making a decision on the declaration.	
I confirm that I consider:	Please tick
The declared personal interest or offer of gift or hospitality to be acceptable within the employee's role and no further action is required	<input type="checkbox"/>
Reason(s) why this declaration is acceptable	
The declared personal interest or offer of gift or hospitality to be acceptable within the employee's role, providing that the changes and/or actions detailed below are completed.	<input type="checkbox"/>
Reason(s) why this declaration is acceptable subject to the following changes and mitigating actions	
The declared personal interest or offer of gift or hospitality to be unacceptable within the employee's role for the reasons detailed below.	<input type="checkbox"/>
Reason(s) why this declaration is unacceptable and action to address	
Line Manager's Name:	
Job Title:	
Date:	
A copy of the completed form should be e-mailed to the employee and a copy held centrally within the Service Directorate	

DECLARATION OF INTEREST, GIFTS OR HOSPITALITY



FORM 2 (for Tier 4 Officers and above)

PART A – To be completed by the employee making the declaration																	
Employee Name:																	
Job Title:																	
Service:																	
Date of Declaration:																	
Type of Declaration:	<table border="0"> <tr> <td>Other Employment</td> <td><input type="checkbox"/></td> <td>Close Personal Relationship</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Gift and / or Hospitality</td> <td><input type="checkbox"/></td> <td>Financial Interest</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Business Interest</td> <td><input type="checkbox"/></td> <td>Personal / Other Interest</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Organisation not open to the Public</td> <td><input type="checkbox"/></td> <td>'Nil' Return</td> <td><input type="checkbox"/></td> </tr> </table>	Other Employment	<input type="checkbox"/>	Close Personal Relationship	<input type="checkbox"/>	Gift and / or Hospitality	<input type="checkbox"/>	Financial Interest	<input type="checkbox"/>	Business Interest	<input type="checkbox"/>	Personal / Other Interest	<input type="checkbox"/>	Organisation not open to the Public	<input type="checkbox"/>	'Nil' Return	<input type="checkbox"/>
Other Employment	<input type="checkbox"/>	Close Personal Relationship	<input type="checkbox"/>														
Gift and / or Hospitality	<input type="checkbox"/>	Financial Interest	<input type="checkbox"/>														
Business Interest	<input type="checkbox"/>	Personal / Other Interest	<input type="checkbox"/>														
Organisation not open to the Public	<input type="checkbox"/>	'Nil' Return	<input type="checkbox"/>														
<p>Please provide as much detail as possible in relation to your declaration.</p> <p>In the case of other employment, please include details relating to who the other employer will be, the nature of the role (including duties and responsibilities) and the times/days that you are proposing to work.</p> <p>In the case of gifts and hospitality received, please include details of the donor, the reason for the offer and the estimated value.</p> <p>In the case of a close personal relationship with a fellow employee, please provide details of that person.</p>																	
<p>Please forward your completed form to your line manager for consideration</p>																	

PART B - To be completed by the approving manager

The Manager is responsible for considering the contents of this form and making a decision on the declaration. In situations where the declaration relates to a Service Director, approval should be sought from the relevant Corporate Director. For declarations involving a Corporate Director and the Chief Executive, approval should be sought from the Monitoring Officer (i.e. Director of Law & Governance). For the Monitoring Officer's declaration, approval should be sought from the Chief Executive.

I confirm that I consider:

Please tick

The declared personal interest or offer of gift or hospitality to be acceptable within the employee's role and no further action is required.

☐

Reason(s) why this declaration is acceptable

The declared personal interest or offer of gift or hospitality to be acceptable within the employee's role, providing that the changes and/or actions detailed below are completed.

☐

Reason(s) why this declaration is acceptable subject to the following changes and mitigating actions

The declared personal interest or offer of gift or hospitality to be unacceptable within the employee's role for the reasons detailed below.

☐

Reason(s) why this declaration is unacceptable and action to address

The declared 'Nil' Return to be acceptable.

☐

Line Manager's Name:

Job Title:

Date:

A copy of the completed form should be e-mailed to the employee and to the monitoring.officer@bcpcouncil.gov.uk.

Appendix D - Equality Impact Assessment: conversation screening tool

Policy/Service under development/review:	Declaration of Interests, Gifts & Hospitality
What changes are being made to the policy/service?	Annual policy refresh including minor amendments such as noting the need to store declarations confidentially and clarification of terms used.
Service Unit:	Finance
Persons present in the conversation and their role/experience in the service:	Chief Internal Auditor Service Equality Champion
Conversation dates:	08/02/2024
Do you know your current or potential client base? Who are the key stakeholders?	Key stakeholders are all BCP Council employees, including casual, part-time and temporary staff including those supplied by employment agencies
Do different groups have different needs or experiences in relation to the policy/service?	All characteristics have been considered, and no groups with different needs or experiences have been identified as a result of these changes
Will the policy or service change affect any of these service users?	No as these changes apply equally to all BCP Council employees
What are the benefits or positive impacts of the policy/service change on current or potential service users?	None identified
What are the negative impacts of the policy/service change on current or potential service users?	None identified
Will the policy or service change affect employees?	Yes, as this policy applies to all BCP Council employees
Will the policy or service change affect the wider community?	No, as this policy only affects BCP Council employees
What mitigating actions are planned or already in place for those negatively affected by the policy/service change?	No negative impacts have been identified, thus no mitigating actions are required
Summary of Equality Implications:	No equalities implications have been identified as a result of the changes to this policy

Appendix E – Frequently Asked Questions

Not sure if you need to make a declaration? read through these FAQ or scenarios to help you decide.

Are you an Officer who is below Tier 4? *Tier 4 officer or above = Head of Service, Service Director, Corporate Director, Chief Executive.*

- You must complete a 'base' declaration (Form 1) but only if you have something to declare, your completed declaration needs to be sent to your Service Director who is responsible for keeping it safe and confidential in a local record.
- Keep your 'base' declaration up-to-date in as near to real time as possible, to do this in practice simply add whatever needs adding or deleting from your base declaration and re-send to your Service Director.

Are you a Tier 4 Officer or above? *Tier 4 officer or above = Head of Service, Service Director, Corporate Director, Chief Executive.*

- You must complete a 'base' declaration (Form 2) even if you have nothing to declare, your completed declaration needs to be sent to the Monitoring officer, monitoring.officer@bcpcouncil.gov.uk who maintains the safe and confidential corporate record. This record is commonly known as the senior officer record of declarations.
- Keep your 'base' declaration up-to-date in as near to real time as possible, to do this in practice simply add whatever needs adding or deleting from your base declaration and re-send to the Monitoring Officer.

Do you recruit new staff?

As part of your induction responsibilities, you need to make all new employees aware of the BCP Policy and explain the requirement, or not depending on grade, to produce a 'base' declaration Form 1 or 2.

Are you a temporary or casual employee?

The policy applies to all BCP Council employees, including casual, part-time and temporary staff including those supplied by employment agencies. You need to make a declaration as guided by the Policy.

I cannot see any conflict, so why do I need to make a declaration? its none of the Council's business what I do in my spare time.

A conflict of interest is a conflict between the public duty and the private interest of an individual in which that individual private capacity interest could improperly influence the performance of their Council duties and responsibilities.

Employees may hold interests for which they cannot see obvious potential conflict. However, caution is always advisable because others may see it differently. It will be important to exercise judgement and to declare such interests where there is otherwise a risk of imputation of improper conduct. The perception of an interest can be as damaging as an actual conflict of interest.

What type of interests do I need to declare?

- a direct or indirect financial interest in any contracts with the Council or under consideration by the Council. The financial interests of a person with whom you live also counts for this purpose (this is a requirement of Section 117 of the Local Government Act 1972; it is potentially a criminal offence not to declare such an interest);
- a financial interest or employment or other role in any business or organisation which has a business, funding or regulatory relationship with the Council;
- any personal membership that they or their partner/relative/close friend may have with any organisation or association not open to the public without formal membership and/or commitment of allegiance and/or has secrecy about rules or membership or conduct;
- any partner/relative/close friend who has an interest in an organisation which could have a relationship with the Council; and
- any partner/relative/close friend who works for the Council or is a councillor.

What type of gifts do I need to declare?

A gift is any item or service that an employee receives free of charge. It also includes any goods or services which are personally offered at a discounted rate or on terms not available to the general public. It does not include staff offers / discounts which are negotiated corporately.

When deciding whether or not to accept an offer of a gift, the context is very important. An offer from an organisation seeking to do business with or provide services to the Council or in the process of applying for permission or some other decision from the Council should not be accepted, regardless of the value of the gift. By contrast, a gift estimated to be worth less than £25 given at Christmas by a service user as a gesture of appreciation to an employee will generally be acceptable.

Are there any gifts I can accept without making a declaration?

Employees may accept a gift which is a one-off or infrequent gesture, from a service user and which has only a small or token value, estimated to be less than £25 in value, without making a declaration or obtaining the approval of a more senior officer. Please note, employees should always politely and courteously decline a gift from a service user if the estimated value is more than £25 and/or becomes more frequent than one-off.

If the gift is from a representative of an organisation or persons who, or might, provide work, goods or services to the Council or who require a decision from the Council and is incidental promotional items such as a calendar, diary, pen etc with an estimated total combined value of less than £25, then these may be accepted without needing to be declared.

What if I have been included in someone's Will, in my capacity as a Council employee (provided a service to the individual)?

If as a result of your employment you become a beneficiary in a service user's Will, you must always report this to your line manager and Service Director. You must not accept the bequest, regardless of its size or value unless granted explicit permission by your Service Director. Permission will only be granted where the legacy is of little financial value, such as a sentimental item.

Can I accept gifts on behalf of the Council?

In exceptional circumstances a gift from a third-party representative (not a service user) may be accepted if the employee is accepting the gift of behalf of the Council (or residents) and they deem that refusing the gift would cause significant offence; for example, a gift from a 'twinning association'. In this circumstance the relevant Corporate Director or Service Director must be informed as soon as possible, and they will decide what will happen to the gift.

What type of hospitality (offered) can I accept?

Employees may accept hospitality including invitation to events or functions where the employee is demonstrably representing the Council. e.g. opening ceremonies, trade shows, events where they are invited to speak, events hosted or sponsored by the Council, working lunches provided to enable the parties to continue to discuss business, refreshments offered in connection with any meeting, meals or refreshments funded by other public sector partners as part of joint working or collaboration, meals or refreshments provided as part of a ceremony or event to promote or launch a project or initiative supported by the Council.

Hospitality accepted, fitting the above criteria, must be declared (on Form 1 or Form 2) as appropriate if the estimated value is more than £50. Hospitality accepted, fitting the above criteria, does not need to be declared if the estimated value is less than £50.

What type of hospitality (offered) must I refuse?

The following hospitality should not be accepted***:

- hospitality of any kind attended in the employee's own time and/or where the employee is not demonstrably representing the Council;
- hospitality offered to a partner/relative/close friend (of the employee);
- hospitality from a tenderer in the immediate period before tenders are invited or during the tender process. If employees are carrying out site visits as part of the tender process, they can accept the offer of light refreshments (only) provided it is proportionate and not extravagant;
- Lavish or extravagant hospitality including meals; or
- Offers of holidays, overnight stays, air or rail travel, use of a company's own holiday

accommodation, after dinner speaker celebrity events, sporting or cultural events (e.g. theatre tickets, football match, golfing event).

***Any exceptions to these specific policy bullet points must be agreed in writing by the Chief Executive and lodged with the Monitoring Officer.

Hospitality declined, after applying criteria above, must be declared (on Form 1 or Form 2 as appropriate) if the estimated value is more than £50. Hospitality declined, after applying criteria above, does not need to be declared if the estimated value is less than £50.

Can I give hospitality to colleagues or a third party and charge it to my p-card, budget or the Council more generally?

Only Service Directors, Corporate Directors and the Chief Executive have delegated authority to approve expenditure to give hospitality; where they consider this to be in the interests of the service or the Council and is capable of public justification.

What are the sanctions in place?

Failure to follow the Policy is a disciplinary matter, and disciplinary action may be taken, regardless of whether the actions amount to a criminal offence.

Criminal charges will apply if an employee fails to declare an interest in a contract or proposed contract or they or a relative have abused their position to influence Council contracts for their or their relative's gain.

It is also a criminal offence for any employee to demand or accept a gift or reward in return for allowing oneself to be influenced as a local government employee.

Who can I check with, if I have a specific question regarding this Policy?

If a line manager is unable to answer the query, you or the line manager, can seek clarification from the Head of Audit & Management Assurance, the Head of Human Resources or the Monitoring Officer.

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BCP Council Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy

April 2024

Policy Owner: Monitoring Officer and Chief Internal Auditor
Author/s: Internal Audit, Law & Governance
Version: v2024.1
Review Date: Annual evolution, next due March 2025



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1. Purpose Statement

- 1.1. This policy ensures compliance with the regulatory framework for the use of covert surveillance techniques by BCP Council as set out in the [Regulation of Investigatory Powers Act 2000 \(RIPA\)](#) and [RIPA \(Directed Surveillance and Covert Human Intelligence Sources\) Order 2010 \(and as amended 2012\)](#).
- 1.2. This policy also covers access to, or the acquisition of, Communications Data covered by the [Investigatory Powers Act \(IPA\)](#) 2016 which came into force on 11 June 2019. See 6.3.
- 1.3. Surveillance plays a necessary part in modern life. Most of the surveillance carried out by or on behalf of BCP Council will be overt. That is, there will be nothing secretive, clandestine or hidden about it. Overt surveillance is not covered by RIPA.
- 1.4. Covert surveillance is surveillance carried out in a manner calculated to ensure that the person subject to the surveillance is unaware that it is, or may be, taking place. If certain activities are conducted by council officers, then RIPA regulates them in a manner that is compatible with the [European Convention on Human Rights \(ECHR\)](#), particularly [Article 8](#), the right to respect for private and family life.
- 1.5. BCP Council will only use covert surveillance where it is proportionate to do so and where overt measures have been exhausted or are not possible. Covert surveillance will not be undertaken unless absolutely necessary.

2. Who the Policy Applies to

- 2.1. Those officers who may conduct or authorise covert surveillance investigations.
- 2.2. In most cases investigations carried out by council officers will not be subject to RIPA, as they involve overt rather than covert surveillance.

3. This Policy Replaces

- 3.1. This policy replaces the legacy policies, procedures and guidance of the three preceding authorities that now make up BCP council.

4. Approval Process

- 4.1. This policy will be approved by the Audit and Governance Committee.

5. Links to Council Strategies

- 5.1. This policy has been prepared based on Government legislation and requirements laid out under the Regulation of Investigatory Powers Act 2000 (and as amended) and taking into account accompanying guidance and codes of practice.
- 5.2. This policy links to the following BCP Council policies and strategies:
 - Information Security Policy
 - Information Governance Policy
 - Equality & Diversity Policy
 - Safeguarding Strategy

6. The Policy

- 6.1. In some circumstances, it may be necessary for BCP Council employees or contractors, in the course of their duties, to make observations of a person or person(s) in a covert manner, i.e. without that person's knowledge. By their nature, actions of this sort may constitute an interference with that person's right to privacy and may give rise to legal challenge as a potential breach of Article 8 of the European Convention on Human Rights and the Human Rights Act 1998 (‘the right to respect for private and family life’).
- 6.2. RIPA limits local authorities to using two types of covert surveillance techniques, as set out below (see Appendix A for definitions):
 - **Directed surveillance** (see Appendix C)
 - **Covert Human Intelligence Source (CHIS)** (see Appendix D)
- 6.3. IPA is the main legislation governing the **access to or acquisition of Communications data**; it does not fully replace all pre-existing RIPA requirements but does introduce some important and significant variations to authorisation and regulatory oversight in particular. The use of IPA (see Appendix A and Appendix E for more detail) is unlikely to be used by the Council.
- 6.4. Employees and contractors (where applicable) of BCP Council cannot, according to law, carry out **intrusive surveillance** (see Appendix A for definition) within the meaning of the Regulation of Investigatory Powers Act 2000 nor will they interfere with property or wireless telegraphy.
- 6.5. BCP Council employees and contractors (where applicable) will adhere to the authorisation procedure (see Appendix B) before conducting any covert surveillance.
- 6.6. Officers of BCP Council may only seek authorisation to engage in directed surveillance, to use a CHIS or to access/acquire IPA communications data where the need meets the statutory tests that it is necessary for the “prevention or detection of crime or disorder” and where it has been demonstrated to be necessary and proportionate in what it seeks to achieve. Only a Council nominated Authorising Officer can give this approval. If in any doubt, advice from the RIPA Senior Responsible Officer (SRO) or the RIPA Administrator must be sought (see roles and responsibilities section).
- 6.7. The Revised Code of Practice which came into effect in August 2018 requires the highest levels of authorisation where ‘confidential information’ is likely to be acquired and at BCP Council this is the Head of Paid Service in consultation with the RIPA SRO. Confidential information consists of matters subject to legal privilege, confidential personal information or confidential journalistic material, or where information identifies a journalist's source.
- 6.8. BCP Council will ensure the code of practice is complied with through appropriate training given to officers and annual Audit and Governance oversight of RIPA usage.
- 6.9. BCP Council is subject to audit and inspection by the Investigatory Powers Commissioner's Office (IPCO) and it is important that compliance with RIPA and accompanying guidance can be demonstrated in every case. BCP Council will hold a central record of RIPA authorisations in line with [section 8 of the Code Practice](#).
- 6.10. Types of surveillance that can and cannot be carried out by Local Authorities and further information is set out in Appendix A.

7. Authorisation of RIPA Application to a Magistrates Court

- 7.1 [Statutory Instrument 2010 No. 521](#) restricts Authorising Officers in Local Authorities to be Directors, Heads of Service or Service managers or equivalent. In BCP Council only certain officers, within these categories of managers, are designated as Authorising Officers (See section 9).
- 7.2 All other reasonable and less intrusive options to gain the required information must be considered before an authorisation is applied for and the RIPA application must detail why these options have failed or have been considered not appropriate in the circumstances of the individual investigation.
- 7.3 [The Protection of Freedoms Act 2012](#) requires that Local Authorities seeking RIPA authorisation are subject to judicial approval in the local Magistrates' Court. If the Authorising Officer authorises an application under RIPA, the application must be presented to a Magistrate for final approval. Authorisation will not take effect until a Magistrate has made an order approving the grant of the authorisation. It is vital that any surveillance for which authorisation has been sought does not start until such a time as it has been approved by a Magistrate.
- 7.4 It is necessary for the council to obtain judicial approval for all initial RIPA authorisations/applications and renewals. There is no requirement for the Magistrate to consider either cancellations or internal reviews.
- 7.5 When considering an application, the Authorising Officer must:
- Have regard to the contents of this document, the training provided and any other guidance or advice given by the RIPA SRO;
 - Satisfy themselves that the RIPA authorisation will be:
 - In accordance with the law
 - Necessary in the circumstances of the particular case; and
 - Proportionate to what it seeks to achieve;
 - Assess whether or not the proposed surveillance is proportionate considering the following elements:
 - The custodial sentence applicable to the offence being investigated
 - Balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence
 - Explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others
 - Whether the activity is an appropriate use of the legislation and a reasonable way, having considered all practical alternatives, of obtaining the necessary result
 - Evidencing, as far as reasonably practicable, what other methods had been considered and why were not implemented;
 - Take into account the risk of intrusion into the privacy of persons other than the specified subject of the surveillance (called 'collateral intrusion'), and consider whether any measures should be taken to avoid or minimise collateral intrusion as far as possible (the degree of likely collateral intrusion will also be relevant to assessing whether the proposed surveillance is proportionate);
 - Consider any issues which may arise in relation to the health and safety of council employees and agents and ensure that a risk assessment has been undertaken;
 - Ensure that the equality impact of any proposed surveillance is considered through the completion of an Equality Impact Assessment (EIA).
- 7.6 When authorising the conduct or use of a CHIS, the Authorising Officer must also:
- Be satisfied that the conduct and/or use of the CHIS is proportionate to the objective sought to be achieved;

- Be satisfied that appropriate arrangements are in place for the management and oversight of the CHIS. These arrangements must address health and safety issues by the carrying out of a formal and recorded risk assessment;
- Consider the likely degree of intrusion for all those potentially affected;
- Consider any adverse impact on community confidence that may result from the use or conduct of the CHIS or the information obtained;
- Ensure that records contain the required particulars of the CHIS and that these are not available except on a 'need to know' basis.

7.7 If an application is granted, the Authorising Officer must set a date for its review and ensure that it is reviewed on that date. Records must be kept in relation to all RIPA applications and authorisations and, to facilitate this, each investigation or operation should be given a unique reference number (URN) by the RIPA Administrator. Any subsequent forms relating to the same investigation or operation should be identified by the means of the same URN.

7.8 Authorisations will have effect until the date for expiry specified on the relevant form. They will only be granted for the designated period of three months for directed surveillance and twelve months for the use or conduct of a CHIS. No further operations should be carried out after the expiry of the relevant authorisation unless it has been renewed. It will be responsibility of the officer in charge of an investigation to ensure that any directed surveillance or use of a CHIS is only undertaken under an appropriate and valid authorisation, and therefore, they must be mindful of the date when authorisations and renewals will cease to have effect. The RIPA Administrator will perform an auditing role in this respect but the primary responsibility rest with the officer in charge of the surveillance investigation.

7.9 Authorisations will be reviewed at appropriate intervals to update the Authorising Officer on progress on the investigation and whether the authorisation is no longer required. Reviews should take place on a monthly basis unless the Authorising Officer considers they should take place more regularly. The results of the review should be recorded and retained.

7.10 Authorisations must be 'cancelled' as soon as they become unnecessary. Authorisations should not be allowed to lapse and must be formally cancelled or renewed, whichever is required, before the expiry date. The responsibility for ensuring that authorisations are cancelled rests primarily with the officer in charge of the surveillance investigation who should submit a request for cancellation to the RIPA Administrator.

7.11 If it is required, a renewal must be authorised (by a Magistrate) prior to the expiry of the original authorisation. Applications for renewal should be made on the appropriate form shortly before the original authorisation period is due to expire. The Authorising Officer must consider the matter afresh, including taking into account the benefits of the surveillance to date and any collateral intrusion that has occurred. Renewals may be granted more than once, provided the criteria for granting that authorisation are still met. However, if the reason for requiring the authorisation has changed from the purpose for which it was originally granted, then it should be 'cancelled' and new authorisation sought. Any renewal should seek to begin on the day when the original authorisation would otherwise have expired.

7.12 Following the completion of any case involving the use of RIPA a written assessment review should be undertaken by the Authorising Officer in charge of the surveillance. This written assessment should detail the information obtained and how it was used to take the case forward. The written assessment must be passed to the RIPA

Administrator and stored with any other URN records for that case be provided as part of any inspection by the IPCO.

- 7.13 Records must be maintained for a period of at least three years from the cancellation of the authorisation. Following which they shall be securely destroyed in accordance with the guidance from the council's Information Governance team on document retention.

8 How to use this Policy and Useful Documents

- 8.1 Appendix A: Surveillance that can and cannot be carried out by LA's
- 8.2 Appendix B: RIPA Authorisation Process
- 8.3 Appendix C: Does RIPA apply? Directed Surveillance Flowchart
- 8.4 Appendix D: Covert Human Intelligence Source Flowchart
- 8.5 Appendix E: Accessing Communications Data Flowchart
- 8.6 Appendix F: Equality Impact Assessment for this policy
- 8.7 [Equality Impact Assessment templates \(on the BCP Council intranet\)](#)
- 8.8 [Home Office guidance to local authorities in England and Wales on the judicial approval process for RIPA and the crime threshold for directed surveillance](#)
- 8.9 [Revised Code of Practice Covert Surveillance and Property interference](#)
- 8.10 [Revised Code of Practice Interception of Communications](#)
- 8.11 [Revised Code of Practice Covert Human Intelligence Sources](#)
- 8.12 [Home Office RIPA Forms](#)

9 Roles and responsibilities

Role	Responsibilities
Senior Responsible Officer (SRO) Director of Law & Governance (and Monitoring Officer) Deputy SRO will be Chief Executive	<ul style="list-style-type: none"> The integrity of the process in place within the council for the directed surveillance, management of CHIS and acquisition of communications data Overall responsibility for the management and oversight of requests and authorisations under RIPA Ensuring that all authorising officers are trained to an appropriate standard Ensures compliance with Part 2 of the Act and with the Home Office Codes of Practice Oversight of the reporting of errors to the relevant Commissioner and the identification of both the cause(s) of errors and the implementation of processes to minimise repetition of errors Engagement with the Investigatory Powers Commissioner's Office (IPCO) inspectors when they conduct their audits or inspections, where applicable Where necessary, oversight of the implementation of post-inspection action plans approved by the relevant oversight Commissioner
Authorising Officer Head of Public Protection Director of Housing & Communities	<ul style="list-style-type: none"> The only officers in BCP Council who can authorise applications (and renewals) under RIPA for onward consideration by a Magistrate or IPA for onward consideration by NAFN Must 'cancel' authorisations where the case has concluded and undertake reviews in relation to any investigation carried out Must not delegate their powers in relation to RIPA to any other officers <p>Note: The officer who authorises a RIPA application should also carry out the review, renewal and cancellation. If the original Authorising Officer is not available to undertake the review, renewal or cancellation, (in the case of illness or has left the Council in the interim only) this can be undertaken</p>

Chief Executive and Corporate Directors	by another Authorising Officer. In exceptional circumstances it may be necessary for the Chief Executive or a Corporate Director to act as an Authorising Officer
RIPA Administrator Head of Audit and Management Assurance Deputy RIPA Administrator will be Audit Manager (Deputy Chief Internal Auditor)	<ul style="list-style-type: none"> • Issue a unique reference number to each authorisation requested under RIPA or IPA – reference numbers will be sequential and start at BCP01. • Retain a copy of the application and authorisation together with any supplementary documentation and notification of the approval given by the authorising officer • Maintain a central RIPA records file matrix entering the required information as soon as the forms/documents are received in accordance with the relevant Home Office Code of Practice • Review and monitor all forms and documents received to ensure compliance with the relevant law and guidance in consultation with the RIPA Senior Responsible Officer and inform the Authorising Officer of any concerns • Chase failures to submit documents and/or carry out reviews/cancellations
All Staff	<ul style="list-style-type: none"> • Must not engage in directed surveillance of any type unless authorised to do so, formally by a designated Authorising Officer
Audit and Governance Committee	<ul style="list-style-type: none"> • Monitor the Council's usage of its powers under RIPA on an annual basis

10 Enforcement and Sanctions

- 10.1 Compliance with the provisions of RIPA and IPA, the Home Office Codes of Practice and this policy and procedures should protect the Council, its officers and agencies working on its behalf against legal challenge. Section 27 of RIPA states that “conduct... shall be lawful for all purposes if an authorisation...confers an entitlement to engage in that conduct on the person whose conduct it is and his conduct is in accordance with the authorisation”.
- 10.2 If correct procedures are not followed, the Council could be rendered liable to claims, complaints and significant costs (subjects of surveillance may bring their own proceedings on Human Rights grounds) and the use of the information obtained may be disallowed in any subsequent legal proceedings.
- 10.3 The Investigatory Powers Commissioner's Office (IPCO) conducts audits and inspections of the use of investigatory powers to ensure that public bodies that are authorised to use investigatory powers are doing so lawfully and in line with best practice. They produce thorough and impartial reports which support and inform the work of the IPC and the Judicial Commissioners. The IPCO also carries out ad-hoc investigations into potential non-compliance.
- 10.4 Any failure to follow this policy will be considered gross misconduct and investigated accordingly.

11 Further Information and Evidence

- 11.1 The Home Office has [Codes of practice and guidance](#) for making an application under the Regulation of Investigatory Powers Act (2000).
- 11.2 Individuals who feel that the Local Authority has applied the principles of this policy incorrectly can appeal to the IPCO.

Consultees

The following individuals/groups have been consulted during this year's evolution of this policy:

Internal Audit
Law & Governance

Equalities Impact Assessment

Assessment date	Reviewed as part of this year's evolution. Minor amendments have been made which have been assessed by Service Unit Equality Champion as having no equalities impacts. Updated EIA assessment as attached at Appendix F.
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Document Control

Approval body	Audit & Governance Committee
Approval date	7 March 2024
V1.1 April 2021	New Policy created (please note any version changes in the future will be shown in red text)
V2.1 March 2022	Policy annual review. Introduced new combined Regulation of Investigatory Powers Act and Investigatory Powers Act Policy. Clarified that the use of IPA is unlikely to be used by the Council. Introduced requirement for a Council nominated Authorising Officer to give approval for IPA communications data access/acquisition before onward consideration by NAFN. Introduced requirement for unique reference number to be obtained from the RIPA Administrator for IPA authorisation requests. Added section for Policy consultation, equalities impact assessment date and document control. Included details of full approval process for IPA in Appendix A (Surveillance that can and cannot be carried out by LA's). Some amendments made to Appendix B (RIPA Authorisation Process) including use of necessary forms and clarified surveillance can only take place until the expiry date is reached. Amendments made to Appendix E (Accessing Communications Data Flowchart) including reference to serious crime, necessary and proportionate question, need to obtain approval from Authorising Officer and assignment of unique reference number by RIPA Administrator. Some other minor wording changes made.
V3.1 March 2023	Policy annual review. Added reference and links under Section 8 to Home Office Code of Practices for Covert Surveillance and Property interference (Aug 2018), Interception of Communications (Dec 2022) and Covert Human Intelligence Sources (Dec 2022). Added links to and RIPA (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (and as amended 2012) and Investigatory Powers Act (IPA) 2016 which came into force on 11 June 2019. Also added links to the European Convention on Human Rights (ECHR), RIPA (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 Statutory Instrument 2010 No. 521 and The Protection of Freedoms Act 2012.
V4.1 March 2024	Added Contents page. Included references to Appendices C,D & E in Section 6 'The Policy'. Authorising Officer title changes – Regulatory Services Manager replaced with Head of Public Protection and Director of Communities replaced with Director of Housing & Communities. Added subjects of surveillance may bring their own proceedings on Human Rights grounds to Enforcement and sanctions Section 10. Added In Year Minor Amendments and Editing Log.

In Year Minor Amendments and Editing Log

The Chief Executive & Monitoring Officer have primary responsibility for developing, maintaining, and implementing the RIPA & IPA Policy. Where changes affect the powers or responsibilities of councillors approval of the Audit & Governance Committee is required.

It is recognised there may be a need to clarify or update certain elements of the RIPA & IPA Policy from time to time, such as in the case of legislation changes, this may require minor amendments or editing. The Senior Responsible Officer has delegated to the Head of Audit & Management Assurance the ability to make minor amendments and editing changes. Any such changes will be logged in the table below and will be reported to the Audit & Governance Committee.

Date	Description of amendments or editing	Page
-	-	-

12 Glossary

12.1 The following terms are useful to know in regards to RIPA & IPA:

- RIPA - Regulation of Investigatory Powers Act 2000
- IPA - Investigatory Powers Act
- CHIS - Covert Human Intelligence Source
- SPoC - Single Point of Contact
- SRO - Senior Responsible Officer
- IPCO - Investigatory Powers Commissioner's Office
- NAFN - National Anti-Fraud Network
- CSP- Communications Service Provider

APPENDIX A – Surveillance that can and cannot be carried out by LA's

Intrusive Surveillance

Intrusive surveillance is a specific form of covert surveillance which local authorities cannot, according to law, carry out within the meaning of the RIPA nor will they interfere with property or wireless telegraphy. The ability to undertake intrusive surveillance is limited to the Police and Security Services who, in certain circumstances and within RIPA requirements, must obtain a High Court order to authorise.

Intrusive surveillance is any form of covert surveillance taking place in any residential premise or any private vehicle.

Directed Surveillance

Directed surveillance is a specific form of covert surveillance and may only be authorised under RIPA for the purpose of preventing or detecting criminal offences that are either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months' imprisonment or are related to the underage sale of alcohol and tobacco.

As the description implies the form of surveillance is 'directed' at a specific individual or business.

Authorised directed surveillance would be needed for example, when using mobile, hidden recording devices or cameras to record what is going on in a shop selling alcohol and tobacco.

Covert Human Intelligence Source (CHIS)

A CHIS is a specific form of covert surveillance and is defined as the use of an individual to create a relationship with a subject, for the purposes of obtaining information, where the purpose of the relationship is not disclosed to the subject. Interaction with the subject of surveillance is therefore required in order for an individual to be regarded as a covert human intelligence source (CHIS).

For example, CHIS would be required for developing a relationship with a person in a shop, to obtain information about the seller's suppliers of an illegal product e.g. illegally imported products.

The provisions of RIPA relating to CHIS do not apply where a situation would not normally require a relationship to be established for the covert purpose of obtaining information. For example;

- Where members of the public volunteer information to the council as part of their normal civic duties;
- Where members of the public volunteer to make test purchases on behalf of the Council;
- Where the public contact telephone numbers set up by the council to receive information;
- Where members of the public are asked to keep diaries of incidents in relation to, for example, planning enforcement, anti-social behaviour or noise nuisance. However, in certain circumstances, RIPA authorisation may be required if the criteria in section 26(2) of the Act are met.

Activity not falling within the definition of covert surveillance requiring authorisation

Some covert surveillance activity does not constitute intrusive or directed surveillance for the purposes of Part II of the 2000 Act and no directed or intrusive surveillance authorisation is required to be obtained for such activity. Such activity includes:

- Covert surveillance by way of an immediate response to events;
- Covert surveillance as part of general observation activities;
- Covert surveillance not relating to the statutory grounds specified in the 2000 Act;

- Overt use of CCTV and ANPR systems;
- Covert surveillance authorised as part of an equipment interference warrant under the 2016 Act;
- Certain other specific situations of covert surveillance that is not directed surveillance or Covert Human Intelligence Source (CHIS) – such as covert recording of noise where the recording is of decibels only or non-verbal noise (such as machinery, music or an alarm).

Communication Data

Acquisition of Communications data is the ‘who’, ‘when’, ‘where’ and “how” of a communication, but not the ‘what’ (i.e. the content of what was said or written).

Under IPA 2016 a local authority can only obtain authorisation for less intrusive types of communications data acquisition, called Entity Data, to investigate ‘applicable crime’. Under no circumstances can local authorities be authorised to obtain traffic data under IPA.

Local authorities are not permitted to intercept the content of any person’s communications and it is an offence to do so without lawful authority.

For access to communication data, a Single Point of Contact (SPoC) is required to undertake the practical facilitation with the communications service provider (CSP) in order to obtain the data requested. The SPoC must have received training specifically to facilitate lawful acquisition of communications data and effective co-operation between the local authority and CSP. The SPoC does not need to be an officer of the authority, the National Anti-Fraud Network provides a SPoC service to local authorities and BCP have access to this on-line service.

Approval of the on-line application by an Authorising Officer under this Policy is required before a request is progressed (see Appendix E for process to follow). Approval for the acquisition of communications data must then be granted by the Office for Communications Data Authorisations (OCDA) but NAFN will arrange that. NAFN will also report statistics on the use of IPA powers to the regulator IPCO.

Social Networking Sites

The Internet may be used for intelligence gathering and/or as a surveillance tool. Where online monitoring or investigation is conducted covertly for the purpose of a specific investigation or operation and is likely to result in the obtaining of private information about a person or group, an authorisation for directed surveillance should be considered. Where a person acting on behalf of the local authority is intending to engage with others online without disclosing their identity a CHIS authorisation may be needed.

In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject(s) knowing that the surveillance is or may be taking place. Use of the internet itself may be considered as adopting a surveillance technique calculated to ensure that the subject is unaware of it, even if no further steps are taken to conceal the activity. Conversely, where reasonable steps are taken to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not be required.

Depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain, however in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as an investigation. This is regardless of whether the individual has sought to protect such information by restricting its access by activating privacy settings.

Where information about an individual is placed on a publicly accessible database, for example the telephone directory or Companies House, which is commonly used and known to be accessible to all, they are unlikely to have any reasonable expectation of privacy over the monitoring by public authorities of that information. Individuals who post information on social media networks and other websites whose purpose is to communicate messages to a wide audience are also less likely to hold a reasonable expectation of privacy.

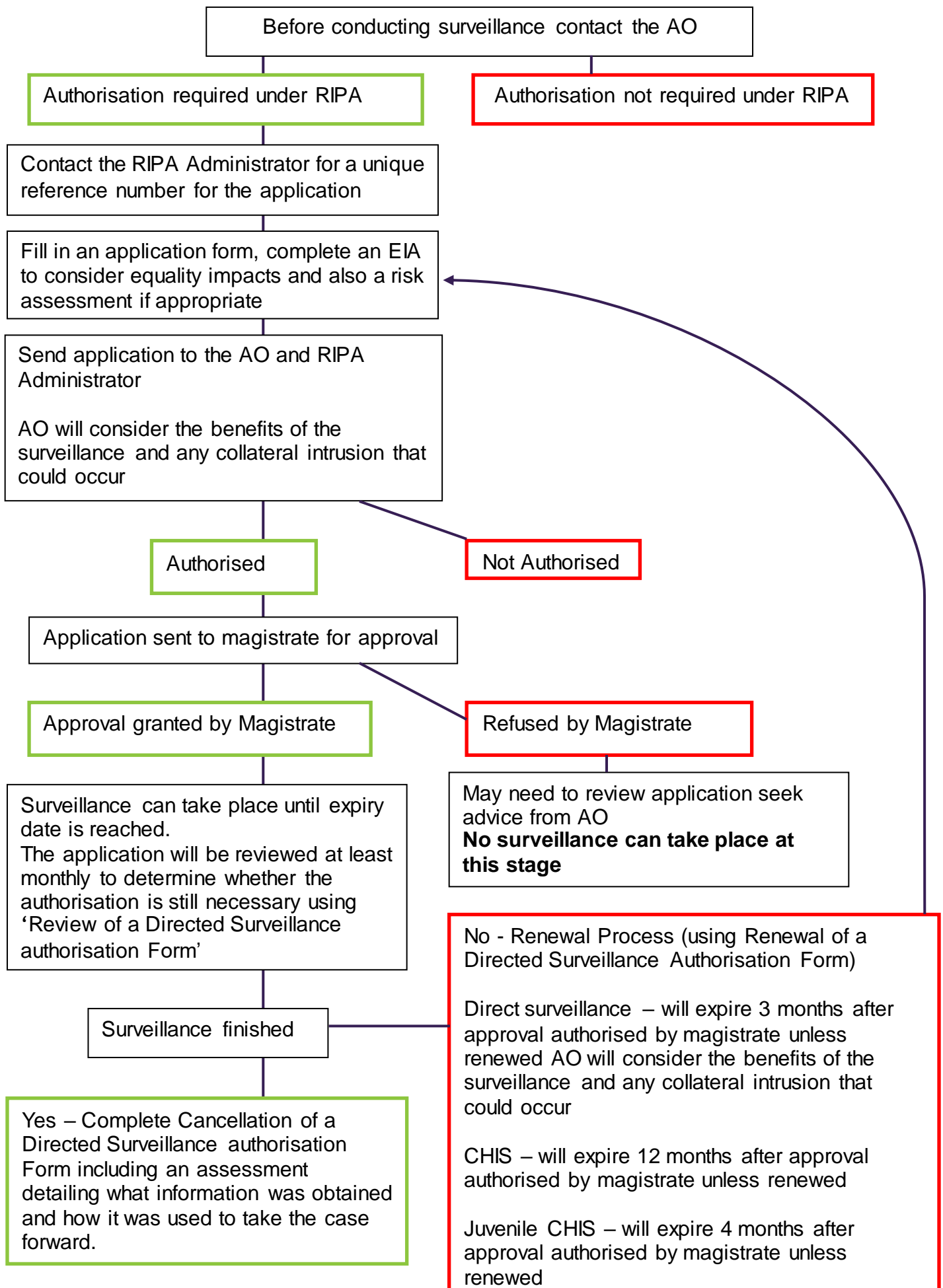
Simple reconnaissance of such sites is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation. But where information is systematically collected or recorded about a particular person or group, a directed surveillance authorisation should be considered. These considerations apply regardless of when the information was shared online.

CCTV

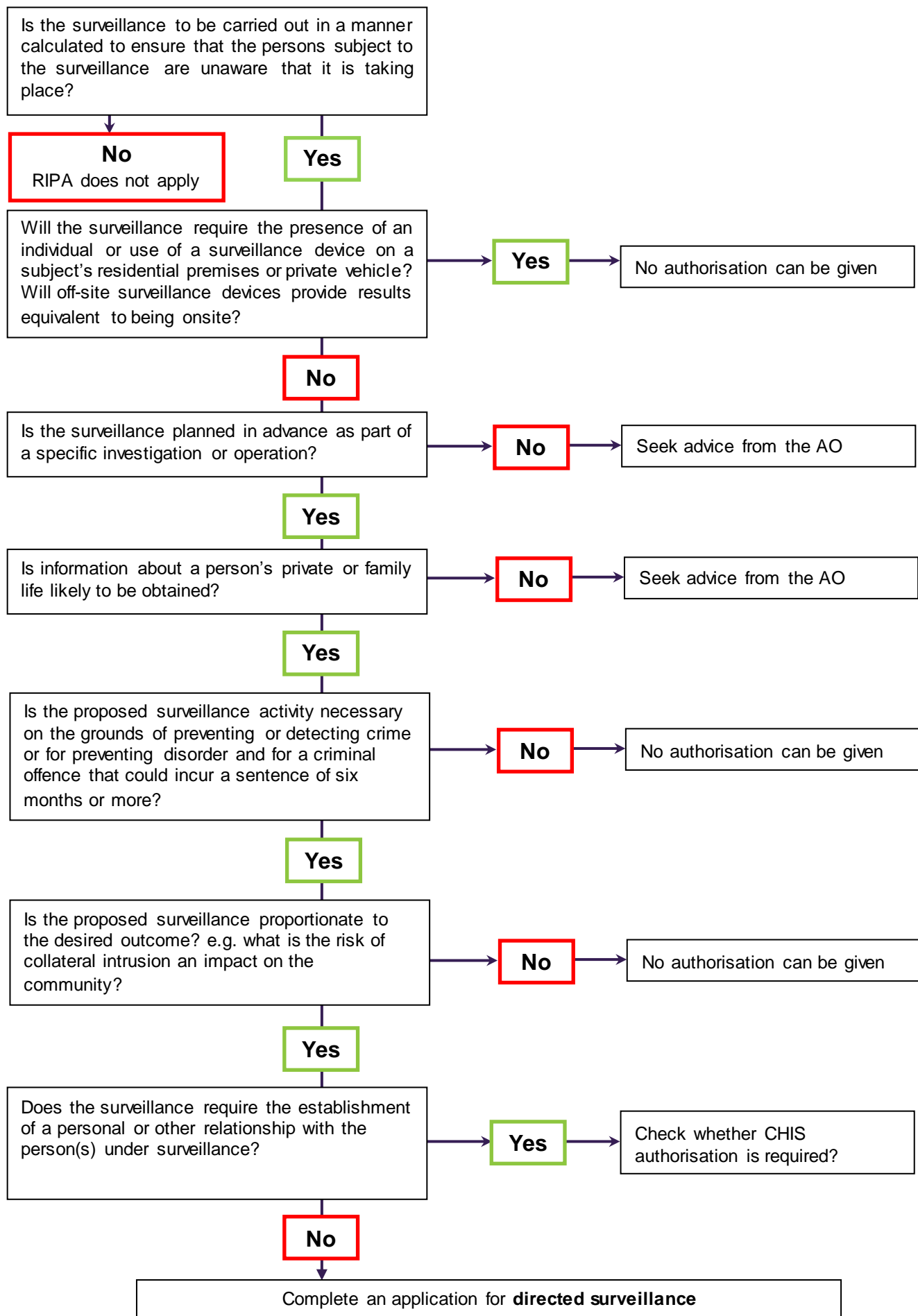
If CCTV is accompanied by clear signage, then the monitoring will be overt. If it is intended to use CCTV for covert monitoring, for example by using either hidden cameras or without any signs warning that CCTV is in operation then RIPA authorisation is likely to be required.

If a law enforcement agency wishes to use BCP Council CCTV for directed surveillance then they must provide the authorisation (redacted if necessary) and only utilise the CCTV equipment in accordance with that authorisation.

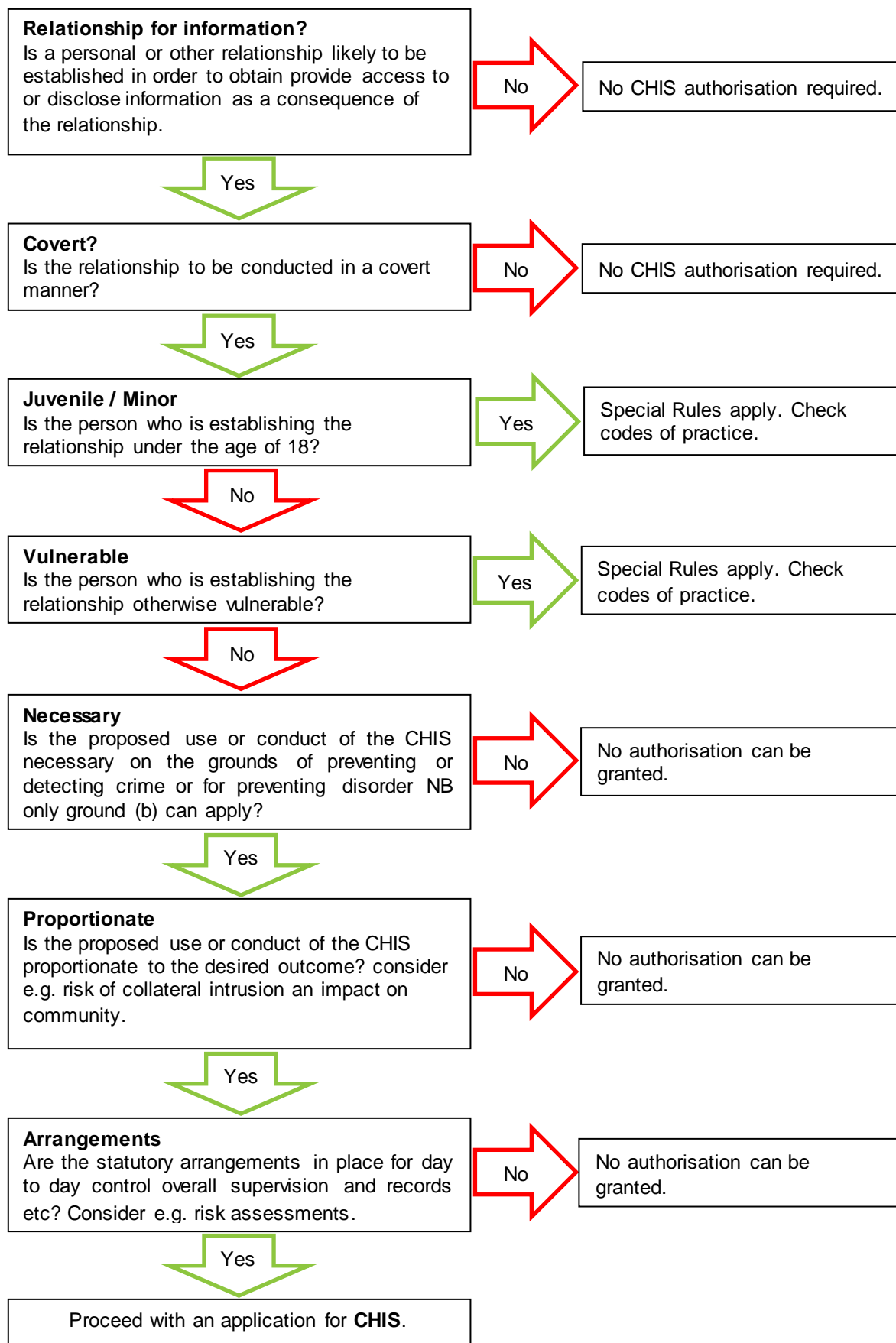
APPENDIX B - RIPA Authorisation Process



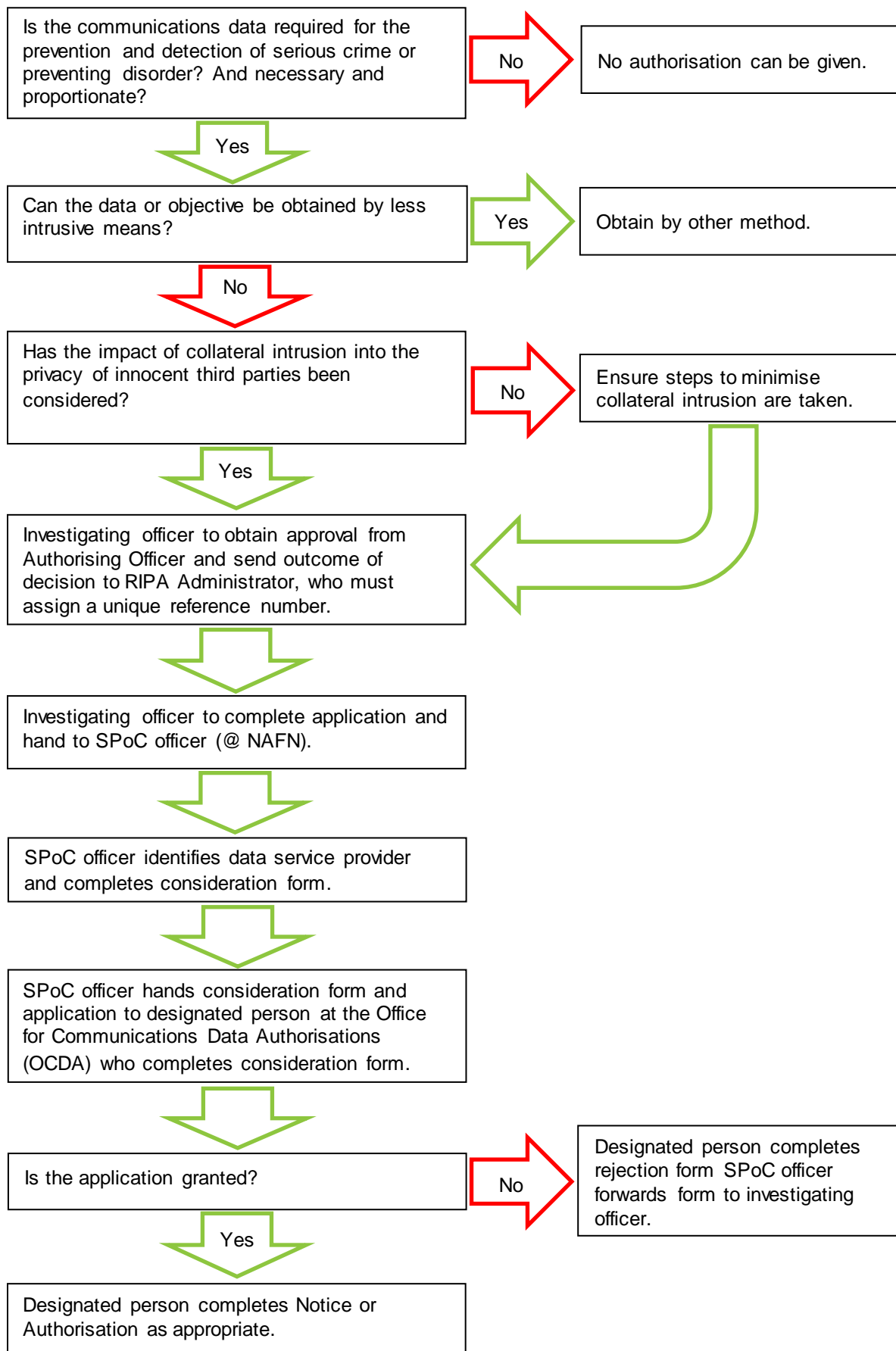
APPENDIX C – Does RIPA apply? Directed Surveillance Flowchart



APPENDIX D - Covert Human Intelligence Source Flowchart



APPENDIX E - Accessing Communications Data Flowchart



Note: If at any time during the process, the data is no longer required for any reason. The SPoC officer should be informed and the Designated Person will complete the relevant cancellation notice which is forwarded to the Data service Provider

APPENDIX F – Equality Impact Assessment: conversation screening tool

Policy/Service under development/review:	BCP Council Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy
What changes are being made to the policy/service?	Annual policy refresh changes to layout, updating of job titles and noting that RIPA subjects may choose to bring their own proceedings under Human Rights legislation.
Service Unit:	Law and Governance
Persons present in the conversation and their role/experience in the service:	Chief Internal Auditor Service Equality Champion
Conversation dates:	08/02/2024
Do you know your current or potential client base? Who are the key stakeholders?	The client base is anyone the authority may choose to conduct covert surveillance about. This could, therefore, apply to any resident or staff member of BCP. BCP Council has not conducted covert surveillance under RIPA since its creation (1/4/2019), and the predecessor authorities had not for a number of years prior to that.
Do different groups have different needs or experiences in relation to the policy/service?	BCP Council's aim is that no resident or staff member should have a different experience of the policy because of any protected characteristic. The policy requires an equality impact assessment to be carried out prior to application so a detailed assessment can be made based on the circumstances to ensure any equality implications are taken into consideration.
Will the policy or service change affect any of these service users?	The policy will ensure that there is a rigorous procedure in place for dealing with requests to conduct covert surveillance and ensure uniformity of process.
[If the answer to any of the questions above is 'don't know' then you need to gather more evidence and do a full EIA. The best way to do this is to use the Capturing Evidence form]	
What are the benefits or positive impacts of the policy/service change on current or potential service users?	Surveillance plays a necessary part in modern life. It is used not just in the targeting of criminals, but also as a means of protecting the public from harm and preventing crime. The policy implements legal requirements approved by Parliament and is designed to safeguard the human rights of individuals. The policy operates in a neutral way in respect of individuals. To ensure this, the policy asks to applicants to consider the equality impacts of covert surveillance for each individual application.
What are the negative impacts of the policy/service change on current or potential service users?	None
Will the policy or service change affect employees?	Yes, it impacts staff as it sets out the legal parameters within which staff may employ covert surveillance techniques and also how the authority may legally use covert surveillance to monitor staff.
Will the policy or service change affect the wider community?	Yes, the policy will confirm a lawful approach to establishing covert surveillance for the whole community.

What mitigating actions are planned or already in place for those negatively affected by the policy/service change?	None required at this stage
Summary of Equality Implications:	<p>The policy notes that any use of activities under RIPA will be as a last resort and council policy is not to undertake such activities unless absolutely necessary.</p> <p>In the few circumstances where the council may use this policy it ensures that any covert surveillance is conducted within the parameters set out by Parliament and, therefore, protects human rights. This policy ensures that an equitable approach is taken towards individuals and requires that assessments are made of the equality impact when authorisations are requested.</p> <p>No equalities implications have been identified as a result of the changes to this policy</p>

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Financial Regulations - Annual evolution for the financial year 2024/25
Meeting date	7 March 2024
Status	Public Report
Executive summary	<p>Evolutionary changes to the Council's Financial Regulations are summarised in this report and shown in red text throughout the document at Appendix A and include:</p> <p>Key changes exist in Part G and include:</p> <p>Change 1 - Threshold adjustment Base change throughout from the £25,000 excluding VAT threshold to £30,000 inclusive of VAT to reflect the changes required by the Public Contracts Regulations which also includes the requirement to calculate the estimated value of the contract to be inclusive of VAT.</p> <p>Change 2 - Procurement & Contracts Board A new entry in regulation 3 – Standards, has been added to reflect the formation of a new Procurement & Contracts Board that will have oversight over all planned spend decisions across the entire Council and will have the authority to require any Officer to attend a meeting and provide information and/or explanation as required by The Board.</p> <p>Change 3 - Removal of waivers (of Financial Regulations) Reference to waivers throughout have been removed and replaced with the requirement for those decisions to be signed off as part of the existing Procurement Decision Records (PDRs) approval process in regulation 5 and soon to be required by legislation changes. This change has clarified any ambiguity and will remove duplication of processes. The existing reporting requirements to the Audit & Governance Committee will remain – the annual report that was Waivers and Breaches of Financial Regulations will now be PDR's and Breaches of Financial Regulations.</p> <p>Change 4 - Competition Requirements Reformatted and update to regulation 22 - Competition Requirements, which combines several previous regulations into one consistent regulation and clarifies the requirement at each threshold:</p> <ul style="list-style-type: none"> • Under £5,000 • £5,000 to £30,000 • Over £30,000

	<p>Change 5 – Other minor editing and re-ordering</p> <p>Other minor changes throughout have been added for clarification and to address any previous ambiguities. Some reordering and aggregation of previous regulations have also taken place which makes direct comparison to previous versions more challenging. Such reordering and aggregation are not shown in red text because the regulation(s) has not been changed.</p> <p>Legislative changes resulting from the Procurement Act 2023 are explained and the likely resulting impact on Financial Regulations will be that there may be some in-year changes required to ensure alignment.</p>
Recommendations	<p>It is RECOMMENDED that Audit & Governance Committee:</p> <p>1. Approve the Financial Regulations as shown in Appendix A before referral to Council for adoption. The operational go live date will be 24 April 2024.</p> <p>2. Approve a delegation to the Chief Finance Officer and the Monitoring Officer to amend the Financial Regulations, in year, if the Procurement Act 2023 or the secondary legislation Public Procurement Regulations 24 (PCR24) require such an amendment. The Head of Audit & Management Assurance will report any necessary changes to the first available Audit & Governance Committee.</p>
Reason for recommendations	The Council's Financial Regulations are subject to annual evolution to align to the start of each financial year, or as close as is reasonably possible subject to how Council meetings fall.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	<p>Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk</p>
Wards	Council-wide
Classification	For Recommendation Approval

Background

1. BCP Council's Financial Regulations currently form Part 5 of The Constitution.
2. Council agreed that the Financial Regulations (the Regulations) will be subject to a business as usual 'annual evolution' so they remain up-to-date and receptive to the rapidly changing internal and external environment in which the Council operates. Such 'annual evolution' will be approved by Council.

3. As far as is practical, subject to when Council meetings fall, the evolution of the Regulations will align to as close to the start of the financial year as possible. For 2024/25 Council meets on 23 April 2024 so this evolution of Financial Regulations will be operationally live from 24 April 2024.
4. Evolutionary changes are shown in red text; this method transparently highlights the changes and negates the need for a page turn comparison to find out what has changed. Only the latest evolution is shown in red text, changes from previous year revert to standard black text.
5. BCP Council Colleagues are now generally well versed in the annual evolution of Financial Regulations. Nevertheless a communication, training and awareness process will take place to ensure all colleagues, and particularly new colleagues, are aware of the annual evolution.
6. The Chief Finance Officer (CFO) is responsible for maintaining and updating the Regulations and the Corporate Schedule of Financial Delegations, which is Appendix 1 of the Regulations. The CFO has delegated authority from Council to make in-year amendments and editing changes which may be occasionally necessary, such as in cases of new or revised legislation or UK law or to correct errors, ambiguity or where unintended interpretation matters arise. This delegation will also be used if any officer designations (job or role names) need changing, as a result of any restructuring for example, most likely within Appendix 1.
7. This annual evolution is formally known as BCP Financial Regulations EVO24.v1, where 24 stands for the financial year and v1 stands for the version agreed by Council. If the CFO makes any delegated amendments as per paragraph 5 above then this will be shown as v2, v3 and so on, as required.

Changes in BCP Financial Regulations EVO24.v1 - PART G PROCUREMENT & CONTRACT PROCEDURES

8. It has been necessary to update Part G of the Financial Regulations for 24/25 to reflect changes in procurement language, internal procedures and legislation.
9. Key changes are summarised below:

Change 1 - Threshold adjustment

Base change throughout from the £25,000 excluding VAT threshold to £30,000 inclusive of VAT to reflect the changes required by the Public Contracts Regulations which also includes the requirement to calculate the estimated value of the contract to be inclusive of VAT.

Change 2 - Procurement & Contracts Board

A new entry in regulation 3 – Standards, has been added to reflect the formation of a new Procurement & Contracts Board that will have oversight over all planned spend decisions across the entire Council and will have the authority to require any Officer to attend a meeting and provide information and/or explanation as required by The Board.

Change 3 - Removal of waivers (of Financial Regulations)

Reference to waivers throughout have been removed and replaced with the requirement for those decisions to be signed off as part of the existing Procurement Decision Records (PDRs) approval process in regulation 5 (soon to be required by legislation changes). This change has clarified any ambiguity and will remove duplication of processes. The existing reporting requirements to the Audit & Governance Committee will remain – the annual report that was Waivers and Breaches of Financial Regulations will now be PDR's and Breaches of Financial Regulations.

Change 4 - Competition Requirements

Reformatted and update to regulation 22 - Competition Requirements, which combines several previous regulations into one consistent regulation and clarifies the requirement at each threshold:

- Under £5,000
- £5,000 to £30,000
- Over £30,000

Change 5 – Other minor editing and re-ordering

Other minor changes throughout have been added for clarification and to address any previous ambiguities. Some reordering and aggregation of previous regulations have also taken place which makes direct comparison to previous versions more challenging. Such reordering and aggregation are not shown in red text because the regulation(s) has not been changed.

Public Procurement Regulations Reform

9. In October 2023 the Procurement Act 2023 received Royal Assent but does not become enforceable until October 2024. The reforms within will place value for money, public benefit, transparency and integrity at the heart of our procurement and contract management operating framework; they will modernise and unify our systems and processes.
10. The Act will introduce a new regime that is based on value for money, competition and objective criteria in decision-making. It will create a simpler and more flexible, commercial system that better meets our country's needs. It will more effectively open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts.
11. Secondary legislation (statutory instrument) will also be laid by the end of March 2024, subject to parliamentary timescales, that sits under the Procurement Act 2023 and will be called the Procurement Regulations 2024 (PCR24).

The Act - summary of Provisions

12. This is a large and technical Act. It includes a number of regulation-making powers which are necessary to ensure that the legislation will facilitate a modern procurement structure.

Coverage:

- The Act sets out which authorities and contracts the Act applies to. It covers contracts awarded by most central government departments, their arm's length bodies and the wider public sector including local government and health authorities.
- It also sets out a small number of simpler rules which apply to lower value contracts, and the Act makes provision to carve out those procurements regulated by the Health and Care Act, to ensure clarity about which regime applies.

Principles and objectives:

- The Act is focussed on the principles and objectives that must underlie the awarding of a public contract.
- Contracting authorities must have regard to delivering value for money, maximising public benefit, transparency and acting with integrity.

- Integrity must sit at the heart of the process. It means there must be good management, prevention of misconduct, and control in order to prevent fraud and corruption.
- The Act also includes a duty on contracting authorities to have regard to the particular barriers facing SMEs, and to consider what can be done to overcome them.

Undertaking a procurement:

- The Act sets out how a contracting authority can undertake a procurement and award a contract. Competition is at the heart of the regime.
- The Act introduces new procedures for running competitive tendering processes – the competitive flexible procedure - ensuring for the very first time that contracting authorities can design a competition to best suit the particular needs of their contract and market.
- There will continue to be a special regime for certain social, health and education services, specifically identified by secondary legislation, which may be procured as ‘Light Touch Contracts’ or the separate ‘Provider Selection Regime’ legislation reserved for Public Health Services, leaving room for authorities to design procurement procedures that are more appropriate for these types of services. These Light Touch Contracts are still subject to the necessary safeguarding requirements.
- There are a limited number of circumstances in which it may be necessary to award a contract without competition. The Act sets these out including new rules governing the award of contracts to protect life and public order.

Contract management:

- The important work on procurement does not stop once a contract has been awarded. The Act sets out steps that must be taken to manage a contract. This includes the strengthening of rules ensuring that suppliers are paid on time and new requirements to assess and publish information about how suppliers are performing.

Transparency notices:

- Running throughout the Act are requirements to publish notices and decisions (PDRs). These are the foundations for the new standards of transparency which will play such a crucial role in the new regime. The ambitions are high, and we want to ensure that procurement information is publicly available not only to support effective competition, but to provide the public with insight into how their money is being spent.

Provider Selection Regime (PSR)

13. The Provider Selection Regime (PSR) came into force on 1 January 2024 and is separate legislation for procuring health and care services. The PSR was introduced by The Health Care Services (Provider Selection Regime) Regulations 2023 made under the Health and Care Act 2022.
14. In keeping with the intent of the Act, the PSR has been designed to:
 - introduce a flexible and proportionate process for deciding who should provide health care services;
 - provide a framework that allows collaboration to flourish across systems;
 - ensure that all decisions are made in the best interest of patients and service users.
15. The PSR does **not** apply to the procurement of goods or non-health care services (unless as part of a mixed procurement) by health or care bodies.

Getting ready for the new Procurement Act and PCR24

16. The Procurement Act will introduce significant changes to the way the Council buy goods, services, works and concessions. These changes will not come into force until October 2024 at the earliest with a six-month advance preparation period.
17. The Council has started planning now to ensure we are ready to take advantage of the new regime and this evolution of Financial Regulations has been aligned to the new Procurement Act wherever possible based on what we already know.
18. The Act and PCR24 will however likely mean that Financial Regulations, and part G in particular, may need to be changed in year to align exactly with legislation. A delegation to the Chief Finance Officer and Monitoring Officer to make any necessary adjustments is sought. The Head of Audit & Management Assurance will report any such changes to the Audit and Governance Committee.

Changes in BCP Financial Regulations EVO24.v1 – Other changes

19. No material changes have been made to other sections of Financial Regulations. Very minor changes have been made to Appendix 1 Corporate Schedule of Financial Delegations, to align with changes mentioned above at paragraph 8 above, or to recognise the roles and responsibilities changes of certain officers following restructuring.

BCP Debt Management Policy

20. The Financial Regulations, Part F, Financial Systems and Procedures, Income, provides the strategic framework for debt collection and debt management within BCP Council. The BCP Debt Management Policy contains the operational detail and procedures to supplement the Regulations.
21. This detailed operational policy is also subject to annual evolution to ensure it remains up-to-date and is approved by the Corporate Management Board for the 2024/25 financial year. Some very minor operational changes have been made.

Options Appraisal

22. The Council could choose to update, refresh, evolve the Financial Regulations on a less frequent basis than annually. There is an inherent and obvious risk with such an approach that the Financial Regulations could become out of date and fail to keep pace with the rapidly changing internal and external environment in which the Council operates.

Summary of financial implications

23. The Financial Regulations provide the governance framework for managing the Council's financial affairs. 'How to' guidance and procedures are in place to compliment the specific requirements of the Regulations.

Summary of legal implications

24. The Financial Regulations are Part 5 of the Council's Constitution and apply to every councillor and officer acting behalf of the Council.
25. The Local Government Act 1972 (Section 151) makes the Chief Finance Officer responsible for the proper administration of the Council's financial affairs. The Regulations are issued pursuant to these responsibilities.

Summary of human resources implications

26. The Financial Regulations apply to every councillor and officer acting behalf of the Council.

Summary of sustainability impact

27. Part G of the Financial Regulations includes requirements for commissioning officers and the Strategic Procurement Team (SPT) to follow to ensure the Council considers environmental sustainability when procuring works, goods and services.
28. A requirement to obtain local supplier quotes (BH, DT and SO postcodes) is included for purchases which are less than £30,000.

Summary of public health implications

29. There are no direct public health implications from this report.

Summary of equality implications

30. There are no direct equality implications from this report.

Summary of risk assessment

31. Lack of compliance and awareness is the most significant and impactful risk in a Financial Regulations context. A continuous and evolving training, supporting and promoting programme exist utilising a range of activities including formal training, one-off bespoke awareness sessions, blogs and staff communications.

Background papers

None

Appendices

Appendix A - BCP Financial Regulations EVO24.v1

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PART 5

FINANCIAL REGULATIONS

BOURNEMOUTH, CHRISTCHURCH AND POOLE (BCP) COUNCIL



FINANCIAL REGULATIONS

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Within these Regulations **Chief Finance Officer (CFO)** means:

- Officer with statutory responsibility for the proper administration of the Council's financial affairs in accordance with S151 of the Local Government Act 1972, i.e. Chief Operating Officer.
- Or those officers authorised to act on their behalf. (in accordance with Financial Services Scheme of Delegation)

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PART A STATUS OF FINANCIAL REGULATIONS

PURPOSE

- 1 These Financial Regulations (Regulations) provide the governance framework for managing the Council's financial affairs.

STATUTE

- 2 The Local Government Act 1972 (Section 151) makes the Chief Finance Officer (CFO) responsible for the proper administration of the Council's financial affairs. These Regulations are issued pursuant to these responsibilities and form part of the Council's Constitution (part 5).

SCOPE

- 3 The Regulations set out the Council's requirements in respect of:
 - Financial management roles and responsibilities
 - Financial planning and budgeting
 - Financial monitoring and control
 - Internal control, audit and risk
 - Financial systems and procedures
 - Procurement activity
 - External arrangements
- 4 The Regulations apply to the control of both the General Fund finances (including BCP maintained schools) and the Housing Revenue Account (including any neighbourhood accounts therein). Wholly owned companies of BCP Council will adhere to the Regulations unless exceptions are agreed by their respective Boards.
- 5 Appendix 1 to the Regulations comprises the 'Corporate Schedule of Financial Delegations' which sets out the approved financial limits within which officers and councillors may conduct the Council's business. This schedule does not apply to BCP maintained schools who will operate their own schemes of delegation and other processes such as procurement decisions and waiver sign off of Part G to these Regulations vary accordingly.
- 6 The Regulations are supported by a series of financial procedures and strategies which provide more detailed direction on the arrangements in respect of:
 - Anti-fraud and corruption policy (including money laundering guidance and reporting)
 - Risk management strategy
 - Financial document retention
 - Income collection and local debt recovery systems
 - Asset management including disposals and acquisitions
 - Procurement strategy and code

COMPLIANCE

- 7 These Regulations, and the appendices, apply to every councillor and officer of the Council and to anyone acting on its behalf, including agencies and partnerships with whom the Council does business and for whom the Council is the relevant accounting body.
- 8 All councillors and officers have a general responsibility for taking reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is undertaken in accordance with the law, properly authorised, and achieves value for money. In doing so, proper consideration must be given at all times

to matters of probity and propriety in managing the assets, income and expenditure of the Council.

- 9 Failure to comply with any part of these Regulations may constitute misconduct and lead to formal disciplinary action.
- 10 The term 'Manager' used throughout the Regulations refers to members of the Council's extended management team including the Chief Executive, Corporate Directors, Service Directors, Heads of Service and Team Managers as appropriate and as they relate to the specific matters set out within these Regulations. For maintained schools the Governing Body is defined as the 'Manager' for the purposes of these Regulations.
- 11 If decisions have been formally delegated to others, such as to The Head Teacher or to individuals as specified in Service Schemes of Delegation, reference to the term 'manager' in these Regulations should be read as referring to them.

MAINTAINING AND UPHOLDING THE REGULATIONS

- 12 The CFO is responsible for:
 - a. Maintaining and updating these Regulations and the Corporate Schedule of Financial Delegations. Minor amendments and editing changes, including in year changes necessary to align with new or revised legislation or UK law, are logged on page 61.
 - b. Ensuring that any revisions affecting the powers of councillors are approved by Council on the recommendation of the Council Leader and in consultation with the Monitoring Officer (MO).
 - c. Reviewing and reissuing the financial procedures as necessary to support the effective operation of these Regulations.
 - d. Reporting, where appropriate, any breaches of these Regulations to councillors on at least an annual basis.
 - e. Reporting to councillors all waivers and exemptions of Regulations, requested by Services and approved (by the CFO) during the course of any financial year which they have delegated authority to determine.
 - f. Interpreting and/or arbitrating should any uncertainty or dispute arise pursuant to these Regulations in consultation with the MO.
- 13 The Regulations are subject to an annual 'evolution' which will be approved by Council and will incorporate:
 - a. Minor amendments and editing changes, described at 12a above, into the relevant section of the Regulations.
 - b. Changes of a more fundamental nature, as identified by a proportionate officer working group made up from representatives of Services and Schools.
- 14 For transparency purposes all changes in the annual 'evolution' will be flagged using red text, this will enable both experienced and inexperienced users of the Regulations to clearly identify where changes have occurred year on year. Changes from previous years 'evolution' will be incorporated into standard colour text, only the latest 'evolution' is shown in red text.

PART B FINANCIAL MANAGEMENT ROLES & RESPONSIBILITIES

PRINCIPLES

- 1 A transparent framework of financial management responsibilities and decision making is essential to the effective management of the Council's financial affairs.
- 2 All councillors and officers have a common duty to abide by the highest standards of integrity and propriety when making decisions about the use of public monies.

COUNCILLORS

- 3 Councillors' responsibilities for the overall management of the Council's financial affairs are exercised through:
 - **Council**, which is responsible for approving the Council's Key Policy Framework as defined within the Constitution and for setting the budget.
 - **The Leader and Cabinet – “the Executive”**, which is responsible for recommending the key policy framework and budget to Council; making decisions in respect of the executive functions of the Council in accordance with the Key Policy Framework and Budget approved by Council. Executive decision making can be delegated to a formally constituted committee of the Cabinet, an individual cabinet member, an officer or a joint committee in accordance with the Scheme of Delegation as set out in the Council's Constitution.
 - **The Audit & Governance Committee**, which is responsible for maintaining a continuous review of the Council's regulatory framework, approving the Annual Statement of Accounts for publication, oversight of audit, governance, counter fraud and corruption, risk management and treasury management activity. This Committee's full functions and responsibilities are set out in Appendix 2.
 - **The Standards Committee**, which is responsible for promoting and maintaining high standards of conduct amongst councillors. In particular, it is responsible for advising the Council on the adoption and revision of the Councillors' Code of Conduct, and for monitoring the operation of the Code.

OFFICERS

- 4 Officer responsibilities for the overall management of the Council's financial affairs are variously set out by legislation, the provisions of the Council's Constitution and the Council's Corporate and Service Schemes of Delegation.
- 5 Certain legislation requires the Council to designate particular officers as the 'appropriate officer' for the performance of certain functions. 'Appropriate Officer' functions include the responsibilities of the Head of Paid Service (HPS), the Monitoring Officer (MO) and Chief Finance Officer (CFO) in managing the overall financial affairs of the Council. Formal recognition is also given to the particular responsibilities and functions of the Council's Chief Internal Auditor (CIA) in accordance with best practice advice and guidance. The role of the CIA is set out in CIPFA's 'The Role of The Head of Internal Audit'.

THE HEAD OF PAID SERVICE (HPS)

- 6 The HPS is designated as the Chief Executive and is responsible for the corporate and strategic management of the Council. The HPS is responsible for establishing the management style, direction and leadership of the organisation including overall staff management arrangements, monitoring performance and achievement. The HPS is responsible, together with the MO, for the system of record keeping in relation to Councils' decisions.

THE MONITORING OFFICER (MO)

- 7 The MO is responsible for promoting and maintaining high standards of financial conduct and provides support to the Standards Committee. The MO is also specifically responsible for:
- a. Reporting any actual or potential breaches of the law or maladministration to Council and/or to Cabinet.
 - b. Ensuring that procedures for recording and reporting key decisions are operating effectively.
 - c. Ensuring that Cabinet decisions and the reasons for them are made public.
 - d. Ensuring that all councillors are aware of decisions made by the Cabinet and of those made by cabinet member, officers, or a joint committee which has delegated Cabinet responsibility.
 - e. Advising all councillors and officers about who has authority to take a particular decision.
 - f. Maintaining an up-to-date Constitution and reporting any proposed changes to Council for approval.

THE CHIEF FINANCE OFFICER (CFO)

- 8 The CFO has statutory and delegated duties in relation to the financial administration and stewardship of the Council. The statutory responsibilities cannot be overridden and 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 2015 (and as amended)
 - The Local Authorities Goods and Services Act 1970
 - The Local Government Acts 2000 and 2003
 - The Localism Act 2011
- 9 The CFO's responsibilities include:
- a. The proper administration of the Council's financial affairs including all arrangements concerning financial planning, financial control, accounting, taxation, income, debt management, insurances, investments, banking, bonds, loans, leasing, borrowing, trust and pension funds, and the payment of creditors, salaries, wages and pensions.
 - b. Determining the contents of Financial Procedures and ensuring compliance with these and Financial Regulations.
 - c. Preparing the Revenue Budget and reporting to the Council on the robustness of the estimates and the adequacy of reserves.

- d. Preparing the Capital Programme, ensuring effective forward planning and sound financial management in its compilation.
 - e. Ensuring that accurate and timely financial information is available to enable effective budget monitoring and reporting and taking action if overspends or shortfalls in income emerge.
 - f. Reporting to Council if it is likely that any proposed action or decision will lead to unbudgeted or unlawful expenditure or activity.
 - g. Advising on the systems of internal control necessary for sound financial management and decision making, and to ensure that public funds are properly safeguarded and used economically, efficiently, and effectively.
 - h. Maintaining an adequate and effective internal audit function and effective counter theft, fraud and corruption arrangements.
 - i. Preparing the Council's risk management strategy and advising on the management of strategic, financial and operational risks.
 - j. Determining the accounting procedures and records for the Council and ensuring that they are applied consistently.
 - k. Preparing and publishing the Council's annual statement of accounts and governance statement for approval by Audit & Governance Committee in accordance with all applicable codes of practice on local authority accounting.
 - l. Making proper arrangements for the audit of the Council's accounts in accordance with statutory and legislative provisions.
 - m. Preparing and implementing an effective treasury management strategy and effecting all investments and borrowings within the limits imposed by the Council.
 - n. Advising on, monitoring and reporting on performance in relation to Prudential Indicators set by the Council for capital expenditure, external debt and treasury management.
 - o. Ensuring that effective asset management arrangements are in place.
 - p. Advising on the risks and financial implications associated with joint working, external funding and trading opportunities.
- 10 The CFO may allocate their day-to-day responsibilities to an appropriate representative in accordance with the Financial Services Scheme of Delegated Authority to Officers and/or the Corporate Schedule of Financial Delegations.

THE CHIEF INTERNAL AUDITOR (CIA)

- 11 The CIA is designated by the CFO as part of the Service Scheme of Delegation further to Part 3 (Schedule 1) of the Council's Constitution and plays a key role in providing assurance to the councillors, the CFO, the HPS and Corporate Management Board about the probity, practical deployment and effectiveness of financial management at the Council.
- 12 The CIA has rights of access to information and data held by officers or councillors of the Council at all reasonable times and is responsible for the overall co-ordination and deployment of external and internal audit resources at the Council. The CIA also has the right to report on any relevant matter of concern to senior management and councillors outside normal line management arrangements should they deem this necessary in protecting the interests of the Council and/or local taxpayers.

MANAGERS

- 13 Whilst the CFO has overall responsibility for the finances of the Council, managers are responsible for the day-to-day management of their respective Unit's finances. Their responsibilities in relation to financial management include:
- a. Promoting and ensuring compliance with these Regulations and associated Financial Procedures and taking corrective action in the event of any non-compliance.
 - b. Preparing annual Revenue Budget estimates and Capital Programme estimates in accordance with the guidance issued by the CFO.
 - c. Ensuring that the financial implications of all proposals, or any matter which is liable to materially affect the resources of the Council, are agreed with the CFO or their nominated representative in advance of any decision making report to councillors.
 - d. Managing service delivery and containing expenditure within the agreed revenue and capital budgets.
 - e. Maintaining sound systems of internal control and implementing agreed internal and external audit recommendations.
 - f. Complying with the Council's counter theft, fraud and corruption policy and reporting suspected fraud and financial irregularities immediately to internal audit for investigation.
 - g. Complying with the Council's risk management strategy and notifying the CFO immediately of significant risks to the Council's financial position.
 - h. Ensuring that all financial transactions are recorded through the main accounting system.
 - i. Assisting cash flow through timely billing of income due and minimising advance payments wherever possible.
 - j. Ensuring that all expenditure incurred complies with the requirements of these Regulations, the procurement code and has the necessary budgetary approval.
 - k. Controlling resources and containing staff numbers within approved establishment and budget levels and ensuring that all employee appointments and payments are properly authorised in compliance with the Council's policies.
 - l. Ensuring that all claims for funds, including grants, are compiled and submitted by the due dates.
 - m. Ensuring the proper security and safe custody of all assets under their control.
 - n. Ensuring that the risks and financial implications associated with joint working, external funding and trading opportunities are properly evaluated, and that no such arrangements are entered into without the prior approval of the CFO.
 - o. Ensuring that financial authorities are operated in accordance with the limits contained within the Corporate Schedule of Financial Delegations (Appendix 1), and that a written record of authorised officers is maintained.

ALL EMPLOYEES

- 14 In addition to the specific responsibilities set out above the Council expects all employees to:
- a. Act in good faith, adopting the highest standards of integrity, propriety and impartiality in accordance with the 'Nolan principles' (7 principles of public life which apply to all people appointed to work in local government).

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behavior. They should actively promote and robustly support the principles and be willing to challenge poor behavior wherever it occurs.

- b. Exercise due care in relation to all resources, assets, income and expenditure within their care or control.
- c. Ensure that proper records and documentation are maintained of the Council's assets and financial transactions in accordance with advice and requirements of the CFO.
- d. Comply with these Regulations, the associated financial procedures and any additional guidance issued to ensure the effective control of the Council's resources.
- e. Co-operate in audits of the Council's financial systems.
- f. Report any suspected financial irregularities for investigation to the Chief Internal Auditor.

PRINCIPLES

- 1 The purpose of financial planning and budgeting is to set out and communicate the Council's objectives, resource allocations and related performance targets, and to provide an agreed basis for subsequent management control, accountability and reporting.
- 2 Budgets are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. The Budget is the financial expression of the Council's ambitions and priorities. The budget process must ensure that resources are:
 - Required in accordance with the law and properly authorised.
 - Used only for the purpose of achieving approved policies, objectives and service priorities.
 - Held securely for use when required.
 - Used appropriately to avoid waste, inefficiency and/or loss.

It is unlawful for the Council to budget for a deficit.

- 3 As such the Budget sets agreed parameters around the annual resource allocations, activities and functions of Services and is constructed within the context of a medium term financial plan (MTFP). The MTFP represents a multi-year forecast (usually 3 or more years) to identify and address those issues which have medium to long term implications for the Council.
- 4 The Capital Programme sets out the resource allocations to be made to capital schemes. Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the organisation, such as land, buildings, and major items of plant, equipment and vehicles.
- 5 To enable councillors to make informed decisions, all Council, Cabinet and Committee reports must incorporate a separate section on 'financial implications'. Reports must show the costs or savings of proposals together with any approved budget provision, future commitments, potential risks, tax implications, and any other financial consequences which may arise from the options and recommendations and must be produced in consultation with the CFO or their nominated representative.

COUNCILLORS

- 6 Councillors' responsibilities for financial planning and budgeting are exercised through:
 - **Council**, which is responsible for approving the Council's key policy framework and for setting the Budget. This approval encompasses:
 - All the plans and strategies making up the Policy Framework, including the Council's corporate plan/strategy.
 - The MTFP.
 - The revenue budget (The Budget), proposed by the Cabinet to Council for approval on the advice of the CFO. The Budget will include details of proposals for local taxation levels, contingency funds and use of and levels of all reserves.
 - The capital budget (The Capital Programme).

Council may amend the Budget and the Capital Programme or ask the Cabinet to reconsider it before approving in exceptional circumstances in consultation with the CFO. Any councillor or group of councillors who wish to submit alternative budget proposals must do so no less than 3 clear working days before the Budget setting meeting. The CFO will only support alternative proposals which deliver a balanced budget to be taken forward to the Council for consideration.

- **The Cabinet** is responsible for proposing the key policy framework and budget to Council. Cabinet is also responsible for monitoring performance against revenue and capital budgets and taking executive decisions to deliver priorities, within the Budget and key policy framework agreed by the Council. It is responsible for issuing guidance on the detail of the Budget in consultation with the CFO as soon as possible following the Budget's approval by Council.

REVENUE BUDGET (THE BUDGET)

7 The CFO is responsible for:

- a. Advising the Council on the Cabinet's budget proposals in accordance with their responsibilities under S151 of the Local Government Act 1972. (Council may amend the Revenue Budget or ask the Cabinet, in consultation with the CFO, to reconsider it before approving)
- b. Ensuring that an annual Revenue Budget and Council Tax Report are prepared in the context of a medium term financial plan for consideration by Cabinet and approval by Council.
- c. Maintaining a resource allocation process that properly reflects the Council's policy framework, ambitions and priorities.
- d. Advising the Cabinet on the format of the budget and its responsibility for issuing guidance on budget preparation taking due account of:
 - legal requirements
 - medium-term planning prospects and known issues
 - the corporate strategy and Council priorities
 - available resources
 - spending pressures
 - government initiatives and public policy requirements
 - internal policy directives
- e. Advising the Cabinet and Council on a prudent level of reserves and any appropriate contingency provisions.
- f. Undertaking the statutory consultation with NDR payers.
- g. Issuing detailed procedures to managers on the preparation of Revenue Budget estimates.

8 Managers are responsible for:

- a. Preparing annual Revenue Budget estimates in accordance with the guidance issued by Cabinet and the detailed procedures issued by the CFO, ensuring that these are a realistic reflection of agreed priorities, and advising cabinet members on service implications. (see d. above)
- b. Establishing detailed budgets for each service area in advance of the financial year (along with indicative estimates for the two years thereafter) and requiring such budgets to be properly managed by responsible named budget holders.
- c. Integrating financial and budget plans with service planning.
- d. Ensuring that any earmarked reserves held are applied to their intended purposes.
- e. Giving due and proper regard to the asset management concerns of the wider organisation in planning service delivery, consulting in advance with the Corporate

Property Officer (CPO) in any financial planning or budgeting decision to be made relating to the use of Council land and property.

CAPITAL BUDGET (THE CAPITAL PROGRAMME)

9 The CFO is responsible for:

- a. Ensuring that a multi-year rolling Capital Programme (usually 3,4 or 5 years) is prepared for consideration by the Cabinet for recommendation to Council for approval as part of the MTFP and annual budget setting process.
- b. Issuing strategic guidance on capital schemes and controls and defining what will be regarded as capital having proper regard to Government regulations and accounting conventions.
- c. Issuing detailed guidelines which take account of legal, regulatory and code of practice requirements, medium-term planning prospects, affordability and whole life costing.
- d. Ensuring that the revenue implications of the Capital Programme are contained within the Revenue Budget and MTFP.
- e. Ensuring that all schemes relying on the use of prudential borrowing powers are properly appraised and provide value for money.
- f. Reporting to Cabinet on the overall position and the availability of resources to support the Capital Programme.
- g. Issuing detailed procedures to managers on the preparation of capital budget estimates.
- h. Ensuring that sources of funding (general fund, capital grants, self-financing, etc.) are identified for the entire Capital Programme.

10 Managers are responsible for:

- a. Complying with the guidance issued by the CFO regarding capital schemes and controls and in the preparation of the Capital Programme.
- b. Ensuring that all capital schemes put forward for consideration have been properly appraised and that each scheme and estimate includes a project plan, progress targets, and sets out the funding sources including all associated revenue expenditure.
- c. Undertaking a comprehensive annual review of the Capital Programme and consequential revenue expenditure, for inclusion in the MTFP.

FINANCIAL IMPLICATIONS OF DECISIONS

11 The CFO is responsible for:

- a. Issuing guidance in relation to the presentation of financial implications within the Council's decision making processes.
- b. Ensuring the adequacy of the financial implications information presented within individual decision making reports and for appropriate sign-off.

12 Managers are responsible for:

- a. Ensuring that all decision making reports properly set out the financial implications of the proposed actions in accordance with guidance issued by the CFO.
- b. Arranging for all financial implications to be validated and formally signed-off by the CFO, or their nominated representative, prior to their progression through the approval process.
- c. Consulting with relevant parties where there may be financial implications for other cabinet members, committees or services.

PRINCIPLES

- 1 To ensure the Council does not exceed its overall budget, Services (and appropriate corporate projects and programmes where relevant) are required to manage their own income and expenditure within the cash limited budgets allocated to them to be spent on agreed service activities and functions.
- 2 Any forecasted revenue overspends, or income shortfalls should be mitigated through a compensating underspend or over-achievement of income elsewhere. Any under-spending or over-achievement of income cannot be carried forward from one year to the next without the approval of the CFO and should generally be restricted to specific items of a 'one off' nature where monies will be spent for an identified purpose in the following financial year.
- 3 No expenditure may be incurred on a capital project unless the project has been approved in accordance with the Corporate Schedule of Financial Delegations (Appendix 1) or as part of the annual Council approval of the Capital Programme. Any forecast overspending must be contained within the overall Capital Programme and reported to the approved senior officer Capital Programme Board. Similarly, variations to the approved budgets for capital schemes and re-phasing or slippage between years must be reported to the approved senior officer Capital Programme Board and approved in accordance with the limits set out in the Corporate Schedule of Financial Delegations (Appendix 1).
- 4 The term virement refers to transfers of budgets between or within cost centres. Virement may only be used in the very specific circumstances set out in the Regulations and the Corporate Schedule of Financial Delegations (Appendix 1).

CONTROL OF REVENUE BUDGETS

- 5 The CFO is responsible for:
 - a. Establishing and maintaining a robust framework of budget management and control which ensures that:
 - Budget management is exercised within annual cash limits and the MTFP.
 - Appropriate, accurate and timely information is available to Corporate Management Board, managers and budget holders that enable budgets to be monitored and controlled effectively.
 - Revenue expenditure is recorded on the Council's financial systems and is committed only against approved budget headings and associated structure of detailed cost centres.
 - All officers responsible for committing expenditure comply with these Regulations.
 - Each cost centre is allocated to a named budget holder determined by the relevant manager.
 - Significant variances from budget are investigated and reported by budget holders on a regular basis.
 - b. Monitoring and controlling the quantum of income and expenditure against budget allocations overall. They must ensure monitoring reports are prepared for Corporate Management Board and councillors' consideration on a regular basis

throughout the financial year (to be determined and advised by the CFO) and a report after the year end setting out the revenue outturn.

- c. Ensuring that budget monitoring reports include:
- Sufficient information and explanatory notes to allow cabinet members to fully exercise their duties in respect of the resources for which they have portfolio responsibilities.
 - Explanations of all variations to cost centres which are projected to be in excess of £100,000.
 - Information which summarises the delivery of any savings programmes.
 - Information which summarises available contingencies, balances and reserves.

6 Managers are responsible for:

- Ensuring that effective budgetary control arrangements exist and are observed within their respective Service, or in respect of any projects or programmes for which they are responsible in accordance with these Regulations.
- Ensuring spending remains within the relevant cash limits by controlling income and expenditure, monitoring performance and taking corrective action where variations from budget are forecast.
- Ensuring that expenditure is coded correctly and committed only against approved budget headings.
- Supporting the regular reporting of financial performance, variances, and forecasts within the areas of their responsibility to Cabinet by the CFO.
- Reporting to Cabinet and Council as necessary the financial implications of any new in-year proposal or amendment that will:
 - Create financial commitments in future years;
 - Change existing policies, initiate new policies or result in existing policies ceasing to operate;
 - Materially extend or reduce the Council's services.

CONTROL OF CAPITAL BUDGETS

7 The CFO is responsible for:

- Ensuring that governance arrangements are in place to regularly review progress against the Capital Programme.
- Maintaining a record of the current capital budget and expenditure on the Council's financial systems and ensuring compliance with financial reporting standards.
- Reporting to Cabinet the financial position against the approved Capital Programme.
- Ensuring that governance arrangements are in place, via an approved senior officer Capital Programme Board, to review proposed changes to the Capital Programme before subsequent approval by Cabinet.

8 Managers are responsible for:

- Ensuring that no expenditure is incurred on a capital project prior to its agreed inclusion within the Capital Programme and until a financial report has been approved by Cabinet. Equally, no scheme requiring Government or other body sanction and/or funding either in full or part may begin until the sanction and/or funding has been officially confirmed.
- Support the monitoring and reporting of capital expenditure and receipts against approved capital budgets, on project slippage and variations, and on any changes in projected expenditure.

- c. Reporting to Cabinet if proposed sources of funding are not secured.
- d. Ensuring that adequate records and audit trails are maintained in respect of all capital contracts.

VIREMENT

- 9 The term virement refers to transfers of resources between or within approved cost centres or budget headings and Service/Business Plans for both revenue and capital purposes. A virement does not create any net additional budget. Instead the virement mechanism exists to enable the Cabinet, Managers and their staff to manage their budgets with a degree of flexibility within the overall Policy Framework and Budget set by Council, thereby optimising the use of resources throughout the financial year. The virement schemes for revenue and capital do not exist as a means of remedying poor budgetary control or financial planning for known commitments and service priorities, or otherwise excuse Managers and budget holders from the need to manage their budgets prudently and responsibly. Nor may virements be affected after the year end to retrospectively fund over or under spending unless approved in advance by the CFO.
- 10 The CFO is responsible for:
 - a. Controlling and administering the virement mechanism in accordance with guidance and limits set out in the Corporate Schedule of Financial Delegations, Appendix 1.
 - b. Recording approved virements in the Council's financial systems and reflecting the impact of these in budget monitoring reports to the Cabinet.
- 11 Managers are responsible for:
 - a. Ensuring all proposed virements complies with the limits and approval requirements set out in the Corporate Schedule of Financial Delegations, Appendix 1.
 - b. Notifying all proposed virements in writing to the CFO or their representative.
- 12 Council shall approve allocations of resources from approved contingencies and reserves in excess of the approved contingencies and reserves recommended by Cabinet.
- 13 Cabinet shall approve allocations of resources from approved contingencies and reserves.

REVENUE CARRY FORWARDS (VIREMENTS) BETWEEN YEARS

- 14 Medium term financial planning (usually between 3 to 5 years) allows the Council to think beyond the constraints of any given financial year and annual budget and prepare for future events. In doing so it is important to ensure a suitable mechanism to allow for the carry forward of in-year budget under or overspends - in effect a virement of resources between accounting years – as deemed necessary by the CFO for MTFP purposes. The ability to choose to do so can serve to:
 - Empower budget holders to think beyond immediate service needs and plan over longer time frames to achieve significant changes and improvements and make best use of resources.
 - Hold budget holders to account for their budget management performance in so far as budget overspends will not be written down at the end of each financial year but will have to be dealt with on an on-going basis.

- 15 Carry forwards (virements) between years are not 'automatic' and will not be routinely determined. Where they are determined to be necessary by the CFO, in the context of the MTFP, and are subsequently approved by the Cabinet:
- Carry forward (previous year) overspending will constitute a first call on in year service budgets.
 - Carry forward (previous year) underspending must normally be spent in year on one-off proposals/projects usually of an 'invest to save' nature aimed at reducing on-going service pressures in future.
- 16 All internal surpluses arising from in-house trading activities/business units shall be retained for the benefit of the Council subject to any provision to do otherwise set out in the MTFP.
- 17 BCP maintained schools' balances will be treated in accordance with the provisions set out in the DfE Framework.as agreed and applied locally in the Scheme for Financing Schools.

PART E INTERNAL CONTROL, AUDIT AND RISK MANAGEMENT (including prevention of theft, fraud and corruption)

PRINCIPLES

- 1 Sound systems of internal control are essential to the proper economic, efficient and effective use of resources, the achievement of objectives, and the safeguarding of public funds.
- 2 Audit is a key management tool that councillors and senior officers should rely on to provide an independent and objective assessment of the probity, legality and value for money of Council arrangements.
- 3 Legislation requires that the Council provides for both internal and external audit.

External audit provides an independent assessment of the Council's financial statements and the adequacy of its arrangements for securing value for money.

Internal audit evaluates and reports on the adequacy of the Council's control systems in securing the proper, economic, efficient and effective use of resources.

- 4 There is a basic expectation that councillors and all officers will act with integrity and with due regard to matters of probity and propriety, and comply with all relevant rules, regulations, procedures and codes of conduct, including those in relation to receipt of gifts and hospitality and declaration of conflicts of interest.
- 5 The Council will not tolerate fraud or corruption in the administration of its responsibilities, whether perpetrated by councillors, employees, customers of its services, third party organisations contracting with it, or other agencies or individuals with which it has any business dealings.
- 6 Risk management is an integral part of effective management and planning. It is concerned with identifying and managing key obstacles to the achievement of objectives.

COUNCILLORS

- 7 Councillors' responsibilities for internal control, audit and risk management are exercised through:
 - **Council**, which has formal responsibility for upholding proper practice and the good governance of the Council as a whole.
 - **The Cabinet**, which is responsible for ensuring effective systems of management and financial control are exercised across the organisation.
 - **The Audit & Governance Committee**, which is responsible for keeping under review all aspects of the Council's audit and governance arrangements, risk management framework and internal control environment. A full list of the Audit & Governance Committee's responsibilities can be found at Appendix 2.
- 8 Councillors have a role to support and promote a zero-tolerance culture towards theft, fraud and corruption.

INTERNAL CONTROL

9 The CFO is responsible for:

- a. Advising on effective systems of internal control to ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with statutes, regulations and other relevant statements of best practice.
- b. Conducting an annual review of the effectiveness of the system of internal control and publishing the results of this within the Annual Governance Statement (AGS) for inclusion in the Council's Annual Statement of Accounts.

10 Managers are responsible for:

- a. Implementing effective systems of internal control including adequate separation of duties, clear authorisation levels, and appropriate arrangements for supervision and performance monitoring.
- b. Complying with the controls set down in these Regulations and any financial procedures.
- c. Taking corrective action in respect of any non-compliance by staff with relevant rules, regulations, procedures and codes of conduct.
- d. Planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their objectives, standards and targets.

INTERNAL AND EXTERNAL AUDIT (and other inspections)

11 The CFO is responsible for:

- a. Maintaining an adequate and effective internal audit service in accordance with the Accounts and Audit Regulations Act 2015 and further to Section 151 of the Local Government Act 1972.
- b. Ensuring that the rights and powers of internal and external auditors and fraud investigators are upheld at all times across the organisation.
- c. Ensuring that the statutory requirements for external audit are complied with and that the external auditor is able to effectively scrutinise the Council's records.
- d. Ensuring that audit plans and resulting activities are reported to the Audit & Governance Committee.

12 The CIA is responsible for:

- a. Notifying the External Auditors of any matter that they would rightly expect to be informed of in order to support the function of an effective and robust external audit service.
- b. Ensuring effective liaison between internal and external audit functions.
- c. Overseeing the management, planning, reporting and conduct of all internal audits and counter fraud work.
- d. Preparing an annual report and opinion for councillors' consideration.

13 Managers are responsible for:

- a. Ensuring that auditors (internal and external) have access to all documents and records for the purposes of the audit and are afforded all facilities, co-operation and explanation deemed necessary.

- b. Cooperating in the production of annual audit plans by highlighting any areas of risk that may benefit from audit review.
 - c. Implementing audit recommendations within agreed timescales.
- 14 The Council may be subject to audit, inspection or investigation by external bodies such as HM Revenues & Customs, and various other Inspectors of service at any time, all councillors and officers of the Council will cooperate fully with such inspections as necessary.

PREVENTION OF THEFT, FRAUD AND CORRUPTION (including Bribery)

- 15 The CFO is responsible for:
- a. Developing, maintaining and implementing an Anti-Fraud & Corruption Policy (and in conjunction with Human Resources a Whistleblowing Policy) that stipulates the arrangements to be followed for preventing, detecting, reporting and investigating suspected fraud and irregularity.
 - b. Advising on the controls required for fraud prevention and detection.
 - c. Appointing a Money Laundering Reporting Officer and Deputy to ensure that systems are in place to counter opportunities for money laundering and that appropriate reports are made.
 - d. Ensuring that effective preventative measures are in place to reduce the opportunity for bribery occurring in accordance with statutory requirements of the Bribery Act 2010. *(or as updated)*
- 16 The Chief Internal Auditor (CIA) has the right to:
- a. Determine the nature of any investigation work required in respect of any allegation of wrongdoing, and/or any other action required.
 - b. Require any councillor or staff of the Council to provide any information or explanation needed in the course of an investigation subject to the lawful limits set out in relevant legislation.
 - c. Refer investigations to the Police in consultation with the CFO and MO; under normal circumstances the relevant service manager would also be consulted.
 - d. Access all Council premises and property, all data, records, documents, and correspondence relating to any financial matter or any other activity of the Council.
 - e. Refer cases directly to the Police, in consultation with the CFO and MO, if it is believed an internal enquiry would compromise the integrity of the investigation and /or otherwise prejudice the interests of the Council or the general public.
- 17 Managers are responsible for:
- a. Complying with the Council's Anti-Fraud & Corruption Policy.
 - b. Ensuring that there are sound systems of internal control within their respective service areas for fraud prevention and detection.
 - c. Reporting cases of suspected theft, fraud or irregularity to the Chief Internal Auditor immediately for investigation and complying with the Council's Whistleblowing Policy.
 - d. Reporting any vulnerabilities or suspicions of money laundering in accordance with guidance issued by the Money Laundering Reporting Officer.
 - e. Maintaining local staff registers of interest, gifts and hospitality within their service areas.

- 18 All employees are responsible for:
- a. Complying with the Council's Anti-Fraud & Corruption Policy.
 - b. Reporting cases of suspected theft, fraud or irregularity immediately for investigation, if needs be via the Council's Whistleblowing Policy.
 - c. Reporting any vulnerabilities or suspicions of money laundering in accordance with guidance issued by the Money Laundering Reporting Officer.
 - d. Ensuring that they are familiar with the Employee Code of Conduct, or relevant local school's Code of Conduct, for school employees, and requirements to declare personal interests and record offers of gifts and hospitality.

RISK MANAGEMENT

- 19 The CFO is responsible for preparing the Council's Risk Management Strategy and its promotion throughout the Council and for advising on the management of strategic, financial and operational risks.
- 20 Managers are responsible for:
- a. Implementing the Council's Risk Management Strategy.
 - b. Integrating risk management within business planning and performance management arrangements.
 - c. Mitigating, monitoring and reporting on risks.
 - d. Maintaining and testing business continuity plans.
 - e. Giving due regard to specialist advice in areas such as health and safety, insurance, crime and fire prevention.

PRINCIPLES

- 1 Good systems and procedures are essential to the effective management and administration of the Council's financial affairs. A financial system is defined as any system (computerised or not) and associated procedures used for making and recording the financial transactions of the Council. This includes:
 - **Accounting**-The main accounting system provides the prime source of financial data for management accounts, statutory accounts and government returns. It is essential that this system complies with legislation and proper accounting practice and that all information is recorded accurately, completely and in a timely manner, and that any errors are detected promptly and rectified. Financial information recorded in the main accounting system should require a minimum amount of manipulation in order to create management accounts, returns and budget reports.
 - **Income**-Effective systems are necessary to ensure that all income due is collected, receipted, recorded and banked properly. Where possible income should be collected in advance to improve cash flow and avoid costs of debt collection. All reasonable efforts will be made to collect monies owed to the Council and debts will only be written off once all reasonable actions to pursue the debt have been exhausted or where it would prove uneconomical to pursue. The CFO agreed corporate system must be used unless agreed.
 - **Expenditure on works, goods and services**-Expenditure may only be incurred where budgetary provision is available. Payment should be made through the corporate ordering and invoicing process, using a corporately approved purchasing card, by entering into a formal contract arrangement or through raising a purchase order. Exceptionally a payment requisition may be raised.
 - **Expenditure on salaries, wages, allowances and expenses**-Expenditure may be incurred where budgetary provision is available and where payment is made through the Council's combined human resource and payroll system.
 - **Banking**-All transactions through the Council's bank accounts must be properly processed, recorded and reconciled. Reconciliations must be subject to management review and sign off in a timely manner.
 - **Treasury management, financing and leasing**-Decisions relating to the management of the Council's investments, cash flows, borrowing and leasing must be in accordance with the annual Treasury Management Strategy Statement.
 - **Taxation**-Effective systems must be in place to ensure that all tax liabilities and obligations are properly reported and accounted for, and that losses, fines and penalties are avoided. Procedures must be in place to ensure that taxation issues are properly considered during the options appraisal stage of projects.
 - **Asset management**-The Council's assets must be properly recorded, safeguarded from loss/harm and utilised effectively, and any acquisitions/disposals undertaken in accordance with the Corporate Schedule of Financial Delegations, Appendix 1.
 - **Insurance**-Appropriate insurance cover is necessary to indemnify the Council against the possibility of financial costs which may arise from certain unplanned events and claims such as damage to its property, injury to employees or to the public.
 - **Recharges and internal trading accounts**-Where required for financial reporting purposes, back office costs should be allocated to services using a relevant basis of apportionment and in accordance with accounting codes of practice. Where

relevant and strictly necessary, internal charges between services should be accounted for on a timely basis using CFO agreed recharge mechanisms.

ACCOUNTING

2 The CFO is responsible for:

- a. Determining the Council's main accounting (and budgeting) system for the preparation of the Council's accounts and for monitoring all income and expenditure.
- b. Determining any other financial systems which may sit outside of the main accounting system and ensuring that these are sound and properly integrated and interfaced. It is a requirement that the options appraisal for new systems should include ease of integration and interfacing with the main accounting system. Any such interface must require little or no manual intervention.
- c. Issuing guidance on the use and maintenance of the main accounting system and related financial systems and ensuring that supporting records and documents are retained.
- d. Ensuring that regular balance sheet and holding account reconciliations are undertaken.
- e. Preparing the Council's consolidated accounts, balance sheet and Annual Governance Statement (AGS) for audit and publication and issuing guidance (including a detailed timetable and plan) to ensure achievement of the statutory deadline.
- f. Ensuring all relevant staff are trained and competent in the use of the main accounting system and any subsidiary finance systems managed under the CFO's control.
- g. Ensuring there is a documented and tested disaster recovery plan as part of an agreed business resilience strategy for the Council's main accounting system and any subsidiary finance systems.

3 Managers are responsible for:

- a. The financial management of services, cost centres, projects or programmes for which they are responsible, further ensuring that proper accounting and financial systems exist incorporating adequate internal controls to safeguard against waste, loss or fraud.
- b. Ensuring that the main accounting system is used to accurately record financial transactions in accordance with guidance issued by the CFO.
- c. Ensuring an adequate audit trail of financial information and compliance with the Council's policies in respect of the retention of documents.
- d. Ensuring that the use of any service specific financial system (and changes to existing, including upgrades/new versions) has the express approval of the CFO, and is adequately documented, tested and interfaced with the main accounting system and all relevant staff have been properly trained in its use. It is a requirement that the option appraisal for new systems should include ease of integration and interfacing with the main accounting system, and that automatic interfaces that require no manual intervention are required.
- e. Complying with the timetables required by the CFO to enable the production of consolidated accounts, budgets and statutory information.
- f. Ensuring staff are aware of and have access to these Regulations and any supplementary advice and guidance issued by the CFO.
- g. Ensuring there is a documented and tested disaster recovery plan as part of an agreed business resilience strategy for any service specific financial system.

4 The CFO is responsible for:

- a. Providing all necessary corporate systems for the administering of invoicing, credit notes, income collection and debt recovery.
- b. Approving any local Service specific procedures, systems and documentation used where for whatever good reason corporate systems cannot be used.
- c. Ensuring that claims for Government grants and other monies are made properly and promptly.
- d. Ensuring that all monies received are properly receipted and recorded and banked promptly.
- e. Administering the process for writing off irrecoverable debts and monitoring and reporting on write off levels.
- f. Issuing advice and guidance on the detailed procedures to be followed in writing off bad debts from the accounts.
- g. Recommending and implementing the Council's debt management policy in consultation with Corporate Management Board.

5 Managers are responsible for:

- a. Using the CFO approved corporate systems for invoicing, income collection and debt recovery.
- b. Administering any local systems for invoicing, income collection and debt recovery as approved by the CFO which must properly segregate duties between staff raising accounts and those responsible for income collection. (where the CFO has agreed that compliance with 5a. is not possible or in the Council's best interest).
- c. Ensuring that fees and charges for the supply of goods and services are reviewed at least annually, consulting with the CFO and cabinet member on the financial effect of the review and obtaining Cabinet approval for any proposal to introduce new charges. (For managers in BCP maintained schools consultation/approval is instead required from the Chair of Governors)
- d. Collecting all income from within the budgets for which they are responsible.
- e. Collecting payment at point of sale wherever possible, to improve cash flow, using the system provided by the CFO.
- f. Timely initiation of 'sales invoices' in respect of all fees and charges due using the system provided by the CFO.
- g. Complying with the Corporate Schedule of Financial Delegations, Appendix 1, when writing off debts, when waiving, suspending or refunding fees, charges or contributions and maintaining appropriate records of those decisions.
Once raised on the accounting system, no bona fide debt can be cancelled except by full payment or by being formally written off in the accounts. Cancellations/Credit notes can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt and must not be used for any other purpose.
- h. Providing operational data and information to ensure that claims for Government grants and other monies due are made properly and promptly.
- i. Issuing official receipts for all cash and cheque income and maintaining all other documentation for income collection purposes and ensuring controlled stationery is securely stored. (except in BCP maintained schools where the Chair of Governors can agree proportionate arrangements)
- j. Keeping all income received in secure storage prior to banking and ensuring cash holdings do not exceed insurance limits.
- k. Ensuring that cash income is never used to cash personal cheques or used to make any other payments.
- l. Ensuring that where post, likely to contain money, is opened locally at least two staff are present to properly identify, record and safeguard. (It is accepted this may not always be practical, in such cases managers must agree alternative arrangements with the CFO).

- m. Ensuring all income received is paid in fully and promptly in the form in which it was received into an approved Council bank account, income kiosk or cash office, also ensuring all details are properly recorded on paying in slips which are retained for audit purposes.
- n. Reporting immediately, to the Money Laundering Reporting Officer (MLRO) (the Chief Internal Auditor), all instances of attempts by customers to pay for works, goods or services in cash:
 - that are in excess of £5,000 but lower than £10,000;
 - that are suspicious in any way such as, but not limited to, multiple use of high denomination notes, multiple and frequent disaggregation of payment of a higher value outstanding debt;

In such instances the Manager must accept the cash and not make any further enquiries into the matter themselves or share the information with anyone except the MLRO and their respective Service Director. Under no circumstance should the customer handing over the cash be told of the reporting to the MLRO nor should a formal record on any personal file of the reporting to the MLRO be made otherwise a criminal offence may be committed.

- o. Any cash payment in excess of £10,000 must be refused.

EXPENDITURE ON WORKS, GOODS AND SERVICES

6 The CFO is responsible for:

- a. Ensuring that an effective overarching Procurement Strategy is in place (Purpose, Principles and Priorities).
- b. Ensuring that effective Procurement Regulations (Part G) are in place, and which are supported by detailed procurement guidance on the ordering, certification and payment for all works, goods and services. (The Procurement Code).
- c. Agreeing any exceptions to the normal procurement process outlined in the Procurement Regulations (Part G).
- d. Providing a corporate purchase to pay system for the electronic ordering, receipt and payment for works, goods and services.
- e. Processing all payments due on receipt of a valid invoice or contract certificate which satisfies VAT regulations, and confirmation that works, goods and services have been received.
- f. Agreeing any exceptions to the requirement to raise purchase orders for all works, goods and services outside of the Council's main purchasing/ordering system.
- g. Agreeing the use and administering the issuing of p-cards and processing of resulting payments.
- h. Agreeing the use of all pre-loaded payment cards.
- i. Approving any payment in advance for goods or services exceeding **£30,000 (inclusive of VAT)** or in excess of 6 months if the amount exceeds £1,000.
- j. Approving any payments in advance for works.

7 Managers incurring expenditure on works, goods and services are responsible for:

- a. Complying with the requirements of the Council's Procurement arrangements set out in Part G of these Regulations.
- b. Ensuring that all purchase orders are raised using the Council's corporate purchasing system prior to any works, goods and services being received or paid for. The Council has a "No Purchase Order, No Pay Policy" except for the following circumstances where a purchase order is not required for:
 - payments made on the basis of a formal stage payment contract
 - payments made on the basis of a formal periodic payment contract (the periodic payment may be fixed or variable in value)
 - statutory or legislative charges, levies or fines (including those for taxation, pension fund)
 - purchases appropriately made through p-card (procurement /payment cards) or pre-loaded card

- continuous charges for utilities supply
 - periodic payments such as rents or rates
 - treasury management payments
 - payments to volunteers
 - payments made from CFO approved interfaced Council database systems (such as Children's and Adult Social Care systems and Libraries)
 - exceptions agreed with the CFO (for BCP maintained schools the Chair of Governors may agree other circumstances where purchase orders are not required)
- c. Ensuring that no purchase orders are placed without the proper approvals and financial authorities set out in the Corporate Schedule of Financial Delegations (Appendix1).
- d. Receipting all works, goods and services on the corporate purchasing system.
- e. Ensuring the proper completion and authorisation of payment certification vouchers, including confirming that the invoice has not previously been paid.

1 BCP maintained schools may use alternative purchase order systems

2 In exceptional circumstances, to be agreed by the CFO, verbal, email or in person orders may need to be raised retrospectively in the Council's corporate purchasing system using the 'Confirmation order' facility

- f. Ensuring that payments are made only where works, goods and services have been received to the correct price, quantity and quality standards.
- g. Gaining CFO approval for any payments in advance for goods or services exceeding **£30,000 (inclusive of VAT)** or in excess of 6 months if the amount exceeds £1,000.
- h. Gaining CFO approval for any payments in advance for works.
- i. Gaining CFO approval for the use of p-cards and pre-loaded cards.
- j. Ensuring that all p-cards and pre-loaded cards are appropriately controlled, that transactions are reviewed and authorised by the relevant line manager, are for proper business purposes and are supported by receipts which must be stored electronically on the 'receipt imaging' function.
- k. Reporting any lost or stolen p-cards or pre-loaded cards immediately to the Chief Internal Auditor.

EXPENDITURE ON SALARIES, WAGES, ALLOWANCES & EXPENSES (including making 'on-payroll' payments for non-salaries as directed in law by HMRC)

- 8 Council is responsible for determining how officer support for executive and non-executive roles within the Council will be organised. The Head of Paid Services/Chief Executive Officer is responsible for overall staff management arrangements including ensuring that proper systems of evaluation are used in determining remuneration.
- 9 The CFO is responsible for ensuring that the Head of Human Resources (HHR) operates sound arrangements for the payment of salaries, pensions and expenses to officers and councillors.
- 10 The HHR is responsible for:
- a. Providing a corporate payroll system for recording all payroll data and generating payments to employees and councillors, including payment of pensions and expenses.
 - b. Ensuring the corporate payroll system properly and efficiently interfaces with the main accounting system and that any chart of accounts held within the payroll system is kept up to date.
 - c. The proper calculation of all pay and allowances, National Insurance and pension contributions, income tax and other deductions.
 - d. Completing all HM Revenues & Customs (HMRC) returns regarding PAYE and providing advice and guidance on employment related taxation.

- e. Maintaining an accurate and up to date record of the Council's establishment.
- f. Agreeing with BCP maintained schools the use of any local payroll arrangements having been adequately assured that the alternative system is well controlled, managed and resulting in the correct payments being made to the correct staff.
- g. Agreeing with managers all circumstances where a wage or salary is to be paid outside of the main HR/payroll system.
- h. Agreeing all 'on payroll' arrangements, required by HMRC, for payments to individuals not directly employed by the Council (e.g. IR35 tax).
- i. Agreeing the use of the corporate payroll system for recording payroll data and generating payments to employees of third-party organisations (and where a fee or charge is applied agreeing this with CFO).

11 Managers incurring expenditure on salaries, wages, allowances and expenses are responsible for:

- a. Controlling resources and containing staff numbers within approved establishment and budget levels.
- b. Ensuring that all employee appointments, including temporary staff, are made in compliance with the Council's policies.
- c. Ensuring that the HR/Payroll system is updated promptly of starters and leavers, and all information relating to employees pay and expenses.
- d. Ensuring that all payments made to employees are properly authorised in compliance with the requirements and financial limits set out in the Council's human resources policies.
- e. Ensuring that any overpayment (error) is recovered. Managers do not have delegated authority to write-off any overpayment.
- f. Ensuring that all expenses claims are reviewed and authorised by the relevant line manager prior to payment. Staff subsistences should never be paid or reimbursed using p-cards or pre-loaded cards, the Council's HR/payroll system must be used to reimburse staff expenses in all such cases.
- g. Ensuring that all persons employed by the Council are paid through the Council's corporate payroll system.
- h. Ensuring that any proposal to engage a person via a contract of service* (rather than a contract of employment) is assessed by the HHR for compliance with relevant legislation to determine if payments need to be 'on payroll' or 'off payroll' via invoice. This includes engagements via Employment Agencies and Single Person Companies or Partnerships.
*Where a Contract of Service is proposed see Appendix 1 section EX9 for required approval route
- i. Managers in BCP maintained schools must have the approval of the HHR if they wish to use their own alternative payroll arrangements.

BANKING (including 'Client Cash Floats' and local Bank Accounts)

12 It is the responsibility of Cabinet to approve the banking arrangements of the Council.

13 The CFO is responsible for:

- a. Managing the Cabinet approved banking contract on a day-to-day basis.
- b. Managing and operating all the Council's bank accounts and ensuring that all payment methods, whether physical or electronic, have the appropriate authorisations, approvals and signatures.
- c. Ensuring that adequate controls are in place for the control of payment methods (including cheques) covering access, ordering, custody, preparation, signing and despatch as appropriate.
- d. Ensuring regular reconciliations are carried out between all bank accounts and the financial records of the Council.
- e. Approving the operation of any 'client cash floats' for disbursement of cash to clients.

- f. The Council will not operate petty cash accounts and therefore no cash payments will be made to purchase works, goods or services.
- g. Approving the operation of any local bank accounts in Services.

14 Managers are responsible for:

- a. Ensuring that no bank accounts are opened in the name of the Council other than with the express written authority of the CFO.
- b. Reporting to the CFO on the nature and state of any bank accounts for which they are responsible. Reconciliations must be subject to management review and sign off in a timely manner.
- c. The proper administration of any 'client cash floats' or local bank accounts including record keeping, document retention, paying in income, reconciliation and control of cheques including ordering, custody and security, preparation, signing and despatch.
- d. Using 'client cash floats' for client cash disbursements only and ensuring such floats are not used to purchase works, goods or services or to reimburse staff expenses.

TREASURY MANAGEMENT, FINANCING AND LEASING

15 The CFO is responsible for:

- a. Preparing and presenting an annual Treasury Management Strategy to Audit & Governance Committee and/or Cabinet prior to submission to Council for approval.
- b. Implementing, reviewing and reporting on the progress and performance of the strategy and recommending any changes to Audit & Governance Committee on a quarterly basis.
- c. Effecting all investments and arranging borrowings within the limits imposed by the Council and reporting on the funding methods used.
- d. Advising on any proposal for leases, borrowings, credit arrangements, and hire purchase arrangements to Council for approval.
- e. Advising on any proposals to set up or acquire interest in a company, joint company, joint venture or partnership to Council for approval.
- f. Ensuring that the use of any financial derivatives is intra vires and properly risk assessed and monitored.
- g. Ensuring compliance with all applicable laws, regulations and codes of practice relating to treasury management and capital finance including the registration of all Council owned stocks, bonds, mortgages and loans.
- h. Ensuring that cash flow forecasting and monitoring systems are in place.

16 Managers are responsible for:

- a. Assisting cash flow through timely billing of income due, due consideration of contracts payment terms and minimising advance payments wherever possible.
- b. Supporting cash flow forecasting and notifying the treasury team in advance of any high value receipts or payments that may impact on investments and borrowings.
- c. Ensuring no loans or guarantees are given to third parties and that interest in companies, joint ventures or other enterprises are not acquired without the approval of Council and following advice from the CFO.
- d. Ensuring that no leases, borrowings, credit arrangements or hire purchase arrangements are entered into without the approval of Council and following advice from the CFO.
- e. Arranging for all trust funds to be held in the name of the Council wherever possible and ensuring that trust funds operate within the law and the specific requirements for each trust. All officers acting as trustees by virtue of their position with the

Council shall deposit securities relating to the trust to the custody of the CFO unless the deeds specifically require otherwise.

- f. Arranging the secure administration of funds held on behalf of third parties and ensuring that the systems and controls for administering such funds are approved by the CFO and subject to regular audit.

TAXATION

17 The CFO is responsible for:

- a. Ensuring that transactions comply with relevant statutory requirements and authorities.
- b. Approving the systems for all PAYE returns to HM Revenues & Customs (HMRC).
- c. Completing a monthly return of VAT inputs and outputs to HMRC, ensuring prompt recovery of sums due, and reconciliation of tax records to the main accounting system.
- d. Making monthly Construction Industry Scheme returns to HMRC.
- e. Managing the Council's partial exemption position.
- f. Preparing and submitting Voluntary Disclosure Notices to HMRC and recovery of any revenues due.
- g. Providing advice and guidance on taxation issues.

18 Managers are responsible for:

- a. Ensuring that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.
- b. Seeking advice on the potential tax implication of any new initiatives for the delivery of Council activity and services.
- c. Ensuring that the taxation implications of proposed land and building acquisitions and sales and proposed capital schemes are properly identified and considered at the planning stage.
- d. Ensuring that contractors fulfil the necessary construction industry tax deduction scheme requirements where construction and maintenance works are undertaken.
- e. Ensuring that advice and guidance on taxation issued by the CFO is followed and adhered to by staff in their service, project or programme.
- f. Ensuring that all persons employed by the Council are added to the Council's payroll and tax deductions forms part of payments made to them. (with approved exceptions agreed by the CFO and HHR where individuals concerned are bona fide self-employed or are employed by a recognised agency)

ASSET MANAGEMENT

19 The CFO is responsible for:

- a. Ensuring that asset registers are maintained in the appropriate format for accounting purposes for all fixed assets valued in excess of the limit set out in the Schedule of Financial Delegations to Officers, and that valuations are made in accordance with the local authority accounting code of practice.
- b. Establishing an asset management plan that details short, medium and long term use of assets, and establishes arrangements for monitoring and reporting asset performance.
- c. Ensuring that all asset acquisitions and disposals are properly recorded within asset records by the CPO.
- d. Arranging for all assets to be adequately insured.
- e. Prescribing the records to be maintained for any stocks and stores and for inventories of moveable assets.

- f. Approving the write off of deficiencies in any stocks, stores and inventory items subject to the limits set out in the Schedule of Financial Delegation to Officers.

20 The Corporate Property Officer (CPO) is responsible for:

- a. Maintaining up to date records of all land and buildings, including values and plans, for inclusion in the corporate fixed asset register, and of the Council's housing stock in the format prescribed by the CFO and at least on an annual basis.
- b. Arranging for the regular valuation of assets for accounting purposes to meet the requirements specified by the CFO.
- c. Ensuring that all land and buildings are maintained so as to best protect and safeguard the Council's interests.
- d. Arranging the disposal of surplus assets in compliance with any approved asset management strategy/plan(s) that apply and subject to the necessary approvals.
- e. The acquisition of land and buildings on behalf of the Council in accordance with any asset management strategy/plan(s) that apply, Capital Programme and medium term financial plan, and subject to the necessary approvals.
- f. Notifying the CFO of acquisitions and disposals so that the accounting records can be updated.
- g. Ensuring all rents, charges or fees due in respect of investment land and buildings are raised and all income is collected and accounted for in the Council's accounting systems.
- h. Ensuring all lessees and other prospective occupiers of Council land or buildings are not allowed to occupy the property until a lease or agreement in a form approved by the Monitoring Officer has been completed.
- i. Ensuring all title deeds are passed to Legal Services who act as custodian for all title deeds for Council properties and land.

21 The Head of ICT & Customer Support is responsible for:

- a. Maintaining up to date records of all ICT equipment, including values, for inclusion in the corporate fixed asset register in the format prescribed by the CFO.
- b. Purchasing, maintenance and disposal of all ICT equipment.

22 Managers are responsible for:

- a. Providing the Corporate Property Officer (CPO) with all relevant information and documentation for the purposes of maintaining an up to date and complete fixed asset register.
- b. Ensuring the proper security and safe custody of assets under their day-to-day operational control and reporting any assets that are lost, stolen or destroyed to the insurance team, facilities management and internal audit as appropriate.
- c. Complying with guidance issued by the CFO on the disposal of assets including selling, gifting, swapping or donating the asset subject to the limits set out in the Schedule of Financial Delegations to Officers.
- d. Ensuring all rents, charges or fees due in respect of operational land and buildings, under their day-to-day service control, are raised and all income is collected and accounted for in the Council's accounting systems.
- e. Complying with guidance issued by the Head of ICT & Customer Support including the purchase, maintenance and security, maintenance of ICT asset registers and disposal of ICT equipment.
- f. Maintaining local inventories of moveable assets (non-ICT) for all items with a purchase price exceeding £1,000 (and for determining a lower £ value if deemed appropriate, such as for desirable items e.g. digital cameras).
- g. Ensuring that stocks, stores and inventory items are held securely and kept to a minimum, proportionate to the needs of the service.

- h. Ensuring that any cash holdings are kept to a minimum, within insurance limits and held securely.
- i. Seeking approval to write off deficiencies in any stocks, stores, or inventory items, subject to the limits set out in the Corporate Schedule of Financial Delegations (Appendix 1).
- j. Ensuring that assets are used only in the course of the Council's business unless specific permission has been given otherwise by a designated officer as shown in the Corporate Schedule of Financial Delegations (AM10).

INSURANCE

- 23 The CFO is responsible for:
 - a. Determining the nature and level of insurance cover to be effected.
 - b. Effecting insurance cover and processing and settlement of all claims.
- 24 Managers are responsible for notifying the CFO promptly of:
 - a. All new risks, properties or vehicles which require to be insured.
 - b. Any alterations affecting insurance arrangements.
 - c. Any loss, damage or claim.
- 25 Managers must not effect any local insurance arrangements without the approval of the CFO.

RECHARGES AND INTERNAL TRADING ACCOUNTS

- 26 The CFO is responsible for:
 - a. Maintaining an appropriate system of internal recharges which ensures that the full cost of each service is identified in accordance with reporting requirements.
 - b. Where relevant and strictly necessary all internal charges and recharges should be processed in a regular and timely basis using relevant bases of apportionment, allocation or recharging mechanisms.
 - c. Advising on the operation of internal trading accounts.
- 27 Managers are responsible for:
 - a. Agreeing the basis of internal charges/recharges in advance of the financial year as part of the budget setting process.
 - b. Maintaining appropriate systems to calculate recharges or justify their apportionment.
 - c. Providing data to enable recharges to be processed on a regular and timely basis and responding in the event of any disputed charges.
 - d. Complying with guidance issued by the CFO in relation to the operation of trading accounts.

PART G PROCUREMENT & CONTRACT PROCEDURES

BCP maintained schools should augment this section of Financial Regulations with Buying Procedures and Procurement Law for Schools guidance issued by the DfE. <https://www.gov.uk/guidance/buying-procedures-and-procurement-law-for-schools>. If specific DfE guidance content differs to Part G, BCP Council requirements, then DfE guidance content applies.

PRINCIPLES

1. Goods, services, works and concessions must be procured in a way that is lawful, ensures transparency, **integrity** and accountability, **covering all funding sources (Revenue, Capital, Grant or Partner Funding, HRA)**, represents value for money (VFM), **maximises public benefit** and serves to deter fraud and corruption.
2. All procurement and contractual commitments made by the Council must:
 - a. **Ensure when calculating the estimated value of a contract it must be inclusive of VAT.**
 - b. Involve the Strategic Procurement Team (SPT) in all procurement processes where the whole life contract value is over **£30,000 (vat inclusive)**.
 - c. **Ensure** standard tender processes or documentation cannot be changed without the approval of the Head of Strategic Procurement.
 - d. Comply with all relevant statutory provisions including the Public Contracts Regulations 2015 (PCR15) and the Concession Contracts Regulations 2016 (CCR16) (or as amended).
 - e. Ensure goods, services, works and concessions are procured by the most efficient, transparent processes, by sustainable and ethical means, ensuring accountability, achieving value for money and deriving maximum benefit to support BCP Council's corporate strategies and plans.
 - f. Cover the whole life value, from the initial definition of the business need through to the end of the useful life of the asset or service contract including any licensing upgrades, maintenance, parts, recycling, staffing costs and disposals.
 - g. Offer best value and protect the Council from any loss arising from the failure of a contractor to perform the contract.
 - h. Ensure that the Council pays a fair and proper price (or receives a fair and proper price in the case of concessions).
 - i. Follow procurement guidance which provides further advice and support pursuant to these Regulations (found on Financial Services - Procurement intranet pages).
 - j. Feature early planning to put us in a position to conduct orderly transitions to new contract arrangements, whether extending, re-tendering.

STANDARDS

3. The following standards must be adopted:
 - a. The highest standards of probity and ethical governance are always maintained and adhered to.
 - b. All Officers and Councillors must declare any personal interest or conflict of interest **during the whole life** in any procurement or contract, failure to do so could be deemed to be either corrupt practice or maladministration or could not withstand public scrutiny.
 - c. All suppliers are treated equally, and procurement takes place in an open and transparent manner which does not favour unfairly one supplier over another.

- d. Legal, Finance, IT, Human Resources, Property, Sustainability Team, Insurance and other professional advice appropriate to the individual procurement exercise will be obtained.
- e. The tender and procurement processes are as accessible as possible to SME/VCSE suppliers.
- f. The contract value of all goods, services and works, for the purposes of determining the correct threshold, is an aggregation of the whole life value from award and includes implementation prior to live service and extends to contract end, not just annual, including any optional extensions and including VAT (where applicable). Consideration should also be given to costs related to, but not limited to, delivery, licensing, implementation, upgrades, maintenance, parts, recycling, staffing costs, decommissioning and disposals.
- g. In the case of a works concession contract or a services concession contract, the value shall be calculated on the basis of the total net turnover (where *turnover* is defined as equivalent to revenue or sales (net of discounts and sales taxes) i.e. total money in (not net of expenditure)) of the concessionaire generated over the duration of the contract, as estimated by the Council, in consideration for the works and services that are the object of the concession.
- h. No goods will be delivered, nor services or works begun without a proper contractual commitment and/or purchase order being in place.
- i. All contracts must have a clearly defined duration, including extensions where required, provision(s) for modifications and termination and must not have a provision to automatically renew.
- j. Industry and/or Council standard contracts/terms/conditions must be used wherever possible as approved by Legal Services.
- k. Where bespoke advice or drafting of contracts is required, the MO must approve the document prior to tendering or obtaining quotes and in any event before any contract is executed and any terms and conditions must not be held against the best interests of the Council.
- l. The general principle is that unlimited liability is not permitted because it is disproportionate, can have the effect of deterring bidders, raising prices due to the inclusion of large risk premiums and it runs contrary to government policy on growth and supporting business.
- m. All tender processes over **£30,000** are to be undertaken using the Council's e-tendering system unless other than agreed by the Head of Procurement (e.g., for a collaborative procurement where BCP Council is not the lead, or a Framework requires otherwise).
- n. When appointing interim staff or consultancy services (contract of employment or contract for service) refer also to the Corporate Schedule of Financial Delegations in Appendix 1 (EX9, 10 & 11).
- o. The Procurement & Contracts Board has oversight over all planned spend decisions across the entire Council and has the authority to require any Officer to attend a meeting and provide information and/or explanation as required by the Board.**

BREACHES

- 4. Breaches of Financial Regulations (Part G) are extremely serious matters and will be fully investigated and reported on following referral or discovery. Any breach of these Regulations could lead to disciplinary action being taken against the individual(s) concerned.

- a. Where it is evident that any part of Part G has not been followed then a breach has occurred.
- b. Service Directors and managers are responsible for reporting all known or discovered breaches of these Regulations to the CFO as soon as they become aware of such instances.
- c. Service Directors may be required to supplement the CFO's annual report on breaches to the Audit & Governance Committee with a more detailed report explaining the circumstances of the breach and the remedial action taken or planned by way of remedy.

PROCUREMENT DECISION RECORDS (PDRs)

5. In advance of any requirement over £5,000, the manager must inform the SPT who will ensure that the relevant Procurement Decision Record (PDR) is completed with managers and authorised at the relevant stages before proceeding with any purchase/contract.

- a. Relevant PDRs are also required to record the following procurement circumstances:

PDRs of all contract values	i. Accelerated procurement where the Council would suffer significant negative impact if the full operational or strategic procurement approach is applied.
	ii. Unable to invite or obtain 3 bids or competition absent for technical reasons
	iii. Payments in advance for goods, services or works
	iv. Propose not to use an available Corporate Contract

- b. PDRs will not be granted retrospectively unless under emergency requirements (Section 7) and any such requests will be treated seriously and constitute a breach.
- c. Where a PDR has been granted, the SPT are responsible for publishing a contract award notice on Contracts Finder and entering the details of the contract onto the Contract Register where required.
- d. The CFO will be responsible for producing an annual report on relevant PDRs and submit this report to the Audit & Governance Committee for scrutiny and potential follow up action.

PROCUREMENT & CONCESSION PIPELINES

6. The SPT will prepare and maintain a comprehensive pipeline of recurrent contracts and planned new contracts.
 - a. Procurement pipelines must look ahead a minimum of 18 months to support procurement resourcing and bidder planning as well as service preparation and planning.
 - b. The SPT are responsible for publishing the Council's pipeline in the public domain. This includes the Council's planned procurements and commercial activity, looking forward at least 18 months and up to five years ahead.

EMERGENCIES

7. Emergencies (serious risk to life or serious and immediate risk of loss or damage), only applies to extreme major incidents or unforeseen events such as a natural disaster and does not allow for accelerated procurement due to urgency, in which case the **PDR** process applies.
 - a. In the case of an extreme emergency where there is immediate danger to the safety of persons or serious risk of immediate loss or damage to the Council's assets or interests, or the interests of another party, the Chief Executive, Corporate Director, CFO, MO or Service Director, may place such emergency contracts/orders as necessary by means that are reasonable under the circumstances.
 - b. The Chief Executive, Corporate Director, CFO, MO or Service Director may delegate another officer of the Council to place such emergency contracts/orders but remains accountable for any resulting expenditure or activity.
 - c. The CFO and appropriate Cabinet Member must be advised of any emergency contract/order within five working days.
 - d. In such an event, the Head of Procurement shall be advised of the use of the procedure and **an emergency PDR** be sent as soon as reasonably practicable for all procurements of any value.

USE OF CORPORATE CONTRACTS

8. At all levels of category spend, where an appropriate corporate contract exists, it must be used.
 - a. If a corporate contract is deemed not suitable by SPT, this must be recorded under the PDR Gateway 1, describing reason why a current corporate contract cannot deliver the Council's requirements/specifications and that VFM must be demonstrated.
 - b. Where a corporate contract does not exist, the service(s) is responsible for ensuring they:
 - i. Contact the SPT who are responsible for selecting the most appropriate procurement route to market and tender processes.
 - ii. The SPT will identify if similar contracts are being let, or due to be let, with a view to aggregating requirements and/or modifying existing contracts.
 - c. Although such contracts are available to them, this is not a requirement for BCP maintained schools.

EARLY ENGAGEMENT

9. Proportionate preliminary early engagement should be undertaken to inform the development and understand the deliverability of your requirements including the feasibility of alternative options that could help us better deliver services. Over **£30,000** the SPT must be consulted **and involved**.
 - a. The early engagement must be conducted in a fair and transparent manner and must not to be treated as a call for competition and a contract must not be awarded.

- b. It can be conducted with a view to informing suppliers of the procurement plans and requirements and inform the Pipeline.

LEGAL OBLIGATIONS AND COUNCIL POLICY OBJECTIVES

- 10. Legal obligations and Council policy objectives must be considered in all procurement processes and where **relevant** and proportionate, incorporated into the specification, evaluation process and the terms and conditions of the contract.
 - a. Legal obligations and Council policy objectives that must be met as a minimum are:
 - i. Risk Assessment and Business Continuity Impact Assessment
 - ii. Sustainability Decision Impact Assessment
 - iii. Social Value Considerations (The Public Services (Social Value) Act 2012)
 - iv. Equality Impact Assessment
 - v. UK General Data Protection Regulation (UK GDPR)
 - vi. **Transfer of Undertakings (Protection of Employment) Regulations (TUPE)**

PROCUREMENT TIMELINE

- 11. **The** SPT will determine minimum & maximum **procurement** timeline(s) depending on the proportionality and complexity of the **requirements** against procurement legislation, which must be set out in the tender documents and in recorded in the PDR Gateway 1.

CONTRACT LENGTH

- 12. The SPT with the manager will decide the length of a contract, consideration should be given to the complexity of the requirement, as well as the resources and investment at stake. The timeframe should be realistic and sufficient for both sides to perform their contractual obligations.

FRAMEWORKS

- 13. **The access to and use of any Framework or Dynamic Market must be agreed by and signed off by the Head of Procurement before use.**

PROCURING WHEN FUNDED BY EXTERNAL GRANTS

- 14. Officers must, in advance of undertaking any procurement activity, ensure the SPT has full access to any relevant paperwork and guidance to ensure they are fully conversant and compliant with all the requirements of the relevant funding bodies.

LIGHT TOUCH REGIME

- 15. Only Light Touch service contracts defined under PCR15 can use this process. All procurement processes covered by the Light Touch Regime must be agreed **with** and run by the SPT.

PROVIDER SELECTION REGIME (PSR)

- 16. **The access to and use of any Framework or Dynamic Market must be agreed by and signed off by the Head of Procurement before use.**

CONCESSIONS

17. Where a manager is considering entering into a **Concession Contract of any value**, the **process** must be **agreed with and run by** the SPT.

SPECIFICATIONS

18. References are avoided within specifications which have the effect of favouring or eliminating any suppliers by specifying a particular material or a specific make.

a. Under £30,000	The manager is responsible for ensuring a specification is created that describes the Councils requirements in sufficient detail including the considerations required in Legal obligations and Council policy objectives, to enable the submission of equal and transparent competitive bids.
b. Over £30,000	The manager must consult the SPT to ensure a specification is created that describes the Councils requirements in sufficient detail including the considerations required in Legal obligations and Council policy objectives, to enable the submission of equal and transparent competitive bids.

PAYMENT IN ADVANCE

19. The manager is responsible for ensuring approval for a payment in advance must be made in accordance with Part F (7)(g) & (h). Examples that may apply, but not limited to, include lease arrangements, ICT software licensing and support agreements, subscriptions, maintenance agreements and works, goods or services received from utility companies.
- a. Requirements of such must be included in the relevant specifications and T&C's and the payment in advance is limited to the actual requirement of the T&C's and no more.
 - b. Whilst a contract and agreement may be for longer than 12 months, no payment in advance may exceed 12 months.
 - c. A **PDR** must be obtained for all types of payments in advance.

PERFORMANCE BONDS

20. The manager is responsible for ensuring:
- a. In a contract for the execution of works the requirements for any performance bond or guarantee are as follows:

i. £0 to £500,000	Consider the requirement, or not, for and value of performance bond or guarantee further to their risk assessment.
i. £500,000 up to PCR15 works threshold	Consult the CFO and MO to consider the requirement, or not, for and value of performance bond or guarantee further to their joint risk assessment.

ii. Over PCR15 works threshold	Bond or guarantee is normally required, the terms to be approved by the MO. The CFO must agree the value or percentage value of the contract of such a bond or guarantee.
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- b. The risk assessment considers other ongoing contracts with the same contractor and the aggregate contract values in determining the need for a performance bond or guarantee.
- c. Such bonds or guarantees be taken up by the contractor with an insurance company, bank or other financial institution or body approved by the CFO. (Except for 'schedule of rates' contracts or any other contract exception agreed by the MO and CFO).
- d. Where the works contract has been let via an available Framework Agreement, then any retention or performance bond requirements of that framework agreement must prevail.

EVALUATION CRITERIA AND SCORING MATRIX

21. The SPT is responsible for ensuring that a scoring matrix is prepared for all tenders over **£30,000** against criteria derived from the requirements in the specification and price elements. The evaluation criteria, weightings and price elements must be issued with the tender and are clear and transparent to bidders.
- a. Invitations to tender **will** include relevant and proportionate evaluation criteria, derived from the elements defined under Legal obligations and Council policy objectives that might improve and secure improvement in respect of the economic, social and environmental well-being of the relevant area.
 - b. **Where relevant and proportional**, tenders are to be assessed with a minimum of 10% of the quality score being allocated to **economic, social and environmental considerations**.

COMPETITION REQUIREMENTS

22. Competition Requirements

- a. Local Suppliers must be used wherever possible under £30,000. A local supplier is defined, for this purpose, as operating within the BH, DT and SO postcode regions.
- b. All requirements of any value relating to the Provider Selection Regime (PSR) and Concessions must go through the SPT.
- c. **Competition Requirements: £0 - £5,000**

Procurement Decision Record – Not required (unless circumstances at 5a apply)
Responsibility: Manager
<ul style="list-style-type: none"> i. Obtain at least one written, value for money quote. ii. Ensure verbal quotes are retrospectively followed up by a written quote (by email if preferred) before placing the order. iii. The quote should, where possible, be from a local supplier prior to placing order.

d. Competition Requirements: £5,000 - £30,000

Procurement Decision Record is required

Responsibility: Manager and SPT

- i. Ensure a PDR has been approved prior to obtaining quotes.
- ii. If a manager considers advertising under £30,000 is appropriate, it must be discussed with the SPT to develop a solution.
- iii. Otherwise, invite sufficient suppliers by e-mail to ensure **a minimum of three comparative written quotations** are received back (to declared in the PDR if less than three).
- iv. Ensure at least one of these quotes, where possible, must be from a local supplier.
- v. You must provide the same specification, evaluation criteria (where not price only) and the Council's standard terms and conditions to suppliers.
- vi. Set a quotation return date and time and evaluate accordingly.
- vii. For BCP maintained schools the Department for Education statutory guidance in respect of schemes for financing schools (normally updated annually) requires three quotes to be obtained for all spend to exceed £10,000 in any one year.
- viii. For quotes originally estimated to be under £30,000 in the PDR, the manager must ensure that, where the value of a requirement has subsequently been identified as being over £30,000, advice from the SPT must be sought.

e. Competition Requirements: £30,000 including PSR or Concessions.

Procurement Decision Record is required

Responsibility: SPT

- i. The SPT are responsible for selecting the most appropriate procurement route to market and tender processes.
- ii. The SPT will identify if similar contracts are being let, or due to be let, with a view to aggregating requirements, creating corporate contracts and/or modifying existing contracts.
- iii. The SPT will ensure, where relevant, the appropriate contract notice(s) are placed on the Contracts Finder website and the Council's e-tendering portal.
- iv. In addition, for all procurements over the relevant PCR15 or CCR16 thresholds, the SPT where relevant, will publish the appropriate contract notice(s) on the Find a Tender Service (FTS) website.
- iii. The SPT are responsible for ensuring that clarification questions (direct or public), received during the tender period are answered within the set tender period and appropriate responses provided by the Service are uploaded via the e-Tendering system by the SPT.

EVALUATIONS

23. The evaluation criteria, weightings and price elements for procurements must be scored against the score guide issued with the tender documents, **where applied**, and as recorded in the PDR.
- a. The SPT are responsible for ensuring:
- i. Compliance and due diligence checks are undertaken before evaluation begins.
 - ii. Evaluators are provided with the compliant tender(s) and scorecards with instructions for individual evaluation purposes.
 - iii. A date and time are agreed with the evaluators for the return of all evaluation scores and the evaluators record responses/comments against all criteria and are concise and accurately recorded for audit and transparency purposes.
 - iv. Appropriate moderation is completed in accordance with published documents.
 - v. Evaluation of price and quality is in accordance with the tender and that evaluator scores are based on the question asked against the requirement (specification) and not a predefined opinion or experience.

ABNORMALLY LOW BIDS

24. Abnormally Low Bids will be reviewed by the SPT in accordance with the SPT's specific guidance relating to abnormally low bids.

FINANCIAL APPRAISALS

25. The Council has a responsibility to assure ourselves of the solvency and competency of suppliers that bid for our contracts. The key principle is to safeguard the delivery of public services, while being proportionate, fair and not overly risk averse.
- a. The SPT and Accountancy are responsible for ensuring:
- i. That a financial appraisal risk assessment is completed on procurements valued over **£30,000** to determine the level of financial checking required on a supplier as part of the procurement process.
 - ii. That the appropriate financial appraisal as determined by the financial appraisal risk assessment is completed on the preferred supplier prior to notification of the procurement outcome to bidders.
 - iii. That the method for each level of financial appraisal has been determined and agreed by the CFO.
 - iv. That any risks identified through the financial appraisal of a preferred supplier are notified to the Head of Procurement prior to the notification of the outcome to bidders. The Head of Procurement will be responsible for the making the decision as to whether to continue with contract award.

AWARD PROCESS

26. Award Process

- a. The award process for all contracts over £30,000 including all PSR contracts and concessions of any value is the responsibility of the SPT who will ensure that the relevant unsuccessful and successful letter(s) are issued to the relevant suppliers.
- b. The SPT is responsible for ensuring:
 - i. The mandatory standstill period of a minimum of 10 calendar days is observed here applicable for above threshold procurements.
 - ii. The relevant standstill letter(s) are issued to the successful and unsuccessful suppliers, giving the reasons for the decision and time to challenge the decision within the standstill period.
 - iii. No Officer of the council, other than those authorised from the SPT or Legal Services, should be in contact with the suppliers during the standstill period if applicable.
 - iv. That provided the standstill period, if applicable, has ended without challenge, the SPT will issue an award letter to the successful supplier(s).

AWARD NOTICES

27. Award Notices

- a. For contracts over £30,000 the SPT must ensure an award notice is placed on the Contracts Finder website, the Council's e-tendering portal and record the contract award in the Council's Contract Register.
- b. In addition, for all procurements over the relevant PCR15 or CCR16 thresholds, SPT must publish an award notice on the Find a Tender Service (FTS) website.
- c. The SPT is responsible for ensuring that all relevant contract awards over £5,000 are entered onto the Contracts Register.

CONTRACT COMPLETION

28. Legal Services must support the drawing up of the contract documentation (derived from the original tender process) to be signed by both BCP Council and the successful supplier.

CONTRACT IMPLEMENTATION

29. Immediately following contract award and prior to the contract start date, contract implementation is a key phase in setting up a new procurement project for success:
 - a. The SPT and the manager are responsible for engaging with the Contractor after the contract has been awarded to ensure the implementation requirements are delivered, activities identified, timescales are established, and expectations met as set out in the tender.
 - b. Adequate time should be set aside for mobilisation activities in the planning of a procurement to make sure that the right contract management processes and relationship can be developed prior to contract going live.

ORDERING

30. After a tender or quotation has been accepted in writing (via BCP Councils e-tendering system if over £30,000) it must have a written contract **agreed** and a proper Council purchase order, in accordance with Part F (7) **and must be** issued before goods are supplied, services delivered or works begin.

CONTRACT & SUPPLIER RELATIONSHIP MANAGEMENT

31. Manager and SPT responsibilities

- a. **Contract management involves the oversight and administration of a contract throughout its lifecycle, this process includes:**
- i. **Ensuring** there is compliance with the specification, pricing and contract terms.
 - ii. Contract performance and key performance indicators (where applied) are monitored and enforced on a regular basis with any reduction in performance addressed.
 - iii. Regular budget monitoring and cost reconciliation of payments takes place to ensure the contract sum is not exceeded.
 - iv. Effectively managing disputes and resolutions using appropriate contractual and non-contractual levers.
 - v. Conducting contract risk assessments.
- b. In the case of Corporate Contracts / Frameworks the SPT shall be responsible for **the contract management** with support from the key managers of the **Corporate Contract / Framework**.
- c. Managers responsibilities:
- i. Understanding the practicalities of how the goods, services, works or concessions are delivered under the contract.
 - ii. Day-to-day management including robust administration.
 - iii. Consulting the SPT where there is any deviation identified **in the contract**, to ensure compliance.

CONTRACT EXTENSIONS

32. The manager must consult the SPT to ensure no contract extensions are instructed or implied without a signed PDR to extend by the Head of Procurement.

CONTRACT MODIFICATIONS & VARIATIONS

33. The manager must consult the SPT to ensure:
- a. All proposed contract modifications or variations (i.e., change to scope, price, period) are made well in advance of the requirement.
 - b. No contract modification or variation is instructed without a signed PDR from the Head of Procurement.

CONTRACT END - DECOMMISSIONING CONTRACTS

34. When exiting a contract, the manager is responsible for preparing and planning for the end of the contract in advance of the expiry date and, as a minimum consider:
- a. The notice period required for termination and to avoid any potential penalties.
 - b. How to prevent service disruption.
 - c. Any data needing transfer from the supplier back to the Council.
 - d. Suppliers' equipment is returned (if applicable).
 - e. TUPE implications.
 - f. Disposals.

DISPOSALS

35. Managers are responsible for:
- a. Complying with guidance issued by the CFO on the disposal of assets including selling, gifting, swapping or donating the asset subject to the limits set out in the Schedule of Financial Delegations to Officers in Appendix 1.
 - b. Disposal of surplus or obsolete plant and machinery or other non-land or buildings asset (and excluding ICT equipment) – must be undertaken in consultation discussed with the SPT.

DOCUMENT RETENTION

36. SPT are responsible for ensuring that:
- a. For all tender and contract management documentation over £5,000 proportionate records, which must include a copy of the contract, must be maintained and retained throughout the life of the contract and retained for a minimum of 7 years after the contract end date.

PART H EXTERNAL ARRANGEMENTS

PRINCIPLES

- 1 All partnerships, shared services and joint working arrangements with outside bodies must be properly evaluated for risk before they are entered into and be supported by clear governance, accounting and audit arrangements.
- 2 External funding can prove an important source of income, but funding conditions must be carefully examined and evaluated for risk before any agreement is entered into to ensure they are compatible with the aims and objectives of the Council.
- 3 Legislation enables the Council to trade and/or to provide discretionary services to third parties including the general public, in the main through the establishment of trading companies/other delivery models. All such work must be within the legal framework and the respective risks and financial benefits associated with such work must be properly considered and a proportionate business case approved before any trading activities take place.

PARTNERSHIPS, SHARED SERVICES, POOLED BUDGETS AND JOINT WORKING

- 4 The CFO is responsible for advising on the financing, accounting and control of partnership, shared service, pooled budget and joint working arrangements including:
 - a. Financial viability in current and future years.
 - b. Risk appraisal and risk management arrangements.
 - c. Resourcing and taxation.
 - d. Audit, security and control requirements.
 - e. Carry forward arrangements (between accounting periods).
- 5 The Monitoring Officer (MO) is responsible for advising on legal and legislative arrangements and for promoting and maintaining the same high standards of conduct in such arrangements as normally apply throughout the Council.
- 6 Managers are responsible for:
 - a. Ensuring that the CFO and MO are involved in the planning for any such arrangements at an early stage.
 - b. Ensuring that any such arrangements do not impact adversely upon Council services, that risk assessments have been carried out and that appropriate approvals have been obtained before entering into any agreements.
 - c. Ensuring that agreements and arrangements are properly documented.
 - d. Maintaining local registers of partnerships entered into.
 - e. Providing appropriate information to the CFO to enable relevant entries to be made in the Council's accounts.
 - f. Ensuring that appropriate mechanisms are in place to monitor and report on performance.
 - g. Consulting with the Corporate Property Officer if there is any proposal to utilise Council land or buildings in pursuit of a partnership, shared service, pooled budget or joint working initiative.

EXTERNAL FUNDING

- 7 The CFO is responsible for:
- Approving bids for external funding that may be put forward by councillors or managers prior to submission of any bid.
 - Ensuring that any match funding or part funding requirements are considered prior to entering into any agreement, that future Revenue Budgets reflect these requirements, and that any longer-term sustainability costs have been properly assessed.
 - Approving bids where delegated to do so in line with the requirements of the Corporate Scheme of Financial Delegations (Appendix 1).
 - Ensuring that all external funding is received and properly recorded in the Council's accounts and in the name of the Council.
 - Maintaining a central register of external funding/grant arrangements.
 - Ensuring that all audit requirements are met.
- 8 Managers are responsible for ensuring that:
- The CFO is involved in preparing for, and approving, any bid for external funding prior to submission of such bids. (This includes joint bids where the Council is not lead body)
 - The sustainability of funding is assessed for risk; all agreements entered into are consistent with and support the Council's service priorities.
 - The necessary approvals are obtained to accept funding in line with the requirements of the Corporate Scheme of Financial Delegations (Appendix 1).
 - All claims for funds are made by the due date.
 - Work is progressed in accordance with the agreed project plan and all expenditure is properly incurred and recorded.

TRADING (including providing discretionary services to third parties and the public)

- 9 The MO is responsible for providing or obtaining all necessary legal advice to ensure that all such proposals are undertaken within the legal framework.
- 10 The CFO is responsible for:
- Issuing guidance on the assessment of trading opportunities and options.
 - Advising on and approving the financial implications of any proposed trading arrangements between the Council and third parties.
 - Advising on the establishment and operation of trading accounts to ensure that the accounting and control processes comply with Council and statutory requirements and that the results of trading operations are properly recorded and reported.
 - Ensuring appropriate insurance arrangements are in place.
- 11 Managers are responsible for:
- Identifying trading opportunities and evaluating the respective risks and financial benefits in accordance with the guidance issued by the CFO.
 - Obtaining all necessary legal advice to ensure the terms and conditions of all trading contracts are reasonable and are proportionately documented.
 - Obtaining business case approval, in line with the requirements of the Corporate Scheme of Financial Delegations (Appendix 1), before any negotiations are concluded to trade or work for third parties.
 - Maintaining a local register of all trading contracts entered into.
 - Collecting all contractual income due and ensuring the Council is not put at risk from any bad debts.

- f. Ensuring that no contract will be subsidised by the Council providing financial assistance either directly or indirectly.
- g. Ensuring that such contracts do not impact adversely impact upon services provided by the Council.
- h. Ensuring that the service has the appropriate expertise to undertake the contract.
- i. Complying with guidance issued by the CFO in relation to the operation of trading accounts and the proper recording and reporting of trading results.

Glossary of Common Terms

Budget	A plan expressed in financial terms that is an estimate of the resource required to deliver the services/priorities of the Council
Budget Heads	A main area of revenue or capital spend as defined by the Budget and/or Capital Programme
Business Plan	A plan defined for the purposes of service planning and reporting at the Council as specified by the Chief Executive
Cost centre	A budgeting level which usually reflects a whole service area, or main sub-category of a service. It encompasses a number of standard 'subjective' coding areas such as those used for staffing related costs, supplies & services, income etc.
Capital	The organisation's total assets less its liabilities
Capital expenditure	Expenditure to acquire fixed assets that will be of use for more than the year in which they are acquired, and which adds to the Council's tangible assets rather than simply maintaining existing ones
Intra Vires	Acting within the statutory powers of the organisation
Joint Venture	Collaboration between two or more economically independent organisations (in practice one of which will be from the private sector) to achieve a joint aim, either contractually (gain/share) or through setting up a separate jointly owned entity
Outsourcing	The entering into of a contract with a provider (private sector, social enterprise/third sector, mutual or joint venture) to deliver services
p-cards	A term to describe all forms of 'purchasing/payment cards' including credit cards, debit card, store cards (excludes pre-loaded card)
Revenue	Income or expenditure, arising from or spent on, day to day activities and short-lived commodities or consumables
Service plan	A plan setting out priorities and service ambitions
A service specific financial system	Any system that supplements, integrates or interfaces with the main accounting system – examples (but not limited to) HR system, social care records system, asset management systems
Shared Service	A voluntary collaboration between public sector bodies to deliver services/provide facilities
Ultra Vires	Acting beyond the statutory powers of the organisation
Value for Money (VFM)	The simple National Audit Office definition is 'Optimal use of resources to achieve intended outcomes and purpose'. The more complex Audit Commission definition is 'obtaining maximum benefit over time with the resources available, achieving the right local balance between economy, efficiency and effectiveness, or spending less, spending well and spending wisely to achieve local priorities. VFM is high when there is optimum balance between all three elements, when costs are relatively and comparatively low, productivity is high and successful outcomes have been achieved'.

Acronyms

AGS	Annual Governance Statement
CCR16	Concession Contracts Regulations 2016
CFO	The Chief Finance Officer
CIA	The Chief Internal Auditor
CPO	Corporate Property Officer (the CFO)
CPV (code)	Common Procurement Vocabulary Code
CPQ	Construction Pre-qualification Questionnaire
FTS	Find a Tender Service (Replacement to OJEU as of 23:00 on 31.12.2020)
FMS	The budgeting and <u>financial management system</u> used at the Council (Dynamics F&O)
HHR	Head of Human Resources
HMRC	Her Majesty's Revenue and Customs
HPS	The Head of Paid Service (designated as the Chief Executive)
ICE	Institution of Civil Engineers
ITQ	Invitation to quote
ITT	Invitation to tender
LEA	Local Education Authority
LMS	Local Management for Schools Scheme
MO	The Monitoring Officer
MLRO	The Money Laundering Reporting Officer (the Chief Internal Auditor)
MTFP	Medium Term Financial Plan
NI(C)	National Insurance (contributions)
OJEU	Official Journal of the European Union – Replaced by UK e-Notification Service (Find a Tender Service - FTS) as of 23:00 on 31.12.2020
PAYE	Pay as you earn
PCR15	Public Contracts Regulations 2015
PCN	Penalty Charge Notice
SOPPs	Accounting <u>Standards of Professional Practice</u> (Code of Practice on Local Authority Accounting:)
SORP	Statement of Recommended Practice
SQ	Selection Questionnaire
TMS	Treasury Management Strategy
SeRCOP	Service (expenditure)Reporting Code of Practice
SPT	Strategic Procurement Team
VFM	Value for Money
VAT	Value Added Tax

CORPORATE SCHEDULE OF FINANCIAL DELEGATIONS

INTRODUCTION

- 1 The Corporate Schedule of Financial Delegations sets out the powers and duties delegated to various senior officers in the Council. Senior officers may appoint appropriate 'authorised officers' to act on their behalf (see 3 below), these delegations must be recorded in local Service Schemes of Delegation. (This schedule (appendix 1) does not apply to BCP maintained schools who will operate their own schemes of delegation).
- 2 This Corporate Schedule also sets out the approved financial limits within which senior officers may conduct the Council's business. Changes to the limits/values contained within this Corporate Schedule may only be made with the approval of the Chief Executive Officer. Additionally, any changes to councillor's approval levels also require the approval of Council.
- 3 For those items marked * (asterisk) the relevant senior officer has discretion to appoint appropriate authorised officers to act on their behalf. In all cases the relevant senior officer remains accountable for the effective operation of the financial thresholds and authorities and must:
 - Maintain a local written record of delegations to authorised officers and post this on the Council's intranet pages.
 - Provide the MO/CFO with the local written record of delegations to authorised officers at any time they require it (if not transparently posted on the intranet).
 - Ensure that an appropriate segregation of duties is in operation, for example between ordering and paying for goods, between claiming and approving expenses.
 - Ensure compliance (from those authorised officers) with the financial limits in this Schedule and any within the Financial Regulations (e.g. limits relating to waivers, extensions and variations) and HR Policies (e.g. limits relating to overtime, allowances, honoraria and expenses).

Note – If an individual has a formal 'Power to Deputise' delegation via a properly job evaluated Job Description then this Corporate Schedule of Financial Delegations can be read as apply to them (i.e. without formal delegation recording requirements as per 3 above).

- 4 This Corporate Schedule is not a standalone document and should be read in conjunction with the relevant section of the Council's Financial Regulations and Constitution which is shown in brackets at the top of each section within this Corporate Schedule. The 'Approver' is responsible for obtaining all appropriate advice from support services such as Human Resources (HR), Legal, Finance, ICT, Property services before making decisions to approve.
- 5 Legacy Councils in this schedule mean Bournemouth Borough Council, Christchurch Borough Council and Borough of Poole (but not Dorset County Council (DCC)).
- 6 The term cabinet member, in the approver column, means the appropriate or relevant cabinet member pertaining to the decision (not any available cabinet member). Alternatively, the Leader may determine who the appropriate or relevant cabinet member is.

FINANCIAL MONITORING AND CONTROL (FINANCIAL REGULATIONS – PART D)

REF	DESCRIPTION	LIMIT / VALUE / THRESHOLD	APPROVER
Revenue Virement (RV) - the term 'either individually or in aggregate for the financial year' is being used to prevent disaggregation or fragmentation of virement to circumvent the required approvals			
RV1	To approve any virement (either individually or in aggregate for the financial year).	Over £1M	Council (after advice from the CFO)
RV2	To approve any virement (either individually or in aggregate for the financial year).	Over £500k and up to £1M	Cabinet / cabinet member (after advice from the CFO)
RV3	To approve virement within or between Service/Business Plans and/or projects/programmes in their portfolio areas (either individually or in aggregate for the financial year).	Over £100k and up to £500k	Corporate Director (after advice from the CFO*)
RV4	To approve virement within their Service/Business Plans and/or within or between projects/programmes for which they are responsible (either individually or in aggregate for the financial year).	Up to £100k	Service Director* (after advice from the CFO*)
RV5	To approve virement from within existing Service/Business Plans or between Service/Business Plans, projects or programmes within their areas of responsibility into new or otherwise unplanned functions and activities if savings are available to be re-directed into the new activity.	Up to £100k	Service Director* (after advice from the CFO*)
RV6	To approve the: <ul style="list-style-type: none"> • correction of errors to the initial budget upload • correction of errors to an approved virement • distribution of any centrally held budgets, as presented to Council agreeing the annual budget, where there is no change to the overall net budget of the Council or the council tax requirement within the main Financial System 	Unlimited	CFO*
Revenue virement is only permissible in the following circumstances: <ul style="list-style-type: none"> • to reflect a reorganisation/restructure • to reflect a change in corporate priorities • the receipt of additional income, grant or other funding (and the associated expenditure) • the distribution or redistribution of centrally held budgets • the correction of errors to initial budget upload 			The following virement are generally not permitted <ul style="list-style-type: none"> • virement between capital and revenue • virement between controllable and non-controllable (recharges and capital financing) codes

FINANCIAL MONITORING AND CONTROL (FINANCIAL REGULATIONS – PART D)

REF	DESCRIPTION	LIMIT / VALUE / THRESHOLD	APPROVER
<u>Capital Virement (CV)</u>			
CV1	To approve virement between individually approved schemes	Over £1M	Council (via Budget Monitoring Report after advice from the CFO)
		Over £500k and up to £1M	Cabinet / cabinet member (after advice from the CFO)
		Over £100k and up to £500k	Corporate Director (after advice from the CFO*)
		Up to £100k	Service Director * (after advice from the CFO*)
CV2	To approve re-phasing between years of individually approved schemes.	Any value	Service Director * (after advice from the CFO*)
CV3	To approve the correction of errors to initial budget load or approved virement within the main Financial System.	Any value	CFO*
<u>The Capital Programme (CP) (approving new schemes in-year and approving changes to external funding in-year)</u>			
CP1	To approve a new project, programme or scheme that is not in the Capital Programme (as approved as part of the annual budget setting process) and where a new external capital grant(s) is awarded to cover the costs of the project, programme or scheme, or it is proposed to transfer a scheme from one Council Fund to another (e.g. General Fund to HRA)	As per CV1 above	As per CV1 above
CP2	To approve a new project, programme or scheme that is not in the Capital Programme (as approved as part of the annual budget setting process) and CP1 does not apply – so new borrowing or other new external funding sources is required to cover the costs of the project, programme or scheme.	As per CV1 above	As per CV1 above
CP3	To approve a project, programme or scheme if the external funding or borrowing sources are different from the external funding or borrowing sources agreed at the original approval point. (e.g. prudential borrowing approved but borrowing required is now greater/less)	As per CV1 above	As per CV1 above

FINANCIAL SYSTEMS AND PROCEDURES (FINANCIAL REGULATIONS – PART F)

INCOME			
REF	DESCRIPTION	LIMIT / VALUE / THRESHOLD	APPROVER
INC1	Sundry debt write-offs (not cancellation) (Sundry debt 'cancellation' can only occur in circumstances where the original debt was raised in error, in all other circumstances this write-off procedure applies)	Up to £1k	Service Director *
		£1k to £25k	Service Director
		£25k to £100k	Corporate Director in consultation with CFO and cabinet member
		Over £100k	Head of Paid Service in consultation with the CFO and Leader
INC2	Council tax, NDR, write offs and housing benefits overpayment recovery	Up to £1k	Heads of Service in Revenues & Benefits *
		Over £1k and up to £10k	Heads of Service in Revenues & Benefits
		Over £10k	CFO
INC3	Council Housing tenant rent arrears write offs (including former tenants)	Up to £1k	Service Director (for Housing) *
		Over £1k and up to £5k	Service Director (for Housing)
		Over £5k	Service Director, CFO and MO
INC4	Fees & charges	Increase/decrease of existing	Service Director in consultation with cabinet member & CFO
		Any waiving, suspending or refunding of existing	Service Director
		Agreeing any new	Cabinet (and Council if over £1M annual value)
INC5	Any means tested or assessed financial contributions	Waiving, suspending or refunding up to £1k (aggregate not individual)	Service Director *
		Waiving, suspending or refunding over £1k (aggregate not individual)	Service Director in consultation with CFO *
INC6	Penalty Charge Notices (PCN) write offs	Unlimited	Service Director (responsible for Parking Services) *

REF	DESCRIPTION	LIMIT / VALUE / THRESHOLD	APPROVER
EX9	<p>Appointment of Interim Staffing (contract of employment or contract for service)</p> <p>Individuals used to fill any temporary new post and existing posts, where there is a need to pay above the job evaluated rate, in circumstances where for whatever reason it is not possible and/or desirable to make a permanent appointment into the post. Such posts will generally be senior managerial or of a specialist professional nature, but where the post-holder is appointed on a temporary basis. The focus is on the individual and their specialist skills and knowledge. Interims may be considered appropriate at a time when the service or team concerned, or the wider Council is in a phase of rapid transition or when there are specific legislative or national drivers for change which need to be implemented in a defined time period. Interims may be employed directly by the Council on a fixed-term contract (including by way of the Professional Register) or via a procurement process, either as an employee, if retained through the Professional Register, or as an agency worker, or on a self-employed basis under a contract for services. In the latter case, payment is normally negotiated on a day rate as opposed to an hourly rate and must be approved by the HHR.</p> <p>Business case must include identification of previously agreed budget source</p>	Up to £30k	Service Director * Additional approval of HHR if contract for service is preferred over a contract of employment to ensure IR35 tax compliance
		Over £30k and up to £100k	Service Director to complete a business case for approval by Corporate Director Additional approval of HHR if contract for service is preferred over a contract of employment to ensure IR35 tax compliance
		Over £100k (or if the day rate is greater than £750 per day)	Corporate Director to complete a business case for approval by the Chief Executive Additional approval of HHR if contract for service is preferred over a contract of employment to ensure IR35 tax compliance
EX10	<p>Appointment of a Consultant (contract for service)</p> <p>Individuals or organisations used to provide objective advice and assistance of a specialist nature, where existing Council employees do not have the necessary relevant expertise or where in-house capacity is insufficient. Such arrangements may relate to the strategy, structure, management, or operations of the Council, or specific professional input to a project in pursuit of the Council's purposes and objectives (typically, there will be no corresponding Council post on the authorised staffing establishment). Consultancy assistance is provided outside the Council's established staffing structure and "business as usual" environment when in-house skills are not available. As a result, the use of consultants will be for a defined (and preferably short-term) period and to achieve specific outcomes.</p> <p>Business case must include identification of previously agreed budget source</p>	Up to £30k	Service Director *
		Over £30k and Up to £100k	Service Director to complete a business case for approval by Corporate Director
		Over £100k (or if the day rate is greater than £750 per day)	Corporate Director to complete a business case for approval by the Chief Executive
EX11	<p>Approving where a 'Contract for Service' is to be offered to a bona fide self-employed individual who has held employment with the Council in the last 3 years.</p>	Any value	Chief Executive (with advice from CFO and HHR)

REF	DESCRIPTION	LIMIT / VALUE / THRESHOLD	APPROVER
EX12	Approving where a permanent or fixed term (exceeding 12 months) 'Contract of Employment' is to be offered to any individual made redundant (compulsory or voluntary) within the last 12 months from any role within the Council (or legacy Councils)	Any Value	Corporate Director (after advice from CFO and HHR)
EX13	Special Severance Payments (any severance exceeding statutory entitlement) Including: Payments reached under a settlement agreement, write-offs of any outstanding loans, payments to employees for retraining related to their termination of employment, pay or compensation in lieu of notice where the amount of the payment is not greater than the salary due in the period of notice set out in the employee's contract, pension strain payments arising from employer discretions to enhance standard pension benefits.	Up to £20,000	Service Director, Director of People & Culture, CFO
		£20,000 to £100,000	Service Director, Director of People & Culture, CFO, MO, HPS, Leader of the Council
		Over £100,000	Full Council (as per Localism Act)

TREASURY MANAGEMENT, FINANCING & LEASING

REF	DESCRIPTION	LIMIT / VALUE / THRESHOLD	APPROVER
TM1	Placing of treasury investments and all approvals to borrow	In line with Treasury Management Strategy (TMS) and appended policies and within any operational lower limits	CFO* as authorised to transact in accordance with TMS. Any variation from TMS requires Council sign off.
TM2	Approving all leases, credit arrangements or hire purchase arrangements	All such arrangements	CFO* to determine approval route specific to the individual circumstance
TM3	Approving any funds (and the system of administration) to be held on behalf of third parties.	All such arrangements	Service Director* and CFO*

ASSET MANAGEMENT

REF	DESCRIPTION	LIMIT / VALUE / THRESHOLD	APPROVER
AM1	Writing off deficiencies in stocks, stores & inventories (limits/value/threshold is 'book' value/accounting value not estimated sales value)	Up to £1,000	Service Director *
		£1k to £50k	Service Director * and CFO
		Over £50k	Cabinet / cabinet member (after advice from CFO)
AM2	Acquisition of freehold & leasehold land & buildings. The acquisition of a freehold, leasehold, or any other interest in land or buildings subject to the purchase being no more than	Up to £350k (capital value)	Corporate Property Officer *
		£350k to £500k (capital value)	Cabinet / cabinet member
		Over £500k (capital value)	Council

	market value unless 'Special Purchaser' assumptions can be made.		
AM3	Acquisition of freehold & leasehold land & buildings at more than market value and 'Special Purchaser' assumptions cannot be made.	Any value	Council
AM4	Disposal of freehold & leasehold land & buildings. Disposal by way of a sale, lease, licence, wayleave, easement, deed of variation, renewal, surrender, modification of covenant, or other disposal of an interest in land or buildings using any method that achieves best consideration.	Up to £350k (capital value)	Corporate Property Officer *
		£350k to £500k (capital value)	Cabinet / cabinet member
		Over £500k (capital value)	Council
AM5	Agreeing disposals of any land or building asset not to the highest bidder or where there is a difference between the estimated open market value (or best consideration) and the actual sales price. (Seek legal advice if land is open space).	Up to £350k (capital value)	Corporate Property Officer in consultation with the CFO
		£350k to £500k (capital value)	Cabinet / cabinet member
		Over £500k (capital value)	Council
AM6	Value for including items in fixed assets register	Over £10k	Service Director *
AM7	Disposal of surplus or obsolete plant and machinery or other non-land or buildings asset (and excluding ICT equipment) ** (limits/value/threshold is 'book' value/accounting value not estimated sales value)	Any disposal not to the highest bidder (or gifted at nil value)	Service Director* and CFO*
		Any disposal £0k to £100k to the highest bidder	Service Director* and CFO*
		Any disposal £100k to £500k to the highest bidder	Corporate Director* and CFO*
		Any disposal over £500k	Cabinet / cabinet member and CFO
AM8	Any acquisition of ICT equipment and ICT services	All acquisitions	By ICT services or with the approval of the Head of ICT *
AM9	Any disposal of ICT equipment including donations to schools or charities **	Any or nil value, no exceptions	All disposals through ICT Services
AM10	Approving the use of Council assets outside of normal Council business activity and after obtaining MO* and insurance advice from the CFO*	Any land or buildings	Corporate Property Officer *
		Non land or buildings (and excluding ICT equipment)	Service Director *
		ICT equipment	Head of ICT *

**Also refer to the Council's Corporate Disposals Policy

EXTERNAL ARRANGEMENTS (FINANCIAL REGULATIONS – PART H)

REF	DESCRIPTION	LIMIT / VALUE / THRESHOLD	APPROVER (after obtaining advice from the CFO, MO and HHR)
EA1	Entering the Council into partnership, shared service, pooled budget or joint working arrangements (including Memoranda of Understanding)	Any (including where a direct financial contribution is not obvious)	In accordance with the Council's Constitution Part 2, Article 12 - Decision making, Section 3 - Types of decisions).
EA2	External trading contracts, arrangements or concepts – business case approval, (providing discretionary services to a third party, including the public, in exchange for a fee)	Any contract up to £100,000	Service Director *
		New contracts between £100,000 and £0.5M	Corporate Director
		Incremental contracts between £100,000 and £0.5M	Service Director
		All Contracts over £0.5M	Cabinet / cabinet member
EA3	Submitting any bid for external funding (including joint bids where the Council is not lead body)	Any value	Service Director * with the agreement of the CFO *
EA4	Accepting external funding (BCP aggregate total including any 'match-funding' element and partner(s) share(s) if BCP is lead body or 'host')	Up to £100,000	Service Director * and CFO *
		Between £100,000 and £1.0M	Cabinet / cabinet member (with advice from the CFO)
		Over £1.0M	Council (with advice from the CFO)

For the purposes of EA2 above the following definitions apply:

- New (trading) contracts = the contract, arrangement/concept has not previously been traded
- Incremental (trading) contracts = the contract, arrangement/concept has already been approved applying the approval thresholds above, subsequent incremental trading growth through a series of additional contracts

OTHER DELEGATIONS - TAX RELIEF SCHEMES

REF	DESCRIPTION	APPROVER
TR1	To implement Central Government fully funded council tax, business rate or other tax rebate relief schemes where implementation requires the Council to use its discretionary powers under either Section 47 of the Local Government Finance Act 1988 or Section 13A of the Local Government Finance Act 1992.	CFO

BCP COUNCIL - FUNCTIONS OF THE AUDIT & GOVERNANCE COMMITTEE

Functions of the Audit & Governance Committee are set out below. The Audit & Governance Committee cannot delegate for a decision any issues referred to it apart from any matter that is reserved to Council.

Statement of Purpose

Our Audit & Governance Committee is a key component of Bournemouth, Christchurch and Poole (BCP) Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of our Audit & Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of BCP Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, Risk & Control

To consider the arrangements for corporate governance including reviews of the Local Code of Corporate Governance and review and approval of the Annual Governance Statement (AGS).

To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.

To consider arrangements for risk management including the approval of the Risk Management Strategy and review of the Council's corporate risk register.

To consider arrangements for counter-fraud and corruption, including 'whistle-blowing' including approval of the Counter Theft, Fraud & Corruption Policy and the outcomes of any investigations in relation to this policy.

To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal Audit

To approve the Internal Audit Charter.

To approve the risk-based Internal Audit Plan, including Internal Audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

To approve significant interim changes to the risk-based Internal Audit Plan and resource requirements.

To consider reports from the Head of Internal Audit on Internal Audit's performance during the year, including the performance of external providers of internal audit services. These will include: a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work b) regular reports on the results of the Quality Assurance Improvement Programme (QAIP) c) reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement (AGS).

To consider the Head of Internal Audit's annual report: a) The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit. b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.

To consider summaries of specific internal audit reports as scheduled in the forward plan for the Committee or otherwise requested by Councillors.

To receive reports outlining the action taken where the Head of Internal Audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every 5 years.

To commission work from the Internal Audit Service (with due regard to the resources available and the existing scope and breadth of their respective work programmes and the forward plan for the Committee).

External Audit

To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments Ltd (PSAA).

To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.

To consider all other relevant reports from the External Auditor as scheduled in the forward plan for the Committee as agreed with the External Auditor or otherwise requested by Councillors.

To comment on the scope and depth of external audit work and to ensure it gives value for money.

To commission work from External Audit (with due regard to the resources available and the existing scope and breadth of their respective work programmes and the forward plan for the Committee).

To liaise with the national body (currently Public Sector Audit Appointments (Ltd)) (PSAA) over the appointment of the Council's External Auditors.

To consider reports dealing with the management and performance of the External Audit function.

To consider and approve the Annual Plans of the External Auditor.

Financial Reporting

To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

To report to full council and publish an annual report on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

To report to full council and publish an annual report on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

Other Functions

To consider arrangements for treasury management including approving the Treasury Management Strategy and monitoring the performance of this function.

To maintain an overview of the Council's Constitution in respect of financial regulations, working protocols and codes of conduct and behaviour (not otherwise reserved to the Standards Committee).

To consider breaches, waivers and exemptions of these Financial Regulations.

To consider any relevant issue referred to it by the Chief Executive, Chief Finance Officer (CFO), Chief Internal Auditor (CIA), Monitoring Officer (MO) or any other Council body or cabinet member.

To consider arrangements for information governance, health and safety, fire safety, emergency planning (including business continuity).

To consider any issue of Council non-compliance with its own and other relevant published regulations, controls, operational standards and codes of practice.

To consider gifts and hospitality registers relating to officers.

MINOR AMENDMENTS AND EDITING LOG (during 2024-25)

The Chief Finance Officer (CFO) has primary responsibilities for maintaining the Financial Regulations as outlined in Part A page 5. Where changes affect the powers or responsibilities of councillors, approval of Council is required.

It is recognised there may be a need to clarify certain elements of the Financial Regulations from time to time, this may require minor amendments or editing. The CFO has delegated to the Chief Internal Auditor (CIA) and Strategic Procurement Manager (SPM) the ability to make minor amendments and editing changes. Any such changes are logged in the table below.

No.	Description of amendments or editing	Page	Date
1			
2			
3			
4			

FINANCIAL REGULATIONS

BACK COVER ONLY

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