

REPORT OF Finance Manager and S.151 Officer
To: Audit & Governance Committee
Subject: Non Compliance with Procedure Rules and Waivers
Date: 18 July 2022 **Reference:**

PURPOSE OF REPORT: To provide an update on any matters of non-compliance with the Contract & Financial Procedure Rules and on the Waivers approved by the Chief Executive and Section 151 Officer.

1. INTRODUCTION

The Section 151 Officer is responsible for the overall financial arrangements of the Council. Under the Financial Procedure Rules (FPR) and Contract Procedure Rules (CPR) they and the Chief Executive are able to authorise waivers when as may happen from time to time, it is not possible or practical to follow the FRP or CPR. The waivers approved since June 2021 are reported on.

2. REPORT

The process for waiving the Contract and Financial Procedure Rules was introduced in February 2011. It enables any of the rules to be waived provided the reason meets one or more of four clear principles.

The FPR (and similarly the CPR) state “Where officers consider that the Financial Procedure rules cannot be followed then reasoned, considered and sensible solutions to everyday problems that may arise shall be applied.

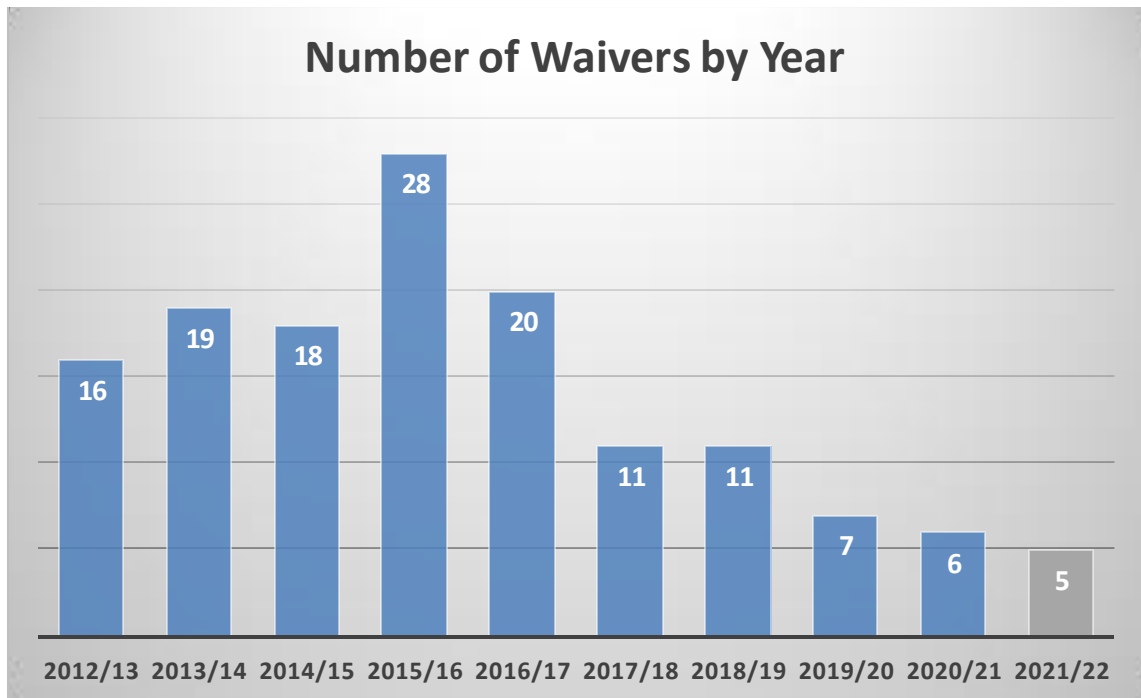
If the answer to one or more of the following questions is “yes”, the waiving of the Financial Procedure Rules may be considered;

- **Life or Death** – Is there a significant chance that the life or health of officers, members of the public will be put at risk?
- **Increased costs/loss of income** – Will the Council incur significant avoidable costs or lose significant income .
- **Limited Markets** – Would the Council be wasting its time obtaining quotations as supply of the product or service is demonstrably restricted to one or few business (or a select list is recommended by Central Government)
- **Embarrassment** – Would the Council be criticised for failing to act promptly?

There is a comprehensive procedure for obtaining a waiver which includes a standardised application form, the support of the relevant Senior Manager, challenge and verification by the Governance Team and final approval by either the Section 151 Officer or Chief Executive. See Appendix A for an overview of the waiver process.



The graph shows the number of contract waivers approved by year. The lower numbers of waivers approved in the past 3 years indicates that instances of non-compliance with the procedure rules are being minimised and the waiver process is being utilised only when necessary.



The reasons for the waivers are provided below, for some waivers multiple reasons were provided.

Reason for Waiver	Number
Limited Market	5
Embarrassment	2

3. IMPLICATIONS

Legal Implications

No specific legal implications

Financial Implications

As outlined in Appendix A

Human Resources Implications

None

Sustainability/Biodiversity Implications

None

Equality/Diversity

Not applicable



Risk Management

Adequate controls are in place to ensure efficient application of the Financial and Contract Procedure Rules.

Compliance with Policies and Strategies

This report Complies with the FPR and CPR as set out in the Council's constitution

Data Protection (GDPR) Implications

Not applicable

Climate Change

Not applicable

Lead Member View – Cllr Hackett Chair of Audit & Governance

“Waivers are independently scrutinised and also come under scrutiny from respective Lead Members to ensure they were raised for legitimate business reasons, as set out in the Financial Procedure Rules. I am satisfied that in all instances the Council has tried to achieve a best value approach.”

4. CONCLUSIONS

The Council's arrangements allow for efficient approval of waivers for all of the Procedure Rules provided they meet at least one of the four stipulated criteria. The Governance Team maintains a record of waiver requests together with any transactions which are required to be noted and any matters of non-compliance with the Procedure Rules.

5. RECOMMENDATIONS

Members are asked to note that since June 2021 there has been 5 contract waivers approved by the Chief Executive/ Section 151 Officer..



