

## **SPECIAL REPORT**

**BY: DIRECTOR OF RESOURCES**

**TO: CABINET**

**SUBJECT: FINANCIAL GOVERNANCE IN ICT & CUSTOMER SERVICES**

**DATE: 20<sup>TH</sup> SEPTEMBER 2007**

### **BACKGROUND**

1. The financial governance arrangements within ICT & Customer Services have given cause for concern for some time. The risks identified by both Audit Services and Financial Services have been reported on an ongoing basis in line with the Council's agreed audit and financial management reporting arrangements.
2. A recent special audit investigation into travel and subsistence expenses within ICT & Customer Services concluded there were serious weaknesses in compliance with agreed internal control arrangements (see attached). An audit review on the use of contractors within ICT & Customer Services has recently been drawn to a close. The audit conclusion is that systems and procedures as evidenced were **unsound** (major risks identified; fundamental improvements required).
3. These latest findings, coupled with those previously reported, now makes the financial governance arrangements within ICT & Customer Services a serious concern. A special report from the Director of Resources to senior management, Cabinet and the Audit & Corporate Governance Committee is the appropriate course of action given the circumstances. This approach has been discussed fully with senior management colleagues and is supported by them. It has also been discussed with the Audit Commission.
4. The purpose of this report is therefore to:
  - Summarise the key issues of concern in relation to the financial governance arrangements within ICT & Customer Services;
  - Outline the actions taken and planned by senior management to address the issues identified;
  - Describe the potential implications for the Council's corporate financial standing and reputation; and
  - Recommend an action plan to demonstrate a strong corporate response to the issues identified in this report.

5. The scope of this report is to disclose significant non-compliance issues within the ICT & Customer Services division revealed as a result of recent audit activity. Offering an opinion on whether the contractual arrangements entered into represent best value or not, or whether a different procurement decision would have resulted had the correct procedures been followed, is beyond the scope of this report. A further technical and financial appraisal would be required to assess these issues.

## **FINANCIAL GOVERNANCE ARRANGEMENTS IN ICT & CUSTOMER SERVICES**

### **Context**

6. The ICT & Customer Services division was the only service division to have dedicated financial management support when the Council's senior management arrangements were re-organised in May 2005. The service-based accountant managed a small finance team reporting directly to the service manager.
7. The key risks with this type of arrangement are that the accountant 'goes native' or is unable / unwilling to access appropriate professional support. This can result in poor quality financial advice to the Council as a corporate body. These risks, if realised, can be exacerbated if the service maintains its own financial ledger system and as a result manages the prime accounting records.
8. Senior management has recognised the risks that can be associated with devolved financial management support arrangements. Adult & Community Services transferred their finance team to the Resources Directorate in November 2005. Senior management agreed restructuring proposals to consolidate financial administration and financial management support activities in the Resources Directorate in early 2006.
9. Senior management decided to transfer the service-based finance team in the ICT & Customer Services division to the Resources Directorate when the service-based accountant resigned their position in early 2006. This decision was in line with the strategy senior management had agreed to consolidate financial support activities as outlined in the preceding paragraph and was fully supported by the Director of Corporate & Customer Services. Despite clear instructions from senior management, the transfer proved difficult and time consuming to achieve. Interim arrangements were largely unsuccessful despite significant support from senior management. A satisfactory arrangement has recently been established.
10. A very sensitive and confidential HR issue emerged in August 2006 that was not resolved until November 2006. Serious allegations relating to compliance with contracting procedures within ICT & Customer Services were made in March 2007. It is not within the scope of this report to comment on the HR aspects of either of these issues. It is however

important to recognise that these events made it very difficult for senior management to address the issues highlighted in formal audit and financial management reports in as timely a fashion as might otherwise have been reasonable to expect.

11. The next two sub-sections of this report deal with the financial management and financial governance concerns within ICT & Customer Services in turn.

### **Financial management concerns**

12. Financial year-end processes for 2005/06 revealed a significant over spend on the ICT Trading Account that was mitigated by use of accumulated surpluses.
13. Cabinet approved the Council's first comprehensive financial strategy in July 2006 as a working document setting out the financial parameters for detailed service and budget planning for 2007/08 and beyond. Concerns about ICT & Customer Services budgets were noted in the draft strategy as an ICT strategy was in development.
14. Significant improvements in the quality of routine financial management reports were delivered in 2006/07. It was still proving difficult however to establish an accurate financial picture of the whole ICT & Customer Services operation and thus the forecast outturn for the year. These concerns were highlighted in the routine Integrated Performance Reports (IPRs) during the latter half of 2006/07.
15. Greater clarity on the financial implications of the Customer Services strategy was established as part of the detailed service and budget planning work for 2007/08. Council agreed an additional £500k investment in March 2007 for 2007/08 and 2008/09 as the financial model developed by Financial Services indicated that cashable benefits would cover the temporary additional base budget provision in following years.
16. It was not possible to replicate this progress for the ICT budgets – either in terms of the budget for day-to-day operations or future investment requirements. The financial risks were noted in supporting papers as the Council set the budget for 2007/08 in March 2007.
17. Financial year-end processes for 2006/07 highlighted an over spend position on the revenue budget for ICT & Customer Services. By this stage, Acting Head of ICT & Customer Services arrangements were in place and progress in relation to both the financial management and governance issues began to gather momentum.
18. A further concern for 2006/07 is that the external auditor has queried the accounting treatment of payments made to the Community Network Upgrade (CNU) project contractor. These transactions have fed through automatically from the subsidiary financial system in ICT to the corporate

financial system with capital cost codes attached. The Statement of Accounts for 2006/07 approved by the Audit & Corporate Governance Committee in June 2007 reflected the information available.

19. The external auditor challenged some £1.4m of these payments as part of his work reviewing the Statement of Accounts for 2006/07 on the basis he believed they were revenue items. Financial Services reviewed the challenge and as a result the figure has reduced to £1.224m.
20. Further work carried out by Financial Services has identified £509k of capital expenditure funded by revenue contribution that will now be capitalised to mitigate the impact on the closing balance on the General Fund for 2006/07. The net effect is a reduction in the General Fund balance of £715k, compounding the financial pressures that are emerging during the course of the current Performance Improvement Cycle. Work is ongoing to check that the allocation of project expenditure between the revenue and capital accounts is in line with expectations at the time a decision to proceed with the CNU was made.
21. Moving on to the current financial year, Cabinet will consider the month 4 IPR for 2007/08 on 20<sup>th</sup> September 2007. It notes the recent progress in establishing a forecast outturn for 2007/08 for ICT & Customer Services. An over spend is currently anticipated but work is in hand to reduce it further. The IPR also highlights the potentially significant budget issue in respect of the CNU project referred to in the preceding paragraph.

### **Financial governance concerns**

22. The Back Office Project for ICT & Customer Services led to the introduction of a separate financial management and procurement system for the ICT division. A new technology platform was chosen and interfaced to the Council's corporate financial management system.
23. The value of transactions passing from the ICT back office system to the corporate financial management system was assessed as material in the context of the Council's overall financial accounts. The ICT back office system was therefore classified as a fundamental system requiring annual audit review to provide assurance to management and the external auditor that the information used to prepare the Statement of Accounts was complete and accurate.
24. Audit Services reviewed the ICT back office system as part of their planned audit work for 2005/06. A **satisfactory** (minimal risk; a few areas identified where changes would be beneficial) audit opinion was issued on the following basis:
  - The system was still being implemented and an action plan was in place to bring it up to the expected standard;

- A number of technical problems prevented full testing of system controls but temporary manual controls were satisfactory; and
  - The ICT back office system came with good controls and there was no reason to assume that the full implementation would not be successful.
25. The next planned audit of the ICT back office system began in mid 2006/07. Audit Services noted little progress with the action plan agreed following the first review. Further audit testing highlighted significant concerns relating to budget management and payment processes within the ICT back office system and reconciliations to the corporate financial management system. The audit opinion for this review was **unsatisfactory** (unacceptable risk identified; changes should be made) with three critical recommendations. A further action plan was agreed with management. Follow-up work has been carried out to check progress and address queries raised by the external auditor. Progress was again found wanting and Financial Services needed to provide urgent support to resolve the issues impeding year-end procedures.
26. The Audit & Corporate Governance Committee approved the internal audit plan for 2006/07 in April 2006. An audit review of the use of contractors in ICT was agreed as part of an overall plan to assess financial governance arrangements across the Council.
27. The audit team followed agreed protocols in discussing the details of the audit with management. A start in April 2007 was eventually agreed. The police investigation into the anonymous allegations made about contracting arrangements within ICT & Customer Services in March 2007 led to a further delay in starting this audit review. The audit team was unable to access the necessary documentation until late May / early June. The scope of the planned audit was extended by the Director of Resources to encompass the anonymous allegations. The audit review took longer than planned because the audit trail was not complete or easy to follow.
28. The audit review of the use of contractors in ICT has been drawn to a close. The audit opinion accompanying the draft report is **unsound** (major risks identified; fundamental improvements are required). The key findings, based on the information available at the time the audit review was drawn to a close, are summarised as follows:
- The reports supporting the formal decisions in early 2005 on the ICT back office and Community Network Upgrade projects did not contain a robust options and financial appraisal;
  - There was insufficient evidence to demonstrate that the procurement process in respect of these two projects was robust;

- There was insufficient evidence to confirm that the project management and reporting arrangements for these two projects complied with the PRINCE 2 framework and standards;
  - There was insufficient evidence to confirm that financial management arrangements for these two projects complied with the Council's agreed policies and procedures;
  - There was insufficient evidence to confirm that formal approval was sought to award the contracts for the ICT back office and CNU projects to a contractor other than the one supplying the lowest tender;
  - There was limited evidence to suggest that procedures were in place to ensure that all contracts with an estimated value under £50k were let in accordance with the Council's agreed procedures; and
  - There was evidence to show that the external consultant employed to advise on the CNU project procurement process had concerns that the approach adopted was robust.
29. The evidence currently available to Audit Services shows that the ICT division refuted the concerns noted by the consultant employed to advise on the CNU procurement. The consultant modified some of their comments and withdrew the remainder accepting they were raising concerns outside the scope of their contract with the Council. Audit Services has interviewed the consultant as part of their review work. The consultant has confirmed their concerns about the way in which the CNU procurement process was managed.
30. It is important to note that the audit findings summarised above have been drawn from the information currently available. Audit Services has encountered difficulties in piecing together the evidence for this review as the information that is available is not of the standard expected and there are gaps (e.g. lack of returned tenders for the CNU project). There does need to be a clear audit trail in place for all Council activities that is readily accessible when needed.
31. Audit Services have found it difficult to establish the exact cost of the ICT back office project from the records available. A detailed analysis of source documents plus reconstruction of time sheets would be needed to produce an accurate statement of costs. It is thought that the cost is significantly more than that indicated at the outset. The ongoing annual cost of the ICT back office system is one of the budget pressures being highlighted in formal budget monitoring reports for the current financial year, along with budget issues relating to the contract that supports the CNU project.
32. The audit opinion covering the ICT back office and CNU projects is **unsound** (major risks identified; fundamental improvements are required). The Director of Corporate & Customer Services has already initiated a

review of the CNU contract and has asked for support from Financial Services and Legal Services with this.

33. The accompanying report on the findings of an audit review highlighting internal control weaknesses relating to travel and subsistence claims within ICT & Customer Services is another important piece of context in preparing proposals for a corporate response to the issues identified in this report.
34. Putting the findings of both reviews together, based on the audit evidence available at the present time, the procurement processes for the ICT back office project and the CNU project were flawed.
35. Senior management's attention has also been drawn to the fact that audit fieldwork on other planned audits to test the Council's financial governance arrangements is under way. Senior management has been strongly advised to check their arrangements for complying with financial and non-financial delegations outlined in the Council's constitution in advance of that review reaching their area.

#### **ACTIONS TAKEN / PLANNED BY SENIOR MANAGEMENT**

36. It is worth stressing again that the circumstances surrounding ICT and Customer Services have been extremely challenging for senior management.
37. The Director of Corporate and Customer Services has sought to ensure appropriate responses to internal audit reviews and has assisted in agreeing arrangements for follow-up work.
38. The Director of Corporate and Customer Services will be preparing an action plan in response to the audit review on the use of contractors within ICT & Customer Services.
39. Work on clarifying the gross expenditure budget for the ICT & Customer Services division and appropriate recharging methodologies continues.
40. The Corporate Management Board has unanimously agreed to implement the action plan in the attached travel and expenses report with immediate effect.
41. The Corporate Management Board has discussed and unanimously supports the approach set out in this report and the action plan attached to it.

#### **IMPLICATIONS FOR THE COUNCIL'S FINANCIAL STANDING AND REPUTATION**

42. The Audit Commission will shortly be sending their draft Annual Governance report to senior management for comment prior to presenting it to the Audit & Corporate Governance Committee on 21<sup>st</sup> September 2007. This routine report covers two main issues:
- the external audit opinion on the Statement of Accounts; and
  - the external audit opinion on the Council's arrangements for securing economy, efficiency and effectiveness.
43. The Audit Commission has to report their audit opinion by the 30<sup>th</sup> September of each year.
44. Given the issues identified in this report, it is unlikely that this year's Annual Governance report will be as positive in overall terms as in previous years. There may be adverse comment on the need to alter the Statement of Accounts for 2006/07 and the Council's arrangements for securing economy, efficiency and effectiveness.
45. The issues identified in this report may also be reflected in the external auditors' Use of Resources judgement for 2007. The financial management concerns may reflect in comments under the Financial Management, Financial Reporting and Financial Standing headings. The financial governance issues may reflect in the external auditor's comments on Internal Control. An adverse opinion on the arrangements for securing economy, efficiency and effectiveness could feature in the Value for Money assessment.
46. The ability to maintain the current 3 out of 4 score overall for Use of Resources hangs in the balance. This could have significant reputational impact for the Council in terms of the Comprehensive Performance Assessment / Comprehensive Area Assessment process, especially given the outcome of recent service inspections and our Direction of Travel assessment. It is difficult to convince auditors and inspectors that services are good or better still excellent if the corporate governance arrangements that support them are found or are felt to be wanting. Perceptions matter and senior management will need to work hard to limit the damage.

## **CORPORATE RESPONSE**

47. The Director of Corporate & Customer services will be responding to the audit recommendations contained in the audit reviews referred to in this report in line with agreed protocols. The key findings of the audit reviews and action plans will be reported to Audit & Corporate Governance Committee, also in line with agreed reporting arrangements.
48. Given the seriousness of the issues identified in this report, a corporate response is needed to supplement that within the Corporate & Customer Services Directorate. It is imperative that senior management and Cabinet



works as one to secure and enhance the integrity of the Council's financial governance arrangements, and that the corporate action plan is supported by the Audit & Corporate Governance Committee, Cabinet, and the Strategic Monitoring Committee.

49. The reputational implications with the Audit Commission of failing to agree and implement a robust corporate action plan are set out above. The attached table sets out the issues that need to be addressed and recommends appropriate action to enable positive assurance to be given in respect of the Director of Resources' responsibilities as Chief Financial Officer for the administration of the Council's financial affairs and providing advice (Appendix 17 of the Council's Constitution refers).

## **CONCLUSIONS**

50. The scope of this report is to disclose significant non-compliance issues within the ICT & Customer Services division revealed as a result of recent audit activity and make recommendations on remedial action. Offering an opinion on whether the contractual arrangements entered into represent best value or not, or whether a different procurement decision would have resulted had the correct procedures been followed, is not within the scope of this report. A further technical and financial appraisal would be required to assess these issues.
51. The financial governance issues summarised in this report are serious and significant in both financial and reputational terms. The Council has ambitious plans for improvements in service delivery and value for money. It needs to demonstrate that its corporate governance framework is effective and that it provides a sound basis for such service improvement. It needs to take clear and decisive action where those arrangements are found wanting.
52. As Chief Financial Officer, it is the Director of Resources' responsibility to ensure that the issues highlighted in this report are reported in an appropriate manner to the Audit & Corporate Governance Committee, Cabinet and the Strategic Monitoring Committee if necessary. It is pleasing to be able to confirm senior management's support for this approach and commitment to prioritise the recommendations in this report. My report also incorporates comments made by the Council's Monitoring Officer.

## **RECOMMENDATIONS**

53. **The Chief Financial Officer's advice, as supported by senior management colleagues, is that:**
  - **The Director of Corporate & Customer Services should urgently complete the re-assessment of the CNU contract she has initiated;**

- **Financial governance compliance testing is prioritised in line with the timetable indicated in the attached action plan; and**
- **Implementation of the attached recovery plan is prioritised in line with the timetable indicated within it.**

**SONIA REES  
DIRECTOR OF RESOURCES  
13<sup>TH</sup> SEPTEMBER 2007**

	<b>Issue to address</b>	<b>Comments</b>	<b>Suggested corporate response</b>	<b>Responsible officer(s)</b>	<b>Date</b>
1.	Regular review on the progress implementing this corporate response.	The plan needs to be implemented effectively and to timetable.	CMB to monitor on a monthly basis and report to Cabinet. Report to each Audit & Corporate Governance Committee meeting.	CMB DoR	Ongoing
2.	Ensure the corporate response to the travel and expenses audit review is implemented effectively and to timescale.	Recommendations on the corporate response to the travel and subsistence audit review are relevant to this action plan, e.g. reviewing induction training.	CMB to consolidate the corporate responses to the travel and subsistence review and the corporate response to this report into one action plan.	DoR MO	Following discussion at CMB on 7.9.07
3.	Work to establish the cost of existing ICT and Customer Services operations and future investment needs to be urgently concluded to inform the Performance Improvement Cycle.	The audit and financial management reports have been highlighting the budget issues, quantifying them where possible to do so.	Director of C&CS to lead with support from Financial Services.	DC&CS HoFS	30.09.07
4.	Permanent managerial arrangements for ICT and Customer Services need to be established.	Much progress has been made by the Acting Head of Service.	CMB to discuss and agree proposals from DC&CS.	DC&CS CMB	October 2007

	<b>Issue to address</b>	<b>Comments</b>	<b>Suggested corporate response</b>	<b>Responsible officer(s)</b>	<b>Date</b>
5.	Review approach to and arrangements for the delivery of project management services. All post implementation reviews must include a technical and financial appraisal.	CMB has discussed this issue on a number of occasions. Need to conclude as part of the Performance Improvement Cycle.	CMB to discuss and agree proposals from DC&CS.	DC&CS CMB	October 2007
6.	Review of the financial and legal elements of the Council's constitution to ensure clarity and consistency.	The Council's Constitution is not as clear as it could be, nor as robust as it could be in support of the Section 151 Officer's and Monitoring Officers' statutory roles compared to exemplar authorities.	Working group to carry out a review and make recommendations in the first instance to CMB. Need to report to Audit and Corporate Governance Committee and other appropriate decision-making and scrutiny functions prior to being agreed at Council.	DoR HoLDS HoFS CIA HoBES HoHT	Council in November 2007
7.	Council's Constitution and Financial Regulations to be reviewed to ensure the requirement to secure financial and legal advice on all formal reports is explicit.	CMB needs to rigorously police the reports produced in their areas to ensure Financial Services has completed and signed off the financial implications and Legal Services has signed off the legal implications. This will ensure financial and legal advice is available to support all decisions.	CMB to insist on the highest standard in all aspects of report writing, including financial and legal implications. CMB to ensure there are no exceptions to the policy of all formal reports being cleared by the Head of Paid Services, the Monitoring Officer and the Section 151 Officer.	All report authors	Council in November 2007
8.	Audit Services and the Monitoring Officer need to be granted access to staff, records and feeder systems if required to fulfil their statutory obligations.	Key Managers responsible for feeder systems must ensure appropriate licence arrangements are in place in the event access is requested. Key Managers must assist with training if needed.	Incorporate into the review of the Constitution.  Re-affirm current provision in the Council's Constitution on audit access.	DoR HoLDS HoFS CIA HoBES HoHT	Council in November 2007

	<b>Issue to address</b>	<b>Comments</b>	<b>Suggested corporate response</b>	<b>Responsible officer(s)</b>	<b>Date</b>
9.	Improve the quality of working papers/files recording business activity.	Important in terms of: <ul style="list-style-type: none"> <li>• new data quality standards;</li> <li>• service continuity planning; and</li> <li>• ability to demonstrate a clear audit trail.</li> </ul>	Guidance on the standards of record keeping needs to be devised.	Information Manager CIA	December 2007
10.	Improve standards of internal control for fundamental systems.	Demonstrates a rigorous approach to improving financial and legal governance.	Minimum acceptable standard is satisfactory – this is a non-negotiable.	CMB HoHR CIA	Allow 3 months' notice for improvement
11.	Improving financial governance in ICT and Customer Services.	A top priority – needs to achieve the minimum standard of satisfactory for the fundamental systems and sign-off that action plans have been implemented for other reviews.	DC&CS to implement agreed action plans for the FMS system in ICT, travel and expenses and use of contractors audit reviews.	DC&CS DoR	January 2008
12.	Complete work in progress on internal recharging mechanisms to the agreed timetable.	This is important to ensure compliance with the Best Value Accounting Code of Practice (BVACOP) and to promote clarity and transparency in the recharging process.	Actions identified and agreed in a report to CMB on 16th August from the SMT SLA working group.	Anne Heath, Chair of SMT SLA Working Group, reporting to CMB.	March 2008
13.	All financial administration and financial management resources transfer to the Resources Directorate as soon as practical.	This principle has been previously agreed by CMB. Further progress will be demanded by the Herefordshire Connects programme. The main opportunities for minimising risk and maximising efficiencies lie within the Children and Young People's Directorate.	Identification and planning for transfer of resources to be considered by the ISS Board with exceptions reported to the Herefordshire Connects Programme Board for decision.	Mike Toney, Chair of ISS Board, reporting to Herefordshire Connects Partnership Board.	March 2008

	<b>Issue to address</b>	<b>Comments</b>	<b>Suggested corporate response</b>	<b>Responsible officer(s)</b>	<b>Date</b>
14.	Ensuring members receive complete advice from the Monitoring Officer and S.151 Officer on the legal implications and financial implications of all policy proposals.	Need to ensure the Leader and his Cabinet is fully supported by the three statutory officers identified, plus other officers as appropriate. This approach will also help improve the quality of reports, as advice to the executive is complete.	Liaison meetings with the Leader to include the Monitoring Officer and S.151 Officer to be diarised at no more than quarterly intervals.	Chief Executive DoR MO / HoLDS	Immediate effect
15.	Promote compliance with corporate financial governance arrangements by reviewing management practices and accountabilities.	Need to reinforce the importance of robust financial governance arrangements – responsibilities to stakeholders, personal protection for individual employees and organisational reputation.	Make compliance with corporate financial arrangements a non-negotiable. CMB to carry out immediate checks on contracting arrangements and authorised signatory lists.	CMB DoR	Immediate effect
16.	Enhance Key Manager's financial skills and knowledge of the Council's approved corporate governance framework, ensuring the message is constantly reinforced through effective training.	Better understanding of financial management and governance issues will improve compliance with corporate financial governance arrangements.	Make attendance on training courses a pre-requisite to getting a "licence to practise" as a manager. Attendance at refresher training courses will also be mandatory.	HoHR HoFS MO CIA	Immediate effect
17.	Ensure all capital and revenue budget proposals are identified through agreed service and financial planning processes.	Ensures resources allocated in line with longer-term priorities and encourages corporacy and effective forward planning. Also encourages service managers to prepare a robust business and financial case in support of their proposals that is evidence based.	Ensure in-year budget proposals are only brought forward in exceptional circumstances.	CMB	Immediate effect

	<b>Issue to address</b>	<b>Comments</b>	<b>Suggested corporate response</b>	<b>Responsible officer(s)</b>	<b>Date</b>
18.	Enhance Audit Services' capacity.	Early action to enhance the capacity of the Audit Services team will demonstrate commitment to strengthening corporate governance.	CMB to agree restructure proposals identified during the PIC process costing £45k. This can be met from the existing base budget for the Resources Directorate.	CMB DoR	Immediate effect
19.	Enhance strategic procurement capacity to ensure compliance with the Council's contracting policies and procedures.	Early action to enhance strategic procurement capacity will demonstrate commitment to strengthening corporate governance.	CMB to agree additional resources to centralise monitoring of contract procedures within Resources. This can be met from the existing base budget for the Resources Directorate.	CMB DoR	Immediate effect
20.	Check that issues highlighted in ICT and Customer Services are not repeated elsewhere.	Audit Services to re-focus planned activity to provide early assurance that this set of circumstances is not prevalent.	CMB needs to be prepared to respond quickly to Audit Services.	CMB	Immediate effect
21.	Ensure budget is in place before committing expenditure.	Financial Services will continue to reflect the financial implications of formal decisions in the Council's budgets – a further reason for ensuring that the financial implications section of all reports is complete and detailed. This does not absolve Key Managers from ensuring the budget is in place before entering into a financial commitment.	CMB to re-inforce the message that Key Managers need to work closely with Financial Services colleagues to ensure all appropriate permissions to spend are in place before letting a contract.	All	Immediate effect

CIA = Chief Internal Auditor  
 DoR = Director of Resources  
 HoLDS = Head of Legal and Democratic Services  
 HoHR = Head of Human Resources  
 HoPS = Head of Paid Services  
 MO = Monitoring Officer

DC&CS = Director of Corporate & Customer Services  
 HoFS = Head of Financial Services  
 HoBES = Head of Benefit and Exchequer Services  
 HoHT = Head of Highways & Transportation