

| | |
|----------------------|---|
| Meeting: | Cabinet |
| Date: | 12 November 2009 |
| Subject: | Revised Policies for Finance and Procurement |
| Key Decision: | No |
| Responsible Officer: | Myfanwy Barrett, Corporate Director of Finance |
| Portfolio Holder: | Cllr David Ashton, Councillor Leader, Portfolio Holder for Strategy, Partnership and Finance |
| Exempt: | No |
| Enclosures: | As listed under paragraph 2.2.1 of the report. Because of the size of these documents, they have been circulated separately to Members of Cabinet, key Members and key officers only. The documents are published on the internet with this agenda. |

Section 1 – Summary and Recommendations

Over the past few months a number of key strategy and policy documents maintained by the Corporate Finance Directorate have been updated and revised. This report seeks Cabinet endorsement of this suite of documents.

Recommendations:

Cabinet is requested to:

(a) comment on and endorse the revised documents,

(b) In respect of the Contract Procedure Rules, Anti-Fraud Policy, Anti-Money Laundering Policy and the Code of Corporate Governance, recommend the

policies for adoption by Council and

(c) delegate authority to the Corporate Director of Finance to make further minor changes to the documents should these be necessary before full Council.

Reason: (For recommendation)

To ensure the Cabinet is aware of and has input to the revised suite of governance documents maintained by the Corporate Finance Directorate.

Section 2 – Report

2.1 Introduction

- 2.1.1 The Corporate Finance Directorate maintains a range of policies, procedures and strategies as part of the council's sound governance arrangements.
- 2.1.2 These documents are revised periodically at appropriate intervals in order to keep abreast of emerging issues and maintain an up to date library of procedures and rules for staff to follow. The documents also provide a framework within which the finance teams operate their services.

2.2 Background

- 2.2.1 The documents that have been revised recently are as follows:-
- Procurement Strategy
 - Contract Procedure Rules *
 - Corporate Anti-Fraud Policy *
 - Anti-Money Laundering Policy *
 - Debt Management Policy
 - A range of Information Management Policies
 - Code of Corporate Governance *
- 2.2.2 The documents marked with an asterisk above will require adoption as part of the constitution. Therefore, subject to approval, Cabinet is requested to recommend these policies to Council.
- 2.2.3 In addition to the above, the council's Financial Regulations are also being reviewed currently and these will be presented at the December Cabinet meeting.

2.3 Current situation

- 2.3.1 The documents have not been reproduced as appendices to this report as these would collectively run into many hundreds of pages.
- 2.3.2 The key points will therefore be presented by officers at a briefing and electronic copies of the documents have been sent to all Cabinet and Cabinet Reserve Members.
- 2.3.3 Whilst extensive consultation has taken place, in order to allow any final comments to be taken into account, Cabinet is requested to delegate authority for any further minor amendments to the documents to the Corporate Director of Finance so these can be incorporated before the Council meeting.

2.4 Why a change is needed

- 2.4.1 The timely review of these policies is part of the council's robust governance arrangements. The main points and changes are summarised below.
- 2.4.2 All the documents can be viewed electronically at the following link:
<http://harrowhub/site/scripts/downloads.php?categoryID=3>

Procurement Strategy

- 2.4.3 The revised strategy maps out the council's approach to procurement for the next three years and provides a framework for addressing all elements of procurement activity from identifying a need right through to disposal of assets.
- 2.4.4 Partnership opportunities and sustainability issues are important areas strengthened in the new strategy.

Contract Procedure Rules

- 2.4.5 The rules set out the procedures that must be followed by all staff and incorporate the "Shop Local" initiative with clear guidance to purchasing officers on the process to follow within the procurement cost thresholds.
- 2.4.6 Ultimately, the rules ensure that the council complies with best practice and the EU procurement processes and include guidance in respect of contractual documentation and contract / contractor management.

Corporate Anti-Fraud Policy

- 2.4.7 This consolidates the Corporate Anti-Fraud and Corruption Strategy and includes guidance on new legislation surrounding fraud and asylum and also covers the National Fraud Initiative.

Anti-Money Laundering Policy

2.4.8 This updated document provides guidance for staff following the introduction of the Money Laundering regulations 2007 and provides a template for making a report to the council's Money Laundering Reporting Officer (MLRO – The Corporate Director of Finance).

Debt Management Policy

2.4.9 A new policy setting out the council's overall approach to collecting money responsibly, sensitively and affectively. It provides guidance for staff in relation to taking proportionate recovery actions, together with a hierarchy of debt types to assist with prioritising.

2.4.10 It provides the overall framework within which local debt management procedures work at directorate level.

A range of Information Management Policies

2.4.11 Since the council established a dedicated information management function earlier this year, a range of policies have been reviewed, updated and ratified by the newly created Information Governance Board (IGB) which consists of representatives from across the directorates.

2.4.12 The policies deal with acceptable practice within the organisation in relation to systems use and information security, data protection, reporting of incidents, use of portable equipment, information sharing protocols and a charter setting out the standards that our citizens can expect from the council in keeping data safe.

Code of Corporate Governance

2.4.13 The code, which will be new to the constitution, sets out how Harrow council complies with the six core principles of good governance as set out by CIPFA and SOLACE which is the recognised best practice for Local Government.

2.5 Financial Implications

2.5.1 There are no specific financial implications.

2.6 Performance Issues

2.6.1 The timely review, communication and compliance with these documents are tested within the annual Use of Resources Assessment. The documents cover several areas tested under the Key Lines of Enquiry covering finance, procurement, governance and the use of information.

2.7 Environmental Impact

2.7.1 There are no negative environmental impacts from this proposal.

- 2.7.2 The procurement strategy document contains a new section specifically around sustainability and deals with environmental considerations for letting contracts.
- 2.7.3 These changes will help to deliver the climate change policy of achieving the Gold standard under the Mayor's Green Procurement Code and will help the council to green its supply chain

2.8 Risk Management Implications

- 2.8.1 Collectively the policies and strategies set out in this report provide a governance framework which mitigates a wide range of risks in relation to finance, procurement, fraud and information risks.

Section 3 - Statutory Officer Clearance

| | | |
|-------------------------------------|-------------------------------------|---|
| Name: Myfanwy Barrett | <input checked="" type="checkbox"/> | Chief Financial Officer |
| Date: 15 th October 2009 | | |
| Name: Paresh Mehta | <input checked="" type="checkbox"/> | on behalf of the* Monitoring Officer |
| Date: 20 th October 2009 | | |

Section 4 – Performance Officer Clearance

| | | |
|-------------------------------------|-------------------------------------|---|
| Name: Alex Dewsnap | <input checked="" type="checkbox"/> | Divisional Director Partnership, Development and Performance |
| Date: 19 th October 2009 | | |

Section 5 – Environmental Impact Officer Clearance

| | | |
|-------------------------------------|-------------------------------------|---|
| Name: Andrew Baker | <input checked="" type="checkbox"/> | on behalf of the* Divisional Director (Environmental Services) |
| Date: 19 th October 2009 | | |

Section 6 - Contact Details and Background Papers

Contact: David Ward, Divisional Director – Risk, Audit & Fraud
Tel: 020 8424 1781
Background Papers: None