

AUDIT COMMITTEE: 30 JANUARY 2018

---

## COUNCIL PROCEDURE RULES

### REPORT OF CORPORATE DIRECTOR, RESOURCES

AGENDA ITEM: 5.2

---

#### Reason for this Report

1. This report has been prepared to provide Audit Committee members with information on the update of the Council's Financial Procedure Rules and Contract Standing Orders & Procurement Rules which is currently on-going.

#### Background

1. As Members will be aware, the Council is required to maintain a Constitution, which sets out how it operates, how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to the citizens of Cardiff. It is a key document in the overall governance of the Council.
2. The Constitution contains five parts, one of which relates to "Rules of Procedure". Contained within these Rules are the *Financial Procedure Rules* and *Contract Standing Orders & Procurement Rules*. The Rules are subject to periodic review to ensure that they remain relevant and fit for purpose, but both have not been reviewed in their entirety for a number of years.
3. The documents are in the process of being reviewed and updated, to be agreed at the Council's Constitution Committee in due course in accordance with the terms of reference of that committee before being presented to a meeting of the full Council.
4. This report will provide an update on the review process and provide background information to the oral presentation.

#### Procedure Rules

1. Both the Financial Procedure Rules and Contract Standing Orders & Procurement Rules were last subject to a full review over five years ago, although minor changes to the documents have been made in the intervening years. It is important that both documents are fit for purpose and reflect current statutory and best practice requirements; therefore, work has been undertaken by officers within Resources and Governance & Legal Services directorates to update the provisions within the two documents.

#### *Contract Standing Orders and Procurement Rules*

2. The Contract Standing Orders & Procurement Rules (CSO&PR) document is being reviewed by officers from Resources (Procurement and Internal Audit) and Governance & Legal Services. The changes that have been proposed reflect amendments to EU regulations, Welsh Government

guidance and model rules that were issued by the Welsh Local Government Association (WLGA). The key changes include:

- (a) The development of electronic tendering, with more self service by client service areas;
  - (b) Community Benefits; and
  - (c) Changes to the advertising and tendering thresholds.
3. There will also be enhancements to the document to support the delivery of contracts, including improvements to the supporting guidance and further training sessions (both in a classroom environment and on-line). There have been a number of consultation events with officers from different directorates and the feedback from these sessions has been used to guide and shape the changes to the CSO&PR.
4. Work is being undertaken alongside the changes to the CSO&PR to review and update many of the standard forms that are available and to develop a comprehensive procurement handbook. Standard contract terms and conditions are also available on the Council's intranet site.

#### *Financial Procedure Rules*

5. The Financial Procedure Rules (FPR) document is being reviewed and revised by officers within Internal Audit, and consultation is on-going with other officers within Internal Audit and the Resources directorate more widely. It had been identified that the FPRs, as currently extant, are very wordy and can be difficult to understand; in addition, the document does not reflect recent changes to the way in which the Council works to deliver services to its citizens, particularly via partnerships and third parties.
6. The FPRs have, therefore, been redrafted to more clearly identify the key risks and controls for the financial control environment of the Council; each section will be underpinned by improved guidance notes, and further training sessions (both in a classroom environment and on-line) will be available.
7. The presentation to this meeting by officers from Commissioning & Procurement and Internal Audit will outline the main changes to the documents. Both documents will then be circulated to members of the Committee for comment, with any comments returned by 12<sup>th</sup> February to allow for them to be considered before the documents are presented to the March meeting of the Council's Constitution Committee.

#### **Recommendations**

To note the contents of this report and the presentation and to consider any comments or questions.

**NAME: CHRISTINE SALTER**  
**DESIGNATION: CORPORATE DIRECTOR, RESOURCES**  
**DATE: 30 JANUARY 2018**

4.CTC.CS.018	Issue 1	Date: Jan 13	Process Owner: Committee & Member Services Manager	Authorised: Deputy Committee & Member Services Manager	Page 2 of 2
--------------	---------	--------------	--	--	-------------