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EX39 2QG



Tel : Bideford (01237) 428700

Date: 13 January 2025
Quorum: 4

MEETING OF AUDIT & GOVERNANCE COMMITTEE

On:	Tuesday 21 January 2025	At:	2.00 pm
Venue:	Town Hall - Bridge Street, Bideford, EX39 2HS		

The meeting will be filmed for live or subsequent broadcast via the YouTube channel -
<https://tinyurl.com/TorrigeYouTube>

NOTICE OF MEETING

To:	Councillor P Hackett (Chair) Councillor D Brenton (Vice-Chair) Councillors: J Gubb, S Andrews, S Gibson and P Hames Non elected Members:
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Members are requested to turn off their mobile phones for the duration of the meeting

AGENDA PART I - (OPEN SESSION)

1.	Apologies For Absence To receive apologies for absence for the meeting.
2.	Minutes (Pages 3 - 7) Confirmation of Minutes of the Meeting held on the 24 th September 2024.
3.	Action List There are no outstanding actions.

4.	Declaration of Interests Members with interests should refer to the agenda item and describe the nature of their interest when the item is considered.
5.	Agreement of Agenda Items Part I and II
6.	Urgent Matters Brought Forward with the Permission of the Chair
7.	Forward Plan (Pages 8 - 9) To review the Forward Plan.
8.	Code of Governance (Pages 10 - 24) To receive a report from the Service Improvement Officer.
9.	Amendment of Contract Procedure Rules - Procurement Thresholds (Pages 25 - 72) To receive a report from the Procurement Officer.
10.	Corporate Risk (Page 73) To receive an update from the Finance Manager (S151 Officer).
11.	Internal Audit Update Report (Pages 74 - 86) To receive a report from Brad Hutton, Senior Assurance Manager at Devon Audit Partnership.
12.	Exclusion of the Public The Chair to move: That the public be excluded from the remainder of the meeting because of the likely disclosure of exempt information by virtue of paragraph 3 of Part I and paragraph 10 of Part 2 of Schedule 12A of the Local Government Act 1972.
13.	PART II (CLOSED SESSION)
14.	PART II - Corporate Risk (Pages 87 - 91) To receive an update from the Finance Manager (S151 Officer).
	Meeting Organiser: Democratic Services

TORRIDGE DISTRICT COUNCIL

AUDIT & GOVERNANCE MEETING

Town Hall - Bridge Street, Bideford, EX39 2HS

Tuesday, 24 September 2024 - 2.00 pm

PRESENT

Councillor P Hackett (Chair)

Councillors J Gubb, S Andrews, S Gibson and P Hames

ALSO PRESENT

G Bryant

- Finance Manager (S151 Officer)

A Fay

- Service Improvement Officer

B Hutton

- Senior Assurance Manager, Devon Assurance Partnership

C Sullivan

- Audit Partner, Bishop Flemming

A Marshall

- Senior Audit Manager, Bishop Fleming

T Vanstone

- Senior Electoral & Democratic Services Officer

K Hewlett

- Electoral and Democratic Services Officer

158. APOLOGIES FOR ABSENCE

Apologies were received from Councillor David Brenton.

159. MINUTES

The minutes of the meeting held on the 16th July 2024 were presented.

It was proposed by Councillor Hackett, seconded by Councillor Gubb and –

Resolved:

That the minutes be confirmed as a correct record and signed by the Chair.

(Vote: For 3, Abstentions 1)

160. DECLARATION OF INTERESTS

There were no declarations of interest.

161. AGREEMENT OF AGENDA ITEMS PART I AND II

It was proposed by Councillor Hackett, seconded by Councillor Gubb and – Resolved:

That the agenda, as published, be agreed.

(Vote: For Unanimous)

162. URGENT MATTERS BROUGHT FORWARD WITH THE PERMISSION OF THE CHAIR

There were no urgent matters brought forward.

163. INTERNAL AUDIT UPDATE REPORT - SEPTEMBER 2024

Chair introduced the Senior Assurance Manager at Devon Assurance Partnership (previously Devon Audit Partnership) who presented the report, the purpose of which was to summarise progress against the audit plan for 2024-25 and provide feedback on the internal audit reports issued since the last Audit and Governance Committee.

The Senior Assurance Manager confirmed that 2 audits had been completed to date and the audits that Devon Assurance Partnership were due to commence were then highlighted, along with the high-level summary plan on page 11 of the report.

Audits completed since the last committee:

Grounds Maintenance	Substantial Assurance
Member Expenses & Allowances	Reasonable Assurance

Members were directed to pages 14-15 of the report, which provided detail on audits that had been completed to date.

Grounds Maintenance

It was explained that Auditors felt there were really robust controls in place and had provided an outcome of Substantial Assurance as a result.

Member Expenses & Allowances

Members were advised that a reasonable assurance had been provided for this audit, and that were some minor recommendations had been made, but overall there were no concerns.

Members were asked for their questions.

Following a brief discussion Members duly noted the report.

Members duly noted the report.

164. AUDIT ACTIONS MONITORING REPORT

The Service Improvement Officer presented the report, the purpose of which was to provide members with an update on the internal audit actions as of 19th September 2024.

Members were provided with a detailed update on the late and ongoing actions highlighted within the report and provided with an update on progress. Updates since the publishing of the agenda were also noted for Members.

Members duly noted the report.

165. FINAL STATEMENT ACCOUNTS - 2023-24

Please see a link to the Final Statement of Accounts 2023-24 –

https://torridge.gov.uk/media/27516/Statement-2024/pdf/2023-24_TDC_Final_Statement_of_Accounts.pdf?m=1726482502983

(a) Audit Completion Report 2023-24

The Audit Partner for Bishop Fleming introduced the report, which provided members with a detailed summary of the work on the audit for 2023-24 and the role of the external auditors in reviewing the draft financial statements.

Members were provided with a detailed update on the progress of the audit work, detailing the work completed and the findings. Specific issues were noted in terms of the Value for Money work, Pension Letter delay and District Valuer valuations.

Overall it was noted that the auditors expected to issue an unmodified audit opinion, and the financial statements gave a true and fair view.

Members were asked for their questions.

Following a query in relation to the last valuation date for Heritage Assets (2004) the valuation process was explained for members. It was explained how the valuation process varied for these types of assets and there was no set timescales for revaluation. Following a query regarding who was responsible for completing this work, it was confirmed that Auctioneers would be asked to set those valuations.

Members raised the District Valuer errors noted within the report and asked what the financial impact of the errors were and whether the District Auditors would be liable for this fee; it was agreed for this to be investigated and come back to a future meeting.

Members then reviewed the fees with the Audit Partner, and some clarifications

were provided from the report. The Section 151 Officer and Audit Partner for Bishop Fleming were in agreement that some of the issues and challenges experienced in this first audit would be rectified in future years.

(b) Auditor's Annual Report 2023-2024

The Audit Partner for Bishop Fleming introduced the report, and Members were provided with a detailed overview, highlighting the key findings from the 2023-24 audit and the recommendations as a result.

Members were advised of the conclusion of the report – that no significant weaknesses were found, and the council was operating as expected.

Members were then asked if there were any questions.

Following a query in relation to gifts and hospitality the recommendation was explained in more detail. The Section 151 Officer went on to provide some context and advised Members that staff would be reminded of the procedures in place for declaring gifts, which included anything from £5 and above.

Members raised the recommendation regarding the cost of climate commitments -that TDC should allocate budgets to carbon reduction – it was noted that this had also been raised in the Peer Review. The Section 151 Officer acknowledged that this had been raised in both internal and external audits and went on to explain the TDC response. It was noted that the council were bidding for grants / funding available and had built carbon reduction into the planning for capital projects being developed. The complexities of managing and costing out decarbonisation across the TDC estate was also highlighted for context.

Members then raised the funding of £1 million for decarbonizing Holsworthy Pool. The Section 151 Officer provided members with an update on this funding bid and advised that more information would be available at the Member Briefing taking place next week, as well as at the Extraordinary Full Council later in the month.

Members raised the recommendation in relation to an Independent Member for the Audit & Governance Committee. An update on the work so far was confirmed and the difficulties in recruiting to the role were highlighted. Chair advised that other audit committees have been approached and the need to recruit was recognised by the Committee.

It was proposed by Councillor Hackett, seconded by Councillor Gubb and – Resolved:

That Members officially adopt the Accounts for 2023-2024.

(Vote: For Unanimous.)

166. CORPORATE RISK REGISTER

The Section 151 Officer introduced the report, the purpose of which was to provide Members with a summary of the high level corporate strategic risks that are shown publicly. Members were advised there were no changes from the last Committee Meeting.

Following a brief discussion Members duly noted the report.

167. FORWARD PLAN

Chair reviewed the Forward Plan and members duly noted.

168. EXCLUSION OF THE PUBLIC

It was proposed by Councillor Hackett, seconded by Councillor Gubb and –

Resolved:

That the public be excluded from the remainder of the meeting because of the likely disclosure of exempt information by virtue of paragraph 3 of Part I and paragraph 10 of Part 2 of Schedule 12A of the Local Government Act 1972

(Vote: For Unanimous)

169. PART II (CLOSED SESSION)

170. PART II COPY OF CORPORATE RISK REGISTER - 202425 LIVE

Section 151 Officer introduced the Emergency Planning and Corporate Risk Officer and provided Members with a detailed update on the corporate risk register.

Following discussion Members duly noted the report.

It was proposed by Councillor Hackett, seconded by Councillor Gubb and –

Resolved:

That the meeting come out of Part II and close.

(Vote: For Unanimous)

The meeting commenced at 2.00 pm and closed at 2.53 pm

Chair:

Date:

AUDIT & GOVERNANCE COMMITTEE – FORWARD PLAN 2024/25

	Cycle 1	Cycle 2	Cycle 3	Cycle 4	Cycle 5 -	Cycle 6	Extraordinary	Cycle 7	Cycle 8
		16/07/2024		24/09/24		21/01/25		01/04/25	
Audit Committee		Assessment of Going Concerns Status Changes to the Contractual Procedure Rules		Audit Completion report Auditor's Annual Report		Annual Review of Corporate Governance Contract Procedure Rules		Annual Governance Statement Non compliance with Procedure Rules and Waivers	
Risk Management		Corporate Risk Part 1 – summarised Part II item		Corporate Risk Part 1 – summarised Part II item		Corporate Risk Part 1 – summarised Part II item		Corporate Risk Part 1 – summarised Part II item	
Internal Audit		Draft Audit Annual Report 23-24		Internal Audit Update Report		Internal Audit Update Report		Internal Audit Plan Internal Audit Update Report Annual Fraud Resilience Report	
Accounts		Draft Accounts		Final Accounts				External Audit Plan	
External									

Audit									

Note: At the end of each meeting, should it be deemed desirable, Members may meet with the External Auditors privately.

Agenda Item 8

REPORT OF **Service Improvement Officer**
To: **Audit and Governance Committee**
Subject: **Code of Governance**
Date: **21st January 2025**

PURPOSE OF REPORT:

It is necessary for the Council to carry out an annual review its Corporate Governance arrangements. A revised Code of Governance is attached for consideration.

1. INTRODUCTION

Regulation 4 of the Accounts and Audit Regulations (2015) requires the Council to conduct a review at least once a year of the effectiveness of its Code of Corporate Governance each year which is reported in the Annual Governance Statement.

2. REPORT

The Code of Corporate Governance is derived from work undertaken by the Independent Commission on Good Governance in Public Service – a commission set up by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Office for Public Management.

Under the 2016 Governance Framework, CIPFA recommends that all local government bodies develop a local code of governance. The local code sets out how the authority's governance arrangements work towards meeting the seven principles of good governance, as set out in the Framework.

The seven core principles are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

3. IMPLICATIONS

Legal Implications

There is a legal requirement as part of approval of the annual statement of accounts.

Financial Implications

None.



Human Resources Implications

None

Sustainability/Biodiversity Implications

None

Equality/Diversity

An Equality Impact Assessment was prepared for the original Code of Governance.

Risk Management

There is a reputational risk to the council if this is not done.

Compliance with Policies and Strategies

Approval and adoption of the Code of Governance is a key aspect of demonstrating that Torridge District Council has a formal and established response to the Corporate Governance requirements.

Data Protection (GDPR) Implications

Not applicable

Climate Change

Not applicable

4. CONCLUSIONS

The Code of Governance is presented to the Audit and Governance Committee for approval and is reported in the Annual Governance Statement.

5. RECOMMENDATIONS

It is recommended that the reviewed Code of Governance be approved.



Code of Corporate Governance – 2025

Issue Number	18
Approved	Audit & Governance Committee
Approval Date	21st January 2025
Next Review Date	January 2026

What is Corporate Governance?

In the public sector Good Governance means: *"Achieving the Intended Outcomes While Acting in the Public Interest at all Times"*.

Corporate governance generally refers to the processes by which an organisation is directed, controlled, led and held to account. Torridge District Council's governance framework aims to ensure that in conducting its business it:

- ✓ **operates in a lawful, open, inclusive and honest manner.**
- ✓ **makes sure public money is safeguarded, properly accounted for and spent wisely.**
- ✓ **has effective arrangements in place to manage risk.**
- ✓ **meets the needs of Torridge communities - secures continuous improvements in the way it operates.**

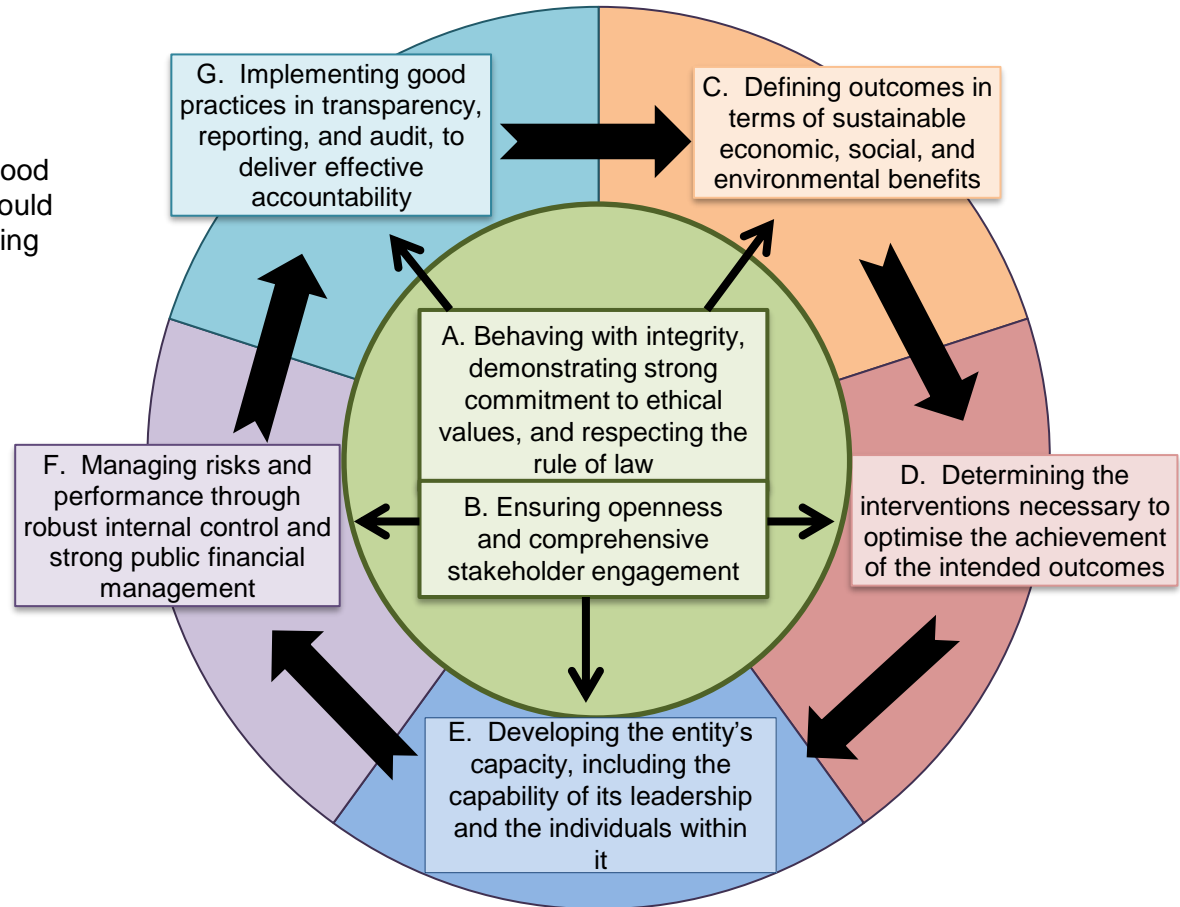
Our governance framework comprises of the culture, values, systems and processes by which the Council is directed and controlled. It brings together an underlying set of legislative and regulatory requirements, good practice principles and management processes, as set out in *Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016* (CIPFA/SOLACE).

The diagram on the right illustrates how the various principles for good governance in the public sector relate to each other.

Principles A and B flow into the implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that an organisation should be committed to improving governance on a continuing basis through a process of evaluation and review.

Torridge District Council strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Members and Senior Officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and stewardship of the resources at its disposal. **This Code of Corporate Governance describes what the Council will do to meet each of the seven principles of good governance.**

Each year the Council undertakes a review of its corporate governance arrangements, and at the end of each year produces an Annual Governance Statement which outlines the effectiveness of the Code of Governance and its application, suggesting areas for improvement and recommendations as appropriate.



Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

We will:

Behave with integrity.

We will do this by:

- Ensuring Members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.
- Ensuring Members take the lead in establishing specific operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the *Seven Principles of Public Life* (the Nolan Principles). Leading by example and using the above standard operating principles or values as a framework for decision making and other actions.
- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.

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We will:

Demonstrate strong commitment to ethical values.

We will do this by:

- Seeking to establish, monitor and maintain the organisation's ethical standards and performance.
- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.
- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.
- Ensuring that external providers of service on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.

We will:

Respect the rule of law.

We will do this by:

- Ensuring Members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.
- Creating the conditions to ensure that the statutory officers, other key post holders, and Members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.
- Striving to optimise the use of the full powers available for the benefit of its citizens, communities and other stakeholders.
- Dealing with breaches of legal and regulatory provisions effectively.
- Ensuring corruption and misuse of power are dealt with effectively.

Principle B - Ensuring openness and comprehensive stakeholder engagement.

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

We will: Be Open.

We will do this by:

- Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.
- Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.
- Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.
- Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action.

We will: Engage comprehensively with institutional stakeholders.

We will do this by:

- Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.
- Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
- Ensuring that partnerships are based on: Trust; A Shared Commitment to Change; A Culture that Promotes and Accepts Challenge Among Partners; and that the added value of partnership working is explicit.

We will: Engage with individual citizens and service users effectively.

We will do this by:

- Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.
- Ensuring that communication methods are effective and that Members and officers are clear about their roles with regard to community engagement.
- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future use.
- Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account.
- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.
- Taking account of the impact on future generations of tax payers and service users.

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available .

We will: **Define Outcomes.**

We will do this by:

- Having a clear vision, which is in an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions.
- Specifying the intended impact on, or changes for, stakeholders including individual citizens and service users. It could be immediately or over the course of a year or longer.
- Delivering defined outcomes on a sustainable basis within the resources that will be available.
- Identifying and managing risks to the achievement of outcomes.
- Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.

We will: **Provide sustainable economic, social and environmental benefits.**

We will do this by:

- Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision.
- Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.
- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.
- Ensuring fair access to services.

Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. The Council needs robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

We will: **Determine Interventions.**

We will do this by:

- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided.
- Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands with limited resources available including people, skills, land and assets and bearing in mind future impacts.

We will: **Optimise achievement of intended outcomes**

We will do this by:

- Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.
- Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
- Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
- Ensuring the achievement of 'social value' through service planning and commissioning.

We will: **Plan interventions.**

We will do this by:

- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.
- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.
- Monitoring and managing risks facing each partner when working collaboratively, including shared risks.
- Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances.
- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.
- Ensuring capacity exists to generate the information required to review service quality regularly.
- Preparing budgets in accordance with objectives, strategies and the medium term financial plan.
- Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as providing training to develop the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

We will:
Develop the entity's capacity.

We will do this by:

- Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.
- Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.
- Recognising the benefits of partnerships and collaborative working where added value can be achieved.
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.

We will:
Develop the capability of the entity's leadership and other individuals.

We will do this by:

- Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.
- Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.
- Ensuring the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority.

Continued....

Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Continued...

We will:

Develop the capability of the entity's leadership and other individuals.

Continued...

We will do this by:

- Developing the capabilities of Members and Senior Management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:
 - Ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.
 - Identifying training needs to ensure Members and Senior Officers have the appropriate skills, knowledge resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.
 - Ensuring personal, organisational and system-wide development through shared learning, including lessons learned from governance weaknesses both internal and external.
- Ensuring that there are structures in place to encourage public participation.
- Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
- Holding staff to account through regular performance reviews which take account of training or development needs.
- Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

Principle F - Managing risks and performance through robust internal control and strong public financial management.

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

We will:
Manage risk.

We will do this by:

- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
- Ensuring that responsibilities for managing individual risks are clearly allocated.

Note: Although we recognise that not all risks can be eliminated, we will ensure that we understand the impact of those risks and reduce them to an acceptable level over time.

We will:
Have strong public financial management.

We will do this by:

- Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.
- Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

Principle F - Managing risks and performance through robust internal control and strong public financial management.

Continued...

We will: Manage performance.

We will do this by:

- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.
- Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.
- Ensuring an effective scrutiny or oversight function is in place which encourages effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.
- Providing Members and Senior Management with regular reports on service delivery plans and on progress towards outcome achievement.
- Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).

We will: Have robust internal controls.

We will do this by:

- Aligning the risk management strategy and policies on internal control with achieving objectives.
- Evaluating and monitoring risk management and internal control on a regular basis.
- Ensuring effective counter fraud and anti-corruption arrangements are in place.
- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
- Ensuring an audit committee which is independent of the executive and accountable to the Full Council:
 - Provides a further source of assurance regarding the authority's arrangements for managing risk and maintaining an effective control environment.
 - And its recommendations are listened to and acted upon.

We will: Manage Data

We will do this by:

- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data and preparations for compliance with the General Data Protection Regulations (GDPR) in May 2018.
- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.
- Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.

Principle G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

We will: **Implement good practice in transparency.**

We will do this by:

- Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
- Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny whilst not being too onerous to provide and for users to understand.

We will: **Implement good practices in reporting.**

We will do this by:

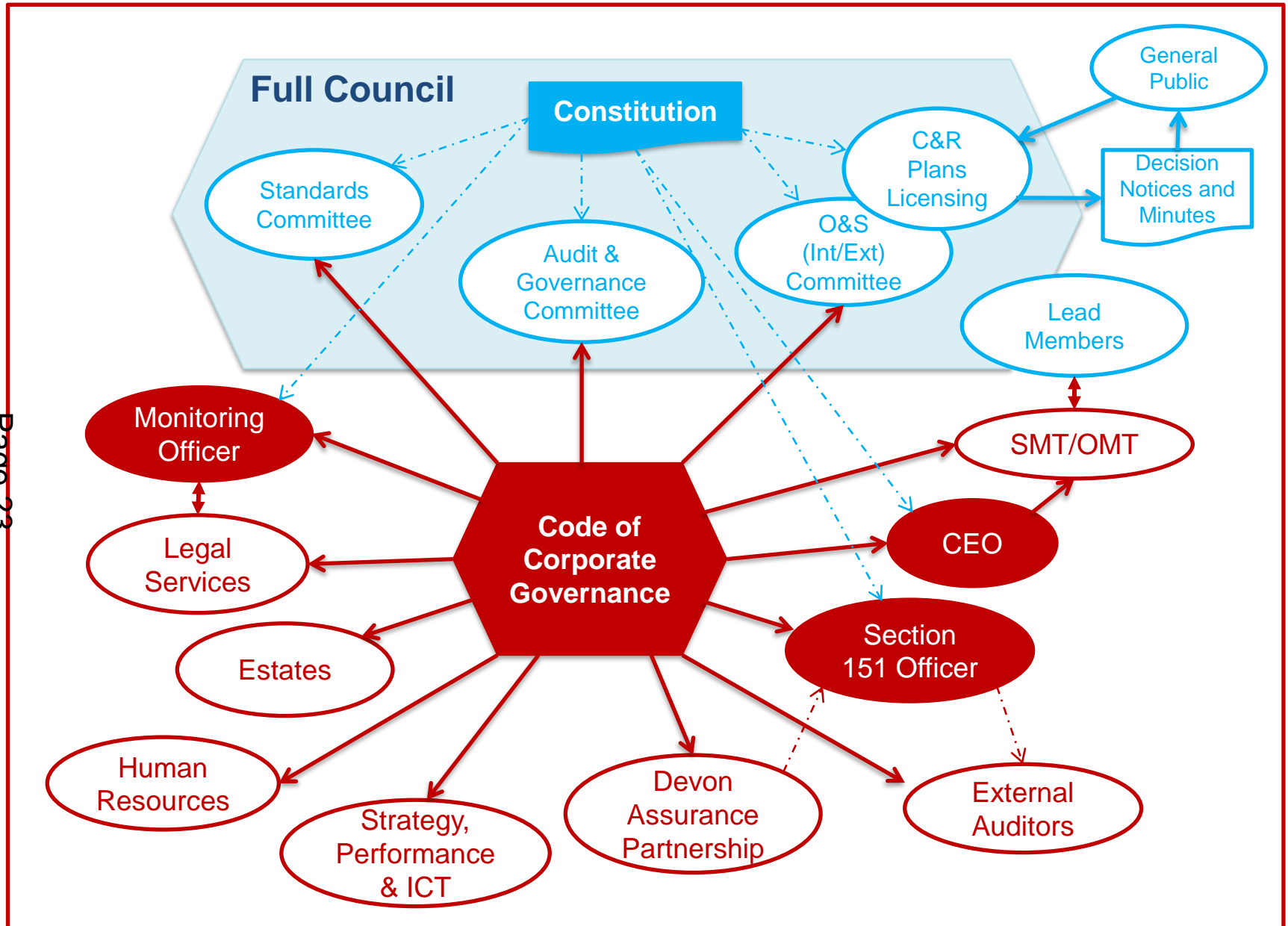
- Reporting at least annually on performance, value for money and stewardship of resources.
- Ensuring Members and Senior Management own the results.
- Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the Annual Governance Statement).
- Ensuring that this framework is applied to jointly managed or shared service organisations as appropriate.
- Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.

We will: **Provide assurance and effective accountability**

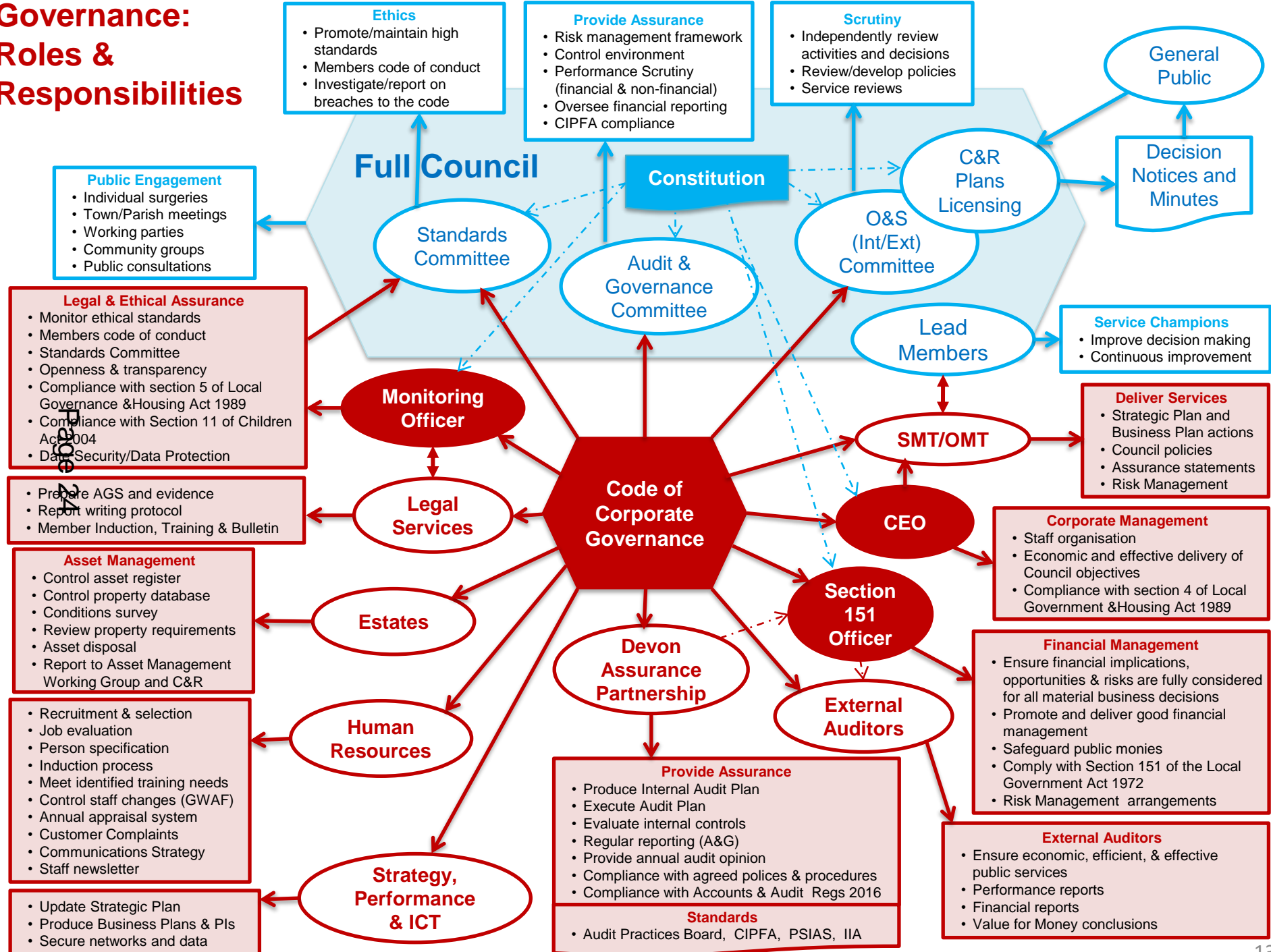
We will do this by:

- Ensuring that recommendations for management actions made by internal and external audit are acted upon.
- Ensuring an effective internal audit service with direct access to Members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.
- Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.
- Gaining assurance on risks associated with delivering services through third parties and this is evidenced in the annual governance statement.
- Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.

Governance at Torridge : Key Functions



Governance: Roles & Responsibilities



Agenda Item 9

REPORT OF Procurement Officer

To: SMT & Audit & Governance & Full Council

Subject: Amendment of Contract Procedure Rules – Procurement Thresholds

Date: 10/01/25

Reference:

PURPOSE OF REPORT:

Re-write of the current Contract Procedure Rules including the amendment of the procurement internal thresholds values to facilitate the implementation of the Procurement Act 2023.

1. INTRODUCTION

The Contract Procedure Rules set out the council's rules on how it procures (purchases) goods, services and works. The current version was drafted and maintained to follow the Public Contracts Regulations 2015.

The CPR's have undergone several minor changes over time, and procurement has changed significantly since the Public Contracts Regulations 2015 were instated.

On 24 February 2025, the most significant changes to public procurement will take place with the implementation of the Procurement Act 2023. The Legislation is a direct response to the withdrawal of the United Kingdom from Europe and therefore has more focus on alignment with national UK policy.

It will embed transparency throughout the commercial lifecycle and open up public procurement to new entrants such as small business and social enterprise. The act brings a significant increase in the number of notices contracting authorities must publish compared to the old regulations – 17 in total. The notices will cover every stage of procurement, including sensitive issues such as payments, contract modifications and supplier performance. This will allow the public to track contracts throughout their lifecycle from planning stage to contract award, any modifications, quality of delivery and expiry/termination.

To mitigate some of the additional administration of this new regime and having limited resources, we are proposing to increase the internal procurement threshold values in line with other District Councils and a recommendation from Devon County Council, whom recently reviewed them.

2. REPORT

The rationale behind this is, not making the procurement process onerous and making sure the focus is on the high value high risk procurements where the maximum impact can be made. Counter to this is that we are spending tax payers money and need to demonstrate VFM. It also ensures a level of transparency and competition which is important in these times of financial constraint. The Act is seeing Councils moving towards increasing the internal thresholds for e-tendering and aligning with the current contracts finder and new notices going forward.



The following are the current thresholds and the proposed thresholds (in blue) for consideration by Members:-

Total Value (excl. VAT)	Current Award Procedure	Total Value (inc. VAT)	Proposed Award Procedures
Up to £10,000	A minimum of one Quotation, but good practice to seek most favourable prices and terms.	£1 to £30,000	A minimum of one quotation, but good practice to seek further quotes. Must seek local suppliers where possible
£10,001 - £50,000	A minimum of three written Quotations. Wherever practical the Council's E-Procurement Portal (Pro Contract) should be used to solicit quotations	£30,001 - £100,000	A minimum of three formal Requests for Quotation (RFQ) via the Council's e-tendering portal or use of a compliant framework. Must seek at least 2 local suppliers where possible
£50,001– Government Procurement Agreement (GPA) Threshold ****	Invitation to Tender by advertisement or select list and use of e- procurement portal (Pro Contract)	£100,001 – GPA Threshold	Invitation to Tender by advertisement, select list via the Council's e-tendering portal or use of a compliant framework. A minimum of 4 suppliers to be invited to tender if using a select list. Must seek at least 2 local suppliers where possible. All purchases made via a local authority purchasing and distribution consortium are deemed to comply with these Contract Procedure Rules and no waiver is required. However, purchases above the GPA Threshold must be let in accordance with Open Procedure or Competitive Flexible Procedure, unless the consortium has satisfied this requirement already.
Above GPA Threshold	FTS Procedure or, where this does not apply, Invitation to Tender by Advertisement.		Procurement in accordance with the Open Procedure or Competitive Flexible Procedure or via use of a compliant framework.
£50,001 – GPA Threshold	All purchases made via a local authority purchasing and distribution consortium are deemed to comply with these Contract Procedure Rules and no waiver is required. However, purchases above the FTS Threshold must be let under the FTS Procedure, unless the consortium has satisfied this requirement already.	£100,001 – GPA Threshold	Included above so can be removed



All values. Collaborative Contracts	The Section 151 Officer must be consulted prior to commencing any procurement using collaborative contracts. The terms and conditions of Contract applicable to any collaborative Contract, including the requirement to undertake competition between providers, must be fully complied with.		
All values. ICT	All system developments and purchases of computer equipment or software must be approved by the ICT Manager or designated deputy and awarded in line with these Rules.		Remove as ICT is covered by the rules above.

3. IMPLICATIONS

Legal Implications

N/A

Financial Implications

The financial implications are detailed within the report

Human Resources Implications

None

Sustainability/Biodiversity Implications

N/A

Equality/Diversity

There are no equality/diversity implications.

Risk Management

None

Compliance with Policies and Strategies

The report is written with reference to the Councils requirement to update its Contract Procedure Rules in line with the new Procurement Act 2023

Data Protection (GDPR) Implications

N/A

Climate Change

None



4. CONCLUSIONS

The Contract Procedure Rules as amended need updating to reflect the new Procurement Act 2023 and this will mitigate some of the additional administration of this new regime with the Council having limited resources.

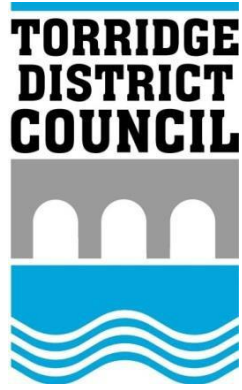
5. RECOMMENDATIONS

It is recommended that the members approve the revised revisions to the Contract Procedure Rules detailed in the report.

SUPPORTING INFORMATION

Consultations:	Date of Consultation – Officers Consulted –Finance Manager & Major Projects Manager
Contact Officer:	Luan Stapley
Background Papers:	Appendix A – Benchmarking exercise





CONTRACT PROCEDURE RULES

February 2025

The Constitution: Part IV: Chapter 6
Appendix 2

Issue No.	6	Approval Date
Update	Re-write of CPRs for the Implementation of Procurement Act 2023 and increase in thresholds	January 2025
Authorship:	L Stapley	January 2025
Reviewed by:	A Redwood & G Bryant	January 2025
Approved by:	Audit & Governance	

TDC Procurement Toolkit Link [Procurement Toolkit](#)

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DRAFT

1. INTRODUCTION

- 1.1 The Council's Contract Procedure Rules (CPRs) are designed to provide the governance structure for the commissioning, procurement, and contract management of goods, works and services to ensure that integrity and compliance within the Council. These CPRs should be read in conjunction with the Council's Financial Procedure Rules (FPRs) which set out mandatory financial procedures that must be followed. These CPRs are also designed to ensure compliance with the following:
 - 1.1.1 Procurement Act 2023
 - 1.1.2 The Procurement Regulations 2024 and Guidance issued by the Cabinet Office
 - 1.1.3 Public Contracts Regulations 2015 (where contracts were procured under these regulations)
 - 1.1.4 Concessions Regulations 2016 (where contracts were procured under these regulations)
 - 1.1.5 The Social Value (Public Services) Act 2012 is complied with for procurements above £50,000 (lower if possible)
 - 1.1.6 The Local Government Act 1972
- 1.2 The rules cover Regulated and Unregulated procurement activities of the Council. Regulated procurements cover the letting of contracts governed by the Procurement Act 2023 (PA23) and the Procurement Regulations 2024 (PR24). Compliance with the PA23 and PR24 is a strict legal requirement upon the Council, and it is not open to the Council to waive compliance for such regulated procurement. Unregulated procurement covers contracts of a value below £30,000 (inc. VAT) which are not covered by the PA23. A more limited form of regulation applies to contracts above £30,000 (inc. VAT) up to the current thresholds [PPN-11_23-New-Thresholds.pdf \(publishing.service.gov.uk\)](#) . For more information on regulated below threshold procurements see paragraph 14.
- 1.3 All officers and members involved in procurement activity must comply with these CPRs, together with the Council's Financial Procedure Rules (FPRs), Employees Code of Conduct, Members' Code of Conduct, all Council policies and guidance. Particular care should be taken to comply with the requirement on employees and members to declare interests.
- 1.4 Council employees and Members have a duty to report breaches of the CPRs to a senior manager and/or a member of the Senior Management Team (SMT).
- 1.5 The CPRs represent a requirement upon the Council to have in place procedural rules to govern the letting of contracts. This document also represents a statement of the principles which the Council commits to in undertaking procurement as well as acting as the statement of the objectives and purposes of the Council which its procurement activities must support.
- 1.6 These CPRs do not replicate the legislation. If an officer is in doubt about whether the PA23 applies to a proposed procurement, they must seek the guidance of the Procurement Officer. However, the CPRs do set out the Council's position under the PA23, where there is discretion or choice and provide the necessary guidance to officers and members to understand how

they work. For regulated and unregulated below threshold procurements, these CPRs provide a comprehensive code which the Council shall follow in letting relevant contracts, which must be followed unless waived in the exceptional circumstances set out in paragraph 24.

2. PROCUREMENT PRINCIPLES

- 2.1 The PA23 binds the Council to follow the National Procurement Policy Statement (NPPS), issued by the government which may be amended from time to time. The NPPS sets out a number of important obligations upon the Council for procurement including:
- 2.1.1 priority to achieving value for money
 - 2.1.2 due consideration for the inclusion of social value objectives
 - 2.1.3 providing a level playing field for small and medium enterprises (SMEs), voluntary, community and social enterprise (VCSE) and start ups
- 2.2 The PA23 also sets the following objectives for procurement of contracts:
- 2.2.1 delivering value for money
 - 2.2.2 maximising public benefit
 - 2.2.3 sharing information for the purpose of allowing suppliers and others to understand that authority's procurement policies and decisions
 - 2.2.4 act, and being seen to act with integrity
- 2.3 Additionally, in carrying out any procurement, the Council shall:
- 2.3.1 have regard to the fact that small to medium-sized enterprises may face particular barriers to participation
 - 2.3.2 consider where such barriers can be removed or reduced
- 2.4 In addition to the statutory requirements, the Council commits to undertake both Regulated and Unregulated Procurement, observing and applying the following principles:
- 2.4.1 Proportionality
 - 2.4.2 Transparency
 - 2.4.3 Equal treatment
 - 2.4.4 Non-discrimination
- 2.5 In addition to compliance with the principles set out previously, the Council shall carry out all procurement in accordance with:

- 2.5.1 Council's Procurement Strategy
- 2.5.2 Council's Social Value Policy
- 2.5.3 Council's Corporate Strategy

3. APPLICATION OF THE CONTRACT PROCEDURE RULES

- 3.1 These mandatory CPRs apply to everyone (including external consultants and third-party suppliers providing procurement support) who are involved in commissioning, procurement and contract management conducted by the Council.
- 3.2 Approved Officers (Operational Management Team (OMT) and above) are accountable for all commissioning, procurement, and contract management in their respective service area. This includes ensuring that everyone that reports into them are complying with the CPRs.
- 3.3 All officers must ensure that the Council's approved processes and standards for procurement are always adhered to including, information governance; insurance; safeguarding; social value policy; and conflict of interest assessment requirements.
- 3.4 In accordance with the constitution, the Section 151 Officer may propose amendments to these CPRs after consultation with the Head of Legal & Governance & Monitoring Officer. Proposed amendments must then be submitted to the Audit Governance Committee with a recommendation to Full Council for approval where appropriate.
- 3.5 All procurement approvals must be in writing and follow robust governance through the procurement reporting process.
- 3.6 All decisions to commence procurement and award contracts must be authorised in accordance with the Scheme of Financial Delegation set out in the Financial Procedure Rules (FPRs).
- 3.7 The Approved Officer must appraise the purchase in a manner commensurate with its complexity and value and take into account any purchasing guidance and the requirements from any relevant Value for Money review – see Appendix 1 for further information.

4. EXEMPTIONS

- 4.1 The CPRs apply to all procurement activity, including the spending of income received by the Council from external sources.
- 4.2 Where the Council is the lead in a multi organisation procurement these CPRs will take precedence. Where the Council is part of a collaboration where another Council is the lead for the procurement then the lead authority's CPRs will take precedence.
- 4.3 The following are exempt from the CPRs and the Procurement Act 2023:
 - 4.3.1 Contracts falling within the specific exclusion provisions within the legal framework for public procurement. This exclusion applies to (amongst other things), contracts of

employment; certain contracts for legal services; the delegation of function between local authorities; certain financial services and debt finance; and agreements for the sale, disposal or acquisition of land (including leases) or other exclusions as amended from time to time.

4.3.2 The receipt of grants from central government (or other bodies) and the award of grants. However, Council officers should always ensure the grant terms and conditions, principles of openness and fairness, non-discrimination, compliance with the public sector equality duty and value for money apply.

4.3.3 A contract between the Council and an entity which the Council controls (either individually or jointly with another contracting authority) known colloquially as a Teckal company shall be exempted from these rules, except to the extent covered in this Paragraph 4.

4.3.4 "Control" of an entity for the purposes of Paragraph 4.3.3:-

Vertical – The Council exercises a parent or similar control with other Authorities on the entity as it does its own departments, the entity conducts more than 80% of its activities for the controlling Contracting Authorities and there is no private sector money in the entity.

Horizontal – The Council and another authority co-operate to achieve objectives which the authorities have in common through an arrangement that is solely for the public interest and the parties perform less than 20% of the services covered by the arrangement on the open market.

4.3.5 This exemption shall not apply to contracts with an entity which the Council jointly controls with another person which is not also a contracting authority.

4.3.6 A contract or other arrangement between the Council and another contracting authority shall be exempted from these Rules, provided that it is entered into with the aim of achieving objectives in common in connection with the exercise of public functions and which is solely in the public interest.

5. THE CALCULATION OF CONTRACT VALUE

5.1 Contract value must be calculated as the actual or estimated aggregate value over the whole life of the contract including the value of any extension options. This must be calculated in pound sterling and exclusive (net) of value added tax for internal governance purposes.

5.2 Contract values inclusive of Value Added Tax (VAT) will determine whether advertising and conduct of procedure above thresholds is required. Where the Council is not able to estimate the value of the contract (for example where the contract duration is not fixed), the Contract is to be treated as being subject to the Procurement Act 2023 as a covered procurement (i.e., an above-threshold contract).

5.3 For Framework Agreements or Dynamic Markets the contract value must be calculated to include the total estimated value of all the contracts envisaged to be awarded for the total term.

TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

- 5.4 The value of contracts must not be artificially underestimated or disaggregated into two or more separate contracts with the intention of avoiding the application the CPRs and the Procurement Act 2023.
- 5.5 For Concession Contracts the maximum estimated value is the total estimated amount a supplier could expect to receive, taking account certain variables. Guidance should be sought in accordance with 9.1 when calculating the value.

6. PROCUREMENT OF CONTRACTS - THRESHOLDS

- 6.1 Contracts shall be procured in accordance with the CPRs, following the processes set out, dependent upon the value of the contract (and whether an eligible Framework or a Dynamic Market exists and exceptionally where justification exists for a direct award of contract without competition). Where the total value for a purchase is within the values in the first column below, the award procedure in the second column must be followed. Short listing shall be done by the persons specified in the third column.

Total Value (inc. VAT)	Award Procedure	Short Listing
£1 to £30,000	A minimum of one quotation, but good practice to seek further quotes. Must seek local suppliers where possible	Operational Manager/Other Designated Officer
£30,001 - £100,000	A minimum of three formal Requests for Quotation (RFQ) via the Council's e-tendering portal or use of a compliant framework. Must seek at least 2 local suppliers where possible	Operational Manager/Other Designated Officer
£100,001 – GPA Threshold	Invitation to Tender by advertisement, select list via the Council's e-tendering portal or use of a compliant framework. A minimum of 4 suppliers to be invited to tender if using a select list. Must seek at least 2 local suppliers where possible. All purchases made via a local authority purchasing and distribution consortium are deemed to comply with these Contract Procedure Rules and no waiver is required. However, purchases above the GPA Threshold must be let in accordance with Open Procedure or Competitive Flexible Procedure, unless the consortium has satisfied this requirement already.	Operational Manager/Other Designated Officer/Projects Manager
Above GPA Threshold	Procurement in accordance with the Open Procedure or Competitive Flexible Procedure or via use of a compliant framework.	Operational Manager/Other Designated Officer/Projects Manager
All values - Collaborative Contracts	The Section 151 Officer must be consulted prior to commencing any procurement using collaborative contracts. The terms and conditions of Contract applicable to any collaborative Contract, including the requirement to undertake competition between providers, must be fully complied with.	Operational Manager/Other Designated Officer

- 6.2 Where it can be demonstrated that there are insufficient numbers of suitably qualified suppliers to meet the competition requirement, all suitably suppliers must be invited to Quote or Tender.

7. PRE-PROCUREMENT

- 7.1 Officers must identify an appropriate route to market. For each regulated above threshold procurement, the officer will need to consider which procedure to use:
- 7.1.1 **Open Procedure** for the most straightforward procurements (single stage). There is no restriction on who can submit tenders and all information needs to be provided at the point of tender and is made available to all suppliers. There is no requirement to set Conditions of Participation, previously Standard Selection Questionnaire (SQ) (see paragraphs 8.6 & 8.7), where they are set and a supplier fails to meet them, there is no need to consider their tender any further. Timescales for submission of a tender are now 25 days via the procurement portal and 10 days where a qualifying Planned Procurement Notice has been published.
- 7.1.2 **Competitive Flexible Procedure** for more complex procurements (multiple stages). This is a bespoke procurement procedure, where the Council have the flexibility to design their own process by building in multiple stages providing that the tender notice and associated tender documents clearly set out how the process will be carried out. Failure to comply with the process described in the notice and documents will mean there is grounds for legal challenge. In designing and conducting this procedure, the Council must have regard to the procurement objectives and meet the procedural requirements applicable to the competitive flexible procedure, such as time limits and transparency. Ensure the process is proportionate to the contract having regard to the nature, complexity and cost of the contract and being mindful of having a process which encourages suppliers to participate as well as the associated costs and resources of both the Council and the supplier.
- 7.1.3 **Direct Award** (above threshold) – providing an appropriate direct award justification applies (see paragraph 17)
- 7.1.4 **Framework** – closed or open (see paragraph 11)
- 7.1.5 **Dynamic Market** (paragraph 12)
- 7.2 Before publishing a tender notice for a Regulated Procurement (above threshold) the Council shall consider whether to publish a Planned Procurement Notice setting out its intention to carry out a Regulated Procurement. The Council shall, if possible, issue the Planned Procurement Notice at least 40 days prior to the tender notice, in order to give the ability if required to utilise reduced tendering periods in the procurement itself.
- 7.3 Before publishing a tender notice for a Regulated Procurement, the Council shall consider whether to undertake preliminary market engagement. Where the Council undertakes preliminary market engagement, it shall, unless it has good reason not to, publish a preliminary market engagement notice. Should it choose not to publish such a notice, it must provide the reasons for conducting such engagement without a preliminary market engagement notice in the tender notice itself. Officers must ensure that any preliminary market engagement is carried out in a manner which does not put any suppliers at an unfair advantage or which

otherwise distorts competition. Preliminary market engagement shall only be carried out after consultation with the Procurement Officer.

- 7.4 If an officer is concerned that the supplier's participation in any preliminary market engagement has put it at an unfair advantage or otherwise distorts competition, they must seek the advice of Procurement Officer as to whether to exclude such supplier from the tendering procedure.
- 7.4 The Council may undertake preliminary market engagement for any Unregulated Procurement (below threshold) in such manner as it deems appropriate, provided such engagement does not put any supplier at an unfair advantage or otherwise distort competition.
- 7.5 Before commencing a Regulated Procurement, the Council shall consider whether the requirement could reasonably be supplied under more than one contract and whether such contracts could appropriately be awarded by reference to Lots. Where the Council concludes not to procure by reference to Lots, it must record its reason for not doing so.

8. REGULATED PROCUREMENT (ABOVE THRESHOLD) – TENDERS

- 8.1 Regulated Procurements shall be undertaken in a way which is fully compliant with the PA23 and the PR24. If an officer is unsure as to any matter regarding the procurement, they must seek advice from the Procurement Officer.
- 8.2 The scope of this section covers all of the Council's above PA23 threshold requirements, except where the contract is awarded under a Framework or a Dynamic Market or a justification exists for a Direct Award.
- 8.3 Regulated Procurements shall be conducted applying either the Open Procedure or the Competitive Flexible Procedure. A decision to follow the Competitive Flexible Procedure shall be made only after consultation with the Procurement Officer.
- 8.4 All tender opportunities must be commenced by the publication of a tender notice via the Council's e-tendering procurement portal and the Government's Central Digital Platform (CDP). In the case of a Competitive Flexible Procedure, the tender notice shall either invite suppliers to submit a request to participate in the process or invite suppliers to submit their first or only tender as part of the procedure. Officers shall seek the advice of the Procurement Officer as to which of the forms of tender shall be used in those circumstances.
- 8.5 No tender opportunity shall be placed on the Council's e-tendering procurement portal and the Government's Central Digital Platform until the Council has prepared a specification for the goods, works or services, the conditions of contract, the conditions of participation (if required) and the invitation to tender (Open Procedure) or participate in the Competitive Flexible Procedure.
- 8.6 Information about suppliers in an above threshold procurement process will no longer be captured using the Standard Selection Questionnaire (SQ) used under PCR 2015. The basic mandatory information for above threshold procurements will be captured using the Supplier Information System on the Central Digital Platform and the Conditions of Participation will be captured separately. Note, that Conditions of Participation must not be set for below threshold procurements.

TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

- 8.7 Conditions of Participation must be a proportionate means of assessing the supplier's legal and financial capacity, or technical ability, having regard to the nature, complexity and cost of the contract. When planning a procurement the Officer will need to decide whether or not to include Conditions of Participation. By not adding unnecessary conditions, this should enable the widest range of suppliers with to participate, particularly small and medium sized enterprises (SME's).
- 8.8 Each invitation to tender or participate shall contain the following information:-
- 8.8.1 A statement of the validity of a submitted tender (which shall not be less than 90 days);
 - 8.8.2 An anti-collusion certificate;
 - 8.8.3 A form of tender;
 - 8.8.4 The evaluation criteria, the weighting to be applied to such criteria and the scoring methodology for assessing the evaluation;
 - 8.8.5 In the case of a competitive flexible procedure a statement as to whether the procedure will be conducted in successive stages and if so whether the Council intends to refine the evaluation criteria and/or the weightings;
 - 8.8.6 A statement as to whether a parent company guarantee, a performance bond or other security is required from the suppliers;
 - 8.8.7 A statement that the Council is not bound to accept any tender; and
 - 8.8.8 Notification that tenders are submitted at the tenderer's expense.
- 8.9 The Council shall permit tenders to ask clarification questions relating to the procurement. The Council shall respond to all clarifications as soon as reasonably possible and no later than 4 days prior to the tender submission date. All responses shall be provided to all tenderers, unless the tenderer requesting the clarification has indicated that the question is confidential. Where a tenderer has indicated that a question is confidential, the officers shall seek confirmation from the Legal Team as to whether it is agreed that the information is confidential. If the Council agrees, the response shall be sent to the tenderer who submitted the clarification question only. If the Council disagrees, the tenderer which submitted the question shall be given the opportunity to withdraw the question. If the question is not withdrawn, the response shall be provided to all tenderers.
- 8.10 All communication with tenderers in an Open Procedure shall be conducted through the Council's e-tendering procurement portal. Officers and members shall make no direct contact in person, telephone or email with suppliers in any circumstances.
- 8.11 All communication with tenderers in a Competitive Flexible Procedure shall be conducted through the Council's e-tendering procurement portal, except to the extent that the Council has determined the formal structure of the procedure to include face to face or online meetings.

- 8.12 Post-tender negotiations are not permitted in an Open Procedure. Negotiations may be undertaken at any stage in a Competitive Flexible Procedure, provided that they have been allowed for as part of the procedure within the tender notice.

9. REGULATED PROCUREMENT – EXCLUSION OF SUPPLIERS

- 9.1 The Council shall disregard any tender from a supplier that is an Excluded Supplier. An Excluded Supplier is defined within the PA23.
- 9.2 Before conducting evaluation of an Open Procedure tender, the Council shall consider whether the supplier is an Excludable Supplier.
- 9.3 Where the Council receives a tender from an Excludable Supplier, it shall consider whether it shall disregard that tender. No decision to exclude an Excludable Supplier shall be taken without the agreement of the Legal Team.
- 9.4 As part of every tendering procedure, the Council shall request information about whether a supplier is intending to subcontract any part of the performance of the contract and shall request that such information as is necessary to determine whether the subcontractor is an Excludable Supplier.
- 9.5 Where a proposed subcontractor is an Excluded Supplier, the Council shall exclude the supplier from the procurement.
- 9.6 Where a proposed subcontractor is an Excludable Supplier, the Council shall treat the supplier as an Excludable Supplier and determine whether to exclude the supplier from the procurement in accordance with paragraph 9.3.
- 9.7 Where the Council determines to exclude the supplier in the circumstances set out in paragraph 9.6, it shall notify the supplier of its intention and give the supplier a reasonable opportunity to find an alternative subcontractor.
- 9.8 The Council shall exclude the supplier if the supplier acts improperly, and its behavior puts it at an unfair advantage in relation to the award. A supplier is deemed to have acted improperly where it:-
- 9.8.1 fails to provide information requested by the council
 - 9.8.2 provides incomplete, inaccurate or misleading information
 - 9.8.3 accesses confidential information of the council; or
 - 9.8.4 unduly influences the Council's decision making in relation to any contract.
 - 9.8.5 where the Council excludes a supplier, it shall notify the Cabinet Office.

9.9 The Council shall exclude a supplier which is on the Debarment List or is an associated person of a supplier on the Debarment List.

10. REGULATED PROCUREMENT – EVALUATION AND AWARD

10.1 The Council shall award a public contract (above threshold) to the Most Advantageous Tender which satisfies the Council's requirements, and which best satisfies the award criteria.

10.2 The award criteria must:

10.2.1 relate to the subject matter of the contract (as defined in paragraph 10.3)

10.2.2 be sufficiently clear, measurable and specific

10.2.3 satisfy the PA23 requirements relating to technical specifications of contracts; and

10.2.4 be a proportionate means of assessing tenders, having regard to the nature, complexity and cost of the contract.

10.3 The subject matter of the contract shall include the following factors:

10.3.1 goods, services and works to be provided by the supplier including and in respect of any aspect of their production, trading or other stage in their life cycle

10.3.2 how or when the goods, services or works are to be supplied

10.3.3 qualifications, experience, ability, management or organisation of staff where such factors are likely to make a material difference to the quality of the goods, services or works to be supplied

10.3.4 price, other costs which the council may incur as a result of acceptance of a particular tender and value for money; and

10.3.5 social value

10.3.6 Length of contract

10.4 Criteria other than those set out in paragraph 10.3. shall not be included except with the agreement of the Procurement Officer. The exclusion of any of the criteria set out in paragraph 10.3. shall also require the agreement of the Procurement Officer.

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- 10.5 The award criteria shall be given a weighting representing a percentage of the total importance. Social Value criteria shall be given a weighting of no less than 10%. Other weightings shall be appropriate and proportionate, taking account of the nature, complexity and cost of the procurement.
- 10.6 The Council may, in Competitive Flexible Procedures, refine the award criteria and/or the weighting, provided that it has given notice of its intention to do so in the tender notice or the tender documents. Any decision to give notice of the intention to refine shall require the agreement of the Procurement Officer and the application of any refinement to the criteria or weighting to a procedure shall be carried out after consultation with the Procurement Officer.
- 10.7 If the Council considers the price offered in a tender to be abnormally low, it may disregard that tender but must first give the supplier a reasonable opportunity to demonstrate that it will be able to perform the contract for the price offered. Advice must be taken from the Legal Team before taking any action with regard to what may be considered to be an abnormally low tender.
- 10.8 Prior to evaluating tenders refer to the Evaluation Guide which is available on the Council's intranet. When evaluating tenders, all evaluators must evaluate separately and when complete forward evaluation sheets to the moderator. The moderator will call a moderation meeting where all evaluators must attend and agree a consensus score for each question. The moderator must be separate from the evaluation team. It is the responsibility of the moderator to keep a record of how the evaluation team have reached each consensus score. It is at this stage that the moderator will reveal the pricing to the evaluation team.
- 10.9 Tenders and Quotations must be evaluated and awarded in accordance with the Selection and Award Criteria. During this process, Officers shall ensure that submitted Tender prices are compared with any pre-tender estimates and that any discrepancies are examined and resolved satisfactorily.
- 10.10 The arithmetic in compliant Tenders must be checked. If arithmetical errors are found they should be notified to the tenderer, who should be requested to confirm or withdraw their Tender.
- 10.11 Officers may accept Quotations and Tenders received in respect of proposed contracts, provided they have been sought and evaluated fully in accordance with these Contract Procedure Rules. Awarding of contracts that are expected to exceed the approved budget sum shall be referred back to the Section 151 Officer as appropriate, in line with the Scheme of Delegation.
- 10.12 Assessment summaries must be completed for all assessed above threshold tenders and issued prior to the Contract Award Notice being issued, this starts the Standstill period (see paragraph 18 for more information).
- 10.13 Information about suppliers in an above threshold procurement process will no longer be captured using the Standard Selection Questionnaire (SQ) used under PCR 2015. The basic

mandatory information for above threshold procurements will be captured using the Supplier Information System on the Central Digital Platform and the Conditions of Participation will be captured separately. Note, that Conditions of Participation must not be set for below threshold procurements.

10.14 The council must obtain confirmation from a supplier before awarding a contract that:

10.14.1 the supplier has registered on the Central Digital Platform

10.14.2 the supplier has submitted and updated or corrected supplier information to the Central Digital Platform and the Council

11. CONTRACTS AWARDED UNDER FRAMEWORKS

11.1 The Council may award a public contract (above threshold) or a below threshold contract which is covered by a framework which the Council has itself procured or which another contracting authority has procured and which the Council is permitted to use.

11.2 Any decision to award a contract from a framework shall be taken if this represents better value for money in the opinion of the Council than conducting an individual procurement.

11.3 There are two types of Framework: -

11.3.1 Closed Frameworks – these have a lifespan of 4 years and these are closed off to any supplier other than those who had gained a place on them following a compliant procurement procedure. Closed frameworks will enable the future award of a contract without further competition in the marketplace; either by awarding to a sole supplier or running a mini competition between the suppliers who are party to the framework.

11.3.2 Open Frameworks – these have a lifespan of up to 8 years and will allow suppliers to apply (via a tender) to join the framework at various points during the framework term. Section 49(1) defines an open framework as one that provides for the award of successive frameworks on essentially the same terms provided it is re-opened to new suppliers.

12. CONTRACTS AWARDED UNDER DYNAMIC MARKETS

12.1 The Council may establish arrangements for the purposes of awarding public contracts known as a Dynamic Market by submitting a dynamic market notice to the Central Digital Platform (CDP) and via the Council's e-tendering portal.

12.2 In establishing a Dynamic Market, the Council shall set conditions for participation relating to the legal and financial capacity to perform contracts to be awarded by reference to membership of the Dynamic Market and which have the technical ability to perform the contract. Such conditions shall be proportionate to the requirements, having regard to the nature, complexity and cost of the contract to be awarded.

- 12.3 To award a public contract under a Dynamic Market, the Council must utilise the Competitive Flexible Procedure.
- 12.4 If a tender is submitted by a supplier which is not a member of the Dynamic Market, the Council shall exclude such supplier and disregard the tender unless the supplier has made an application for membership of the Dynamic Market and the Council has accepted the application.
- 12.5 If, due to exceptional circumstances arising from the complexity of the particular procurement, the Council is unable to assess an application to be admitted to the Dynamic Market prior to the deadline for submitting a request to participate in the procedure (or where no such invitation has been made, the deadline from receipt of initial tenders) the Council shall not exclude the supplier or disregard the tender.
- 12.6 A Dynamic Market cannot be used for the purposes of awarding a below PA23 threshold contract.

13. PURCHASING FROM A CENTRALISED PROCUREMENT AUTHORITY

- 13.1 The Council may purchase goods, services or works from a centralised procurement authority without the need for additional competition.
- 13.2 For the avoidance of doubt, a purchase from a centralised procurement authority is not the same as a procurement from a framework which a centralised procurement authority has set up, which must observe the requirements of paragraph 11.

14. REGULATED BELOW THRESHOLD PROCUREMENT

- 14.1 The Council is obliged to issue a below threshold tender notice on the Council's e-tendering portal and the Central Digital Platform (CDP) for all contracts with a value above £30,000 (inc. VAT) and below the threshold for a notifiable below threshold contract. A notifiable below threshold contract is a regulated below threshold contract. A below threshold tender notice must be published on the CDP before being published elsewhere.
- 14.2 Where the Council advertises for a below threshold contract, it shall not restrict the submission of tenders by reference to a supplier's suitability to perform the contract, by reference to its legal and financial capability and its technical ability. This does not prevent the Council asking for this information in a bid and assessing suitability at the award stage.
- 14.3 When advertising a below threshold contract, an appropriate description of the goods, services, or works (commensurate with the value of the contract) setting out the Council's requirements in sufficient detail, must be provided to prospective suppliers to enable the submission of competitive tenders.
- 14.4 The below threshold tender notice shall also make reference to or include the following as a minimum:
 - 14.4.1 the terms and conditions of contract that will apply

- 14.4.2 notification that tenders are submitted to the Council on the basis that they are compiled at the supplier's expense
- 14.4.3 a description of the award criteria as appropriate
- 14.4.4 the date and time by which a tender is to be submitted; and
- 14.3.5 that the Council is not bound to accept any tender submitted
- 14.5 As soon as reasonably practicable after entering into a notifiable below threshold contract, the Council must publish a contract details notice.

15. UNREGULATED BELOW THRESHOLD PROCUREMENT

- 15.1 Unregulated below threshold procurements give greater flexibility to the Council in designing and running a procurement and awarding and managing the resulting contract. This flexibility (subject to CPRs) includes the ability to choose to award a contract without competition, to request quotes from targeted known suppliers only or to restrict the award of contracts to suppliers located in the local area. See paragraph 6.1 for thresholds.
- 15.2 When requesting a quote, an appropriate description of the goods, services, or works (commensurate with the value of the contract) setting out the Council's requirements in sufficient detail, must be provided to prospective suppliers to enable the submission of competitive quotes.
- 15.3 The request for a quote shall also make reference to or include the following as a minimum:
 - 15.3.1 The terms and conditions of contract that will apply.
 - 15.3.2 notification that quotes are submitted to the Council on the basis that they are compiled at the supplier's expense.
 - 15.3.3 The date and time by which a quote is to be submitted, and
 - 15.3.4 That the Council is not bound to accept any quotes submitted.
- 15.4 The suppliers must be given a reasonable period in which to prepare and submit a quote, consistent with the complexity of the contract requirement.
- 15.5 There is no requirement to publish a below-threshold tender notice where the authority invites quotes, proposals or tenders from a closed group of pre-selected suppliers, provided it is not advertised in any way.
- 15.6 As soon as reasonably practicable after entering into a below threshold contract, the Council must publish a contract details notice.

16. CONCESSION CONTRACTS

- 16.1 Concession Contracts are contracts under which the council outsources works or services to a contractor or provider, who then has the right to commercially exploit those works or services

to recoup its investment and make a return. The key feature is that the contractor/provider bears the operating risk of the arrangement and so has no guarantee of recouping its investment or operating costs. The Procurement Officer and Legal Team must be engaged for advice and guidance.

- 16.2 The Council may procure a works concession or a services concession in the same way as a contract for works or services accordance with the provisions of paragraph 8. Only concession contracts with a value of more than £5m need to be procured in accordance with such provisions. The procurement of a concession contract with a lower value shall be treated as a Regulated below threshold Procurement.
- 16.3 In estimating the value of a concession contract, the Council shall take into account the amount the supplier could expect to receive under or in connection with the contract, including revenue received and any payments by the Council.

17. DIRECT AWARD – ABOVE THRESHOLD PROCUREMENTS

- 17.1 The Council may make an award of contract without competition where the contract is of a type described in paragraph 17.3 or is necessary to protect human, animal or plant life or health or to protect public order or safety.
- 17.2 A direct award shall not be made to an Excluded Supplier unless there is an overriding public interest in doing so.
- 17.3 Direct award justifications:-
- 17.3.1 Prototypes and development:
- 17.3.1.1 The contract concerns the production of a prototype, or supply of other novel goods or services, for the purpose –
of testing the suitability of the goods or services,
researching the viability of producing or supplying the goods or services at scale and developing them for that purpose, or
other research, experiment, study or development.
- 17.3.2 Single suppliers:
- 17.3.2.1 Where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:

The contract concerns the creation or acquisition of a unique work of art or artistic performance.

due to a particular supplier having intellectual property rights or other exclusive rights, only that supplier can supply the goods, services or works required;

due to an absence of competition for technical reasons, only a particular supplier can supply the goods, services or works required

and in each case there are no reasonable alternatives to those goods, services or works.

17.3.3 Additional or repeat goods, services or works:

17.3.3.1 The contract concerns the supply of goods, services or works by the existing supplier which are intended as an extension to, or partial replacement of, existing goods, services or works in circumstances where -

a change in supplier would result in the contracting authority receiving goods, services or works that are different from, or incompatible with, the existing goods, services or works, and

the difference or incompatibility would result in disproportionate technical difficulties in operation or maintenance.

17.3.3.2 The contract concerns the supply of goods, services or works by the existing supplier that are similar to existing goods, services or works where -

the existing goods, services or works were supplied under a contract that was awarded in accordance with a competitive tendering procedure within the period of five years ending with the day on which the transparency notice is published, and

the tender notice or any tender document in respect of that earlier contract set out the Council's intention to carry out a subsequent procurement of similar goods, services or works in reliance on this direct award justification.

17.3.4 Commodities

The contract concerns goods purchased on a commodity market.

17.3.5 Advantageous terms on insolvency

The award of the contract to a particular supplier will ensure terms particularly advantageous to the Council due to the fact that a supplier, whether or not the one to whom the contract is to be awarded, is undergoing insolvency proceedings.

17.3.6 Urgency

Where -

the goods, services or works to be supplied under the contract are strictly necessary for reasons of extreme and unavoidable urgency, and

as a result the contract cannot be awarded on the basis of a competitive tendering procedure.

For the purpose of paragraph 18.3.6, urgency is unavoidable if it -

is not attributable to any act or omission of the Council, and

could not have been foreseen by the Council.

18. STANDSTILL AND ASSESSMENT SUMMARIES

- 18.1 The standstill period is now a minimum of eight working days beginning with the day on which the contract award notice is published. Before entering into a public contract as a result of a Regulated Procurement, the Council shall first provide an assessment summary to each supplier that submitted an assessed tender. Assessment summaries must be provided before the Contract Award Notice can be published and the standstill period commenced. The standstill period under PA23 starts on the date the Contracts Award Notice is published.
- 18.2 An assessment summary shall set out the Council’s assessment of the supplier’s tender and the most advantageous tender in accordance with the assessment methodology. It sets out how the tender was assessed against the award criteria by reference to scores. Unsuccessful tenderers who have submitted an assessed tender will also receive information about the most advantageous tender submitted in respect of the contract. It is provided, not publicly published, to each supplier that submitted an assessed tender. The assessment summary templates are available on the Council’s intranet.
- 18.3 The Standstill Period shall end at midnight on the final day of Standstill and no sooner. If the decision is challenged by an unsuccessful Supplier then the Officer shall not award the Contract and shall immediately seek the advice of the Head of Legal & Governance and Monitoring Officer.

19. CONTRACT FORMALITIES

- 19.1 Agreements shall be completed as follows and in all cases an official order issued.

Total Value	Method of Completion	By
Purchase orders up to £100,000	Electronic order or signature	Authorised officers S151 Officer and deputy over £30,000
Contracts and licences up to £100,000 with the Council’s standard Terms & Conditions	Signature	Head of Legal & Governance and Monitoring Officer or deputy
Contracts and licences up to £100,000 with the non-standard Terms & Conditions	Signature	Head of Legal & Governance and Monitoring Officer or deputy
Above £100,000 or if any of paragraph 6.2	Signature or sealing (unless advised by the Council’s Head of Legal & Governance and Monitoring Officer that sealing is not necessary)	Head of Legal & Governance and Monitoring Officer or deputy

20. CONTRACT PROVISIONS

- 20.1 Every Contract must be in a form approved by the Head of Legal and Governance & Monitoring Officer or delegated officer if its value is £100,000 or over or where it is appropriate to seek such approval due to the nature of the Contract.
- 20.2 Contracts with an estimated procurement value of £100,000 and over must be signed or sealed (unless advised by the Legal Team that sealing is not necessary). The Head of Legal and Governance & Monitoring Officer or delegated officer can require contracts below this value to also be sealed.
- 20.3 The formal advice of the Head of Legal and Governance & Monitoring Officer must be sought for contracts where any of the following apply:
- 20.3.1 Where the total value exceeds £100,000
 - 20.3.2 Below £100,000 if other Council's standard Terms & Conditions are to be used
 - 20.3.3 Those involving leasing arrangements (Section 151 Officer to be advised)
 - 20.3.4 Where it is proposed to use a supplier's own Terms and Condition's
 - 20.3.5 Those involving the application of software with a Total Value of more than £100,000
 - 20.3.6 Those that are complex in any other way
- 20.4 All contracts are required to have a clear start and end date, detail all approved extension options and full aggregate contract value including the value of the potential full term of extensions.
- 20.5 All contracts must be concluded formally in writing before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written consent of the Head of Legal & Governance and Monitoring Officer, Deputy or Section 151 Officer. An award letter is insufficient.
- 20.6 The Officer responsible for securing signature of the contract must ensure that the person signing for the other contracting party has authority to bind it. The use of Letters of Intent (which are binding for the Council) should be avoided, but in exceptional circumstances they may be used with the approval of and review by the Monitoring Officer before issue.
- 20.7 Any new Contract should not be signed until the Contract it replaces is either ended or under notice.
- 20.8 All original contracts must be given to the Monitoring Officer for secure storage and Procurement Officer notified for recording in the Council's Contract Register.
- 20.9 It is a breach of the Financial Regulations and the CPRs to engage with suppliers and to order the provision of goods, works or services without the appropriate approval to do so. A Purchase Order (PO) must be raised on the Corporate Financial System prior to making a commitment to procure goods, works or services unless an exemption has been approved by the Finance Manager. The PO number must be referenced on the invoice by the supplier.

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- 20.10 All contracts set out the parties' obligations, rights and risk allocations and must incorporate the Council's appropriate standard terms and conditions. Advice should be taken from as to the appropriate form of contract and any deviations from the standard terms must be approved by legal.
- 20.11 All contracts, irrespective of value, shall clearly specify as a minimum: -
- 20.11.1 what is to be supplied (i.e. the goods, services or works to be provided)
 - 20.11.2 the provisions for payment (i.e. the price to be paid and when) with a statement of discount or other deductions
 - 20.11.3 the time or times within which the contract is to be performed
 - 20.11.4 the provisions for the Council to terminate the contract and seek damages in the event of the contractor's default
 - 20.11.5 the policies and procedures that must be complied with
 - 20.11.6 data protection requirements (if relevant)
 - 20.11.7 relevant insurance requirements
 - 20.11.8 Freedom of Information Act and Environmental Information Regulations requirements
- 20.12 All contracts must be either signed by the Head of Legal & Governance and Monitoring Officer or executed under seal.
- 20.13 The Council's purchase orders or standard terms and conditions issued by a relevant professional body must be used for simple purchases of goods and works.
- 20.14 In addition, every Relevant Contract of purchase over £100,000 must also state clearly as a minimum:
- 20.14.1 Health and Safety requirements (where applicable and proportionate)
 - 20.14.2 Sustainability and environmental management requirements (where applicable and proportionate)
 - 20.14.3 Social Value Act requirements (where applicable, i.e., for all procurements with a Total Value in excess of £50,000)
 - 20.14.4 Equality Act 2010 requirements (where applicable and proportionate)
 - 20.14.5 That the contractor may not assign or sub-contract without prior written consent
 - 20.14.6 Any insurance requirements
 - 20.14.7 Ombudsman requirements
 - 20.14.8 Data protection requirements, if relevant

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- 20.14.9 That charter standards are to be met if relevant
- 20.14.10 Bribery and whistleblowing policies
- 20.14.11 Freedom of Information Act requirements
- 20.14.12 Where Agents are used to let contracts, that Agents must comply with the Council's Contract Procedure Rules
- 20.14.13 A right of access to relevant documentation and records of the contractor for monitoring and audit purposes if relevant
- 20.14.14 Any confidentiality requirements
- 20.14.15 Tax evasion and avoidance requirements
- 20.14.16 A prompt payment clause
- 20.14.17 Termination clauses compliant with the Procurement Act 2023
- 20.15 Where appropriate contracts are completed by each side adding their formal seal. The fixing of the Council's seal must be witnessed by a further officer on behalf of the Head of Legal & Governance and Monitoring Officer or deputy.
- 20.16 Every Council sealing will be consecutively numbered, recorded and signed by the person witnessing the seal. The seal must not be affixed except in accordance with the Council's Constitution.
- 20.17 A contract must be sealed where:
 - 20.17.1 The Council may wish to enforce the contract more than six years after its end
 - 20.17.2 The price paid or received under the contract is a nominal price and does not reflect the value of the goods or services, or
 - 20.17.3 There is any doubt about the authority of the person signing for the other contracting party.

21. CONTRACT MODIFICATIONS

- 21.1 Where a public contract has been procured as a result of a Regulated Procurement or it is proposed to modify a contract with the effect that the contract once modified would have a value above the threshold for the procurement to be classified as a Regulated Procurement, such modification shall only be allowed where it is a permitted modification in accordance with

paragraph 21.2 or is not a substantial modification, as defined in paragraph 23.3 or is a below threshold modification as defined in paragraph 23.4.

- 21.2 A permitted modification is one which is described as a permitted contract modification in Schedule 8 of the PA23.
- 21.3 Where a modification is not set out in Schedule 8 of the PA28, it shall nevertheless be permitted if the modification is not a substantial modification. A substantial modification is one which would either:
- 21.3.1 increase or decrease the term of the contract by more than 10% of the maximum term (including any extension provisions provided for in the contract); or
 - 21.3.2 would materially change the scope of the contract; or
 - 21.3.3 would materially change the economic balance of the contract in favour of the supplier.
- 21.3.4 If any one of these three circumstances apply, the modification is not permitted. A modification shall be deemed to materially change the scope of the contract where it materially provides for the supply of goods, services or works of a kind which are not already provided for in the contract.
- 21.4 A below threshold modification is one which would not increase or decrease the estimated value of the contract by more than:
- 21.4.1 10% (in the case of a contract for goods or services); or
 - 21.4.2 15% (in the case of a contract for works)
- and where the aggregated value of all below threshold modifications would be less than the threshold amount for that type of contract and would not otherwise materially change the scope of the contract.

22. CONTRACT MANAGEMENT

- 22.1 Contract Management is the active management of the relationship between the Council and a supplier over the term of the contract for the provision of services, supplies and works to a set of agreed standards.
- 22.2 Contract management activities should be proportionate to the value, duration, risk and complexity of the contract.
- 22.3 All contracts with an estimated value of more than £5m, shall contain at least three key performance indicators. Key performance indicators are factors or measures against which a supplier's performance of the contract can be assessed during the lifecycle of the contract. This provision shall not apply to a Light Touch contract or a contract where it is considered, with the approval of the Leal Team, that performance cannot be measured by key performance indicators.
- 22.4 Where the Council has set key performance indicators, it shall at least once in every 12-month period during the lifecycle of the contract and upon termination of the contract assess

performance against those key performance indicators and publish information in relation to that assessment in accordance with the PR24.

- 22.5 If the Council considers that a supplier is not performing a public contract to its satisfaction and the supplier has been given proper opportunity to improve its performance but has failed to do so, the Council shall publish information relating to the circumstances in accordance with the provisions set out in the PR24.
- 22.6 Any contract which the Council enters into shall contain terms committing the Council to pay all sums due before the end of the period of 30 days (as per PA23) or 14 days (as per TDC FPRs) beginning with the day on which an invoice is received or if later the day on which payment falls due in accordance with the invoice.
- 22.7 It shall be implied into every contract that the above term shall be included in all contracts, whether included explicitly or not.
- 22.8 The Council need not pay an invoice within 30 days (as per PA23) or 14 days (as per TDC FPRs) if it considers the invoice is invalid or disputes the invoice, but where those circumstances apply, it must notify the supplier without undue delay of those circumstances.
- 22.9 The Council shall publish a “payments compliance notice” setting out the details of all payments made under contracts twice yearly for the periods ending on 31 March and 30 September. Such notice shall set out the information required by the PR24.

23. CONFLICTS OF INTEREST

- 23.1 Officers of the Council shall be strictly bound by section 117 of the Local Government Act 1972 to declare any interest in a contract or proposed contract, whether direct or indirect. Such notice shall be given to the Legal Team as soon as the Officer becomes aware of the interest. A failure to declare such interest is an offence under section 117.
- 23.2 An Officer shall not, under colour of their office or employment, accept any fee or reward whatsoever other than their proper remuneration.
- 23.3 Before publishing a tender or transparency notice in relation to a regulated procurement, a conflicts of interest assessment must be prepared.
- 23.4 The conflicts of interest assessment must be kept under review and when publishing the relevant notice, advise that it has been prepared.
- 23.5 The Council must take all reasonable steps to identify and keep under review any actual or potential conflicts of interest and take all reasonable steps to ensure that a conflict does not put a supplier at an unfair advantage or disadvantage.
- 23.6 Members of the Council are bound by the Council’s Members Code of Conduct.

24. THE PROCUREMENT WAIVER PROCESS

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- 24.1 The Council can only waive the rules established by the Council – the Council cannot waive the Procurement Act 2023 or Public Contracts Regulations 2015 (where contracts were procured under these regulations) or any UK law.
- 24.2 In exceptional circumstances a waiver from these CPRs may be granted. The circumstance under which a waiver may be considered include:

Waiver Reason	Meaning
Life or Death	There is significant chance that the life or health of officers, members, or the public will be put at real risk.
Increased cost/loss of Income	The Council will incur significant avoidable costs or lose significant income (significant shall be taken to mean material in the sense that it is either material to the project, the service or the Council.
Limited Markets	The Council would be wasting its time obtaining quotations as supply of the product or service is demonstrably restricted to one or few businesses.
Reputation	The Council would be criticised for failing to act promptly.

- 24.3 All waivers shall be completed on the Standard Form of Waiver which will be monitored and reported to the next relevant committee.
- 24.4 A waiver may not be granted simply on the grounds of convenience.
- 24.5 If a decision requires referral to Community & Resources Committee but is urgently required, the Urgency procedure may be used by completing the last section of the Waiver form. The last section of the waiver form requires the decision to be noted by the Leader or Deputy Leader of the Council. The Urgency decision will be subsequently reported to Community & Resources
- 24.5 Waivers must be sought and approved in advance of any contractual agreement, order placement, use of Works, Services, or purchase of Supplies. Refer to the Financial Procedure Rules on Waivers.
- 24.6 The Legal Team will keep a register of all Waivers.

25. PROCUREMENT DOCUMENTATION

- 26.1 Council Officers must prepare their Procurement documentation using the Council's standard templates, which are available on the Council's Intranet site or via the Procurement Officer and are appropriate to the size and nature of the contract.
- 25.2 The Procurement documentation shall state that no Bid will be considered unless it is received

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by the date and time stipulated. A Bid delivered in contravention of this clause shall be considered only under exceptional circumstances, e.g. Council error/council software breakdown.

- 25.3 All procurement documentation should include the following as appropriate to the type of Contract:
- 25.3.1 A specification that describes the authority's requirements in sufficient detail to enable the submission of competitive offers
 - 25.3.2 A requirement for Suppliers to declare that the Bid content, price or any other figure or particulars concerning the Bid have not been disclosed by the tenderer to any other party (except where such a disclosure is made in confidence for a necessary purpose)
 - 25.3.3 A requirement for Suppliers to complete fully and sign all Bid documents including a Form of Tender and Terms and Conditions
 - 25.3.4 Notification that Bids are submitted to the Council on the basis that they are compiled at the Supplier's expense
 - 25.3.5 A description of the Award Procedure and, unless defined in a prior advertisement, a definition of the Award Criteria in objective terms and if possible in descending order of importance
 - 25.3.6 Notification that no Bid will be considered unless it submitted via the Council's approved electronic tendering system
 - 25.3.7 Quotations by email are acceptable for quotes under £30,000 (inc. VAT), but must be dated and clearly stated
 - 25.3.8 The method by which any arithmetical errors discovered in the submitted Bids is to be dealt with. In particular, whether the overall price prevails over the rates in the Tender or vice versa
 - 25.3.9 Instructions to Suppliers concerning the procurement process and procurement documentation and information concerning the contract opportunity
 - 25.3.10 The pricing schedule, schedule of rates, whole life costing schedule or other such appropriate pro-forma for gathering the Supplier's pricing
 - 25.3.11 A stipulation that no tender issued electronically via the Portal can be submitted by other means
 - 25.3.12 Details of any subcontractors and consortium arrangements.
 - 25.3.13 All Suppliers invited to bid must be issued with the same information at the same time

and be subject to the same conditions. Any supplementary information must be given on the same basis.

- 25.3.14 All Procurement documentation must specify the goods, service or works that are required, together with the terms and conditions of Contract that will apply and must state that the Council is not bound to accept any Quotation or Tender, either as a whole or in part.
- 25.3.15 Contracts that exceed the total value of £100,000 must be kept for six years and twelve years if under seal after the end of the contract.

26. SUBMISSION, RECEIPT AND OPENING OF TENDERS/QUOTATIONS

- 26.1 Suppliers must be given an adequate period in which to prepare and submit a proper Quotation or Tender, consistent with the complexity of the contract requirement. Normally at least four weeks should be allowed for submission of Tenders. PA23 lays down specific time periods.
- 26.2 Each tender is recorded within the Procurement Portal.
- 26.3 Tenders received after the set date and time must not be accepted. For the purposes of these rules the time will be deemed to be at the first stroke 12:00 Noon.
- 26.4 The Officer or Procurement Officer must ensure that all Tenders are opened at the same time via the procurement portal when the period for their submission has ended.

27. CLARIFICATION PROCEDURES AND POST-TENDER NEGOTIATION

- 27.1 Providing clarification of an invitation to tender to potential or actual suppliers is allowed. Tender, or bid clarifications may become necessary during the evaluation of tenders, for example where there are aspects of the tender that are unclear or contain minor errors. Tender clarification is contact between the buyer and the bidder(s) to clarify aspects of the tender which are ambiguous or irregular. Clarification is permitted:-
- Via the Council's electronic tendering system
 - At a meeting, provided that a written record is made of the meeting
 - In a way that is fair, transparent and equal to all participants

Negotiations in relation to price, essential aspects of the tender or other areas where bid improvements may be possible must not take place as part of the clarification process

- 27.2 Post tender negotiation must not be confused with tender or bid clarification. Post tender negotiation may be used to refine and improve bids from the preferred supplier(s). This is to ensure that prices, delivery or associated terms of the contract are competitive.
- 27.3 If post-tender negotiations are necessary after an Open Procedure or Competitive Flexible Procedure, then such negotiations shall only be undertaken with the tenderer who is

identified as having submitted the best tender and after all unsuccessful suppliers have been informed.

- 27.4 Officers carrying out post-tender negotiations should ensure that there are recorded minutes of all negotiation meetings and that both parties agree actions in writing.
- 27.5 Where post-tender negotiations result in a fundamental change to the specification (or contract terms) the contract must not be awarded but re- tendered.

28. EVALUATION, AWARD OF CONTRACT AND DEBRIEFING CANDIDATES

- 28.1 Tenders and Quotations must be evaluated and awarded in accordance with the Selection and Award Criteria. During this process, Officers shall ensure that submitted Tender prices are compared with any pre-tender estimates and that any discrepancies are examined and resolved satisfactorily.
- 28.2 The arithmetic in compliant Tenders must be checked. If arithmetical errors are found they should be notified to the tenderer, who should be requested to confirm or withdraw their Tender.
- 28.3 Officers may accept Quotations and Tenders received in respect of proposed contracts, provided they have been sought and evaluated fully in accordance with these Contract Procedure Rules. Awarding of contracts that are expected to exceed the approved budget sum shall be referred back to the Section 151 Officer as appropriate, in line with the Scheme of Delegation.
- 28.4 Assessment summaries must be completed for all assessed above threshold tenders and issued prior to the Contract Award Notice being issued, this starts the Standstill period (see paragraph 18 for more information).

29. BOND AND PARENT COMPANY GUARANTEES

- 29.1 The Officer must consult the Major Projects Manager, Estates Manager and Section 151 Officer if a Parent Company Guarantee or Bond is needed. A Parent Company Guarantee maybe necessary when a supplier is a subsidiary of a parent company. A Bond is where it is proposed to make stage or other payments in advance of receiving the whole of the subject matter of the contract. Either of these may be needed if:
 - 29.1.1 The total value of the contract exceeds £5,000,000
 - 29.1.2 Where there is concern about the stability of the supplier following a formal risk assessment

30. RISK ASSESSMENTS

- 30.1 Appropriate risk assessments must be undertaken for all contracts and shall continue throughout the life of the contract, ensuring contingency measures are in place.

31. PROJECT INITIATION DOCUMENT (PID)

- 31.1 Any Officer proposing a project for inclusion in the Capital Programme must complete a Project Initiation Document (PID), and have this signed as approved by their Strategic Manager. The PID must then be submitted to the Section 151 Officer, who will refer the project to the relevant Committee for approval.
- 31.2 The Project Initiation Document will include the objectives of the project; a risk assessment and contingency plan; details of how the project will be controlled including appointment of a Project Manager; funding required and any revenue impact that the project may incur.
- 31.3 Overspends of greater than 10% against the original capital project budget and which are also in excess of £10k shall be reported to Community and Resources Committee. Additionally, all overspends of greater than £30k will be reported to Community & Resources.

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32. GLOSSARY OF TERMS

For the purpose of these Rules the following terms have the meanings as set out below:

Term	Meaning of Term
Assessment Summaries	<p>A letter detailing the outcome of the assessment of any Tenders received. For the successful Supplier it will include their scores and reasons for those scores against each of the published Award Criteria.</p> <p>For all unsuccessful Suppliers, the letter will include their scores and the reason for those scores against each of the published Award Criteria and the successful Supplier's scores.</p>
Award Criteria/ Assessment Methodology	<p>criteria set in accordance with section 23 of PA23 against which Tenders may be assessed for the purpose of awarding a Public Contract; these criteria must:</p> <ul style="list-style-type: none"> (a) Relate to the subject-matter of the Contract, (b) Be sufficiently clear, measurable, and specific, (c) Not break the rules on technical specifications in section 56, and (d) Be a proportionate means of assessing Tenders, having regard to the nature, complexity, and cost of the Contract. <p>And where there are more than one, their weighting or relative importance must be stated.</p> <p>Officers are also required to describe how the Tenders will be assessed (a scoring matrix), and the document must state whether failing to meet a specific score could amount to a Supplier being excluded from the procurement</p>
Best Value	<p>The Best Value Duty relates to the statutory requirement for local authorities and other public bodies defined as best value authorities in Part 1 of the Local Government Act 1999 ("the 1999 Act") to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". This terminology has now in many instances been superseded by <u>Value for Money</u></p>
Clarification	<p>Means the request for additional/ missing information and/ or an explanation regarding information that is incomplete, inaccurate, or misleading.</p> <p>Where the clarification relates to the Council seeking a clarification from a Supplier, this may only occur where it is not unfair to do so.</p>
Closed Framework	<p>These have a lifespan of 4 years and these are closed off to any supplier other than those who had gained a place on them following a compliant procurement procedure.</p>
Code of Conduct	<p>The code of conduct binding on all Officers of the Council within the Council's Constitution.</p>
Competitive Flexible Procedure	<p>This is a multi-staged procurement which can include a discrete Conditions Of Participation stage, limiting Suppliers (following the SQ or other assessments), one or more Tender rounds (and intermediate assessments), refinement of the Award Criteria, modification of the Tender procedure, interaction with the Suppliers (e.g., negotiations, presentations, site visits) and then following a final submission, there is a potential to finesse the submission and subsequent staged awards – all this being subject to what was specified in the Invitation to Tender Notice and documentation.</p>

TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

Competitive Tendering Procedure(s)	This includes the Open Procedure and the Competitive Flexible Procedure
Concession Contracts	a Contract for the supply, for pecuniary interest, of works or services to a Contracting Authority where— a) at least part of the consideration for that supply is a right to exploit, and b) under the Contract the Supplier is exposed to a real operating risk. (it may also be paid for by service users rather than the Council).
Conditions of Participation	this is a condition that a Supplier must satisfy if the Supplier is to be awarded the Public Contract. These conditions must be a proportionate means of assuring that a Supplier has. (a) the legal and financial capacity to perform the Contract, or (b) the technical ability to perform the Contract.
Conflict Assessments	Means an assessment that has been carried out by the Council and in which, it identifies all and any potential or actual conflicts and the actions taken/ to be taken to mitigate them to ensure equal treatment.
Conflict of Interest	There is a Conflict of Interest in relation to a Covered Procurement if— (a) A person acting for or on behalf of the contracting authority in relation to the Procurement has a Conflict of Interest, or (b) A Member acting in relation to the Procurement has Conflict of Interest
Contract(s)	an agreement to be made in writing between the Council and a Supplier
Contract Award Notice	A notice that is published on the Central Digital Platform and that informs the market of and intent to award and where a Mandatory Standstill Period (or Voluntary Standstill Period) is required, this notice initiates that Standstill Period. There is a different form of notice for below and above threshold procurements.
Contract Change Notice	For Contracts let under the Procurement Act 2023 A notice that must be published before a Contract modification is applied, where that modification increases or decreases the estimated value of the Contract by— (a) in the case of a Contract for goods or services, 10 per cent or less, (b) in the case of a Contract for works, 15 per cent or less, or (c) the modification increases or decreases the term of the Contract by 10 per cent or less of the Issued in accordance with section 75. For Contracts let under the Public Contracts Regulations 2015 A modification notice must be published where a modification is made under Regulation 72(b) or 72(c).
Contract Details Notice	A notice that confirms that the Contract has been entered into within the previous 30 days. There is a different form of notice for below and above threshold
Contract Management	Contract Management is the active management of the relationship between the Council and the Supplier over the term of the Contract for the provision of services, supplies and works to a set of agreed standards.

TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

Contract Management Notice(s)	<p>For Contracts let under the Procurement Act 2023 (PA23) The Council will be required to publish the following in line with the PA23.</p> <ul style="list-style-type: none"> (a) Contract Performance Notice – required for all Public Contracts over £5m and used to report on KPIs and whether the Contract is being delivered to the Council's required standards e.g., satisfactory performance against the KPIs, and/ or a breach of Contract which resulted in, partial termination, and/ or damages. (b) Payment Compliance Notice – used to publish the Contracting Authorities payment performance. (c) Contract Termination Notice – used where the Contracting Authority terminates a Contract in full.
Contract Modification	<p>For Contracts let under the Procurement Act 2023 (PA23) A modification permitted under section 74 and schedule eight of the PA2023 or is not a substantial modification or is a below-threshold modification. For Contracts let under the Public Contracts Regulations 2015 (PCR2015) A modification permitted under Regulation 72.</p>
Contract Performance Notice	<p>Means a notice setting out.</p> <ul style="list-style-type: none"> (a) An assessment of performance against Key Performance Indicators OR (b) Details of poor performance against a specified standard and/ or a breach which is sufficiently serious enough to result in the payment of damages, partial termination, or a settlement agreement.
Contracts Procedure Rules (CPRs)	<p>This document setting out the principles of procurement, roles and responsibilities, Contract procedure rules and processes involved in purchasing services, supplies, and works Contracts.</p>
Contract Register	<p>A register of Council Contracts published via the Council's e-tendering portal</p>
Contract Termination Notice	<p>Is a notice setting out that a Contract has been terminated</p>
Contract Value	<p>The estimated total monetary value of a Contract over its full duration and any extensions or potential variations. (N.B. not just the annual value.)</p>
Council	<p>Torridge District Council</p>
Councillor/ Member	<p>An elected Member of the Council.</p>
Covered Procurement	<p>Means an above threshold procurement that is intended to result in a Public Contract. PPN-11_23-New-Thresholds.pdf (publishing.service.gov.uk) These values apply for 2024 and 2025.</p>
Debarment List	<p>Means a list kept by a Minister of the Crown for the purposes of identifying Suppliers to whom a Public Contract is not to be awarded.</p>
Direct Award	<p>Means the award of a Contract without a competitive process.</p>

TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

Discretionary Exclusion Grounds	<p>Schedule 7</p> <ul style="list-style-type: none"> (a) Labour market misconduct (b) Environmental misconduct (c) Insolvency, bankruptcy, etc (d) Potential competition infringements (e) Professional misconduct (f) Breach of Contract and poor performance (g) Acting improperly in procurement (h) Threat to national security
Dynamic Market	<p>a list of Suppliers who have met the published Conditions of Membership and are eligible to submit a Tender against a competition let under the market. These markets can be set up to purchase any requirements that a Contracting authority may wish to purchase and require the use of the competitive flexible procedure to award a Contract.</p>
Dynamic Purchasing System (DPS)	<p>A completely electronic system used by a Contracting Authority (buyer) to purchase commonly used goods, works or services. Unlike a traditional framework, Suppliers can apply to join at any time.</p>
E- Tendering System	<p>A system for the end-to-end Tendering process, both Suppliers and buyers submit and respond to Tenders electronically removing the need for paper</p>
Equalities Act	<p>Protects individuals from various forms of discrimination and harassment relating to disability, age, gender, religion / belief, and sexuality.</p>
Estimated Contract Value	<p>Means the value being estimated by a contracting authority for the entire possible scope and duration of the potential Contract Requirements including all options, premiums, fees etc as may become due under the contract.</p>
Excludable Supplier(s)	<p>An Excludable Supplier is a Supplier.</p> <ul style="list-style-type: none"> (a) To whom a discretionary exclusion ground applies, and such exclusion ground circumstances are continuing/ likely to occur again; or (b) They are on the debarment list by virtue of a discretionary exclusion ground. Tenders from excludable Suppliers may be disregarded in any Competitive Tendering Process (s.26(2)) and Contracting Authorities may exclude an Excludable Supplier from participating in a Competitive Flexible Procedure (s.27(1)(b)). <p>The Council may also terminate a Contract with a Supplier who becomes an excluded Supplier after the award of the Contract or where one of their sub-Contractors is an excludable Supplier and they fail to replace them when</p>

TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

Excluded Supplier(s)	<p>An excluded Supplier is a Supplier.</p> <p>(a) To whom a Mandatory Exclusion Ground applies to, and such exclusion ground is continuing/ likely to occur again; or</p> <p>(b) They are on the Debarment List by virtue of a Mandatory Exclusion Ground.</p> <p>Tenders from excluded Suppliers must be disregarded in any competitive Tendering process and Contracting Authorities must exclude an Excluded Supplier from participating in a Competitive Flexible Procedure.</p> <p>Supplier must be removed from a Dynamic Market if it is on the Debarment List by virtue of a Mandatory Exclusion Ground and may be removed if otherwise an Excluded Supplier or an Excludable Supplier.</p> <p>The Council may also terminate a Contract with a Supplier who becomes an Excluded Supplier after the award of the Contract or where one of their Sub-Contractors is an Excluded Supplier and they fail to replace them when</p>
Exempt Contract(s)	<p>The kind of Contract listed in Schedule 2 of the Procurement Act 2023, and for which the rules of the PA23 do not apply.</p>
Framework	<p>An agreement with Suppliers which sets out terms and conditions under which specific purchases can be made throughout the term of the agreement and which has been Tendered in accordance with UK Directives.</p>
Freedom of Information Act	<p>Freedom of Information Act 2000 is an act defining the ways in which the public may obtain access to government-held information.</p>
Financial Procedure Rules (FPRs)	<p>The rules on how Council funds is to be received, spent, and reported, as set out in the Council's Constitution.</p>
Grant Agreements	<p>an agreement by the Council to pay a recipient funding for a specific set of aims and objectives.</p>
Invitation to Tender (ITT)	<p>The document that invites Suppliers to submit a Request to Participate or a Tender in response to a Tender Notice. It must include clear instructions of what is required, a description of the procurement process, the Conditions of Tendering, and the Award Criteria/ Assessment Methodology as a minimum.</p>
Key Performance Indicator (KPIs)	<p>a factor or measure against which a Supplier's performance of a Contract can be assessed during the life cycle of the Contract.</p>
Light Touch Regime	<p>These are Contracts/procurements which cover Health, Social Care, legal and Education related requirements.</p>
Local Government Act 1972	<p>Local Government Act 1972 (legislation.gov.uk)</p>
Local Supplier(s)	<p>A Supplier who has a local presences/ an address with a Torridge District postcode.</p>
Lots	<p>Means splitting the goods, services or works to be supplied into more than one Contract to make them accessible to SME and facilitate effective competition. This is not to be done to circumvent the PA23.</p>

TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

Mandatory Exclusion Grounds	<p>Schedule 6 - Part 1</p> <ul style="list-style-type: none"> (a) Corporate manslaughter or corporate homicide (b) Terrorism (c) Theft, fraud, bribery, etc (d) Labour market, slavery, and trafficking offences (e) Organised crime (f) Tax offences. (g) Cartel offences (h) Ancillary offences Schedule 6 - Part (i) National Security (j) Tax Misconduct, (k) Competition Law Infringements, Or the equivalent for conduct outside the UK (l) Failure To Cooperate with An Investigation
MAT	<p>Most Advantageous Tender – Is the Tender that the Council considers—</p> <ul style="list-style-type: none"> a) Satisfies the Council’s requirements, and b) Best satisfies the Award Criteria when assessed against them
National Procurement Policy Statement	<p>[Withdrawn] National Procurement Policy Statement - GOV.UK (www.gov.uk)</p>
Negotiation	<p>Means a discussion between the Council and a Supplier with a view to improving the content of Tenders</p>
Operational Management Team (OMT)	<p>As defined in the Constitution</p>
Open Framework	<p>A scheme of Frameworks where the initial Framework is open for 3 years or less, and the subsequent Frameworks cannot last for more than 5 years before it must be re-opened. The maximum overall term being 8 years and how Suppliers are appointed onto the Framework will depend on how the Open Framework is established.</p>
Open Procedure	<p>This is a single stage procedure where any interested Supplier can submit a Tender; and a Supplier’s suitability, capacity and capability and their Tender response are all evaluated together.</p>
Payment Compliance Notice	<p>Means a bi-annual notice that sets out the timescales in which the Council has made payments against Public Contracts, and its performance against the requirement to pay valid invoices within 30 days (or less).</p>
Performance Bond	<p>A performance bond is issued to by a Supplier to the Council as a guarantee against the failure of the other party to meet the obligations of the Contract. A performance bond is usually issued by a bank or an insurance company.</p>
Preliminary Market Engagement	<p>Analysis of the market prior to formal Tender This can be used for the purpose of—</p> <ul style="list-style-type: none"> (a) developing the authority’s requirements and approach to the procurement. (b) designing a procedure, Conditions of Participation or Award Criteria. (c) preparing the Tender notice and Associated Tender Documents.

TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

	<ul style="list-style-type: none"> (d) identifying Suppliers that may be able to supply the goods, services or works required. (e) identifying likely Contractual terms. (f) building capacity among Suppliers in relation to the Contract being awarded.
Preliminary Market Engagement Notice	Means a notice setting out that the Council intends to conduct, or has conducted, Preliminary Market Engagement,
Procurement	Means the process by which the Councils identifies and purchases goods, services and works.
Procurement Legislation Guidance	Means the guidance issued by the Cabinet Office that is to be considered in the development and delivery of the procurement process. Procurement Act 2023 - Guidance documents - GOV.UK (www.gov.uk) Procurement policy notes - GOV.UK (www.gov.uk)
Procurement Objectives	<ul style="list-style-type: none"> (a) Value for Money (b) Sharing information (c) Public Benefit (d) Acting with integrity (e) Removing barriers to SMEs (f) Equal treatment
Procurement Strategy	The document setting out the Council's approach to procurement and key priorities for the next few years
Procurement Thresholds	the values that determine which route to market to use
Public Contract(s)	All Contract Values which are Covered Procurement (above threshold) under the Relevant Procurement Legislation (this value to be inclusive of VAT)
Public Services (Social Value) Act 2012	Act places a requirement on procurers to consider the economic, environmental, and social benefits. Please refer to the Corporate Social Value Policy and toolkit
Quotation	The provision of a price to deliver the Council's requirements without the conduct of a formal procurement process.
(Regulated/ Notifiable) Below Threshold Contract Detail Notice(s)	Means a notice detailing that a Below Threshold Procurement has resulted in the Council entering into a contract with a value in excess of £30k inc. VAT.
(Regulated/ Notifiable) Below Threshold Procurement(s)	A procurement which is below the Covered Procurement threshold and not exempt from the PA23. PPN-11_23-New-Thresholds.pdf (publishing.service.gov.uk) These values apply for 2024 and 2025.
(Regulated/ Notifiable) Below Threshold Tender Notice(s)	Means an advert inviting tenders from Suppliers where the Contract value is below that of a Covered Procurement
Regulated Below Threshold Procurements Goods, Services or Works	Means a contract with a value less than that of a covered procurement but to which Part 6 of the Procurement Act 2023 applies; specifically, the requirement to publish notices, procedural rules (for Goods and Services this means a single stage process and for Works, this includes an option for a two stage process), implied payment terms and a duty to consider SMEs

TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

Relevant Contract	Contracts to which the Contract Procedure Rules apply
Relevant Procurement Legislation	Public Contracts Regulations 2015 (PCR15) or Concession Contracts Regulations 2016 (CCR16) – the legislation that applies to Contracts let under one of these regimes where the Contract continues to be used/ delivers post 24th February 2025 Procurement Act 2023 (PA23), Procurement Regulations 2024 (PR24)– for Contract that are to be or were procured post 24th February 2025 Provider Services Regime 2023 (PSR23) where the procurement relates to
Sensitive Commercial Information	Means information which. (a) Constitutes a trade secret, or (b) Would be likely to prejudice the commercial interests of any person if it were published or otherwise disclosed.
Scheme of Delegation	The rules as to who has the authority to make which decisions, as set out in the council's constitution.
Site Visit	Means a visit to an office, or project location to aid a Supplier in understanding the Contract requirements/ Specification and to aid in putting in an effective and compliant Tender.
Specification	Means the document that sets out the Councils specific requirements for a specific contract/ project.
SME	Small to Medium Enterprise – fewer than 250 employees; and annual turnover not exceeding approximately £50 million
SMT	Senior Management Team
Social Value Policy	Council's Social Value Policy for use in procurements over the value of £50,000 with a minimum weighting of 10%
Standstill Period	Means period of eight working days commencing on the day that the Contract Award Notice was published on the Central Digital Platform. Mandatory for all Covered Procurement other than for the following exception, for which a Voluntary Standstill Period of eight working days may still be applied. <ul style="list-style-type: none"> ▪ Direct Award under sections 41 or 43 ▪ Award under a Framework. ▪ Award by reference to a Dynamic Market
Supplier(s)	Means all or any of economic operators, tenderers, bidders, contractors (or subcontractors) supplying goods, services or works to the Council
Tender(s)	Means the response against which a Contract may be awarded
Tender Notices	Regulated Below Threshold Tender Notice - A call for competition (advert) where a Below Threshold Contract which is published on the Central Digital Platform/ FTS. Tender Notice (separate forms for Open Procedure, Competitive Flexible Procedure, Frameworks and Dynamic Markets) - A call for competition (advert) for a Public Contract which is published on the Central Digital Platform/ FTS.
Transparency Notice	Means a notice setting out that the Council intends to award a contract directly to a Supplier

TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

Thresholds	PPN-11_23-New-Thresholds.pdf (publishing.service.gov.uk) The values which determine the procurement process that is required.
Utilities Contracts	a Contract for the supply of goods, services or works wholly or mainly for the purpose of a utility activity. (Gas, electric, Water)
Value for Money	Means the balance of quality and price deemed representative of the Most Advantageous Tender

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Appendix 1

Appraise	Define	Consider	Consult	Approve
<ul style="list-style-type: none"> •Appraising the need for the expenditure and its priority 	<ul style="list-style-type: none"> •Defining the objectives of the purchase 	<ul style="list-style-type: none"> •Considering what procurement method is most likely to achieve the purchasing objective; including internal or external sourcing, partnering, packaging strategy and collaborative procurement arrangements with another local authority or public sector purchasing consortium 	<ul style="list-style-type: none"> •Consulting users as appropriate about the proposed procurement method, contract standards and performance and user satisfaction monitoring 	<ul style="list-style-type: none"> •Ensuring there is member or delegated approval for the expenditure and purchase accords with the approved policy framework and scheme of delegation as set out in the constitution

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Appendix 2
Notices to publish under Procurement Act 2023

Pre-procurement stage notices

Compulsory Notice

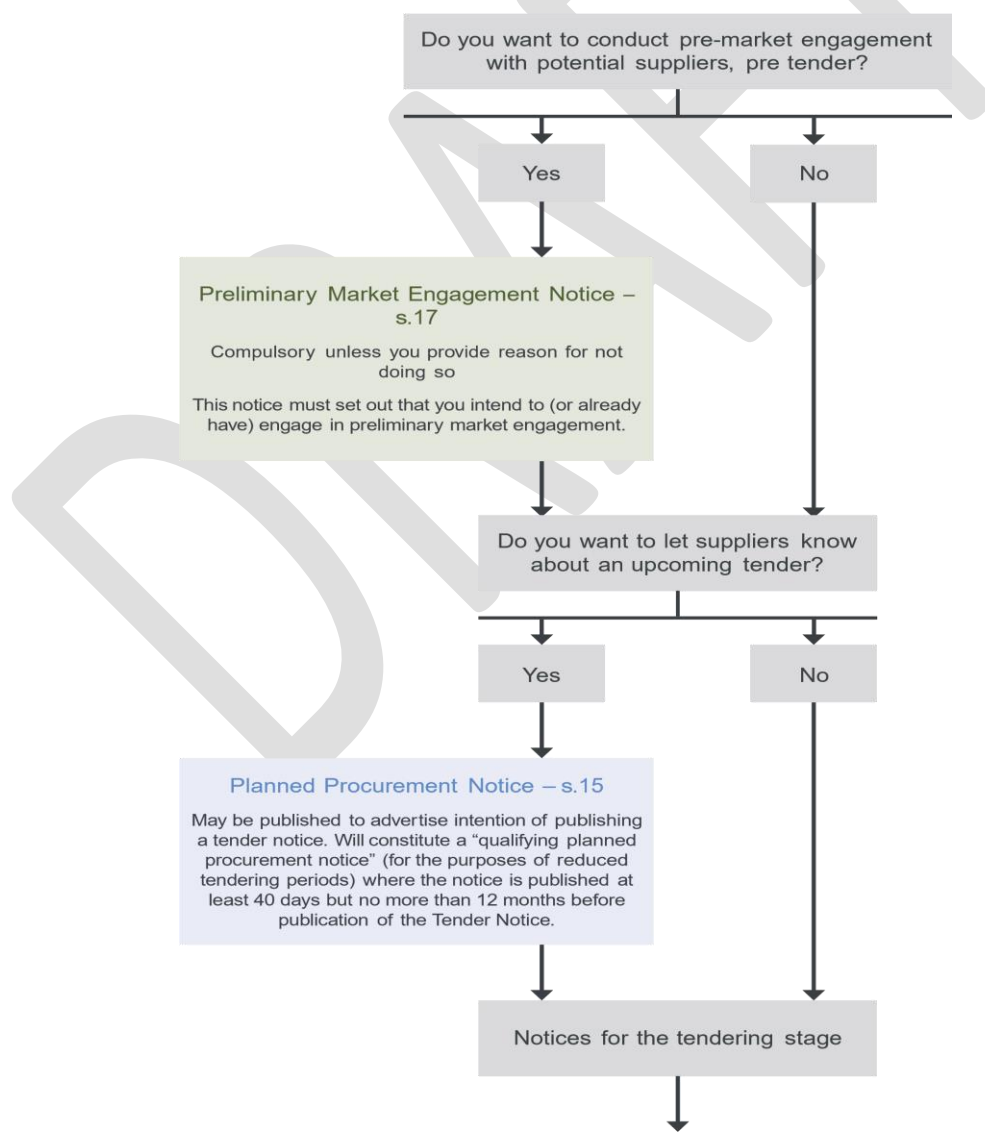
Voluntary Notice

Compulsory in specified circumstances

Pipeline Notice – s.93

Compulsory where you consider that you will pay more than £100 million under relevant contracts in the coming financial year. **(not relevant to TDC)**

Within 56 days of the start of the new financial year, this notice must be published, setting out specified information about any public contract with an estimated value of more than £2 million, in respect of which you intend to publish a tender notice or transparency notice during the reporting period.

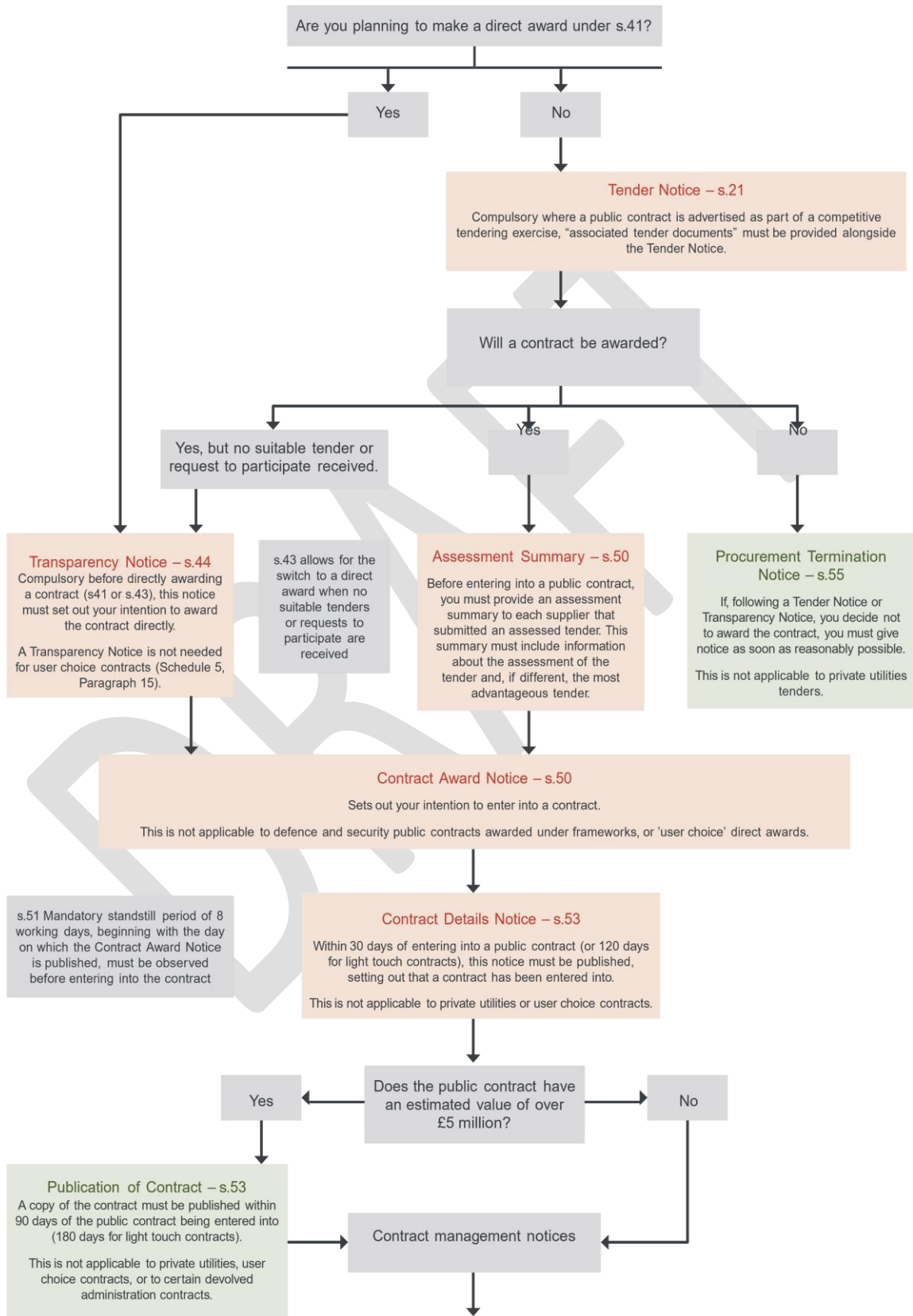


Notices for the tendering stage

Compulsory Notice

Voluntary Notice

Compulsory in specified circumstances

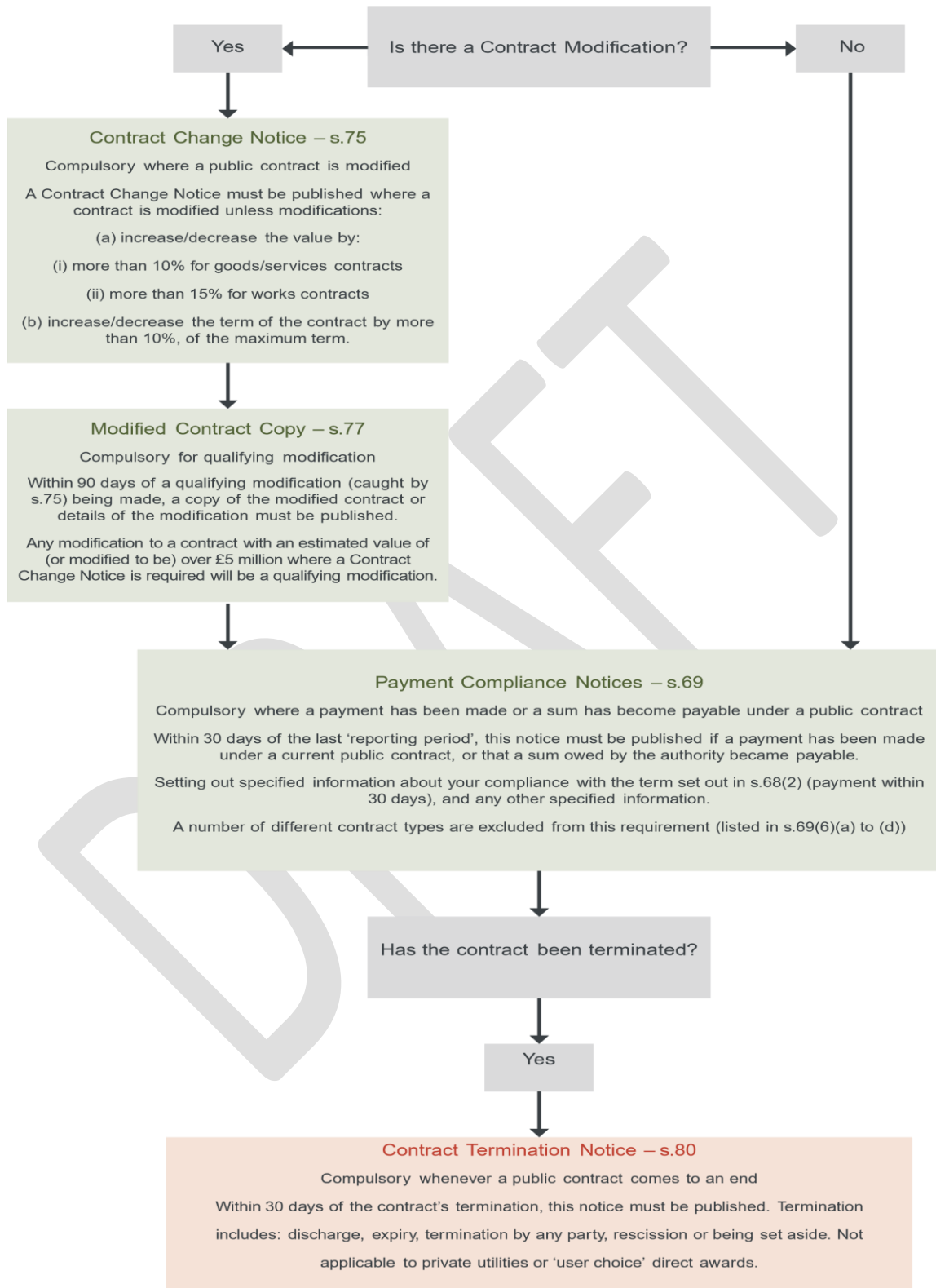


Contract management notices

Compulsory Notice

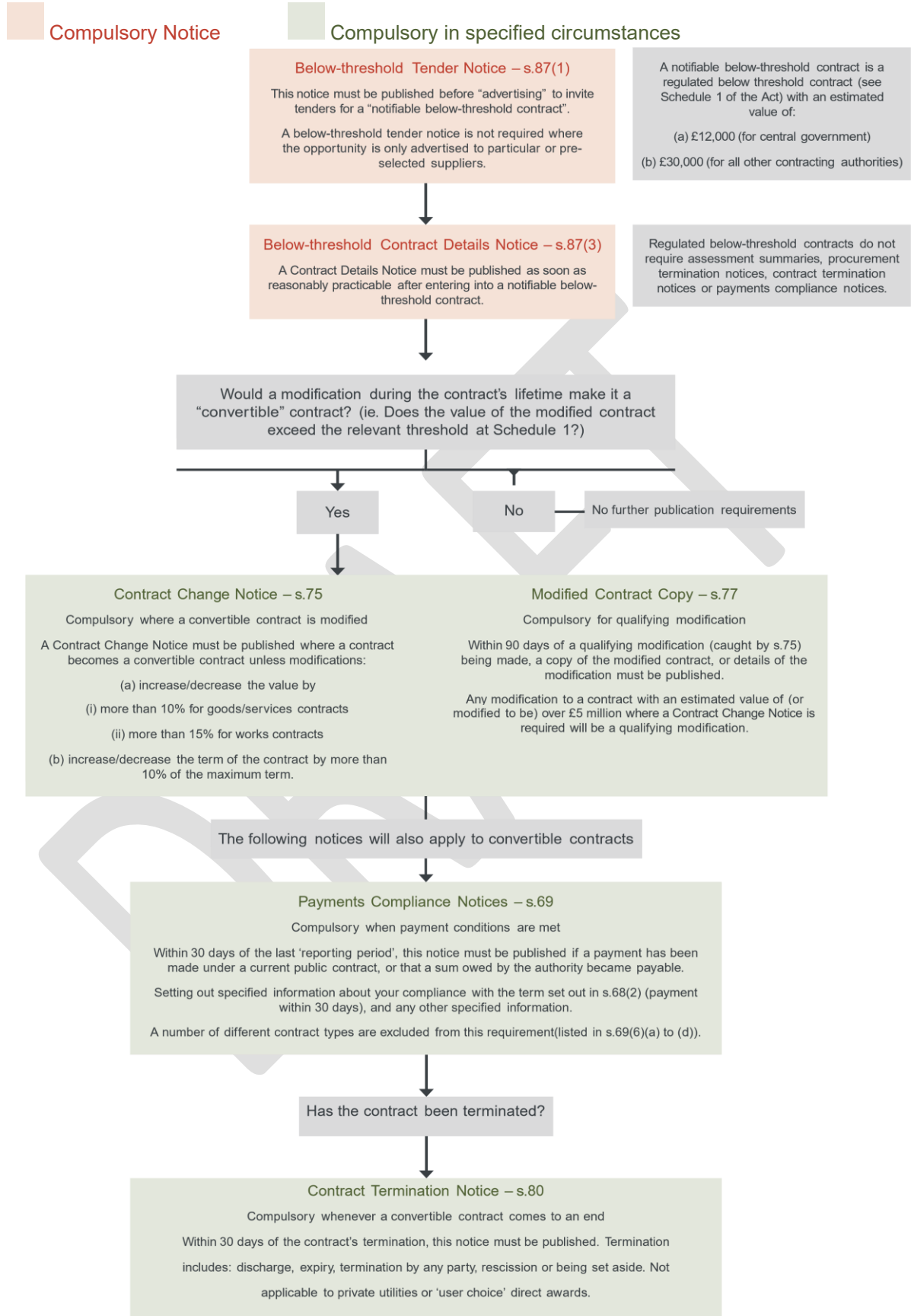
Voluntary Notice

Compulsory in specified circumstances



TORRIDGE DISTRICT COUNCIL CONTRACT PROCEDURE RULES

For “notifiable below-threshold contracts”



Reference & Owner	Risk Description	Strategic Plan Theme	Inherent rating		
			Impact	Probability	Impact Level
CRR 1 Finance Manager (Section 151 Officer)	<i>A Balanced Budget: The ability to set a balanced budget, Medium Term Financial Strategy (MTFS) and affordable Capital Programme.</i>	<i>Local Economy; Communities; Health and Housing; Our Environment Our Future; and Our Council</i>	4	3	12
CRR 2 Human Resources Manager	<i>Workforce Management: A skilled and sufficiently resourced workforce to deliver Torridge's Services and Strategic Plan</i>	<i>Local Economy; Communities; Health and Housing; Our Environment Our Future; and Our Council</i>	2	4	8
CRR 3 Chief Executive	<i>Reputation of the Council: Managing the impact of actions, activities and decisions that could damage the reputation of the Council</i>	<i>Our Council</i>	3	3	9
CRR 4 Chief Executive	<i>Business Continuity: Ensuring the Council is able to continue / resume it's operations following an unforeseen event or emergency</i>	<i>Communities, Health and Housing</i>	3	4	12
CRR 5 Public Health and Community Safety Manager	<i>Civil Emergency Response: Ability for the Council to respond to an event prescribed under the Civil Contingencies Act 2004.</i>	<i>Communities, Health and Housing</i>	3	3	9
CRR 6 Head of Legal and Governance	<i>Safeguarding Children and Vulnerable Adults: The ability to meet the Council's statutory responsibilities.</i>	<i>Communities, Health and Housing</i>	3	2	6
CRR 7 Chief Executive	<i>Corporate Manslaughter: Having in place all the necessary systems and controls to prevent a fatality and or serious accident occurring.</i>	<i>Communities, Health and Housing</i>	3	1	3
CRR 8 Strategy, Performance & ICT Manager	<i>Cyber Security: Measures and controls in place to prevent the vulnerability of a cyber related incident against our IT systems</i>	<i>Local Economy; Communities; Health and Housing; Our Environment Our Future; and Our Council</i>	3	4	12
CRR 9 Head of Legal and Governance (DPO)	<i>Data Security</i>	<i>Our Council</i>	3	4	12
CRR 10 - Major Projects Manager	<i>The Maritime Innovation Centre. Westward Ho! Linear Defence Scheme. Operational Services Centre. Hostel Developments.</i>	<i>Local Economy</i>	3	4	12
CRR 11 - Local Government Reorganisation	<i>Stemming from the English Devolution White Paper, there are a number of risks related to LGR and the</i>	<i>Our Council/ All themes</i>	4	3	12



Internal Audit

Audit and Governance Committee In-Year Monitoring Report 2024/25

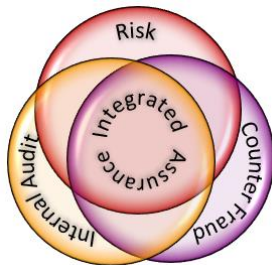
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Torridge District Council



January 2025

Official



Brad Hutton – Senior Assurance Manager

Tony Rose – Head of DAP

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<p>Devon Assurance Partnership</p> <p>The Devon Assurance Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, North Devon, Torridge, South Hams, West Devon councils and Devon and Somerset Fire and Rescue. We aim to be recognised as a high-quality assurance service provider in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.</p> <p>The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk.</p>	<p>Confidentiality and Disclosure Clause</p> <p>This report is protectively marked in accordance with the Government Security Classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation’s disclosure policies.</p> <p>This report is prepared for the organisation’s use. We can take no responsibility to any third party for any reliance they might place upon it.</p>
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Introduction

This report provides a summary of the performance against the Internal Assurance plan to date for the 2024/25 financial year, highlighting the key areas of work undertaken and summarising our main findings and recommendations aimed at improving controls where our work has been finalised.

A further four reports have been finalised since our last update in September 2024, these are Creditors, Safeguarding, VAT and Conservation (follow-up). Creditors and VAT have been awarded a 'Substantial Assurance' rating, whilst Safeguarding achieved a 'Reasonable Assurance' rating. In addition, we have commenced audits in the following areas: ICT/Cyber Security, Income, Main Accounting System, Harbour/Port Marine Safety, Building Control Services and Cemeteries. The remaining review areas shall be completed in Q4 (January -March), we include the approximate date in the High Level Plan on Page 5 of this report.

In our next update at the April Audit and Governance committee, we will be sharing our draft plans for the 2025/2026 year which will consider high risk areas and core functions at Torridge District Council. The assurance plan will be devised through a detailed planning process considering the indicative four year plan in place, key risks to the Council and Local Government and liaison with key stakeholders. Audit Committee will have the opportunity to comment and feed into the plan.

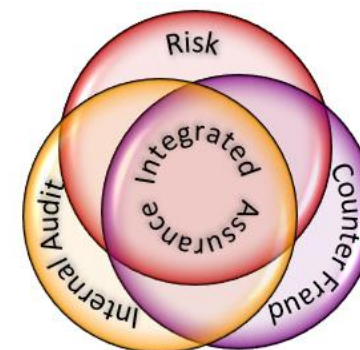
The key objectives of DAP have been to provide assurance to Torridge District Council on the adequacy, security and effectiveness of the systems and controls operating across the Council and to provide advice and assurance to managers and staff. The Internal Assurance plan for 2024/25 was presented to, and approved by, the Audit Committee in April 2024. The following report and appendices set out the position to 9th January 2025.

The Institute of Internal Audit (IIA) are the key body involved in setting out the global standards for the profession which form the basis for the Public Sector Internal Audit Standards (PSIAS) and are undergoing review and revision. The proposed new standards are likely to take effect in 2025 and will impact on our work and activity.

Expectations of the Audit Committee from this report are to consider

- Completion of audit work against the plan
- The scope and ability of audit to complete the audit work.
- Audit coverage and findings provided.
- The overall performance and customer satisfaction on audit delivery.

In review of these the Audit Committee are required to consider the assurance provided alongside that of Corporate Risk Management and satisfy themselves from this assurance that the internal control framework continues to be maintained at an adequate level to mitigate risks and inform the Executive for governance requirements.



High Level Summary Plan

High Level Summary Audit Plan – 2024/25					
Core Systems	Risk Based Audits	Strategic Goal: Develop a Prosperous & Sustainable Economy	Strategic Goal: Protect and Enhance the Quality Environment	Strategic Goal: Support Stronger, Safer, Healthier Communities	Strategic Goal: An Effective and Customer Focused Council
Creditors ICT/Cyber Security Income Main Accounting System VAT Treasury Management	Risk Management Annual Fraud and Corruption Assessment	Harbour/Pilotage/Port Marine Safety	Building Control Services Car Parks Conservation (Follow Up) Development Management Estates Management Climate Change Grounds Maintenance Planning Policy/LDF	Cemeteries DFG Grant Housing Renewal Licensing Safeguarding	Project Delivery Member Expenses & Allowances Travel & Subsistence

<p>Client and Audit Governance</p> <ul style="list-style-type: none"> Audit Committee Reporting, Support and Training Audit Committee Self-Assessment (CIPFA) Corporate Governance Follow Up Reviews Audit Planning and Coordination Contingency

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High Level Summary Audit Plan Outcomes

High Level Summary Audit Plan – 2024/25													
Core Systems	Risk Based Audits	Strategic Goal: Develop a Prosperous & Sustainable Economy	Strategic Goal: Protect and Enhance the Quality Environment	Strategic Goal: Support Stronger, Safer, Healthier Communities	Strategic Goal: An Effective and Customer Focused Council								
<p>Creditors</p> <p>ICT/Cyber Security</p> <p>Income</p> <p>Main Accounting System</p> <p>PLAT</p> <p>Treasury Management (March)</p>	<p>Risk Management (February)</p> <p>Annual Fraud and Corruption Assessment (March)</p>	<p>Harbour/Pilotage/Port Marine Safety</p>	<p>Building Control Services</p> <p>Car Parks (February)</p> <p>Conservation (Follow Up)</p> <p>Development Management (Possibly postponed)</p> <p>Estates Management (March)</p> <p>Climate Change (February)</p> <p>Grounds Maintenance</p> <p>Planning Policy/LDF (Possibly postponed)</p>	<p>Cemeteries</p> <p>DFG Grant</p> <p>Housing Renewal (February)</p> <p>Licensing (January)</p> <p>Safeguarding</p>	<p>Project Delivery (February/March)</p> <p>Member Expenses & Allowances</p> <p>Travel & Subsistence (March)</p>								
<table border="1"> <tr> <td>Substantial</td> <td>Reasonable</td> </tr> <tr> <td>Limited</td> <td>No Assurance</td> </tr> <tr> <td colspan="2">Opportunity/Non-Opinion</td> </tr> <tr> <td>At Draft Report Stage</td> <td>In Progress</td> </tr> </table>		Substantial	Reasonable	Limited	No Assurance	Opportunity/Non-Opinion		At Draft Report Stage	In Progress				
Substantial	Reasonable												
Limited	No Assurance												
Opportunity/Non-Opinion													
At Draft Report Stage	In Progress												

Progress Against Plan

We continue to strive towards ever greater flexible assurance plans to enable us to be more responsive to changing risks, in turn maximising resource focused to clients' needs as and when needed – Agile Auditing. This principle will continue and has several benefits with ever changing priority and related risks. Key benefits provide for:

- Reduction in non-productive resource planning.
- Improved opportunity to keep the plan aligned to current risks within Service Areas and as a whole for the Authority.
- More effective and timely pre-audit engagement with Service Leads.
- Greater and more regular discussion with client leads – Supporting current risk and work priorities.
- The current trend for more flexible audit plans – agile auditing.
- Experience that plans change regularly.
- Changes in external risk drivers are more easily picked up in audit assurance needs.

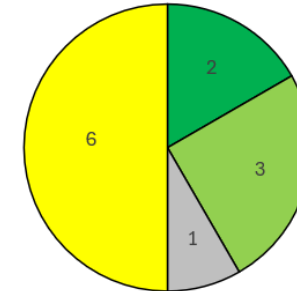
Our Assurance plans are always built around the risks identified through Risk Management, audit needs and perceptions of current issues and in discussion with client management.

Our approach is to scope, schedule and resource plans throughout the year with Service Leads in an agile way incorporating risk changes as necessary. Resource allocation will be decided based on need at this time. We endeavour to ensure that sufficient coverage across the Council is maintained to ensure that we can provide an inclusive end of year annual assurance opinion.

The positive engagement from staff across the Council has enabled us (as at 9th January 2025) to have 4 pieces of work finalised for the 2024/25 financial year and a further 6 audits in progress (inclusive of grant certification).

The chart opposite shows the breakdown of Assurance opinions provided to date as well as any non-opinion based work and Grant Certifications. For more information refer to Appendix 1.

Assurance Provided



■ Substantial Assurance ■ Reasonable Assurance ■ Follow-up work ■ In Progress

Value Added

We know that it is important that the internal audit services seek to "add value" whenever it can. We obtained feedback from those audited during the year to date who considered we were able to add value by:

- Providing objective and relevant assurance.
- Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.
- Linking across Risk, Counter Fraud and Audit to respond to issues that occur.

Investigations and Irregularities

Further detail will be provided as appropriate on any investigation or irregularity work that DAP undertakes. No such work is in progress at this time.

The Home Office have now produced the guidance on the new Criminal Offence of [Failure to Prevent Fraud](#). It is important that councils have effective measures to reduce the risk and impact of fraud. DAP will be providing an update to all Partners on this in the near future.

Appendix 1 - Summary of audit reports and findings for 2024/25 since September 2024.

Strategic Goal: Core Systems	
Risk Area / Audit Entity	Audit Report
	Residual Risk / Audit Comment
The following audits from 2024/25 has been completed since September 2024.	
Creditors Substantial Assurance Status: Final	<p>Four risk areas were reviewed as part of this work, overall TDC has very strong processes and controls to manage the risks associated with Creditors. These four risk areas were: Error detection, System access control, System amendments and Payment errors.</p> <p>All four risk areas were awarded a Substantial Assurance rating, showing strong controls and processes to manage and mitigate the risks associated.</p> <p>We make one minor 'Opportunity' point which focuses on 'Data retention' however, this does not contribute towards any detriment to the controls in this area.</p>
VAT Substantial Assurance Status: Draft	<p>Five risk areas were reviewed as part of this work, overall TDC has very strong processes and controls to manage the risks associated with VAT. These five risk areas were: Policies and Procedures, Staff skills and knowledge, Systems, Statutory returns and VAT Documents.</p> <p>All five risk areas were awarded a Substantial Assurance rating, showing strong controls and processes to manage and mitigate the risks associated with VAT.</p>

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Strategic Goal: Support Stronger, Safer, Healthier Communities	
Risk Area / Audit Entity	Audit Report
	Residual Risk / Audit Comment
Safeguarding Reasonable Assurance Status: Final	<p>Three risk areas were reviewed as part of this work, overall TDC has good processes and controls to manage the risks associated with Safeguarding. These three risk areas were: Governance and operating framework, Staff training and Partner engagement.</p> <p>One of the three areas was awarded a Substantial Assurance rating, this was Partner engagement, the remaining two areas of Governance and operating framework and Staff training were awarded a Reasonable Assurance rating. One High observation was noted in this work, this observation focuses on Mandatory Training, additionally we also make a further four Medium observations, three of which focus again on Mandatory Training, and the final around Disclosure Barring Service Checks.</p>

Conformance with Public Sector Internal Audit Standards (PSIAS)

Conformance - Devon Assurance Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*. Our internal audit charter was approved by senior management and the Audit Committee Spring 2024. This is supported through external assessment of conformance with Public Sector Internal Audit Standards & Local Government Application Note.

The Institute of Internal Audit (IIA) are the key body involved in setting out the global standards for the profession which form the basis for the Public Sector Internal Audit Standards (PSIAS) and have been undergoing review and revision. The proposed new standards will take effect in the public sector in January 2025 and provide clarity and raise awareness of the audit committee's governance roles and responsibilities. [2024 Global Internal Audit Standards \(theiia.org\)](https://theiia.org)

Quality Assessment - the Head of Devon Assurance Partnership maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

External Assessment - The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

PSIAS An **external assessment** must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was recently conducted in 2024 by an IIA qualified ex Assistant Director of an Audit Partnership.

PSIAS The assessment result was that *“Based on the work carried out, it is our overall opinion that DAP generally conforms* with the Standards and the Code of Ethics”*. The report noted that *“As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion”*. DAP is actively addressing these improvement areas.

* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

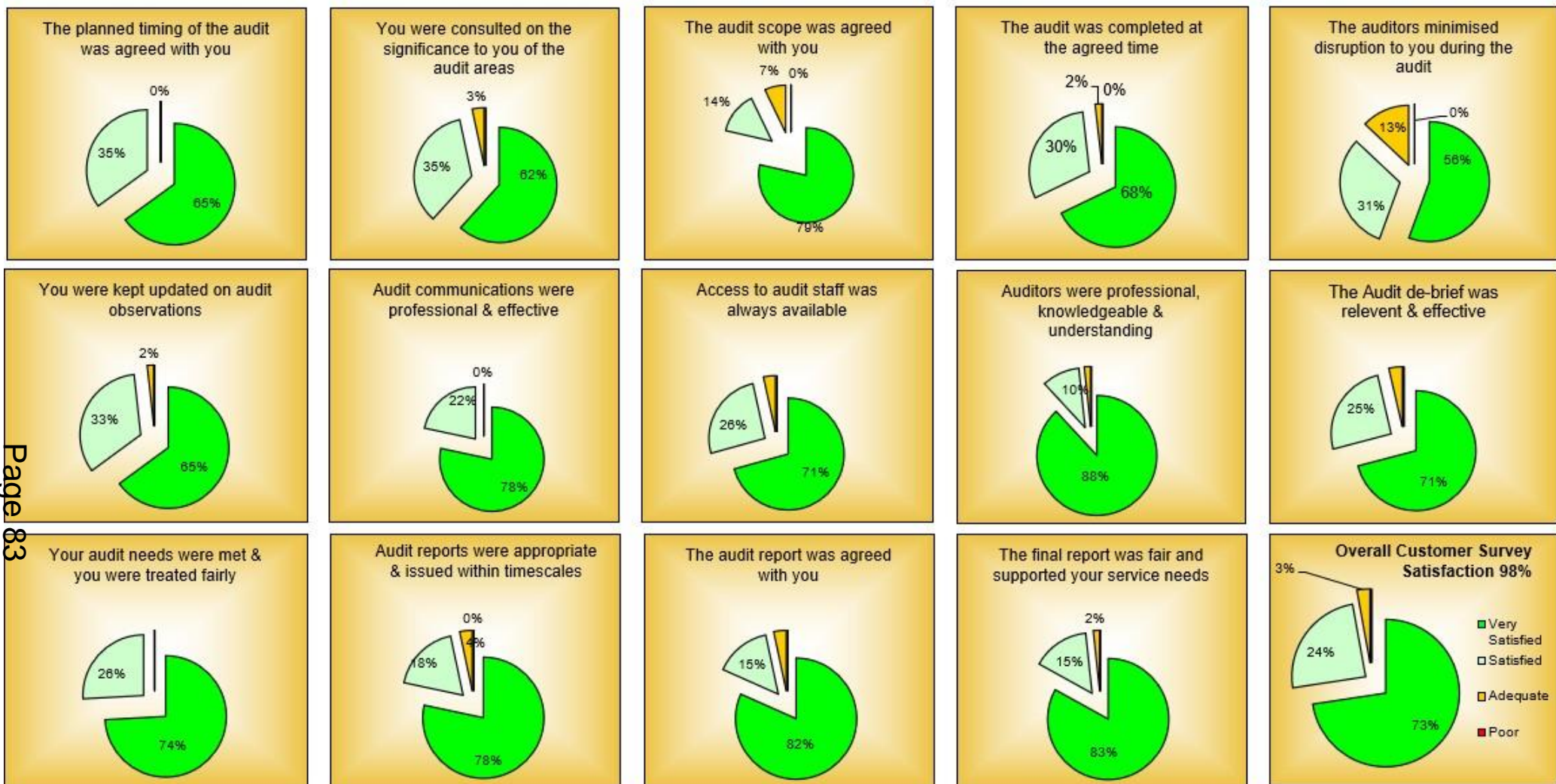
Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance are included in this development plan which is ongoing. Our development plan is regularly updated and links to our overall strategy, both of which are reported to the DAP Management Board and DAP Committee.

Customer Service Excellence (CSE)

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during 2024. This accreditation is a UK-wide quality mark which recognises organisations that prioritise customer service and are committed to continuous improvement.

During the year we have issued client survey forms for some of our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with near 96% being "satisfied" or better across our services. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.

Customer Survey Results April 2024 - December 2024



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Appendix 3 – Audit Authority

Service Provision

The Internal Audit (IA) Service for the Council is delivered by the Devon Assurance Partnership (DAP). This is a shared service arrangement constituted under section 20 of the Local Government Act 2000. The Partnership undertakes an objective programme of audits to ensure that there are sound and adequate internal controls in place across the whole of the organisation. It also ensures that the Authorities' assets and interests are accounted for and safeguarded from error, fraud, waste, poor value for money or other losses.



Strategy

Internal Audit Strategy sets out how the service will be provided. The Internal Audit Charter describes the purpose, authority and principal responsibilities of the audit function.

Professional Standards

We work to professional guidelines which govern the scope, standards and conduct of Internal Audit as set down in the Public Sector Internal Audit Standards.

DAP, through external assessment, demonstrates that it meets the Public Sector Internal Audit Standards (PSIAS).

Our Internal Audit Manual provides the method of work and Internal Audit works to and with the policies, procedures, rules and regulations established by the Authority. These include standing orders, schemes of delegation, financial regulations, conditions of service, anti-fraud and corruption strategies, fraud prevention procedures and codes of conduct, amongst others.

Regulatory Role

There are two principal pieces of legislation that impact upon internal audit in local authorities:

Section 5 of the Accounts and Audit Regulations (England) Regulations 2015 (amended 2021) which states that 'a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.....'

Section 151 of the Local Government Act 1972, which requires every local authority to make arrangements for the proper

Appendix 4 - Annual Governance Framework Assurance

Information within our reports provides the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.

The Annual Governance Statement (AGS) provides assurance that

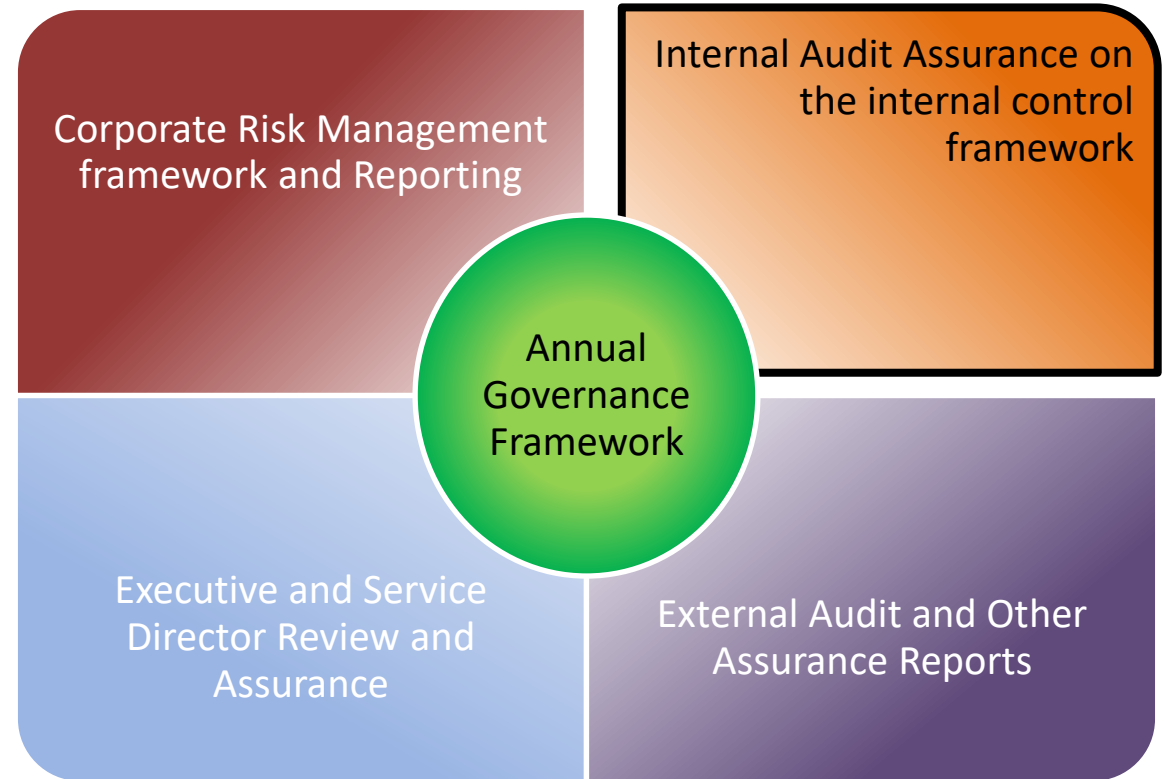
- the Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-

- be prepared by senior management and signed by the Chief Executive and Chair of the Audit Committee;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that has been followed to ensure that the governance arrangements remain effective. This will include comment upon;
 - The Authority;
 - Audit Committee;
 - Risk Management;
 - Internal Audit;
 - Other reviews / assurance.

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Provide confirmation that the Authority complies with CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. If not, a statement is required stating how other arrangements provide the same level of assurance



The Committee should satisfy themselves, from the assurances provided by the Corporate Risk Management Framework, Executive and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.

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