

 Executive 13 March 2013		Agenda Item No. 4
Title	Codes of Financial and Procurement Practice	
For further information about this report please contact	Mike.snow@warwickdc.gov.uk Melanie.gillman@warwickdc.gov.uk	
Wards of the District directly affected		
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive March and July 2010	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes
Equality & Sustainability Impact Assessment Undertaken	Yes/No (If No state why below)

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	19/2/13	Chris Elliott/Andy Jones
Head of Service	19/2/13	Mike Snow
CMT		
Section 151 Officer	19/2/13	Mike Snow
Monitoring Officer	19/2/13	Andy Jones
Finance	19/2/13	Mike Snow
Portfolio Holder(s)	19/2/13	Andrew Mobbs
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
January 2013 Senior Management Team		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 This report presents proposed amendments to the Code of Financial Practice and the Code of Procurement Practice.

2. **RECOMMENDATION**

- 2.1 That the Executive recommend that the Council adopt the updated Code of Financial Practice as detailed in the attached Appendix 1.
- 2.2 That the Executive recommend that the Council adopt the updated Code of Procurement Practice as detailed in the attached Appendix 2.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The Council's Code of Financial Practice and Code of Procurement Practice were last formally reviewed and amended in 2010. It is recognised good practice to keep these documents under review and make amendments as necessary to meet the changing environment in which the authority and its finances operate.
- 3.2 Some of the notable updates proposed to the Code of Financial Practice (Appendix 1) include:-
- Section 4 – Payment of Accounts. To reinforce the need to follow the process to raise formal order for all supplies and services.
 - Section 5 – Income. To increase the thresholds for write-offs agreed by Head of Finance to £1,000, whilst ensuring appropriate arrangements and processes are in place.
 - Section 8 – Petty Cash. New section
 - Section 9 – Capital Investment Process. To clarify and simplify the process for authorising capital projects and "rolling programme" budgets.
 - Section 12 – Virement. To update the processes in line with the changes following the Budget Monitoring and Budget Review processes. This enables Heads of Service to have more freedom to move budgets, whilst ensuring that Portfolios Holders are consulted on larger virements and that these are still reported to members. Virements of over £100,000 will continue to be approved by Council.
 - Section 14 – Risk Management and Insurance. Section re-written to reflect the broad approach that should be followed to risk management across the authority.
 - Section 15 – Internal Audit. Updated to clarify responsibilities.
- 3.3 Some of the notable updates proposed to the Code of Procurement Practice (Appendix 2) include:-
- Section 5.4 - exceptions not requiring approval – this is new
 - Section 6.2.8 – reference to the Social Value act - this is new
 - Section 9.7.1 – last 2 years accounts instead of 3. This is to make our requirements the same as the Cabinet Office documents.
 - Section 10.2.2 – no longer requiring a member present at tender openings due to the electronic software
 - Section 10.2.4 – tender receipt to be signed by portfolio holder for OJEU tenders

- Section 10.3.2 – acceptance of late information – this is new, but reflects current working practices
- Section 11.4 – payment terms – this is new
- Section 11.7 – clarification of officers able to sign contracts
- Section 12.5 – change in wording to framework contracts, as a single framework isn't achievable but we are slowly working through setting some up individually.
- Glossary –updated to reflect terms in the document

4. **POLICY FRAMEWORK**

- 4.1 **Policy Framework** – The Codes of Financial and Procurement Practice form part of the Council's Constitution. These provide the overall framework under which the Council's finances operate and goods and services should be procured and contracts subsequently managed.
- 4.2 **Fit for the Future** – The updates to the Codes seek to support some of the changing practices that are taking place across the Council as part of Fit For the Future.

5. **BUDGETARY FRAMEWORK**

- 5.1 The Code of Financial Practice sets out the Council's budget framework.
- 5.2 The Code of Procurement Practice complements the Code of Financial Practice. Compliance with this code should ensure the Council minimizes procurement risks, whilst ensuring best value is obtained.

6. **ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 The amended documents set out how the District Council's financial arrangements should operate so as to comply with best practice and current legislation. The updated Codes should therefore be accepted in its entirety.