



Walsall Council

Contract Rules 2010 & Financial Rules 2012

Adopted by Council on with effect 15th September 2010
(Amended by Council on 23 May 2012)

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NOTE In this document any words shown in bold are explained in Rule 25 of these Contract Rules on Page 21.

1 Background and Purpose

These Contract Rules (“the **Rules**”) are made under Section 135 Local Government Act 1972.

The **Rules** form part of the **Council’s Constitution** and replace Rules 10 to 16 of the Council’s Financial and Contract Rules approved by Council on 24th April 2006. Only full **Council** shall approve amend or vary these **Rules**.

The purpose of the **Rules** is to:

- 1.3.1 uphold the principles that all purchasing and disposal procedures must achieve **Best Value**;
- 1.3.2 be consistent with the highest standards of integrity;
- 1.3.3 ensure fairness in allocating contracts;
- 1.3.4 comply with all legal requirements;
- 1.3.5 support the **Council’s** corporate aims and policies including “**Working Smarter**” and the “**Think Walsall**” Charter and has a commitment to support a sustainable local economy; and
- 1.3.6 comply with the **Council’s Corporate Procurement Strategy** and the **Procurement Code**.

2 Application

2.1 The **Rules** shall apply to:

- 2.1.1 Contracts (including **Frameworks Agreements**) for purchasing, commissioning, leasing or hire of goods, works or services for the **Council**;
- 2.1.2 Sub-contracts where the **Council** specifies, names or nominates a sub-contractor to a **contractor** in a **tender** specification;
- 2.1.3 Unless the **Council** expressly agrees otherwise, **contracts** on behalf of any **Partnership** for which the **Council** is the accountable body;
- 2.1.4 Schools, except where the requirements of the Schools Standards and Frameworks Act 1998 or other statutory provisions require otherwise.

2.2 Where the **Council** is required to follow rules laid down by Central Government or other organisation that provides grant funding (“the **Grantor**”) to the **Council**, **Officers** shall follow the **Grantor’s** contract procedure rules where they are more stringent than the **Council’s**.

2.3 The **Rules** do not apply to:

- 2.3.1 Contracts of employment for the **Council’s Officers**, except in the making of contracts with recruitment and staffing agencies; or
- 2.3.2 Subject to Rule 23, Contracts relating to the purchase or sale of interests in land; or
- 2.3.3 Contracts for treasury management and loans; or
- 2.3.4 Choosing a partner organisation where the **Cabinet** has agreed that a public/private partnership shall be undertaken, in which case the

procedure laid down in the relevant statutory provisions will be followed;
or

2.3.5 The investment of assets belonging to charities and trusts for which an **Officer** acts as treasurer: or

2.3.6 **Grants** made by the **Council**.

3 Compliance

3.1 All procurements shall be conducted in accordance with the following:

3.1.1 All relevant statutory provisions including the Public Contracts Regulations 2006 (as amended) (“the **Regulations**”);

3.1.2 The relevant **EU Rules**;

3.1.3 The **Council’s Constitution**; and

3.1.4 The **Council’s Corporate Procurement Strategy** and **Procurement Code**.

3.2 Failure to comply with the **Rules** may leave the **Council** or individual **Officers** or **Members**, open to risk of legal challenge. Breaches will be regarded as a serious matter which may be considered gross misconduct and could lead to disciplinary action and/or dismissal. Any **Officer** becoming aware of any compliance failure should inform the **Monitoring Officer** who will if necessary investigate the matter and report to **Cabinet**. Alternatively matters can be raised through the **Council’s** whistleblowing policy.

3.3 **Officers** and **Members** must not invite or accept any gift or reward in respect of the award or performance of any contract contrary to the provisions of the Bribery Act 2010. High standards of conduct are obligatory. Corrupt behaviour will lead to dismissal in the case of **Officers** and a reference to the Standards Committee in the case of **Members**. Where appropriate a matter may be referred to the Police.

3.4 **Officers** must declare any interests which could bring them into conflict with the **Council’s** interests.

3.5 **Members** must disclose all relevant interests on their register of interest forms, and any meeting they attend.

4 Preparing to contract

4.1 Authority for all **contracts** must be granted before they are entered into. Authority can be in the form of:

4.1.1. A **Cabinet** resolution; or

4.1.2. A decision made properly within the powers of **Cabinet** or **Chief Officer** under the **Scheme of Delegations**; or

4.1.3. A decision by **Cabinet** delegating authority to an **Authorised Officer**.

4.2 Subject to Rule 9, the following conditions must be met:

- 4.2.1. The **contract** must comply with the **Rules** and the **Financial Regulations**; and
 - 4.2.2. There must be enough budget to cover the financial commitment being made including ongoing revenue costs, **Authorised Officers** will need to seek approval for the power to offset any shortfall in budget.
- 4.3. **Executive Directors** have overall responsibility for the operation of the Council,s functions. All requirements for goods, services or works that fall within those areas must first have been consulted on with the relevant **Executive Director** prior to the commencement of any procurement or commissioning exercise.

5 Use of Existing Contracts

- 5.1 Existing **Council contracts**, consortium arrangements or **Framework Agreements** shall be used wherever available unless a **Chief Officer** has agreed otherwise in writing in which case these rules shall apply. Before any procurement is commenced, **Authorised Officers** shall establish whether:
- 5.1.1 The **Council** has existing contracts or beneficial arrangements for the future purchase of goods, works and services; or
 - 5.1.2 Items are to be found in any available **Council's** i-Procurement online purchasing system; or
 - 5.1.3 The **Council** is able to purchase through a public authority purchasing consortium; or
 - 5.1.4 Buying Solutions' or other Central Purchasing Bodies' **Framework Agreements** are available.
- 5.2 The **Council's Head of Procurement** shall follow the requirement of the **Rules** in order to:
- 5.2.1 Procure goods, works and services which may be required throughout the **Council's** service areas, ensuring such **contracts** are made known to all **Chief Officers**; and
 - 5.2.2 Join the **Council** into consortia with other public authorities to enable the procurement of goods, materials, works or services by more than one public authority.

6 Special Contracts

Schools

Where the **Rules** apply to the **Council's** schools, the School's governing body shall:

- 6.1.1 Act as the **Head of Service** for all procurement, commissioning, leasing, purchasing or sale of any goods, works or services over which the School has authority under the delegation of Schools management or other legislation;
- 6.1.2 Delegate to the School's head teacher or other senior members of the School's staff such authority as it sees fit to take actions on its behalf; and
- 6.1.3 Seek authority of the **Council's Executive or Assistant Directors** or **Cabinet** wherever the **Rules** require.

Social Care Contracts

The **Chief Officers** responsible for providing Social Care for Children and Adult Services shall:

- 6.2.1 Consult with the **Head of Legal and Democratic Services** to create a set of rules governing the procurement of services relating to Social Care, which fall within Part B of the **Regulations**;
- 6.2.2 Ensure such rules reflect the structure of the market for Social Care services; and
- 6.2.3 Balance the need to achieve **Best Value** with that to make **contracts** rapidly to meet individual service users' needs.

Except where a set of rules have been created **Officers** shall procure services only in accordance with the **Rules** and the **Procurement Code**.

Consultants

Chief Officers who wish to appoint consultants shall ensure:

- 6.4.1 The **Council** has a genuine need for consultants;
- 6.4.2 The nature and extent of the work is clearly defined;
- 6.4.3 Suitably qualified and experienced consultants provide quotations or tenders;
- 6.4.4 A written contract is made with the consultant who is appointed in a form approved by the **Head of Legal and Democratic Services**;
- 6.4.5 Consultants provide insurance cover to a level approved by the **Corporate Risk and Project Manager**; and
- 6.4.6 The consultant shall formally accept the appointment before the work is commenced.

Appointments of Legal Advisors and Experts

Where a **Chief Officer** seeks to appoint external legal advisors and experts, following consultation with the **Head of Legal and Democratic Services**, the following rules shall apply:

- 6.5.1 **Tenders** shall not be required for the engagement of counsel; medical experts, the clergy or experts at court proceedings; and
- 6.5.2 **Tenders** shall not be required for the instruction of legal advisers, who shall be appointed in consultation with the **Head of Legal and Democratic Services**.

7 Advertising and Approved Lists

- 7.1 There is a general presumption in favour of competition. **Authorised Officers** shall ensure that where proposed **contracts** irrespective of their **total contract value** might be of interest to potential **tenderers** located in other states of the European Union, a sufficiently accessible advertisement is published. Generally the greater

the interest of the contract to potential **tenderers** from other member states, the wider the coverage of the advertisement should be. Examples of where such advertisements may be placed include:

- 7.1.1. The **Council's** website;
- 7.1.2. Portal websites specifically created for contract advertisements;
- 7.1.3. National official journals; and
- 7.1.4. The Official Journal of the European Union (OJEU)/ Tenders Electronic Daily (TED) (even if there is no requirement within the **Regulations**).

7.2 **Approved Lists** should be used where recurrent transactions of a similar type are likely but where such transactions need to be priced individually and cannot be aggregated and priced in a single tendering exercise. **Approved Lists** cannot be used where the **Regulations** apply.

8 Contract Value and Procedure

- 8.1 The **total contract value** shall be the genuine pre-estimate of the value of the entire contract excluding **Value Added Tax**. This includes all payments to be made or potentially to be made under the entirety of the **contract** and for the whole of the predicted contract period (including proposed extensions and options). Wherever possible estimates shall be based on previous purchases, catalogue prices or **suppliers'** estimates.
- 8.2 There shall be no artificial splitting of a **contract** to avoid the application of the provisions of the **Regulations** and/or the **Rules**.
- 8.3 The tables below sets out the which procurement process should be used dependent upon the **total contract value** as calculated in accordance with this Rule:

GOODS AND SERVICES

Total Contract Value £	Type of Contract	Procurement Process to be Used	Acceptance of Tender	Rule no.
Between £2,500 and up to £10,000	Not subject to the Rules but still subject to Best Value	Recommended at least 2 competitive quotations if available	Head of Service/Service Manager	N/A
Above £10,000 and up to £50,000	MINOR for goods and services	At least 2 written quotations	Head of Service/Service Manager	10,15
Above £50,001 and up to EU Threshold	SIGNIFICANT for goods and services	At least 3 written tenders	Head of Service	11,16,17, 18

Above EU Threshold and up to £500,000	MAJOR for goods and services	The Regulations apply At least 3 written tenders	Executive Director/Assistant Director	12,14,16,17,18
£500,001 and above	STRATEGIC for goods and services	The Regulations apply At least 4 written tenders	Cabinet or Delegated Approval	13,14,16,17,18,19

WORKS

Total Contract Value £	Type of Contract	Procurement Process to be Used	Acceptance of Tender	Rule no.
Between £2,500 and up to £10,000	Not subject to the Rules	Recommended at least 2 competitive quotations if available	Head of Service/Service Manager	N/A
Above £10,000 and up to £50,000	MINOR For works	At least 2 written quotations	Head of Service/Service Manager	10,15
Above £50,001 and up to £173,934(EU Threshold for goods and services)	SIGNIFICANT For works	At least 3 written tenders	Head of Service	11,16,17,18
Above £173,934(EU Threshold for goods and services) and up to £500,000	MAJOR For works	At least 3 written tenders	Executive Director/Assistant Director	12,16,17,18
Above £500,001 and up to EU Threshold (for works)	STRATEGIC For works	At least 4 written tenders	Cabinet or Delegated Approval	13,16,17,18,19
EU threshold (for works)	STRATEGIC	The Regulations apply At least 4 written	Cabinet or Delegated	

and above	For works	tenders	Approval	14,16,17, 18,19
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- 8.4 Where the **contract** is a mix of goods, services and works advice must be sought from the **Head of Procurement** and/or the **Head of Law** as to whether the **Regulations** apply.
- 8.5 Where electronic tendering is available it shall be used. Full details of the electronic tendering system and how it works can be found in the **Procurement Code**.

9 Waiver/Exemption of the Contract Rules

- 9.1 If a **Chief Officer** believes that goods, works or services are needed urgently by the **Council**, he or she may in writing waive or suspend the requirement to follow the **Rules** and other instructions to the extent necessary to remedy the urgent situation. Such waiver or suspension shall only apply where:
- 9.1.1 A situation of genuine urgency is perceived to exist; or
 - 9.1.2 Action is required to safeguard the **Council's** assets or interests; or
 - 9.1.3 **Grants** or other funding will be lost unless urgent action is taken.
- 9.2 The **Chief Officer** responsible for waiving or suspending any part of these rules or procedures shall provide a written report to the **Corporate Management Team** as soon as practicable detailing the **Rules** or procedures they have set aside and the reasons requiring these actions.
- 9.3 A **Chief Officer** shall not be required to seek **quotations** or **tenders** where (subject to compliance with Rule 4):
- 9.3.1 Goods must be purchased from a **supplier** holding exclusive rights of manufacture or supply and where no generic equivalent exists;
 - 9.3.2 Goods to be purchased are required by the **Council** as a partial replacement for or in addition to existing goods already purchased by the **Council** and when to obtain the goods from a **supplier** other than the **supplier** which supplied the existing goods would oblige the **Council** to acquire goods having different technical characteristics which would result in:
 - 9.3.2.1 Incompatibility between the existing goods and the goods to be purchased; or
 - 9.3.2.2 Disproportionate technical difficulties in the operation and maintenance of the existing goods.
 - 9.3.3 Items whose price is controlled by trade organisations or Central Government regulations;
 - 9.3.4 Repairs or parts for existing plant or machinery provided by the original **supplier**;

- 9.3.5. Hiring of performance artists or other suppliers of fine art exhibits; and
 - 9.3.6. Items to be obtained at a public auction, fair or market.
- 9.4 Before an **Authorised Officer** procures using any of the exemptions set out in Rule 9.3 above, they must where the **contract** is likely to exceed the **EU Threshold** seek advice from the **Head of Procurement** and/or **Head of Law** as to the application of the **Regulations. Authorised Officers** must:
- 9.4.1 Provide, wherever applicable, a written estimate of the anticipated cost to the **Chief Officer** responsible where the anticipated cost exceeds £25,000; and
 - 9.4.2 Ensure **contracts** with the **suppliers** or providers follow the **Rules** where applicable;
 - 9.4.3 Before items are purchased from a public auction, the **Chief Officer** shall first be informed in writing of:
 - 9.4.3.1 The quality, condition and provenance of each article, whose purchase is sought;
 - 9.4.3.2 The reason for seeking to purchase at a public auction, market or fair; and
 - 9.4.3.3 The anticipated value of the item if purchased by other means.
- 9.5 **Authorised Officers** attending an auction shall receive written instructions from the **Chief Officer** responsible for the service specifying:
- 9.5.1 The item or items for which they are to bid; and
 - 9.5.2 Requirements to inspect the item prior to the commencement of bidding; and
 - 9.5.3 The highest value which may be bid for the item or items.

10 Minor Contracts

- 10.1 "**Minor Contracts**" are contracts for goods works and services which exceed £10,000 but do not exceed £50,000.
- 10.2 **Minor Contracts** shall be authorised by the **Authorised Officers** or by any **Officer** who holds authority to use the **Council's** I-Procurement or ORACLE software up to the value of the proposed purchase.
- 10.3 **Officers** shall seek to obtain written quotations from at least **two suppliers** for all **Minor Contracts** whose value is anticipated to be between £10,001 and £50,000. In the event that there are not **two suppliers** interested in submitting a **quotation** following compliance with the requirements of Rule 7, then **quotations** shall be obtained from those **suppliers** who are willing to submit a **quotation**.
- 10.4 **Quotation** shall be sought using the procedure set out in Rule 15 below.
- 10.5 **Quotations** shall be returned to the **Authorised Officer** who shall open them. **Quotations** shall be kept safely and in confidence until they are assessed and accepted or rejected.
- 10.6 The **Authorised Officer** may accept one or more of the **quotations** received.

- 10.7 Where **quotations** have been received the **Authorised Officer** shall appoint one or more **suppliers** by providing them with the **Council's** official purchase order. Where appropriate, the **Authorised Officer** shall sign the official purchase order or authorise the order electronically through the **Council's** ORACLE or other electronic purchasing order processing system.
- 10.8 Wherever a **quotation** has been accepted a letter of appointment shall be sent to each **supplier** whose **quotation** has been accepted. This should be done as soon as possible after the **Council's** formal acceptance of the **quotation**.
- 10.9 The **contract** for **Minor Contracts** up to a value of £50,000 shall be evidenced by an official order generated from the **Council's** ORACLE accounts payable software and bearing a unique reference number.

11 Significant Contracts

- 11.1 "**Significant Contracts**" are contracts for goods, works or services which exceed £50,000 but do not exceed the current **EU Threshold** (for goods and services).
- 11.2 An **Authorised Officer** shall take responsibility for the procurement of **Significant Contracts**. This **Officer** shall report regularly to a **Chief Officer**.
- 11.3 Formal sealed **tenders** shall be invited from at least **three suppliers** for **Significant Contracts**. In the event that there are not **three suppliers** interested in submitting a **tender** following compliance with the requirements to advertise in Rule 7, then a **tender** shall be obtained from those **suppliers** who are willing and able to submit a **tender**.
- 11.4 **Tenders** shall be sought, evaluated and awarded in accordance with Rules 16 and 17 below.
- 11.5 Sealed **tenders** shall be returned to the **Council** as required by the **Invitation to Tender**. They shall be held securely in the custody of the **Authorised Officer** and remain unopened until the time set for their opening.
- 11.6 **Tenders** for **Significant Contracts** shall be opened by the relevant **Head of Service** or by two **Officers** delegated in writing by that **Head of Service** to open such **tenders**. In cases where an electronic tendering system is used, the system used should have sufficient controls to prevent premature opening of the documents and post opening amendments. A suitable audit trail should be made available and only those **Officers** authorised to open the **tenders** should be able to access the mailbox created to receive the **tenders**.
- 11.7 The **Authorised Officer** may accept one or more of the **tenders** received. Where the value exceeds £100,000, letters of acceptance shall be signed by a **Chief Officer** responsible for the service.
- 11.8 **Significant Contracts** shall be evidenced by a written contract in a form approved by the **Head of Legal and Democratic Services**, which shall be signed by the **Head of Service** responsible for the service on the **Council's** behalf and by an authorised signatory of the **contractor**.

12 Major Contracts

- 12.1 "**Major Contracts**" are contracts for goods, works or services which exceed the **EU Threshold** (for goods and services) but do not exceed £500,000.

- 12.2 The procurement of **Major Contracts** for goods and services shall follow the **Regulations**.
- 12.3 An **Authorised Officer** shall take responsibility for the procurement of **Major Contracts** in respect of works. This **Officer** shall report regularly to a **Chief Officer**.
- 12.4 Formal sealed **tenders** shall be invited from at least **three suppliers**. In the event that there are not **three suppliers** interested in submitting a **tender** following compliance with the requirements to advertise in Rule 7, then a **tender** shall be obtained from those suppliers who are willing and able to submit a **tender**.
- 12.5 **Tenders** shall be sought, evaluated and awarded in accordance with Rules 16 and 17 below.
- 12.6 Sealed **tenders** shall be returned to the Tenders – Postal/Courier and Filing Services Civic Centre. They shall be held securely and remain unopened until the time set for their opening.
- 12.7 **Tenders** for **Major Contracts** shall be opened by the relevant **Executive or Assistant Director** or by two **Officers** delegated in writing by that **Executive or Assistant Director** to open such **tenders**. In cases where an electronic tendering system is used, the system used should have sufficient controls to prevent premature opening of the documents and post opening amendments. A suitable audit trail should be made available and only those **Officers** authorised to open the **tenders** should be able to access the mailbox created to receive the **tenders**.
- 12.8 The **Chief Officer** responsible for the service area may accept one or more of the **tenders** received.
- 12.9 **Suppliers** appointed are to confirm acceptance of their appointment in writing. No work, other than the **supplier's** off-site preparations should be commenced, nor any delivery of goods, materials or services accepted, until the **supplier** appointed has:
- 12.9.1 Formally accepted their appointment,
 - 12.9.2 Provided evidence of insurances to the satisfaction of the **Council's Corporate Risk and Project Manager**; and
 - 12.9.3 Provided any agreed surety or bond to the **Council**.
- 12.10 **Major Contracts** shall be evidenced by a written contract, in a form approved by the **Head of Legal and Democratic Services**, which shall be signed by **Executive Director** responsible for the service on the **Council's** behalf and by an authorised signatory of the **contractor**.
- 12.11 The **Authorised Officer** should create a regular monitoring report for the **Assistant or Executive Director** or Project Board responsible for the **contract**. This report should include up-to-date information on the **contract's** performance and expenditure to date and the predicted out-turn. The report should highlight any areas of difficulty and propose remedial action.

13 Strategic Contracts

- 13.1 "**Strategic Contracts**" are contracts for goods, works or services which exceed £500,000.
- 13.2 The procurement of **Strategic Contracts** for goods and services shall follow the **Regulations**.

- 13.3 The procurement of **Strategic Contracts** for works over the **EU Threshold** (for works) shall follow the **Regulations**.
- 13.4 An **Authorised Officer** shall take responsibility for the procurement of **Strategic Contracts** in respect of works up to the **EU Threshold** (for works). This **Officer** shall report regularly to a **Chief Officer**.
- 13.5 Formal sealed **tenders** shall be invited from at least **four suppliers**. In the event that there are not **four suppliers** interested in submitting a **tender** following compliance with the requirements to advertise in Rule 7, then a **tender** shall be obtained from those **suppliers** who are willing to submit a **tender**.
- 13.6 **Tenders** shall be obtained, evaluated and awarded in accordance with Rules 16 and 17 below.
- 13.7 Sealed **tenders** shall be returned to the Tenders – Postal/Courier and Filing, Civic Centre. They shall be held securely and remain unopened until the time set for their opening.
- 13.8 **Tenders** for **Strategic Contracts** shall be opened by the **Cabinet Member** to whose portfolio the project or purchase pertains or in the event of their unavailability another **Cabinet Member** in the presence of the **Monitoring Officer** or any **Officer** nominated in writing by him or her for this purpose. In cases where an electronic tendering system is used, the system used should have sufficient controls to prevent premature opening of the documents and post opening amendments. A suitable audit trail should be made available and only those **Officers** authorised to open the **tenders** should be able to access the mailbox created to receive the **tenders**.
- 13.9 One or more **tenders** shall be accepted following a resolution of the **Cabinet**. **Cabinet** may resolve to delegate acceptance of **tenders** for individual **contracts** to a **Chief Officer**.
- 13.10 The **Executive or Assistant Director** responsible shall sign all letters of appointment.
- 13.11 **Suppliers** appointed are to confirm acceptance of their appointment in writing. No work, other than the **supplier's** off-site preparations should be commenced, nor any delivery of goods, materials or services accepted, until the **supplier** appointed has:
- 13.10.1 Formally accepted their appointment;
 - 13.10.2 Provided evidence of insurances to the satisfaction of the **Council's Corporate Risk and Project Manager**; and
 - 13.10.3 Provided any agreed bond or surety to the **Council**.
- 13.12 **Strategic Contracts** shall be evidenced by a written contract in a form approved by the **Head of Legal and Democratic Services**. All **Strategic Contracts** exceeding £500,000 shall be made under the **Council's** seal.
- 13.13 The **Authorised Officer** should create a regular monitoring report for the **Assistant or Executive Director** and any Project Board responsible for the **contract**. This report should include up-to-date information on the **contract's** performance and expenditure to date and the predicted out-turn. The report should highlight any areas of difficulty and propose remedial action.

14 Contracts subject to the Regulations

- 14.1 Where the **total contract value** of any **Major** or **Strategic Contract** exceeds **EU Threshold** the **Regulations** must be complied with.
- 14.2 The **Regulations** are lengthy and detailed and only the principal requirements are set out in the **Rules**. Advice must be sought from the **Head of Procurement** and /or the **Head of Law** before starting any procurement which is likely to be subject to the **Regulations**.
- 14.3 The **Regulations** specify how the **contract** shall be advertised, the types of the procedure to be used, timescales, evaluating the **tender** and how the contract shall be awarded (including mandatory debriefing and a standstill period). Failure to adhere correctly to the **Regulations** may result in legal proceedings being taken against the **Council**.
- 14.4 The **Rules** shall apply to **contracts** subject to the **Regulations** in so far as they do not conflict with the **Regulations**.
- 14.5 For the avoidance of doubt, it is not possible to waive all or any part of the **Regulations**.

15 Quotations

- 15.1 **Authorised Officers** shall seek to obtain written **quotations** from at least **two suppliers** for all **Minor Contracts** whose value is anticipated to be between £10,001 and £50,000. **Authorised Officers** shall:
- 15.1.1 Seek to obtain **quotations** only from suppliers known to be able to provide the goods works and services required;
 - 15.1.2 Seek all **quotations** at a similar time, providing a written specification;
 - 15.1.3 Allow a reasonable time for **suppliers** to provide **quotations**;
 - 15.1.4 Receive **quotations** by letter, facsimile or email; and
 - 15.1.5 Evaluate all **quotations** received.
- 15.2 Subject to the **Regulations** **Authorised Officers** shall retain **quotations** in accordance with document disposal guidelines, ensuring they remain available for inspection by the **Chief Internal Auditor** or any representative of the **Council's** external auditor.

16 Tenders

- 16.1 **Tenders** shall be sought from **suppliers** who have responded to any advert placed by the **Council** in accordance with Rule 7 of the **Rules** and may be capable of being awarded the **tender**.
- 16.2 All **suppliers** invited to tender for **Significant, Major or Strategic contracts** shall be provided at no cost to themselves with identical **Invitation to Tenders** which shall specify:
- 16.2.1. The date and time by which **tenders** are to be received, and the address to which they are to be delivered;
 - 16.2.2. All documents to be completed, which shall include health and safety and equality and diversity questionnaires;

- 16.2.3. Instructions for the **tender's** return; and
 - 16.2.4. Whether **tenders** may be returned electronically in the event an electronic system is available and approved for use.
- 16.3 Information supplied shall include but not be limited to:
- 16.3.1. Full specification of all goods works or services to be provided;
 - 16.3.2. Intended duration of the proposed **contract**;
 - 16.3.3. Evaluation criteria to be used in assessing **tenders**; and
 - 16.3.4. The method by which any errors in **tenders** will be treated.
- 16.4 Those seeking a **tender** shall provide to each **tenderer**:
- 16.4.1. A copy of every document to be completed and instructions needed for its completion;
 - 16.4.2. The summary form of **tender** to be completed and signed by the **tenderer**; and
 - 16.4.3. A label for the envelope in which the **tender** is to be returned on which should be written the name of the proposed **contract** and the Directorate to which the **contract** relates or details of how to return the **tender** electronically.
 - 16.4.4. A copy of the contractual terms and conditions to which the **tenderer** will be bound if they are awarded the **tender**.
- 16.5 Where **tender** documentation is likely to be bulky, **tenderers** should be advised that the envelope is to be affixed to the package containing the **tender**.
- 16.6 Each **tender** shall be informed that:
- 16.6.1 the **Council** does not bind itself to **contract** with the **supplier** offering the cheapest **tender** or with any **supplier**;
 - 16.6.2 that the **Council** will not be liable for any costs or expenses whatsoever incurred by the **tenderers** in respect of the preparation and submission of their **tender** and that the **Council** shall be at liberty to cancel the **tender** process at any time and shall not be liable for any costs or expenses whatsoever incurred by the **tenderer** as a result of such cancellation;
 - 16.6.3 that it will not consider any **tender** which is not accompanied by all **tender** documents;
 - 16.6.4 that it may not consider any **tender** received after the latest date and time;
 - 16.6.5 that it may not consider any **tender** bearing any mark or label identifying the tenderer, whether made by the sender, an agent or carrier;
 - 16.6.6 that it will not consider any **tender** offering a variant offer, except where it accompanies a compliant offer unless stated otherwise; or
 - 16.6.7 that it will not consider any **tender** requiring a form of contract other than that approved by the **Council's Head of Legal and Democratic Services**.
- 16.7 Subject to the **Regulations Authorised Officers** shall retain tenders in accordance with document disposal guidelines, ensuring they remain available for inspection by the **Chief Internal Auditor** or any representative of the **Council's** external auditor.

17 Evaluation and Award of Tenders

- 17.1 **Tenders** shall be assessed:
- 17.1.1 As soon as possible after they have been opened;
 - 17.1.2 In line with evaluation criteria set out in the **Invitation To Tender**; and
 - 17.1.3 By **Authorised Officers** or duly appointed consultants.
- 17.2 Assessment shall be restricted to:
- 17.2.1 Information contained within the **tenders**;
 - 17.2.2 Further information requested from **tenderers** following initial assessment of **tenders** and any clarification required; and
 - 17.2.3 Material provided at an interview or presentation (if available).
- 17.3 The **Authorised Officer** responsible for assessment of the **tenders** shall:
- 17.3.1 Examine all compliant offers and variant or alternative offers where applicable;
 - 17.3.2 Deal with errors in **tenders** using the method set out in the **tender** specification;
 - 17.3.3 Seek clarification and additional detail from each **tenderer**;
 - 17.3.4 Undertake financial evaluation of each **tenderer**; and
 - 17.3.5 Where appropriate invite **tenderers** to attend interviews and make presentations.
- 17.4 The Authorised Officer may also:
- 17.4.1 Seek additional information from **tenderers** in writing where that is relevant or needed to remove ambiguities from **tenders**. Where this is provided by telephone, **Officers** should keep a log of the questions asked and answers given;
 - 17.4.2 Create a small panel of appropriate **Officers** to interview some or all **tenderers**; and
 - 17.4.3 Interview **tenderers** following proper planning. **Tenderers** to be called should receive adequate details of what is required and sufficient time to prepare answers and presentations. Questions, answers and marks awarded should be written and retained.
- 17.5 The **Authorised Officer** shall produce an evaluation report to the **Chief Officer** who is to accept one or more **tenders**. In respect of **Strategic Contracts** this report shall be made available to the **Cabinet**, or any **Project Board** prior to their accepting one or more **tenders**.
- 17.6 The evaluation report shall offer clear, costed recommendations, to the **Chief Officer** responsible for accepting the **tender**.

18 Form of Contract

- 18.1 The **Council** shall make **contracts** with **suppliers** appointed in accordance with the **Rules** and with the requirements of the **Financial Regulations** and the **Procurement Code**.
- 18.2 Every **contract** made by the **Council**, whether by way of official purchase order, or by formal written agreement, shall require:
- 18.2.1 Goods, works or services to comply with British Standard or equivalent European Union standard wherever these exist;
 - 18.2.2 Evidence that **suppliers** maintain sufficient insurance as may be required by the **Corporate Risk and Project Manager** throughout the duration of the **contract**;
 - 18.2.3 Compliance with the Construction (Design and Management) Regulations 2007 wherever these apply;
 - 18.2.4 An appropriate health and safety policy;
 - 18.2.5 An acceptable equality policy compliant with the provisions of the Equalities Act 2010;
 - 18.2.6 A signed statement agreeing that the **Council** may revoke the **contract** in the case of corrupt activity or behaviour by the **contractor**; and
 - 18.2.7 Where applicable a clause setting out when any bond or surety shall be returned and retention monies released.
- 18.3 All official purchase orders and written contracts shall:
- 18.3.1 Describe the goods, works or services to be provided;
 - 18.3.2 State the price to be paid and when it shall be paid, along with any discounts or other deductions; and
 - 18.3.3 Indicate the time or times, within which the **contract** is to be performed, including any terms and conditions under which the **contract** may be extended;
 - 18.3.4 Include any terms and conditions set out by the **Council** or agreed with the **supplier**;
 - 18.3.5 Include provisions to deal with any disputes which may arise;
 - 18.3.6 Where appropriate a clause whereby liquidated damages will be paid to the **Council** by the **contractor** wherever the provision of goods works or services is not completed within the time set out in the contract;
 - 18.3.7 Fulfil the requirements of the **Council's Financial Regulations**; and
 - 18.3.8 Comply with the requirements of the **Council's ORACLE** accounts payable system.
- 18.4 In all cases the official purchase order or written contract document shall be in a form approved by the **Head of Legal and Democratic Services** except where:
- 18.4.1 A **contract** is to be made with a statutory undertaking or utility company;
 - 18.4.2 Government purchasing agreement terms and conditions are to be used;

- 18.4.3 Terms and conditions are agreed by a purchasing consortium which includes the **Council**;
- 18.4.4 A Central Government office requires their terms and conditions are followed, or
- 18.4.5 The **Head of Legal and Democratic Services** agrees use of the **contractor's** terms and conditions.

19 Execution of Contracts under seal

- 19.1 **Authorised Officers** requiring a written **contract** to be made under the **Council's** seal shall provide the following:
 - 19.1.1 Written confirmation of compliance with the **Rules** and the exercise of authority by a **Chief Officer**;
 - 19.1.2 For **Strategic Contracts** a copy of the **Cabinet** decision accepting the **tender** and awarding the **contract** or delegated authority to an **Officer** to accept the **tender** and award the **contract**;
 - 19.1.3 Any other documents required by the **Head of Legal and Democratic Services**, to enable a **contract** to be sealed.
- 19.2 The seal is applied by the **Head of Legal and Democratic Services** or his or her nominated **Officer**. The application of the seal is an administrative function and not a legal review of the **contract** or the tendering exercise.
- 19.3 Where a **contract** has no consideration (no discernable money is being spent by the parties) the **Council's** seal shall be used.

20 Register of Contracts

- 20.1 **Executive Directors** shall keep a register of all **contracts** subject to the **Rules** entered into by that Directorate ("**the Register of Contracts**"). **Authorised Officers** shall ensure **contracts** for which they are responsible are entered into this **Register of Contracts**: this includes any amendments or variations. The form required to enter the contract in the **Register of Contracts** can be found in the **Procurement Code**. The **Register of Contracts** shall be available for inspection by the **Chief Internal Auditor** at all reasonable times.
- 20.2 A copy of the form entering the **contract** in the **Register of Contacts** sent to the **Chief Internal Auditor** the **Head of Legal and Democratic Services** and the **Head of Procurement**.
- 20.3 A copy of every signed **contract** and every subsequent amendments/variations thereto entered into by the **Council** will be retained by the service area to which it relates. Failure to do this will be regarded as a serious matter which may be considered gross misconduct and could lead to disciplinary action and/or dismissal.
- 20.4 The original **contract** and any subsequent amendments/ variations thereto shall be forwarded to the **Head of Law**, and then kept securely in the **Council's Central Records**.

21 Contract Management

- 21.1 An **Authorised Officer** shall:
- 21.1.1 Take responsibility for communications between the **Council** and the **contractor**;
 - 21.1.2 Ensure the **contractor** complies with the **contract's** terms, provides appropriate insurances, and complies with health and safety and other legislation;
 - 21.1.3 Represent the **Council** at meetings with the **contractor** and stakeholders;
 - 21.1.4 Report on the **contract** progress to **Chief Officers**, any **Project Board** or **Cabinet** as appropriate and its completion; and
 - 21.1.5 Examine the **contractor's** final account.
- 21.2 The **Authorised Officer** shall meet with the **contractor**, the **Council's** client service area and other interested parties both before the start of the **contract**, at regular intervals throughout its duration and following its completion. Minutes of these meetings should provide an accurate record of the **contract's** progress.
- 21.3 The **Authorised Officer**, or a duly appointed consultant acting on the **Council's** behalf, may instruct the **contractor** to vary the goods, works or services provided as follows:
- 21.3.1 The variation is instructed in accordance with the terms of the **contract**;
 - 21.3.2 Variation orders are created in writing, and are provided to the **contractor**, with a copy retained by the **Authorised Officer**;
 - 21.3.3 All variation orders are created at the time the variation is instructed, and
 - 21.3.4 Variation orders indicate the price, wherever possible in accordance with prices offered in the **contractor's tender**; and
 - 21.3.5 All contingency items and provisional sums are removed once the works commence.
- 21.4 **Chief Officers** must approve all variations whose value exceeds £50,000. Where variations require additional funding or a change to the **Council's** capital programme, the **Chief Finance Officer** shall be consulted prior to the variation being approved.

22 Trading externally and surplus assets

- 22.1 **Executive and Assistant Directors** shall sell goods works or services only after consultation with the **Head of Legal and Democratic Services**.
- 22.2 Paragraph 22.1 is subject to:
- 22.2.1 The provision of such trading activities and the manner in which it is provided is lawful;
 - 22.2.2 The proposal to dispose of **Council** owned assets, including surplus or obsolete furniture or equipment shall be approved by the relevant **Head of Service** with their agreement that there is no further need for such assets. Surplus assets shall first be offered to other service areas or directorates within the **Council** (including schools maintained by the **Council**). Any

such asset which remains to be disposed of externally shall be offered for sale at the highest price attainable;

- 22.2.3 When considering the sale of an asset and the process to be followed to secure offers to purchase due regard shall be had to the reasonably anticipated value of the item and the associated costs of seeking the sale when determining the process for sale;
- 22.2.4 A written contract is entered into by the **Council** for the provision of the goods works or services;
- 22.2.5 Where it is a legal requirement for full **Council** to approve the fees or charges such approval is sought; and
- 22.2.6 Where the anticipated income to be raised exceeds £500,000 in any financial year the appropriate **Executive Director** will first seek approval of **Cabinet**.

23 Disposal of Land and Property

- 23.1 The **Executive Director** for Regeneration shall be responsible for acquisitions and disposals of land, whether by way of purchase sale or lease.
- 23.2 Before land is offered for sale or lease, an **Authorised Officer** shall arrange land sales and leases so that the **Council** obtains best consideration. An **Authorised Officer** shall obtain a qualified valuer's estimate of the likely sale price shall be obtained.
- 23.3 Prior to the making of a compulsory purchase order in order to acquire any land or property, a written report shall be presented to the **Cabinet**.
- 23.4 Where there is no provision for the cost of acquisition or redevelopment of the land in the **Council's** approved capital programme, a Capital Finance Report shall be considered by the **Cabinet** and by the **Council** if appropriate.
- 23.5 The written approval of the **Cabinet** shall be obtained prior to any advertisement being placed or **contract** executed where:
 - 23.6.1 In the reasonable opinion of the Head of Property Services the value of land to be acquired or disposed of by way of sale is estimated to exceed £500,000; or
 - 23.6.2 In the reasonable opinion of the Head of Property Services leases of land or property are proposed whose rental value is anticipated to exceed £50,000 during any complete year.
- 23.6 Where **Cabinet** authority is not required, the **Executive Director** for Regeneration shall approve in writing:
 - 23.7.1 Any purchase or sale whose price is not anticipated to exceed £500,000 in value; and
 - 23.7.2 Proposed leases whose rental value is not anticipated to exceed £50,000 during any complete year.
- 23.7 The Head of Property Services shall agree:
 - 23.8.1 Any purchase or sale whose price is not anticipated to exceed £100,000 in value; and

23.8.2 Proposed leases whose rental value is not anticipated to exceed £10,000 during any complete year.

23.8 Prior to disposal of land or property, the **Executive Director for Regeneration** in consultation with the **Strategic Property Board**, shall determine whether:

23.9.1 The land or property shall be disposed of to one particular person;

23.9.2 Formal sealed tenders are to be obtained and the land transferred to the person providing the highest offer strictly in accordance with the terms of their **tender**;

23.9.3 Sealed offers leading to negotiations for the sale to the person making the highest bid under mutually agreeable terms; or

23.9.4 The land shall be sold by public auction.

24 Trading within the Council

24.1 The **Council** has a number of internal service providers who may be able to supply the goods works and services that are required. All purchasing must achieve **Best Value** and the use of the internal service provider must be part of that consideration.

25 Definitions and Interpretation

25.1 In the Rules the following terms shall have the following meanings:

“Approved List”	A list of suppliers of goods works and services, drawn up or approved for use by Chief Officers, of persons ready and capable of supplying goods works and services in accordance with the procedure set out in the Procurement Code
“Authorised Officer”	An Officer who has the authority to deal with the contract in question given to the relevant Chief Officer in writing <u>and</u> who has received the required procurement training
“Best Value”	The duty, which Part 1 of the Local Government Act 1999 places on local authorities, to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness as implemented by Council
“Cabinet”	The Council Executive
“Cabinet Member”	An elected member of the Cabinet
“Central Purchasing Bodies”	A contracting authority which acquires goods or services intended for one or more contracting authority in accordance with the Regulations

“Chief Finance Officer”	As defined in the Council’s Constitution
“Chief Internal Auditor”	As defined in the Council’s Constitution
“Chief Officer”	The Council’s Executive and Assistant Directors and Heads of Service
“contract”	Any contract for the execution of works or the supply of goods and services and “contracts” shall be interpreted accordingly
“contractor”	A person who is contracted by the Council to supply goods works or services
“Corporate Management Team”	As defined in the Council’s Constitution
“Corporate Procurement Strategy”	The Council’s current published strategy for procurement as created amended and approved from time to time by the Council’s Corporate Management Team
“Corporate Risk and Project Manager”	The relevant paid service manager
“Council”	Walsall Metropolitan Borough Council
“Council Constitution”	The constitution of the Council which sets out how the Council will operate, how decisions are made and the procedures which will be followed
“E U Rules”	The European Union Directives which have been embodied in the Regulations
“E U Threshold”	The contract value at which the EU Rules and the Regulations apply and which are set every two years on 1 st January. The values as at 1 st January 2010 are: <ul style="list-style-type: none"> • Goods and services - £173,934 • Works - £4,348,350
“Executive and Assistant Directors”	The relevant Chief Officers
“Financial Regulations”	The procedures to be followed when planning undertaking or reviewing any matter relating to the management of the Council’s finances which form part of the Council’s Constitution
“Framework”	An Agreement between one or more authorities and one or more economic operators the

Agreement	purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and where appropriate the quantity envisaged and “Framework Agreements” shall be interpreted accordingly
“Grant”	A gift or donation under which Council giving it has no right to receive anything in return but may attach terms and conditions specifying how the grant is to be spent.
“Grantor”	The organisation giving a Grant to the Council.
“Head of Law”	The relevant paid head of service
“Head of Legal and Democratic Services”	The relevant paid head of service
“Head of Procurement”	The relevant paid head of service
“Invitation to Tender”	The invitation to tender documents in the form required by the Rules
“Members”	As defined in the Council’s Constitution
“Monitoring Officer”	As defined in the Council’s Constitution
“Officer”	An Officer of the Council
“opening” when used in connection with tenders	Both manually and electronically
“Partnership”	An agreement between the Council and any public or private organisation to deliver a specific project or services
“Procurement Code”	The Council’s detailed guide for Authorised Officers on the procurement procedures as created amended and approved from time to time by the Council’s Corporate Management Team
“Project Board”	A board of Officers formed to oversee the tendering of Strategic Contracts
“quotation”	A quotation of price (and any other relevant) without a formal issue of an Invitation to Tender
“Regulations”	The Public Contract Regulations 2006 (as amended)

“Rules”	The Council’s Contract Rules 2010
“Scheme of Delegations”	As defined in the Council’s Constitution
“Strategic Property Board”	The meeting held by the Executive Director for Regeneration or his representative Officers to discuss acquisitions or disposal of land with the Deputy Leader and or Leader of the Council.
“supplier”	A person who supplies goods works and services
“tender”	A formal proposal issued in response to an Invitation to Tender
“tenderer”	Any person who submits a formal tender in response to an Invitation to Tender
“Think Walsall”	The Council’s commitment to maximise the benefits to citizens business and third sector organisations through its procurement activities. When undertaking a tender process the inclusion of questions and contractual clauses reflecting these aims must be considered.
“total contract value”	The whole value or estimated value(in money or equivalent value for a single purchase or disposal calculated as follows: <ul style="list-style-type: none"> • Where the contract is for a fixed period by taking the total price to be paid or which might be paid during the whole of the period; or • Where the contract is for one year and may continue until terminate by notice the total price to be paid or which might be paid over the first three years
“Working Smarter”	The programme adopted by the Council the objectives of which are improvements to customers; taking out waste; and a radical service redesign.

25.2 Any terms which are capitalised but not defined above shall have the meaning given to it in the **Council’s Constitution**.

25.3 The **Head of Legal and Democratic Services** shall compile and maintain the **Rules** and shall advise on their implementation and interpretation. In the case of ambiguity regarding their interpretation the **Head of Legal and Democratic Services** shall determine the correct application and interpretation of the **Rules**.

25.4 Delegated Authority is given to **Head of Legal and Democratic Services** and the **Chief Finance Officer** in consultation with the relevant **Cabinet Member** to amend and or update the **Rules** as appropriate to meet future and operational requirements to ensure the aims and principles of the **Rules** are given full effect.

7 – Financial rules

1.1 Application and use of financial rules (FRs)

1. Council officers are legally obliged to manage the Council's finances to a very high standard and are required by law to achieve Best Value. These Financial Rules (FRs) are designed to aid officers in complying with the legal obligations imposed. Failure to follow them may amount to a breach of the legal obligations owed by officers to the Council.
2. These rules are issued in compliance with current legislation. They are subject to any relevant regulatory or statutory requirements of English law, and also to the law and regulations of the European Union. Where there is a conflict between these procedure rules and UK law and/or EU law, then UK law and/or EU law shall take precedence.
3. These Financial Rules shall apply to:
 - (a) The Council's financial activities,
 - (b) Contracts and agreements under which payment is to be made by the Council and as provided for in paragraph 4 below; and
 - (c) Payments to be made to the Council where it enters into contracts and agreements with partners and other organisations.
4. These Financial Rules form part of the Council's Constitution and replace the Financial and Contract Procedure Rules approved by the Council on 24 April 2006. These rules shall only be amended or varied by the Council.
5. The following words have the following specific meaning:
 - (a) "Order/Ordering" means the placing of a request for the supply of works, goods or services once a tendering or quotation exercise has been undertaken,
 - (b) "Officer Responsible" means the officer empowered under these Financial Rules to take the proposed action,
 - (c) "Relevant Executive Director" means the Executive Director whose Directorate is involved and or affected by the proposed action to be taken under these Financial Rules,
 - (d) "Quotations" means the obtaining of a price or prices for goods, works or services following the provision of a written specification, and

- (e) "Tender/tendering" means the procuring of a contract for the supply of goods, works or services.
6. For the purposes of these Financial Rules; Executive Directors, Assistant Directors, Heads of Service and Service Managers shall be as set out in the list of senior officers as maintained by the Council.

1.2 Other instructions to be followed

1. The Council's officers shall comply at all times with these rules. Failure to comply may be seen as a breach of the Council's Code of Conduct for Employees. Officers shall also follow further instructions contained in the Council's:
- (a) Budget management and control manual and Medium Term Financial Strategy
 - (b) VAT and accounting manuals,
 - (c) Resolutions regulating local taxation,
 - (d) The Grants Manual and
 - (e) Other relevant Council policies, and procedures.
2. These rules and the other documents listed above shall be made available to all Council officers on the Council's Intranet.

1.3 Role of the Cabinet and Executive Directors

1. Where these rules require a decision of the Cabinet:
- (a) The Cabinet as a whole shall take the decision in accordance with authority given to it in the Council's constitution, and.
 - (b) Where the decision, is a 'key decision' as described in article 12.03 of the Council's constitution, it shall be taken only in accordance with the rules set out in the constitution.
2. The Executive Director responsible shall take all operational decisions affecting his or her Directorate, except where they are reserved or delegated to the Council, the Cabinet, the Chief Executive, or a specific Executive Director.
3. Where decisions pertain to more than one directorate, these shall be taken by either:
- (a) Two or more Executive Directors whose directorates are involved unless agreed otherwise between the Executive Directors whose directorates involved, or
 - (b) The Council's corporate management team

1.4 When Financial and Contract Rules apply

1. These rules lay down minimum standards or policy and behaviour and shall apply to all:
 - (a) Officers of the Council wherever they;
 - (i) Hold any responsibility or undertake any action regarding the Council's finances or assets, or any systems used to control these, or
 - (ii) Intend to procure goods, works or services for the Council's use or in order to provide these to any other organisation or partner,
 - (b) Schools, except where the requirements of the Schools Standards and Frameworks Act 1998 or where other legislation shall provide otherwise,
 - (c) Sub-contracts where the Council specifies names or nominates a sub-contractor to a contractor or in a tender specification,
 - (d) Contracts where the Council is to commission or provide goods, works or services for other bodies, and
 - (e) Contracts where the Council is the accountable body or lead partner.
2. Use of grant funding to purchase works, goods and services.
3. Financial and contract rules shall not normally apply to:
 - (a) Employment of Council officers, except in the making of contracts with recruitment and staffing agencies,
 - (b) Interests in land, other than as set out,
 - (c) Contracts for treasury management and loans,
 - (d) Choosing a partner organisation where the cabinet has agreed that a public/private partnership shall be undertaken, in which case the system laid down in the appropriate legislation shall be followed, or
 - (e) The investment of assets belonging to charities and trusts for which an officer of the Council acts as treasurer.
4. Where managers take decisions involving the purchase or hire of vehicles, they shall first consult with the Council's fleet manager, the Council's treasury manager and then follow financial and contract rules.

5. Where tendering procedures are specified as part of a grant regime, or where officers are required to act upon written instructions received from a body with which the Council operates a formal agency agreement, the grantor's or principal's requirements shall take precedence over these procedures only to the extent that the agreement requires or where the conditions are more extensive or rigorous than those prescribed in either financial and contract rules.

1.5 Officers' interest in contracts

1. As soon as any officer becomes aware that they, a family member or friend has any personal or prejudicial interest in any contract or other matter pertaining to the Council's affairs, the officer shall declare this in writing to the Chief Finance Officer. This shall be done in accordance both with these rules and with the requirements of the Council's code of conduct for its employees.
2. The Chief Finance Officer shall record in a book to be kept for that purpose, particulars of all such notices given by officers of the Council in accordance with this rule. The book shall be open during office hours for the inspection of any member of the Council.

2. Financial management

2.1 Purpose

Officers involved in the Council's financial management shall take appropriate action concerning:

- (a) Financial accounting standards,
- (b) Virements and budget transfers,
- (c) Treatment of Year-end Balances,
- (d) Accounting Policies,
- (e) Accounting Records and Returns,
- (f) The Annual Statement of Accounts, and
- (g) The Grants Manual

2.2 Financial management standards

1. All officers and members of the Council have a duty to abide by the highest standards of probity in dealing with financial issues. This is made possible by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met. It is each manager's responsibility, through the IPM process, to ensure that officers they are responsible for are adequately trained to understand their responsibilities and perform their duties.

2. All officers shall ensure that financial controls are promoted throughout the areas of the Council's work in which they are involved. They should support and comply with all requirements to maintain a monitoring system to review compliance with financial standards.

2.3 Virements and budget transfers

1. A scheme of virement shall be maintained to enable the Cabinet, Executive Directors and their staff to manage budgets with a degree of flexibility within the overall budget and policy framework determined by the Council, and therefore to optimise the use of resources.

2. Virements

- (a) Steps taken by the Executive, [a committee of the executive, an individual member of the Executive or officers, discharging executive functions] to implement Council policy shall not exceed those budgets allocated to each budget heading, subject to paragraphs (c) to (i) below.
- (b) Year end accounting transfers, realignment of central support services, and internal recharges, do not constitute a virement nor to those arising from changes in management responsibilities.
- (c) Such bodies or individuals shall be entitled to vire across budget headings, sums not exceeding singularly or in aggregate for the financial year, as follows:

(i) Capital

A chief officer may vire capital up to £25,000 across budget headings (or, up to £100,000 with the approval of the chief finance officer, in consultation with the Executive Member for Finance and Personnel).

The Executive may vire capital up to £500,000 across budget headings or up to £250,000 from a revenue budget heading to capital.

Any capital virement above £500,000 shall require the approval of the Council

(ii) Revenue

A chief officer may vire revenue up to £50,000 across budget headings (or, up to £100,000 with the approval of the chief finance officer)

The Executive may vire revenue up to £1,000,000 across budget headings

Any revenue virement above £1,000,000 shall require the approval of the Council.

- (d) The Executive may:
- (i) Increase capital or revenue expenditure in-year by use of reserves (in addition to the use of reserves planned in the budget calculations), provided that such use of reserves do not exceed £1,000,000 in aggregate in a financial year and provided that the chief finance officer has certified in writing that such use of reserves would not cause the Council's overall reserves to fall below a prudent level. Any such use of reserves shall be reported to the next meeting of the Council.
 - (ii) Increase the capital budget provided that additional expenditure can be funded through:
 - Additional external resources,
 - Additional capital receipts, over and above the level required to fund the approved capital programme,
- (e) The Chief Executive may exercise any of the powers of the Executive, in consultation with the Leader, the Executive Member for Finance and Personnel and the chief finance officer where the legal or financial position of the Council or the interests of the residents of Walsall would be prejudiced if the matter were not determined before the next scheduled executive meeting. The Chief Executive will report any such decision to the next meeting of the Executive, and then to Council.
- (f) No virement relating to a specific financial year should be made after 31 March in that year.
- (g) A school's governing body may transfer budget provisions between heads of expenditure within the delegated school budget following notification to the Executive Director with service responsibility.
- (h) Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:
- (i) The amount is used in accordance with the purposes for which it has been established, or
 - (ii) The Cabinet has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Cabinet,

- (i) Where it is necessary to record changes in the Council's accounting structure or to correct mis-coding of entries in the Council's ledger accounting system, the Chief Finance Officer or nominee shall agree these adjustments in writing and effect them by journal entry or otherwise.

2.4 Treatment of year-end balances

1. The carry forward protocol in the MTFs sets out how to deal with amounts remaining unspent in Heads' of Service/Service Managers budgets at the end of each financial year. Appropriate accounting procedures shall be maintained to ensure that carried forward totals are correct.
2. All internal business unit surpluses are to be retained for the benefit of the Council and their application shall require approval of the Cabinet.
3. Schools' balances shall be available for carry-forward to support the expenditure of the school concerned in accordance with the Council's approved scheme of delegation. Where an unplanned deficit occurs, the governing body shall prepare a detailed financial recovery plan for consideration by the cabinet member concerned, following evaluation by the chief education officer and the Council's Chief Finance Officer. Schools will normally be expected to agree a plan to recover the deficit within twelve months unless there are exceptional circumstances.
4. In exceptional circumstances, a school may seek to incur expenditure to be financed by anticipating the following year's budget share. Such arrangements require the prior approval of the Executive director responsible for education in consultation with the Chief Finance Officer. Proposals shall be accompanied by a detailed plan setting out how the arrangement is to be accommodated as the first call on the reduced budget share.

2.5 Accounting policies

1. The Chief Finance Officer shall be responsible for the preparation of the Council's statement of accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Authority Accounting in the United Kingdom and the Service Reporting Code of Practice, supported by International Financial Reporting Standards (IFRS).for each financial year ending 31 March.
2. The Chief Finance Officer shall ensure that:
 - (a) Systems of internal control are in place that ensure financial transactions are lawful,
 - (b) Suitable accounting policies are selected and applied consistently,

- (c) Proper accounting records are maintained, and
- (d) Financial statements are prepared following the financial year-end that present fairly the financial position of the authority and its expenditure and income.

2.6 Accounting records and returns

1. The Council shall maintain and comply with its statutory responsibility to prepare its annual accounts to present fairly its operations during the financial year. These accounts shall be subject to external audit.
2. Officers shall ensure that:
 - (a) All those involved in the Council's financial activities operate within the required accounting standards and timetables,
 - (b) All the Council's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis,
 - (c) Procedures are in place to enable accounting records to be reconstituted in the event of systems failure,
 - (d) Reconciliation procedures are carried out to ensure transactions are correctly recorded, and
 - (e) Prime documents are retained in accordance with legislative and other requirements.

2.7 The Annual Statement of Accounts

The Council shall undertake its statutory responsibility to prepare and publish its own accounts to present fairly its operations during the year. The Council's audit committee shall be responsible for approving the statutory annual statement of accounts.

3. Financial planning

3.1 Purpose

1. All officers involved in preparation and operation of the Council's budgets shall take appropriate action to:
 - (a) Produce a budget in an appropriate form,
 - (b) Ensure medium term financial planning,
 - (c) Allocate available resource,
 - (d) Establish and maintain a capital programme, and
 - (e) Ensure the maintenance of the Council's general reserves.

2. Officers should undertake all actions in accordance with this rule, the MTFS and with its budget management control manual.

3.2 Format of the budget

1. The Council shall produce a budget whose format provides an appropriate level of detail within which financial control and management will be exercised. This shall enable control of virement, the maintenance of cash limits and the level at which funds may be reallocated within budgets.
2. The Chief Finance Officer shall ensure that controls are maintained to ensure that the budget's format:
 - (a) Complies with all legal requirements, whole of government accounts reporting requirements; and CIPFA's Service Reporting Code of Practice
 - (b) Reflects the accountabilities of service delivery.
 - (c) Ensures transparency and visibility of the council's budget to key stakeholders

3.3 Budgets and medium-term financial planning

1. The Council is a complex organisation responsible for delivering a wide variety of services. It shall create and operate efficient plans to enable its resources to be allocated in accordance with agreed priorities. The budget shall form the financial expression of the Council's plans and policies.
2. The Council's revenue budget shall be constructed to ensure that resource allocation properly reflects the plans and priorities of the full Council. The budget shall enable the Council, through its cabinet and officers, to plan, authorise, monitor and control the way money is allocated and spent.
3. The Council shall operate a Medium Term Finance Strategy (MTFS), which shall be approved annually by Cabinet to ensure that it is preparing for events in advance.

3.4 Resource allocation

1. The Council's needs and aspirations shall be carefully prioritised and its resources allocated to enable it to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.
2. All officers responsible for any part of the Council's resources shall maintain and apply controls to ensure that resources are:
 - (a) Acquired in accordance with the law, these FRs and by the use of an approved authorisation process,

- (b) Used only for the purpose intended, to achieve the approved policies and objectives, and are accounted for properly,
- (c) Held securely for use when required,
- (d) Used with the minimum level of waste, inefficiency or loss for other reasons.
- (e) Allocated efficiently and that they can demonstrate value for money.

3.5 Capital programmes

1. The Council shall establish and maintain a programme of capital expenditure to enable it to acquire or enhance fixed assets with a long-term value to the authority, such as land, buildings, and major items of plant, equipment or vehicles. This capital programme shall be approved annually by the Council to enable it to shape the way the Council's services are delivered in the long term.
2. Capital expenditure shall form part of the Council's investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.
3. All officers responsible for capital programmes shall ensure:
 - (a) Approval is obtained for the programme of capital expenditure,
 - (b) Expenditure on capital schemes is subject to the preparation and approval of a capital finance report by the Chief Finance Officer or his/her nominee detailing the cost estimate, project plan, progress targets and associated revenue expenditure,
 - (c) Accountability for each proposal is accepted by a named manager,
 - (d) Monitoring of projects' progress is undertaken, comparisons made with approved budget and action taken to deliver the project on time, to standard and within budget.

3.6 Maintenance of reserves

1. The Council shall establish and maintain a programme of capital expenditure to enable it to acquire or enhance fixed assets with a long-term value to the authority, such as land, buildings, and major items of plant, equipment or vehicles. This capital programme shall be approved annually by the Council to enable it to shape the way the Council's services are delivered in the long term.
2. The CFO shall ensure that:
 - (a) Reserves are maintained in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom, and the Council's agreed accounting policies.

- (b) Reserves are established and used only following authorisation of the Chief Finance Officer and in accordance with the MTFS

4. Risk management and control of resources

4.1 Purpose

All officers involved in risk management and control of the Council's resources shall take appropriate action concerning:

- (a) The need for adequate risk management and insurance, and
- (b) Provision of adequate controls.

4.2 Risk management and insurance

1. Risk shall be defined as the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. The Council shall manage its risk through a planned, commercially balanced and systematic approach to its identification, evaluation and control. The objectives of risk management shall be to safeguard the Council's position and to ensure the continued financial and organisational well-being of the organisation.
2. The Audit Committee shall have overall responsibility for approval of the Council's risk management strategy, and shall promote a culture of risk management awareness throughout the authority.
3. The Council's risk management and insurance officers shall ensure:
 - (a) Procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the authority,
 - (b) A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls,
 - (c) Managers are made aware of their responsibility for managing relevant risks and are provided with relevant information on risk management initiatives,
 - (d) Provision exists for losses resulting from the risks that remain,
 - (e) Procedures require investigation of claims within required timescales,

- (f) Acceptable levels of risk are determined and insured against where appropriate, and
 - (g) The Council has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources or significant interruption to the provision of services.
4. Managers shall ensure that they perform their duties in accordance with the Council's risk management framework.

4.3 Internal Controls

1. The Council shall operate a set of internal controls appropriate to the size and complexity of the organisation and its operations.
2. These shall be adequate to ensure that the Council is able to undertake and monitor compliance with the Council's statutory obligations, and to protect both the organisation and its officers from financial, administrative and commercial risks.
3. The system of internal controls shall be established in order to provide measurable achievement of:
 - (a) Efficient and effective operations,
 - (b) Reliable financial information and reporting,
 - (c) Compliance with laws and regulations, and
 - (d) Risk Management

4.4. Risk management.

1. The Council's officers shall ensure:
 - (a) Key controls are reviewed regularly to enable the Council to make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively,
 - (b) Managerial control systems include defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities, and
 - (c) Financial and operational control systems and procedures include for; physical safeguards for assets, segregation of duties, authorisation and approval procedures, and information systems.

5. Audit requirements

5.1 Purpose

1. All officers involved in any way with the Council's finances, resources or management should cooperate and comply with reasonable action regarding:
 - (a) Internal audit,
 - (b) External audit, and
 - (c) Preventing fraud and corruption.
2. Officers should undertake all actions in accordance with this rule, along with:
 - (a) The Council's Anti-fraud and Corruption policies and strategy, and
 - (b) The Council's Confidential Reporting Policy (Whistle blowing).

5.2 Internal Audit

1. The Council, through its Head of Internal Audit, shall maintain an internal audit service, which complies with the requirements of section 151 of the Local Government Act 1972, and the Accounts and Audit Regulations 2011. It shall provide an independent and objective assurance function for reviewing the system of internal control. It shall examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.
2. The internal audit function shall be properly maintained and resourced so as to operate efficiently and in accordance with the principles contained in;
 - (a) CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, and
 - (b) Any other statutory obligations and regulations.
3. The Council shall ensure;
 - (a) Internal audit is independent in its planning and operation, and
 - (b) The Head of Internal Audit has direct access to the Chair of the Audit Committee, Head of Paid Service, Chief Finance Officer, all levels of management and directly to elected members of the Council.

5.3 External audit

The Council's accounts are to be scrutinised by external auditors, who must be satisfied that the statement of accounts 'presents fairly' the financial position of the Council and its income and expenditure for the year in question and complies with the legal requirements.

5.4 Preventing fraud and corruption

1. The Council shall not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the authority. All officers of the Council shall adhere to legal requirements, rules, procedures and practices concerning propriety and accountability of their actions, and to require this from those to whom they are responsible.
2. The Council shall require all individuals and organisations with which it has any dealings to act towards it with integrity and without thought or actions involving fraud and corruption.
3. The Head of Paid Service shall ensure:
 - (a) The Council has an effective anti-fraud and anti-corruption policy which maintains a culture that will not tolerate fraud or corruption,
 - (b) All members and officers act with integrity and lead by example,
 - (c) Managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the authority or who are corrupt,
 - (d) High standards of conduct are promoted amongst members by the Standards Committee,
 - (e) The maintenance of registers of interests for members and officers in which any hospitality or gifts accepted shall be recorded,
 - (f) Confidential reporting (Whistleblowing) procedures are in place and operate effectively, and
 - (g) Compliance with legislation including but not limited to the Public Interest Disclosure Act 1998.
4. Every officer of the Council shall inform his or her line manager or immediate superior of any benefits, gifts or hospitality which may be provided during the course of his or her duties or by way of his or her employment with the Council.
5. Each Directorate shall maintain a register of officers' interests and of any gifts or hospitality received by them, which are declared in accordance with this paragraph.

6. Assets

6.1 Security

1. The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that all assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.
2. The Council shall create and maintain controls to ensure that:
 - (a) Resources are used only for purposes for which they are provided,
 - (b) All resources are available for use when required,
 - (c) Items no longer required are disposed of in accordance with legal requirements and with the Council's rules so as to maximise benefits,
 - (d) A terrier of property is maintained,
 - (e) An asset register is maintained for the authority, assets are recorded when they are acquired by the authority and this record is updated as changes occur with respect to the location and condition of the asset,
 - (f) All staff are aware of their responsibilities with regard to safeguarding the authority's assets and information, including the requirements of the Data Protection Act and software copyright legislation, and
 - (g) All staff are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's computer and internet security policies.
3. Inventories shall be maintained to cover all items of plant, equipment, furniture and fittings whose value is believed to exceed £500 in value. Each Head of Service or Service Manager shall maintain a record of all such items under his or her control, to be kept in a suitable form. The inventory shall be reviewed at least annually or if any item passes permanently into or out of the service.

6.2 Intellectual property

1. The Council's intellectual property shall include all inventions, developments and writing created by its employees and contractors - subject to the terms of contract – created during the course of their employment, including the development of corporate software and systems.
2. All managers shall inform all staff engaged in work that may result in the creation of intellectual property of this requirement.
3. Where intellectual property is or has been created, the Executive Director whose directorate has been responsible for the creation of any item of intellectual property shall inform the Assistant Director for Legal and Democratic Services of the full extent and nature of the intellectual property created.

6.3 Treasury management

1. All borrowing and investment shall be undertaken by the Chief Finance Officer, or an officer acting on their behalf and shall be in accordance with the CIPFA code of practice.
2. All investment of money is to be made in the Council's name or in that of one or more nominees approved by the Council.
3. Wherever possible, all trust funds and the funds of charities for which the Council undertakes to act shall be held in the Council's name or in the name of the charitable or other trust.
4. Imprest accounts shall be provided to relevant Council officers. They may be operated jointly with the officers of partner organisations providing it is agreed that the Council's Financial Rules shall be followed at all times. These accounts shall only be used for petty cash items whose value does not exceed the threshold set out in the Council's assets procedure.

6.4 Staffing

The Council, through its Cabinet and Executive Directors, shall ensure that a budget exists to cover its entire staff, and shall create and maintain controls to ensure that:

- (a) An appropriate staffing budget is produced,
- (b) Procedures are in place for forecasting staffing requirements and cost.
- (c) Controls are implemented that ensure staff time is used efficiently and to the benefit of the authority

- (d) Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

7. Financial systems and procedures

General

1. The Council shall operate systems relating to the control of its assets, including purchasing, costing and management systems. It is increasingly reliant on computers for its financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
2. The Chief Finance Officer has a professional responsibility to ensure that the Council's financial systems are sound and must therefore be notified of any new developments or changes.
3. The Council shall create and maintain controls to ensure that:
 - (a) Basic data exists to enable objectives, targets, budgets and plans to be formulated,
 - (b) Performance is communicated to the appropriate managers on an accurate, complete and timely basis,
 - (c) Early warning is provided of deviations from target, plans and budgets that require management attention,
 - (d) Operating systems and procedures provide security for equipment and data,
 - (e) Officers maintain high levels of security within the computerised and other systems to which they have access,
 - (f) Access to computerised and other systems holding the Council's data is provided to officers only to the extent required for them to undertake their duties, and
 - (g) Officers access the Council's computerised systems only in accordance with passwords and privileges supplied to them by the Chief Finance Officer or other officer appointed to control these systems.

8. Income, ordering and payment

8.1 Purpose

All officers involved with the Council's income and expenditure should take appropriate action regarding;

- (a) Income,
- (b) Ordering and paying for goods, works and services,
- (c) Payments to the Council's employees and members,
- (d) Taxation, and
- (e) Trading accounts.

8.2 Income

1. The Council requires effective income collection systems to ensure that all income due is identified, collected, receipted and banked properly. Wherever possible, income should be obtained before goods or services are supplied, as this maximises the Council's cash flow and avoids the time and cost of administering debts.

2. Officers shall act to ensure that:
 - (a) Income due to the Council is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed,
 - (b) All income is collected from the correct person, promptly, using the correct procedures and appropriate stationery,
 - (c) All money received by an employee on behalf of the Council is paid immediately to the Chief Finance Officer or, as he or she directs, to the Council's bank or National Giro account, and properly recorded.
 - (d) Responsibility for cash collection should be separated from that for:
 - (i) Identifying the amount due, and
 - (ii) Reconciling the amount due to the amount received
 - (e) Effective action is taken to promptly pursue and collect non-payment within defined timescales,
 - (f) Formal approval for debt write-off is obtained,
 - (g) Appropriate write-off action is taken within defined timescales,
 - (h) Appropriate accounting adjustments are made following write-off action,
 - (i) All appropriate income documents are retained and stored for the defined period in accordance with the Council's document retention schedule,
 - (j) An officer who is not involved in the collection or banking process reconciles money collected and deposited to the bank account.

8.3 Ordering and paying for work, goods and services

1. Public money should be spent with demonstrable probity and in accordance with the Council's approved budget and policies. The Council has a statutory duty to achieve best value in part through economy and efficiency. The Council's rules and procedures should help to ensure that services obtain value for money from purchasing arrangements.
2. Every officer and member of the authority has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.
3. Official orders must be in a form approved by the Chief Finance Officer. They must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities, periodic payments - such as rent or rates - petty cash purchases or other exceptions specified by the Chief Finance Officer. They must conform to requirements for central purchasing and the standardisation of supplies and materials.
4. Standard terms and conditions on official orders shall not be varied without the prior approval of the Chief Finance Officer.
5. Apart from petty cash, schools' own bank accounts and other payments from advance accounts, the normal method of payment shall be by cheque bank automatic clearance transfer, or other approved instrument. The Chief Finance Officer shall make payment from the Council's bank or National Giro account.
6. The use of direct debit or other methods of payment shall require the prior written agreement of the Chief Finance Officer.
7. Official orders shall not be raised for any personal or private purchases, nor must personal or private use be made of the Council's contracts.
8. All officers shall ensure that goods, works and services required by the Council are:
 - (a) Requisitioned and ordered only in accordance with passwords and access levels assigned to individual officers as agreed by the Chief Finance Officer,
 - (b) Authorised by an officer who holds an appropriate access level to the Council's ORACLE, I-PROCUREMENT or other software following confirmation that:
 - (i) The incurring of the expenditure has been authorised by an appropriate officer who holds the correct level of authority to incur the expenditure,

- (ii) Uncommitted revenue budget is available from which to make payment for the items ordered,
 - (iii) The payment is for a utility or other commodity for which a revenue budget exists,
 - (iv) The items obtained will be provided to the area of the Council whose officer has created the order or to another area of the Council to which it has been agreed that a charge will be made,
 - (v) An amount has been set aside in an approved capital programme, or
 - (vi) The Council has a legal liability to make the payment.
- (c) Requisitioned, ordered, receipted and paid for only as set out in the Council's rules and procedures for use of the ORACLE, I-PROCUREMENT or other software, except where the Chief Finance Officer has previously approved otherwise in writing,
- (d) Correctly recorded and coded in accordance with the procedures for use of the Council's ORACLE, I-PROCUREMENT and other systems,
- (e) Ordered in accordance with the Council's rules and procedures for tenders and contracts, and
- (f) Checked upon receipt wherever possible to ensure they are in accordance with the order. Goods should not be received by the person who placed the order
9. Payments for goods, works and services should normally be made only following receipt of the items ordered by the Council. Officers should ensure that payments are made only for items:
- (a) Ordered by the Council,
 - (b) Provided to it in accordance with the terms of a contract,
 - (c) Are the subject of a grant or other funding agreement, or
 - (d) Form a legal liability of the Council,
10. They should further ensure that payments are made only:
- (a) For the correct price, quantity and quality standards specified in the Council's official order, and,

- (b) To the correct firm or person, for the correct amount and are properly recorded, regardless of the payment method.

11. All expenditure should be:

- (a) Evidenced with appropriate documents retained and stored for the defined period, in accordance with the Council's document retention schedule,
- (b) Accurately recorded against the appropriate budget including the correct treatment of value added tax,
- (c) Undertaken in the most efficient manner bearing in mind the requirements of e-business, e-commerce and electronic purchasing.

8.4 Payments to employees and members

1. Staff costs are the largest item of expenditure for most Council services. It is therefore important that payments are accurate, timely, made only where they are due for employees' services to the Council and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and members' allowances are authorised in accordance with the scheme adopted by the full Council.

2. All Council officers shall act to ensure that:

- (a) Proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:
 - (i) Officers joining or leaving the Council's workforce,
 - (ii) Variations to salaries and wages resulting from changes in rates of remuneration, hours worked or promotions of existing staff, and
 - (iii) Enhancements, allowances and honoraria to be paid to staff.
- (b) Frequent reconciliations are made between the Council's payroll, the approved budget, and the bank account,
- (c) Payroll documents are retained and stored for the defined period in accordance with the document retention schedule, and
- (d) All procedures comply with Inland Revenue regulations.

8.5 Taxation

1. The Council is responsible for ensuring its treatment of tax is undertaken efficiently in order to avoid penalties for incorrectly accounting.

2. All officers need to be aware of the importance of correct treatment of taxes and shall ensure that;
 - (a) Budget holders are provided with relevant information and kept up to date on tax issues,
 - (b) Officers responsible for any form of taxation, including VAT, are instructed on required record keeping,
 - (c) All taxable transactions are identified, properly carried out and accounted for within stipulated timescales,
 - (e) Records are maintained in accordance with instructions, and
 - (f) Returns are made to appropriate authorities within stipulated timescales.

8.6 Trading accounts and business units

For Trading accounts and business units authorities are required to keep trading accounts for services provided on a basis other than straightforward recharge of cost.

9. External arrangements

9.1 Purpose

1. All officers involved in the Council's financial management should take appropriate action regarding:
 - (a) Partnerships,
 - (b) External funding, and
 - (c) Work for third parties.

9.2 Partnerships and Purchasing Consortiums

1. Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. The Council works in partnerships and consortia with others – public agencies/bodies, private companies, community groups and voluntary organisations. The Council still delivers some services, but its distinctive leadership role is to bring together the contributions of the various stakeholders. The mutual objective is to deliver a shared vision of services based on user wishes.
2. The Council will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others.

3. The main reasons for entering into a partnership are:
 - (a) The desire of the Council to improve services and the well being of the population of Walsall
 - (b) The desire to find new ways to share risk,
 - (c) The ability to access new resources,
 - (d) To provide new and better ways of delivering services, and
 - (e) To forge new relationships.
4. A partner is defined as either:
 - (a) An organisation (private or public) undertaking, part funding or participating as a beneficiary in a project, or
 - (b) A body whose nature or status gives it a right or obligation to support the project.
5. Partners participate in projects by:
 - (a) Acting as a project deliverers, partners, stakeholder or sponsors, solely or in concert with others,
 - (b) Acting as a project funder or part funder, and/or
 - (c) Being the beneficiary group of the activity undertaken in a project.
6. Partners have common responsibilities;
 - (a) To be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation,
 - (b) To act in good faith at all times and in the best interests of the partnership's aims and objectives,
 - (c) Be open about any conflict of interests that might arise,
 - (d) To encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors,
 - (e) To hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature, and
 - (f) To act wherever possible as ambassadors for the project.

7. All Council officers shall act to ensure that partners;
 - (a) Are made and remain aware of the Council's responsibilities under its Financial and Contract Rules, associated procedures and policies,
 - (b) Undertake appropriate risk management processes,
 - (c) Ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise,
 - (d) Agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences, and
 - (e) Communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.
8. A purchasing consortium is generally two or more public bodies working together jointly to purchase without the key characteristics of partnership working.
9. All partnerships and purchasing consortium purchases must be procured in accordance with these rules, except in the case of a purchasing consortium where another Public Body's constitution is followed and the procedure followed represent value for money and good practice in the view of the Council's corporate procurement unit.
10. Where the Council enters into a contract with a partner, the Executive Director responsible for the creation of that contract shall inform all other Executive and Assistant Directors of the contract's requirements. All Council officers shall comply with the requirements of the partnership contract except, where:
 - (a) The contract specifically excludes or limits compliance, or
 - (b) Compliance in any specific instance would be unlawful, contrary to ministerial advice or an external grantor's conditions of funding.
11. In the case of schools, they shall not be required to comply with such partnership contracts where their governors act:
 - (a) In accordance with the Education Framework and Standards Act or other legislation providing specific freedom of action to schools, or
 - (b) As a body corporate in matters to which the local management delegations do not pertain.

9.3 External funding

All Council officers shall act to ensure that:

- (a) All conditions of funding and any statutory requirements can be and are fully met,
- (b) Responsibilities of the accountable body are clearly understood,
- (c) Funds are acquired only to meet the priorities approved in the policy framework by the Council,
- (d) Any match-funding requirements are given due consideration prior to entering into long-term agreements, and
- (e) Future capital and revenue budgets reflect grantors' requirements.
- (f) Requirements detailed within the Grants manual are met.

9.4 Work for other organisations

1. Current legislation enables the Council to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work are managed properly and that such work is within the scope of the law.
2. All Council officers shall act to ensure that they:
 - (a) Cost proposals in accordance with guidance provided by the Chief Finance Officer.
 - (b) Consult the Monitoring Officer or his nominee regarding the appropriate form of contract, and
 - (c) Follow the Council's procedures regarding the financial aspects of making contracts with other organisations and maintenance of the contract register.