STANDING ORDERS AND

FINANCIAL REGULATIONS

APRIL 2004
A USER’S GUIDE

1. The 2003 edition of the Executive’s Standing Orders has been updated and it is hoped the document is easier for everyone to follow and to understand. This, in turn, should:-

- help ensure compliance with their requirements;
- help staff understand the limits of their authority;
- explain what authority is required when these limits are exceeded; and
- ensure effective corporate governance.

2. The document is divided into a number of Sections:

- Sections One and Two (General Application/Constitution, and Meetings of the Executive) define the terms of these Standing Orders, and how the different meetings of the Executive including Executive Board and Management Board operate.

- Section Three (Organisation and Individual Responsibilities) is a short section that brings together a number of general standing orders relating to the organisation and also draws certain matters to the particular attention of every officer.

- Section Four is the Executive’s Financial Regulations.

- Section Five is the Contract Standing Orders.

- Section Six is a section that brings together the procedures governing Human Resource issues.

3. An index has been provided to help you find the relevant section of the document.

4. These Standing Orders should be read as a complete document. Please familiarise yourself with them. If you have any queries please raise them with the Secretary, or any other member of the Legal or Finance Departments as appropriate.

5. Please ensure that you understand these Standing Orders, and particularly those which have a particular relevance to your post. If there are areas that you do not understand please speak to your Line Manager so that your responsibilities can be clarified.

6. Line Managers are reminded of their responsibility to ensure that all the staff within their designated area of responsibility have a knowledge and an understanding of the Standing Orders that apply in particular to
their areas of operation. (This does not, of course, qualify the requirements of Section Three for individual officers to be aware of, and adhere to, all appropriate Standing Orders).

7. If any individual is concerned about a possible non-adherence to these Standing Orders they should raise this, in the first instance, with their Line Manager or Departmental Head, or if appropriate with the Secretary or a Director.
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The various Appendices referred to in these Standing Orders do not formally comprise part of these Standing Orders and Financial Regulations. The Secretary holds the current versions of the Appendices as amended from time to time.
Appendices

Appendix 1  South Yorkshire Passenger Transport Authority Members/Attendees

Appendix 2:  Executive Board Members/Attendees

Appendix 3:  Executive Board – Terms of Reference

Appendix 4:  Audit and Risk Committee Members/Attendees

Appendix 5:  Management Board Members/Attendees

Appendix 6:  Human Resources and Standards Committee Members

Appendix 7:  Internal Committees/Working Groups

Appendix 8:  External Committees/Working Groups

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SECTION 1

GENERAL APPLICATION

1.1 Application of Standing Orders

These Standing Orders shall be read in conjunction with, and have effect subject to, the provisions of the Transport Acts 1968, 1983, 1985 and 2000, the Local Government Acts 1972, 1985 and 2000 and the South Yorkshire Passenger Transport Area (Establishment of Executive) Order 1973 together with such other relevant legislation as may from time to time be enacted.

1.2 Interpretation

In these Standing Orders the following terms shall have the following meanings:

“Audit and Risk Committee” means the committee established under Standing Order 2.4.8(a);

“Authority” means the South Yorkshire Passenger Transport Authority;

“Budget Control Procedures” means the published procedures issued to all Budget Holders;

“Budget Holders” means all Directors or Officers who have authority delegated to them by Management Board for the management of a specific departmental cost centre or project;

“Chief Officers” means the Directors, Secretary and Chief Financial and Systems Officer;

“Chief Financial and Systems Officer” means the Chief Financial and Systems Officer appointed by the Executive (or such other person designated to be responsible for the administration of the financial affairs of the Executive in accordance with the Accounts and Audit (Passenger Transport Executives and the London Transport Executive) Regulations 1983);

“Designated Officers” means all Directors or Officers having levels of financial authorisation delegated to them by the Management Board from time to time and set out in a register maintained by the Chief Financial and Systems Officer;
“Director” means the Director General and any other employee of the Authority appointed as a Director of the Executive in accordance with Article 3(1)(b) of the Order;

“Director General” means the Director General appointed by the Authority in accordance with Article 3(1)(a) of the Order;

“Executive” means the South Yorkshire Passenger Transport Executive established by the Order;

“Executive Board” means the Members of the Executive attending a meeting of the Executive summoned pursuant to Standing Order 2.4.4;

“Grant Protocol” means the processes agreed by Management Board for the control and reporting of grants;

“Human Resources and Standards Committee” means the committee established under Standing Order 2.4.8(c);

“Management Board” means the committee established under Standing Order 2.4.8(b);

“Management Board Attendee” means a person who attends Management Board (including a Director) at the date that the action required by these Standing Orders is needed;

“Members” means the Directors and non-executive Directors and “Member” shall be construed accordingly;

“non-executive Directors” means persons appointed by the Authority to be non-executive Members of the Executive in accordance with Article 3(1)(b) of the Order;

“Officers” means those persons employed by the Executive from time to time

“Order” means the South Yorkshire Passenger Transport Area (Establishment of Executive) Order 1973;

“Project Progress Report” means the standard reporting format relevant to each stage of a project;

“Secretary” means the Secretary to the Executive appointed in accordance with Article 3(3) of the Order.
The various Appendices referred to in these Standing Orders do not formally comprise part of these Standing Orders and Financial Regulations. The Secretary holds the current versions of the Appendices as amended from time to time.

Male or female pronouns used include the opposite form for the postholder concerned.

1.3 Variation, Revocation, Suspension and Interpretation of Standing Orders

(a) These Standing Orders may be varied or revoked but any motion on the subject shall, when proposed and seconded, stand adjourned without discussion to the next meeting of the Executive Board.

(b) Any Standing Order may be suspended at any time with the approval of the Executive Board or by those exercising urgent action under paragraph 2.4.9 below.

(c) Where any Standing Order is suspended then it shall be recorded in the minutes of the meeting by the Secretary, specifying the Standing Order suspended along with reasons for such suspension.

(d) The Director General shall be the final authority in the interpretation of the Standing Orders.

1.4 Review of Standing Orders

(a) Standing Orders shall be reviewed as and when necessary but at least every five years.

(b) All amounts set out in these Standing Orders shall be reviewed by the Chief Financial and Systems Officer and the Secretary or their nominees on an annual basis. Any proposed changes to such amounts shall be approved by the Executive Board and appended to these Standing Orders.
SECTION 2

2.1 CONSTITUTION OF THE EXECUTIVE

The Executive shall consist of a Director General together with such other Directors and non-executive Directors as may from time to time be appointed by the Authority being not less than two or more than eight in number.

2.2 MEETINGS OF THE EXECUTIVE

Summary Diagram

- PASSENGER TRANSPORT AUTHORITY
- PASSENGER TRANSPORT EXECUTIVE
  - EXECUTIVE BOARD
    - MANAGEMENT BOARD
    - AUDIT AND RISK COMMITTEE
    - HUMAN RESOURCES AND STANDARDS COMMITTEE
    - EXTERNAL GROUPS
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2.3 PASSENGER TRANSPORT AUTHORITY

THIS SECTION 2.3 IS INCLUDED FOR INFORMATION ONLY. THE PASSENGER TRANSPORT AUTHORITY IS A SEPARATE AND DISTINCT BODY FROM THE EXECUTIVE.

2.3.1 Business

The Authority was established by Part IV of the Local Government Act 1985. The stated objective of the Authority is: “To identify the travel needs of the people of South Yorkshire and meet them by promoting the availability of the best possible public transport within the financial resources available.” The Authority provides funding to the Executive in order to implement its policies.

2.3.2 Members/Attendees

The Authority consists of 12 members who are members of the constituent councils of Barnsley, Doncaster, Rotherham, and Sheffield, appointed by those councils. The current members and the attendees from the Executive are listed at Appendix 1.

2.3.3 Meetings

The Authority normally meets once in each calendar month at the Authority’s offices at Regent Street, Barnsley.

2.3.4 Agenda

The Director General determines all such items of the Executive which are to be subject of a report to the Authority. The Director General holds templates for the form of reports to be used.

2.3.5 Standing Orders/Dealings

The Authority has its own Standing Orders with which it must comply.

There is a Protocol on Member/Officer relations which provides a set of principles to guide the Authority’s members and Officers in their dealings with one another.

The various Transport Acts specify certain statutory powers of the Executive which require prior approval of the Authority. These include disposal of land, changes to public transport fares, rail franchise agreements and promotion of Bills.
2.4 EXECUTIVE BOARD

2.4.1 Members

The Executive Board shall consist of the Members.

2.4.2 Attendees

(a) The Members may invite others to Executive Board meetings, but only the Members have the right to vote at such meetings.

(b) The current Executive Board members and attendees are listed at Appendix 2.

2.4.3 Terms of Reference

Appendix 3 sets out the current Term of Reference of the Executive Board.

2.4.4 Meetings

(a) The Executive Board shall normally meet once in each calendar month and/or at such other intervals as the Director General may decide.

(b) The Executive Board shall meet at such other reasonable time if a Member requests the Secretary to summon such a meeting.

(c) The Secretary shall so far as possible give three clear working days notice in writing or by electronic mail of any meeting to the Members specifying the business proposed to be transacted at such meeting as set out in a formal agenda.

(d) Any Member or Chief Officer may submit agenda items. Officers shall submit agenda items as required by Contract Standing Orders and Financial Regulations. All reports should be submitted using a template determined by the Secretary.

(e) All meetings of the Executive Board shall take place in private at the Executive’s main office at Exchange Street, Sheffield S2 5SZ, unless the Members decide otherwise.

2.4.5 Quorum

(a) No business shall be transacted at any Executive Board meeting unless at least three Members are present, of whom at least one shall be a Director.

(b) If no quorum is present the meeting shall stand adjourned until the next meeting of the Executive.
2.4.6 Procedures/Conduct at Meetings

(a) The Director General shall, if present, act as Chairman at every Executive Board meeting.

(b) In the absence of the Director General those Directors present shall elect one Member to act as Chairman of the meeting or parts thereof.

(c) Any power or duty of the Director General in relation to the conduct of a meeting may be exercised or fulfilled by the person who, pursuant to (b) above, is chairman.

(d) The Chairman shall deal with the order of business as set out in the agenda for each meeting subject to the Chairman’s right to vary the order of business as he thinks fit.

(e) The Secretary (or such person as she shall direct) shall be responsible for preparing minutes of the Executive Board meetings. The names of all persons present at the meeting shall be recorded in the minutes. The minutes shall be recorded on loose leaves numbered consecutively. The minutes shall be formally approved by the Executive Board at the next meeting of the Board as a correct record and then signed and each leaf initialled by the Chairman. Copies of the minutes shall be sent to each Member within seven days of each meeting at which such minutes were approved and the contents shall not be disclosed to any person other than the Members and Officers of the Executive except by the authority of the Executive Board or a Member.

(f) Executive Board reports and minutes shall only be published in accordance with the Executive’s Freedom of Information Act Publication Scheme.

(g) Voting at meetings shall be by oral expression or by show of hands as the Chairman presiding at the meeting shall determine, unless any one or more Members request a recorded vote.

(h) In the case of an equality of votes, the Chairman shall have a second or casting vote.

2.4.7 Interests of Members and Officers of the Executive in Contracts

(a) If any Member or Officer at an Executive Board meeting has any pecuniary interest, direct or indirect, in any contract or proposed contract within the meaning of Section 94 of the Local Government Act 1972, he shall withdraw from the meeting at
which the contract or proposed contract is under consideration unless:

(i) the disability to discuss the matter imposed upon him by this section has been removed by the Secretary of State for the Environment (section 97(1) of the 1972 Act).

(ii) the Executive Board agree that he shall remain but in this event the Member concerned shall not have the right to vote on the item under consideration.

(b) The Secretary shall record, in a register to be kept for this purpose, particulars of any notice given by any Member or Officer to the Executive Board under Section 117 of the Local Government Act 1972 of a pecuniary interest in a contract and the register shall be kept open during office hours for inspection by any Member or the Chief Financial and Systems Officer or other person duly authorised by any Director or the Secretary.

2.4.8 Reserved Matters and Delegations

In accordance with Articles 6 and 7 of the Order:

(a) The Executive Board shall establish a committee to be known as the Audit and Risk Committee which shall be responsible to the Executive Board for considering and advising the Executive Board on the adequacy and effectiveness of systems of internal control and arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness. (Article 6(1)).

(b) The Executive Board shall establish a committee to be known as the Management Board which shall be responsible to the Executive Board for the conduct of the day to day business of the Executive, in accordance with the policies, directions and rules as may from time to time be laid down by the Executive Board or the Passenger Transport Authority. (Article 6(1)).

(c) The Executive Board shall establish a committee to be known as the Human Resources and Standards Committee which shall be responsible for considering and approving human resource policies, procedures and practice including movement and organisation of employees and the conduct of Officers and Members of the Executive. (Article 6(1)).

(d) The Executive Board may delegate to the Director General, subject to such restrictions or conditions as they think fit, the exercise of any functions of the Executive which under Article 6 of the Order may be delegated by them to a committee. (Article 7).
2.4.9 Matters of Urgency

(a) A Director, in conjunction with a non-Executive Director may take action in matters of urgency.

(b) A written record shall be made of the action taken and the reason for urgency. The written record shall be signed by the Director and the non-executive Director. The action shall be reported to the next available meeting of the Executive Board.

(c) If any expenditure or loss of revenue is involved, the Director shall inform the Chief Financial and Systems Officer as soon as is reasonably possible.

(d) Where any issues of legal liability arise the Director should seek the advice of the Secretary as soon as is reasonably possible.

(e) If for any reason the requirements set out in (a) above are not possible the Director General may take such action on behalf of the Executive as he may deem to be necessary in the interest of the Executive subject to him complying with (b) to (d) above.
2.5 AUDIT AND RISK COMMITTEE

2.5.1 Members

The current Audit and Risk Committee members and attendees are listed at Appendix 4. Other Officers of the Executive may be invited to attend as necessary.

2.5.2 Area of Responsibility

The Audit and Risk Committee shall principally be responsible to the Executive Board for considering and advising the Executive Board on the adequacy and effectiveness of systems of internal control and arrangements for the management, control and governance processes and securing economy, efficiency and effectiveness.

2.5.3 Meetings

(a) Meetings of the Audit and Risk Committee shall be chaired by a non-Executive Director so appointed by the Executive Board.

(b) The Audit and Risk Committee shall normally meet on a quarterly basis and/or at such intervals as the appointed Chairman may decide.

(c) All meetings of the Audit and Risk Committee shall take place at the Executive’s main office at Exchange Street, Sheffield S2 5SZ, unless the appointed Chairman or his nominee decides otherwise.

(d) Audit and Risk Committee reports and minutes shall only be published in accordance with the Executive’s Freedom of Information Act Publication Scheme.

(e) The appointed Chairman shall draw up the agenda for the meeting. Officers shall ensure that agenda items are notified to the appointed Chairman 7 working days prior to the Audit and Risk Committee being held. 2 copies of the reports to Audit and Risk Committee must be submitted to the appointed Chairman’s office 5 working days prior to the Audit and Risk Committee taking place. All reports should be submitted using a template determined by the Chief Financial and Systems Officer.

2.5.4 Quorum

Business shall be transacted in the name of the Audit and Risk Committee where a non-Executive Director and a Chief Officer are present at any Audit and Risk Committee meeting.
2.5.5 **Interests in Contracts**

Standing Order 2.4.7 relating to interests in contracts shall apply to the Audit and Risk Committee.
2.6 MANAGEMENT BOARD

2.6.1 Members

The current Management Board members and attendees are listed at Appendix 5. Other Officers of the Executive may be invited to attend as necessary.

2.6.2 Area of Responsibility

The Management Board shall be responsible to the Executive Board for the conduct of the day-to-day business of the Executive. These Standing Orders and Financial Regulations confirm those matters for which Management Board approval is required.

2.6.3 Meetings

(a) The Management Board shall normally meet once in each calendar month and/or at such intervals as the Director General may decide.

(b) All meetings of the Management Board shall take place at the Executive’s main office at Exchange Street, Sheffield S2 5SZ, unless the Director General or his nominee decides otherwise.

(c) Management Board reports and minutes shall only be published in accordance with the Executive’s Freedom of Information Act Publication Scheme.

2.6.4 Quorum

(a) Business shall be transacted in the name of Management Board where two or more Directors are present at any Management Board meeting.

(b) In the event that there is only one Director present, then the following shall apply:-

(i) The Management Board shall be an advisory committee only (Article 6(2)).

(ii) If the Director General is the only Director present then any decisions shall be taken by the Director General and be minuted accordingly.

(iii) If the only Director present is not the Director General, then that Director shall chair the meeting. In such circumstances the Management Board will make recommendations to the Director General who shall either:-
• make the decisions under his delegated authority, or;
• defer any matter until the next Management Board, or;
• refer any matter to the next available Executive Board.

A minute of each decision taken by the Director General shall be signed by the Director General and appended to the minutes of the appropriate Management Board meeting.

(c) If no Directors are present then the meeting shall stand adjourned until the next meeting.

2.6.5 Procedures/Conduct at Meetings

(a) The Director General shall draw up the agenda for the meeting. Officers shall ensure that agenda items are notified to the Director General 6 working days prior to the Management Board being held. 2 copies of the reports to Management Board must be submitted to the Director General's office 5 working days prior to the Management Board meeting taking place. All reports should be submitted using a template determined by the Director General. Late items will be accepted at the Director General's discretion.

(b) The Secretary (or such other person as she shall direct) shall be responsible for preparing minutes of the Management Board. The names of all persons present at the meeting shall be recorded in the minutes. Copies of the minutes shall be sent to each Management Board Member/Attendee within 10 working days of each meeting. The minutes shall be formally approved by the Management Board at its next meeting and then signed and each leaf initialled by the Chairman.

2.6.6 Interests in Contracts

Standing Order 2.4.7 relating to interests in contracts shall apply to the Management Board.

2.6.7 Internal Working Groups

The Management Board shall establish internal working groups as it considers appropriate to ensure legislative compliance, implementation of the policies of the Passenger Transport Authority and of the Executive's work generally.
2.7 HUMAN RESOURCES AND STANDARDS COMMITTEE

2.7.1 Members

The current Human Resources and Standards Committee members and attendees are listed at Appendix 6. Other Officers of the Executive may be invited to attend as necessary.

2.7.2 Area of Responsibility

The Human Resources and Standards Committee shall be responsible to the Executive Board for considering, approving and monitoring human resource policies, procedures and practice including movement and organisation of employees and the conduct of Officers and Members.

2.7.3 Meetings

(a) The Human Resources and Standards Committee shall normally meet once in each calendar month and/or at such intervals as the Director General may decide.

(b) All meetings of the Human Resources and Standards Committee shall take place at the Executive’s main offices at Exchange Street, Sheffield S2 5SZ, unless the Director General or his nominee decides otherwise.

(c) Human Resources and Standards Committee reports and minutes shall only be published in accordance with the Executive’s Freedom of Information Act Publication Scheme.

2.7.4 Quorum

(a) Business shall be transacted in the name of the Human Resources and Standards Committee where two or more Directors are present at any Human Resources and Standards Committee meeting.

(b) In the event that there is only one Director present, then the following shall apply:-

(i) The Human Resources and Standards Committee shall be an advisory committee only (Article 6(2)).

(ii) If the Director General is the only Director present then any decisions shall be taken by the Director General and be minuted accordingly.

(iii) If the only Director present is not the Director General, then that Director shall chair the meeting. In such
circumstances the Human Resources and Standards Committee will make recommendations to the Director General who shall either make the decisions under his delegated authority, or defer any matter until the next Human Resources and Standards Committee.

A minute of each decision taken by the Director General shall be signed by the Director General and appended to the minutes of the appropriate Human Resources and Standards Committee meeting.

(c) If no Directors are present then the meeting shall stand adjourned until the next meeting.

2.7.5. Procedures/Conduct at Meetings

(a) The Human Resources Manager shall draw up the agenda for the meeting. Officers shall ensure that agenda items are notified to the Human Resources Manager 5 working days prior to the Human Resources and Standards Committee being held. 5 copies of the reports to Committee must be submitted to the Human Resources Manager 3 working days prior to the meeting taking place. All reports should be submitted using a template determined by the Human Resources Manager.

(b) The Human Resources Manager (or such other person as she shall direct) shall be responsible for preparing minutes of the Human Resources and Standards Committee meetings. The names of all persons present at the meeting shall be recorded in the minutes. Copies of the minutes shall be sent to each Committee member/attendee within 10 working days of each meeting. The minutes shall be formally approved by the Human Resources and Standards Committee at its next meeting and then signed and each leaf initialled by the Chairman.

2.7.6 Interests in Contracts

Standing Order 2.4.7 relating to interests in contracts shall apply to all the Human Resources and Standards Committee members.
2.8 **INTERNAL WORKING GROUPS**

2.8.1 **Establishment**

(a) There are a number of internal working groups which have been established by the Management Board to ensure legislative compliance, implementation of the Authority’s policies and the appropriate level of working on Executive matters.

(b) On establishment of such a group by the Management Board, clear terms of reference, objectives, details of Chair, representation and reporting arrangements should be approved by the Management Board. Each group is directly accountable to the Management Board and the Management Board will also appoint a sponsor to oversee the workings of the group.

(c) The current list of such groups is set out in Appendix 6.

2.8.2 **Interests in Contracts**

Any Officer attending such group should also comply with Standing Order 2.4.7 above.

2.9 **EXTERNAL COMMITTEES/WORKING GROUPS**

There are a number of external committees and working groups which are attended by Officers of the Executive. These are listed in Appendix 8. These committees and working groups are considered essential to enable legislative compliance, partnership working and sharing of information. No Officer shall represent the Executive on such a Committee or working group without the consent of an Officer named in Appendix 5 (Management Board Members/Attendees).
SECTION 3

ORGANISATION AND INDIVIDUAL RESPONSIBILITIES

3.1 Common Seal

(a) The Common Seal of the Executive shall be kept in a safe place by the Secretary or by some other Officer entrusted by the Secretary with such custody.

(b) A resolution of the Executive Board (or of a committee of the Executive, where that committee has the power) or the Director General under powers delegated to him in accordance with Article 6 or 7 of the Order authorising the taking of any action shall be sufficient authority for sealing any document necessary to give effect to such resolution. In other cases the Common Seal of the Executive shall be affixed to any document only when such sealing has been authorised by a resolution of the Executive Board or of a Committee to which the Executive has delegated its powers.

(c) An entry of every sealing of a document shall be made by the applicant of the seal and consecutively numbered in a book provided for the purpose.

(d) The application of the Seal of the Executive shall be authenticated by the signature of the Secretary or, in her absence, her nominee.

(e) The Secretary or her nominee shall be authorised to sign all documents unless otherwise required or authorised by law, or where the Executive Board gives authority to some other person.

3.2 Comments from Customers/Third Parties

There is a corporate procedure for the handling of comments from the Executive’s customers and other third parties. The responsibility for the maintenance of this procedure rests with the Head of Operational Services.

3.3 Individual Responsibilities, Standards and Code of Conduct

3.3.1 General Instructions

Because of the varied duties and responsibilities attached to each employee’s post it is not possible to issue specific instructions in
every case. Generally, however, employees are required to observe the following:-

(i) They must act in a responsible manner and in the best interests of the Executive;

(ii) They must observe the Standing Orders and Financial Regulations of the Executive;

(iii) They must observe any specific instructions, whether in writing or not, issued by their respective Line Managers;

(iv) They must inform their respective Line Managers of any matters coming to their attention which affect the security or efficiency of the Executive’s activities and property;

(v) It will be the responsibility of each Line Manager to distribute these Standing Orders and Financial Regulations to, and ensure that they are understood and adhered to by, all Officers within their control.

3.3.2 Money Accountability

(i) Money includes currency, cheques, vouchers, orders, credit and debit card transaction details, and any other method of financial transaction approved by the Chief Financial & Systems Officer.

(ii) Official money must at all times be kept separate from private money and must never be used for private or unauthorised purposes.

(iii) Every employee engaged in the handling of money bears individual responsibility for its correctness and safe custody whilst in his possession. Officers shall take all reasonable measures to secure money under their control to guard against theft or loss. The responsibility ceases when the money is disposed of in a manner approved by the Chief Financial & Systems Officer or a receipt or other approved written form of acknowledgement is obtained.

(iv) Relevant Officers must keep records, in a form approved by the Chief Financial and Systems Officer of all official money held and bankings made.

(v) Any losses shall be notified upon discovery to the appropriate Line Manager.

(vi) Where an Officer is unexpectedly absent, e.g. because of sickness, money under his control should be checked and reconciled as soon as possible by two persons. The relieving
officer should acknowledge receipt of the money when assuming responsibility for it. On returning to work the returnee should sign to acknowledge the reissue of money.

3.3.3 Responsibility for Assets

(i) The Secretary or her nominee shall be responsible for the maintenance of records relating to land and property in which the Executive has a legal interest showing the purpose for which held, location, value, charges and rents receivable and details of tenancy agreements, and for the safe custody of all deeds of title, securities and contract documents. The Secretary or her nominee is responsible for the disposal of land and buildings in accordance with the Land Disposal Protocol.

(ii) Designated Officers in conjunction with the Chief Financial and Systems Officer shall maintain and keep up to date inventories of furniture, equipment (including vehicles), plant and machinery under their control.

(iii) The form of the inventory of furniture, equipment, plant and machinery to be maintained shall be determined in consultation with the Chief Financial and Systems Officer.

(iv) An Officer is responsible for the direct control of Executive assets in his custody during the course of his duties. These assets may include stocks and stores of goods and materials, equipment, vehicles and property. Custody may be constructive, i.e. possession of a key allowing access to the assets.

(v) Officers shall take all reasonable measures to secure assets under their control in order to guard against theft or loss.

(vi) Officers shall not allow the misuse of assets under their control.

(vii) Officers have a duty to report any instance of theft, misappropriation or abuse of Executive property immediately to their Line Manager.

3.3.4 Standards and Conduct

The Management Board has approved a Code of Conduct which applies to all Members and Officers of the Executive. All Members and Officers should at all times act in such a manner as to avoid impropriety or any allegations of misconduct.

In addition Members and Officers (as appropriate) of the Executive should be fully aware of and comply with the following;

- Any applicable Professional Code of Conduct
• Anti-Fraud and Corruption Strategy
• Confidential Reporting Policy
• IT Policy
• Travel, Expense and Allowance Claims Guidance
• Travel Procedure – Business Outside the UK
• Car user Procedure
• Diversity Policy
• Dress Code
• Disciplinary Procedure
• Grievance Procedure
• Harassment and Bullying Procedure
• Performance Management Procedure
• Health & Safety Policy

3.3.5 Interests in Contracts

If any Officer has any pecuniary interest, direct or indirect in any contract or proposed contract (within the meaning of Section 94 of the Local Government Act 1972) entered or to be entered into by the Executive, he shall disclose such interest by giving notice in accordance with Section 117 of the Local Government Act 1972 and the Secretary shall record, in a register to be kept for this purpose, particulars of such notice. The register shall be open for inspection during office hours by any Member or the Chief Financial & Systems Officer or another person authorised by a Director or the Secretary.

3.4 Sale of surplus, obsolete or redundant materials, stores or equipment

(i) a) Subject to (ii) below, no assets up to the value of £5,000 shall be sold unless such assets have been declared surplus to requirements by a Chief Officer

b) No assets with a value greater than £5,000 and less than £20,000 shall be sold without the authority of the Management Board.

c) No assets with a value greater than £20,000 shall be sold without the authority of the Executive Board.

(ii) Sale of surplus, obsolete or redundant materials, stores or equipment shall be by auction or after receipt of competitive quotations or tenders in accordance with Standing Order 5.6 and all such sales shall be reported to the Chief Financial & Systems Officer in order to update the fixed asset register and accounts of the Executive.
3.5 Legal Proceedings

(a) All documents relating to legal proceedings shall be signed by the Secretary or her nominee unless otherwise required or authorised by law, or where the Executive Board gives authority to some other person for the purpose of such proceedings.

(b) Where there is a likelihood of the Executive being involved in any legal proceedings or where the police investigate any matter involving the Executive or any of its personnel the Secretary or where relevant the Chief Financial and Systems Officer shall be informed immediately by the Officer concerned.

(c) No admission of liability shall be made on behalf of the Executive without the approval of the Secretary.

(d) The Secretary or her nominee shall have the authority to initiate or defend proceedings on the Executive’s behalf.

(e) The Secretary (or in her absence the Director General) shall have the authority to instruct legal advisors up to a value of £50,000 where in her opinion it would not be appropriate to request tenders for such works. Where the Secretary does appoint legal advisors in such a manner she shall report her actions to the next meeting of the Management Board.

3.6 Health and Safety

(i) The Executive has an approved Health and Safety Policy Statement which is attached at Appendix 9 and which all Officers must adhere to. In addition there is a Health and Safety Committee as established by the Management Board which also meets the requirements of Section 2(7) of the Health and Safety at Work Act 1974. The Passenger Services Director is the Executive’s Health and Safety Director.

(ii) Under the Health and Safety at Work Act 1974 all Officers are required both to take care of their own health and safety and that of other employees, customers, contractors and visitors and to co-operate with their employers in complying with their statutory duties.

Inclusion of particular Standing Orders in this Section does not qualify the responsibility of Members and Officers to be aware of, and adhere to, all relevant Standing Orders located elsewhere in the document.

Any breach of these Standing Orders and Financial Regulations by an Officer may lead to disciplinary proceedings.
SECTION 4

FINANCIAL REGULATIONS

4.1 GENERAL

4.1.1 Background

The Financial Regulations are included as part of the Standing Orders of the Executive in order to demonstrate that they form a key part of the internal control framework through which the organisation is managed and run.

4.1.2 Purpose

The Financial Regulations are the means by which the financial affairs of the Executive are managed. These regulations ensure that clear, unambiguous responsibility is allocated for all financial matters.

4.1.3 Application/Responsibility

(a) It is the responsibility of the Chief Financial & Systems Officer to continually review the Financial Regulations of the Executive and submit to the Executive Board for approval appropriate changes that enhance the control framework.

(b) It is the responsibility of Directors and Officers to comply with these Regulations in all transactions involving the Executive.

(c) All transactions of any subsidiary company of the Executive shall comply with these Regulations so long as the Regulations are not inconsistent or do not conflict with any provisions of the Companies Acts and Regulations or Memorandum and Articles of Association of that Company.

(d) If for any reason the Chief Financial & Systems Officer is unable to act then a Director shall have the authority to exercise all powers vested in him.

(e) Officers and Members of the Executive shall maintain the confidentiality of the Executive’s business and shall not reveal confidential information about the Executive or its finances.
4.2 FINANCIAL PLANNING

4.2.1 Responsibilities

The Chief Financial & Systems Officer is responsible for ensuring the Executive has a medium term financial strategy covering as a minimum the current financial year and the subsequent two financial years.

4.2.2 Budget Preparation and Approval

(a) The Chief Financial & Systems Officer is responsible for preparing the annual Capital and Revenue Budgets for the Executive. These must be approved by the Executive Board and the Authority prior to the start of each financial year. The Authority approves the budget and the amounts the Executive can spend on each type of service. For the Capital budget, funding sources need to be separately identified and agreed by the Executive Board and the Authority.

(b) Following approval of the Revenue budgets the Chief Financial & Systems Officer will inform Management Board Attendees of their annual budget. The achievement of the given budgets is then the responsibility of the Management Board Attendees.

(c) The Chief Financial & Systems Officer will then agree with Management Board Attendees the detailed budgets to be allocated to individual Budget Holders. The achievement of the detailed budgets is the responsibility of the Budget Holders.

4.2.3 Revenue Budget Monitoring

(a) The Chief Financial & Systems Officer shall report to Management Board on a monthly basis the actual financial performance of the Executive compared with the approved revenue budget. The Executive Board will receive budget monitoring information at least every alternate month.

(b) Budget Holders must use the Budget Control Procedures, issued by the Chief Financial & Systems Officer annually along with the budgets, to monitor and control revenue budgets.

(c) Subject to their delegated levels of authority as approved by Management Board (see 4.3.2(d) below) Budget Holders have the delegated authority to spend up to their budget limit. No expenditure exceeding the budget can be incurred except that the Chief Financial & Systems Officer can approve small
overspends up to £5,000, Management Board may approve overspends up to £50,000 and for amounts over £50,000 Executive Board approval is required.

(d) Where Budget Holders achieve savings against budget, these are required to be identified to the Chief Financial & Systems Officer at the earliest opportunity. Release of savings enables Management Board to prioritise the use of funds. Budget Holders cannot use savings made in one area to justify overspends in another without prior approval from Management Board except that the Chief Financial & Systems Officer can approve small variances up to £5,000.

4.2.4 Capital Expenditure

(a) The Chief Financial & Systems Officer will prepare a monthly Capital Expenditure report to Management Board. The Executive Board will receive budget monitoring information on the financial progress of the Capital Budget at least every alternate month.

(b) Any variations to the total annual cost of the Capital Budget require the approval of the Authority. Significant changes to individual elements of the Capital Budget which result in cost increases that exceed the lower of, 10% of any individual scheme approved by the Authority in the Capital Programme or £250,000, requires approval by the Authority.

(c) Approval is required from Management Board for each stage of any capital scheme as defined in the Project Progress Report and to obtain the delegated authority to spend against the Capital Budget. The delegated authority will be given to a named Project Manager as set out in the Project Progress Report forms submitted to Management Board.

(d) It is the responsibility of the Passenger Services Director to control the Capital Budget. It is the responsibility of the Senior Project Manager and the named Project Managers referred to in (c) above to control the individual project budgets. Project Managers cannot exceed the delegated budget without Management Board approval.

(e) A Director may approve the use of capital expenditure up to £25,000 for capital schemes approved under 4.2.4 (c) above. A Management Board attendee (with appropriate delegated authority) may approve the use of capital expenditure up to £5,000 for capital schemes approved under 4.2.4 (c) above.
4.2.5 **Grant Expenditure and Claims**

(a) The Chief Financial & Systems Officer is responsible for maintaining a register of all grant aided projects and schemes. He must report this register on a quarterly basis to Management Board. The Chief Financial & Systems Officer must authorise all grant claim submissions before they are sent to the funding agency.

(b) All Management Board Attendees are responsible for reporting the status of any grant application for which they are responsible to Management Board and adhering to the Executive’s Grant Protocol. That Management Board Attendee is responsible for the delivery of the grant outputs and ensuring that all of the grant conditions including the funding are met.

(c) Management Board may give delegated authority in respect of grant-related expenditure of a capital or revenue nature. The delegated authority must be clearly assigned to an Officer. It is the responsibility of that Officer to control the allocated budget.

4.3 **FINANCIAL MANAGEMENT**

4.3.1 **Responsibilities**

(a) The Chief Financial & Systems Officer is responsible for:-

(i) the proper administration of the Executive’s financial affairs;

(ii) determining the accounting systems, procedures and records;

(iii) the maintenance of all financial records and procedures, and ensuring their retention;

(iv) selecting accounting policies and ensuring they are consistently applied;

(v) ensuring that the Annual Statement of Accounts is prepared in accordance with all relevant Statements of Standard Accounting Practice and Financial Reporting Standards, and any other legislative requirements.

4.3.2 **Financial Control**

(a) The Chief Financial & Systems Officer is responsible for
ensuring that an adequate framework of financial controls exists to manage the financial affairs of the Executive.

(b) The Chief Financial & Systems Officer is responsible for preparing an annual statement on the adequacies of these systems in the Annual Statement of Accounts.

(c) Day to day financial controls are managed through the processes determined by the Chief Financial & Systems Officer and all staff must adhere to these processes.

(d) The Chief Financial & Systems Officer shall delegate the authority to make revenue expenditure to Designated Officers and shall maintain a record of the delegated levels of authority for such budgetary expenditure. These will be revised on a continual basis and be approved by Management Board annually.

4.3.3 Accounting Arrangements

(a) The Chief Financial & Systems Officer must authorise any financial procedure or system before it is introduced.

(b) Each Director and Officer shall keep such records and operate such procedures as, in the opinion of the Chief Financial & Systems Officer, are necessary to record correctly the financial transactions of that function and to enable proper accounts to be maintained.

(c) The following principles should be observed as far as practical in order to achieve segregation of duties:-

(i) The duties of ordering, authorising of expenditure, calculating or raising invoices for amounts due to or from the Executive must be separated as far as is practical from the duty of collecting or disbursing them;

(ii) The separation of the duties of raising orders and the authorisation of those orders; and

(iii) Officers involved in the duty of checking and recording cash transactions must not themselves be engaged in any of these transactions.

4.3.4 Financial Implications

All reports to Management Board or Executive Board shall contain a section detailing the financial implications of the decision sought. The impact on current and future revenue and capital budgets must
be clearly stated.

4.3.5 **Financial Reporting**

The Chief Financial & Systems Officer shall present an Annual Statement of Accounts to the Executive Board within 6 months after the end of each financial year.

4.4 **RISK MANAGEMENT AND CONTROL**

4.4.1 **Responsibilities**

The Executive Board is responsible for approving the Executive’s Risk Management Strategy. The Management Board is responsible for ensuring compliance with the Strategy. It is the responsibility of all Officers to manage the risks arising from the activities they undertake and the resources they control. It is the responsibility of the Chief Financial & Systems Officer to advise the Executive Board on the adequacy of the systems of control that are in place and to report on this through the Annual Statement of Internal Financial Control.

4.4.2 **Risk Management**

(a) Risk management is the planned and systematic approach to the identification, evaluation and control of risks that may adversely affect the Executive’s ability to achieve its objectives and successfully execute its strategies.

(b) The Audit and Risk Committee (see Standing Order 2.5) is responsible to the Executive Board for considering and advising the Executive Board on the adequacy and effectiveness of systems of internal control and arrangements for the management, control and governance processes and securing economy, efficiency and effectiveness.

4.4.3 **Internal Audit**

(a) The Chief Financial & Systems Officer shall be responsible for arranging a continuous internal auditing function.

(b) The Audit Manager shall be responsible to the Chief Financial & Systems Officer for carrying out the internal auditing function by reviewing, appraising and reporting to the appropriate Officer upon:

(i) the soundness, adequacy and application of financial and other management controls;

(ii) the extent of compliance with, relevance and financial
effect of established policies, plans and procedures;

(iii) the extent to which the Executive’s assets and interests are accounted for and safeguarded from losses of all kinds arising from fraud and other offences, waste, extravagance, inefficient administration, poor value for money or other cause;

(iv) the suitability and reliability of financial and other management data developed within the Executive;

(v) the adequacy of follow up action to their reports.

(c) To enable this function to be carried out objectively and to maintain independence the Audit Manager and his staff shall not be directly involved in any other Executive function.

(d) The Audit Manager will submit reports in writing to the appropriate Officer and, in summary form, to the Audit and Risk Committee.

(e) The Audit Manager or his authorised nominee, on producing evidence of identity, shall have authority to:

(i) enter at all reasonable times any premises or property of the Executive;

(ii) obtain access to all records, documents, cash stores, equipment and correspondence relating to any financial or other transactions of the Executive;

(iii) require and receive from any Director or Officer such explanations as are necessary concerning any matters under examination by them; and

(iv) require any Director or Officer to produce all cash, stores or any other property of the Executive, under his control.

(f) The appropriate Designated Officer, the Chief Financial & Systems Officer and the Audit Manager shall be informed immediately of any circumstances which may suggest the existence of any loss or financial irregularity affecting cash, stores or other property of the Executive, and also of any impropriety or significant error in any accounting or financial records or in relation to any contract for goods, services or works entered into by the Executive.

(g) The Chief Financial & Systems Officer or, in his absence, the Audit Manager shall be responsible for ensuring that the
Executive and the External Auditors are advised of any material loss or financial irregularity.

(h) The Audit and Risk Committee shall review and approve internal audit’s strategic and operational plans and monitor progress in achieving the plans.

4.4.4 External Audit

(a) External Audit is responsible for an independent examination and expression of opinion on the financial statements of the Executive. They also carry out reviews into the key areas identified as corporate governance, performance management and grant claims and returns.

(b) The workplans of External Audit are received and taken into consideration by the Audit and Risk Committee when approving Internal Audit’s workplans.

(c) All reports provided by External Audit shall be reviewed by the Audit and Risk Committee. The implementation by Officers of any recommendations resulting from the reports shall also be monitored by the Audit and Risk Committee.

4.4.5 Insurance

(a) The Chief Financial & Systems Officer, in consultation with the Secretary, shall report to the Executive Board on all risks which the Executive may require to be insured against and shall arrange and review all necessary insurance.

(b) The Chief Financial & Systems Officer shall submit an annual report to Management Board to advise of and seek approval for the proposed insurance cover renewals to be implemented.

(c) It is the responsibility of the Chief Financial & Systems Officer, in conjunction with the Secretary, or her nominee, to negotiate all claims for or against the Executive.

(d) In relation to property under his control and to all insurable risks arising out of the functions under his management, it is the responsibility of each Designated Officer to immediately inform the Chief Financial & Systems Officer of:-

(i) the acquisition or disposal of any property/asset which is capable of insurance against fire or other risk;

(ii) any alteration to, or change in the use of, any such
property/asset which may affect existing insurable risks or policies of insurance;

(iii) any new insurable risks, alterations to or termination of existing insurable risks in relation to employees of the Executive, third parties, properties or contractors and their employees working on Executive property;

(iv) any loss or damage to Executive property;

(v) any material changes in the level of operational activity giving rise to any change to an insurable risk;

(vi) the occurrence of any event which may give rise to a claim against the Executive by completing an Incident Report form;

(e) It is the responsibility of each Designated Officer to consult with the Chief Financial & Systems Officer and the Secretary with regard to the terms of any indemnity which they may be required to give on behalf of the Executive, irrespective of whether specific Executive approval is required or not.

(f) The Chief Financial & Systems Officer shall keep records of all current insurance policies and shall annually inform the Management Board of all current policies.

4.4.6 Security of Assets

(a) It is important that all assets, including land and property, cash, vehicles, plant, furniture and equipment are safeguarded and used effectively. Assets that are no longer required must be immediately identified so that an alternative use can be found.

(b) This Financial Regulation should be applied in conjunction with Standing Orders 3.3.2 and 3.3.3.

(c) It is the responsibility of the Chief Financial & Systems Officer to maintain a Fixed Asset Register for all fixed assets.

(d) It is the responsibility of the IT Manager to maintain an asset register for all IT and telecommunications equipment.

(e) It is the responsibility of each Officer to:

(i) Inform the Chief Financial & Systems Officer of any instances where he believes the security of assets to be inadequate.
(ii) Ensure the safekeeping of keys.

(iii) Ensure that keys to safes and similar receptacles, and to the cheque-signing machine, are carried on the person of the responsible officer at all times. The loss of any such keys must be reported immediately to the Chief Financial & Systems Officer.

(iv) Ensure that there is a review of the security of the premises under their control on a regular basis.

(f) Budget Holders are responsible for arranging a procedure to ensure the safe custody and control of stocks and stores. These arrangements must be approved by the Chief Financial & Systems Officer.

(g) Assets and stock of a value not exceeding £1,000 may be written off by the Chief Financial & Systems Officer at his discretion, subject to a report to the Executive Board for noting every 6 months. Assets and stock valued at more than £1,000 shall be written off only following approval by Executive Board and on a recommendation of the Chief Financial & Systems Officer or his nominee.

4.4.7 Treasury Management

(a) The Chief Financial & Systems Officer shall be authorised to invest any money surplus to the day to day requirements of the Executive and to vary such investments in accordance with his judgement of the market, subject only to approval of the Executive Board and in accordance with the appropriate Treasury Policy.

(b) All investments shall be held in the name of the Executive or where the Chief Financial & Systems Officer considers appropriate, one or other of its subsidiary companies or in the name of such nominees as may be appointed by the Executive Board.

(c) All borrowing and leasing arrangements for periods of one year or more shall require approval of the Executive Board and shall be controlled and monitored by the Chief Financial & Systems Officer. Such arrangements shall be sought in the name of the Executive or where the Chief Financial & Systems Officer considers appropriate one or other of its subsidiary companies and shall be within the limits set by the Authority. The Chief Financial & Systems Officer shall submit a report to the Executive Board on all such arrangements on a six monthly basis.
(d) Property of the Executive shall only be tendered as security against borrowings with the authority of the Executive Board.

(e) All investments of Executive money for a period of one year or more shall require approval of the Executive Board pursuant to a recommendation of the Chief Financial & Systems Officer.

(f) The investment position shall be formally reported to the Executive Board on a six monthly basis.

(g) The Chief Financial & Systems Officer shall be responsible for the maintenance of a register of all investments, borrowings and leasing arrangements.

(h) At the end of each financial year the Chief Financial & Systems Officer shall submit to the Executive Board a list of investments as at the end of that year showing for each investment:

(i) the nature of the investment;

(ii) the nominal value of the investment;

(iii) the cost price of the investment; and

(iv) the market value of the investment.

4.4.8 Banking

(a) The Chief Financial & Systems Officer shall make all arrangements regarding the opening and operation of all Bank accounts and they shall be in the name of the Executive or where the Chief Financial & Systems Officer considers appropriate, one or other of its subsidiary companies.

(b) The Chief Financial & Systems Officer shall undertake all negotiations with the Executive's bankers regarding banking terms and overdraft facilities and shall report such changes in arrangements to the Executive Board.

(c) The Chief Financial & Systems Officer shall be responsible for the ordering, custody, issue and control of all cheques and other payment documents, which require to be signed in accordance with the mandate as approved by the Executive Board.

(d) Cheques drawn for less than £25,000 require one signature, which may be lithographed, Cheques over £25,000 require two signatures, one of which may be a lithographed signature.
Authorised bank signatories are the Directors and the Chief Financial & Systems Officer.

(e) All cheques or other payment documents shall be despatched to payees by the Chief Financial & Systems Officer, or in appropriate cases by the Secretary, except where the Chief Financial & Systems Officer may expressly consent otherwise.

(f) Where other methods of payment, such as electronic transfer, Direct Debit or Standing Order are used, such payments shall be approved by an authorised bank signatory.

(g) Where lithographed or impressed cheques are used, the cheques shall be examined before despatch and initialled by an Officer nominated by the Chief Financial & Systems Officer.

4.5 FINANCE PROCEDURES

4.5.1 Credit Procedures/Income

(a) The Chief Financial & Systems Officer, in conjunction with the appropriate Designated Officer, shall ensure that adequate arrangements are made and maintained for:

(i) the appropriate recording and accounting of all sums due to the Executive, and

(ii) the prompt and proper accounting of all money, its custody and deposit with bankers.

(b) The detailed procedures to be followed at the Executive’s establishments for the security, banking and accounting for all money due for items sold by the Executive shall be laid down in Accounting Directives.

(c) The Chief Financial & Systems Officer shall control and issue all official receipt forms and all other appropriate documents relating to cash or credit income. Only Officers of the Executive whose function it is to collect money on behalf of the Executive shall do so.

(d) Officers will not give a receipt for money received on behalf of the Executive on any form other than an official receipt form or till receipt.

(e) All accounts for income due to the Executive shall be despatched by the Chief Financial & Systems Officer except where otherwise agreed.
(f) All money received on behalf of the Executive shall, without delay, be paid intact to the Chief Financial & Systems Officer or banked to the Executive's name or transmitted directly to any body or person entitled thereto in accordance with the instructions from the Chief Financial & Systems Officer.

(g) Every transfer of official money from one Officer to another will be evidenced in the records of the Department concerned by the signature of the receiving Officer.

(h) The Chief Financial & Systems Officer shall be consulted in relation to any proposals to introduce charges, or to amend the basis of existing charges.

(i) All existing charges, rentals or commissions payable to the Executive should be continually reviewed by the Designated Officer and Chief Financial & Systems Officer.

4.5.2 Debt Management/Write-off Authority

(a) All Officers responsible for debt management must adhere to the existing debt recovery policy.

(b) Individual amounts due to the Executive not exceeding £1,000 may be written off as irrecoverable by the Chief Financial & Systems Officer at his discretion subject to a report to the Executive Board every three months and appropriate approval of the Executive Board. Sums exceeding £1,000 may only be written off with the approval of the Management Board. Sums exceeding £10,000 shall not be written off without the approval of the Executive Board.

4.5.3 Procurement of Goods, Services and Works

(a) Subject always to Standing Order 5.6 a Designated Officer must raise an official purchase order in accordance with Financial Regulation 4.5.3(b) below.

(b) Designated Officers raising an order shall specify the appropriate budgetary code, the supplier, the description and quantity of the works, goods or services required and, the agreed or estimated price. Designated Officers shall not raise orders unless the cost of the works, goods or services required is within an approved estimate and there is sufficient budgetary provision.

(c) Designated Officers shall not raise orders for a value less than the total value of the Executive’s known requirements, as a means of avoiding compliance with the provisions of the Executive’s Contract Standing Orders or other statutes or
regulations governing the Executive.

(d) All orders shall be processed on a consecutively numbered series in a form approved by the Chief Financial & Systems Officer.

(e) Designated Officers shall ensure that all invoices are addressed to the Payments Section within Finance and that the appropriate contract or Order Number is quoted on every invoice.

(f) All Purchase Orders issued shall comply with Contract Standing Order 5.7 and as a minimum shall incorporate the Executive’s Standard Terms and Conditions of Contract.

4.5.4 Contracts

(a) The Chief Financial & Systems Officer and the Secretary or their respective nominee shall be informed immediately by the appropriate Designated Officer of all contracts, agreements or other instruments involving the payment or receipt of money on behalf of the Executive, or any commitment thereto.

(b) Where a written contract is required, Officers shall not authorise work to begin or goods or services to be supplied until the Secretary or her nominee has advised the Designated Officer that the parties have entered into a contract, unless the Secretary authorises otherwise.

(c) Payments on account of the contract shall be made only on a certificate issued by either:

(i) the appropriate Designated Officer, or

(ii) an Architect, Consulting Engineer, Surveyor or other professional appointed by the Executive.

In all such instances the Designated Officer shall provide authorisation for payment.

4.5.5 Payments for Goods and Services

(a) The receipt of all goods and services should only be made by Designated Officers. The receipt shall be deemed to cover the following matters:

(i) That the works, goods or services have been received, carried out satisfactorily, examined as to quality and quantity.
(ii) That the goods and services have not previously been receipted.

(b) All invoices must be approved by the Payments Officer or other nominated Officer who shall ensure that each invoice has been properly certified and coded and checked that the above matters have been properly dealt with. Any exceptions should be reported to the Chief Financial & Systems Officer. The Chief Financial & Systems Officer or his nominee shall ensure that prices, extensions, allowances, credits and tax are correct and that all calculations have been properly checked. The schedule of payments shall be certified by the Chief Financial & Systems Officer or his nominee.

(c) Designated Officers shall ensure that all receipts of goods and services and invoice queries are dealt with promptly in order to ensure payment complies with contractual and legislative provisions.

(d) The Chief Financial & Systems Officer may withhold payment pending further enquiry and consultation with the Designated Officer on any aspect where he is not satisfied regarding a proposed payment.

(e) The Payments Officer will only accept copy invoices for payment where the original invoice is unavailable. Reasons for the original invoice not being available shall be properly recorded on the copy invoice.

4.5.6 Petty Cash

(a) The Chief Financial & Systems Officer shall maintain an imprest cash account for the purpose of making cash disbursements for emergency minor items of expenditure. In all cases vouchers shall be authorised by the appropriate Designated Officer.

(b) All reimbursements of petty cash must be authorised by the appropriate Designated Officer and should be accompanied, where appropriate, by a VAT receipt.

(c) Payments shall be limited to amounts of no more than £50 unless by the prior approval of the Chief Financial & Systems Officer or his nominee. Wherever possible Officers shall obtain the Designated Officer’s consent prior to incurring the expenditure.

(d) Other cash imprests may be authorised as necessary by the Chief Financial & Systems Officer.
4.5.7 Expenses

(a) Reasonable expenses incurred by Chief Officers whilst acting on behalf of the Executive will be reimbursed. Claims must be certified by the Director General or by any other Director.

(b) All claims for payment of Officers’ car allowances, subsistence allowances and incidental expenses shall be prepared by the claimants on the required form or other format approved by the Chief Financial & Systems Officer. Following certification by the appropriate Designated Officer, claims must be submitted to the Finance Department for payment at least once per month.

(c) Certification by the Designated Officer shall be taken to mean that he is satisfied that the journeys were authorised, the expenses were properly and necessarily incurred and the mileage and other allowances are correctly payable in accordance with the specific conditions of employment of the Executive.

(d) Following written approval by a Director, the Chief Financial & Systems Officer shall issue corporate chargecards under the name of the Executive for legitimate business expenditure. Responsibility for the security and proper business use of such cards shall rest with authorised Officer to whom the card has been issued. A monthly reconciliation of charges levied to the Executive shall be made with expenses claims submitted by those authorised Officers.
SECTION 5

CONTRACT STANDING ORDERS

5.1 Definitions

For the purpose of this Section 5 the following definitions shall apply in addition to those set out in Section 1.

“Award Criteria” the criteria by which the successful Quotation or Tender is to be determined

“Award Procedure” the procedure for awarding a Contract as specified in Standing Orders 5.6.3, 5.6.4 and 5.6.5

“Contract” as defined in Standing Order 5.4

“Contract Officer” the person who has been designated by the appropriate Management Board Attendee to undertake the procurement exercise

“Contract Value” the total value of the Contract awarded, taking into account the whole life cost of the Contract, including for example future maintenance costs, licensing costs and any other costs anticipated at the date that the Contract is to be awarded

“Estimated Contract Value” the estimated total value of the Contract to be awarded taking into account the whole life cost of the Contract, including for example future maintenance costs, licensing costs and any other costs anticipated at the date that the Estimated Contract Value is determined

“EU Procedure” the procurement procedure required by the European Union (EU) where the total value exceeds the EU Threshold
“EU Procurement Regulations”  the relevant regulations governing the award of Contracts for works, supplies and services

“EU Threshold”  the Contract Value to which the EU Procurement Regulations must be applied.

Financial thresholds set by the EU Procurement Regulations are reviewed every two years and at 1st January 2004 were:-

- **Public Works** - £3,834,411
- **Services** - £153,376
- **Supplies** - £153,376

“Invitation to Tender”  a written document issued by the Executive to request a Tenderer to submit a Tender for a Contract, containing the terms and conditions of the Tender exercise

“Most Economically Advantageous”  a combination of price and quality issues, which could (without prejudice to the generality of the term) include:-

- Service levels
- Operating costs
- Cost effectiveness
- Quality
- Aesthetics
- Functional characteristics
- Technical merit
- Technical support
- Relevant experience
- Available resources
- Health and Safety Considerations

“OJEU”  the Official Journal of the European Union

“Quotation”  an offer of price and any other relevant matter (without the formal issue of an Invitation to Tender) made to the Executive in response to a request from the Executive
"Recurring Orders" (also commonly known within the Executive as "Standing Orders") arrangements whereby repeat orders for a particular good or service are authorised up to a financial limit.

"Subsidised Transport Services" shall be those transport services referred to in S89 Transport Act 1985 or any other public passenger transport service (as defined in the said Act) required to be tendered.

"Tender" a written proposal submitted in response to an Invitation to Tender by the Tenderer.

"Tenderer" an individual, company or other body that submits a Tender.

"Tender Evaluation" the process of determining which Tender is the lowest priced or Most Economically Advantageous.
[PLEASE INSERT CONTRACT STANDING ORDERS CHART HERE]
5.2 **Basic Principles**

5.2.1 Every Contract made by or on behalf of the Executive and all procedures relating thereto shall comply with these Contract Standing Orders. No exception from any provision of these Contract Standing Orders shall be made otherwise than by the direction of either the Executive Board or Management Board. The decision as to whether the exception shall be made by Executive Board or Management Board shall be at the discretion of the Secretary or the Director General. In either case, the decision of the Executive Board or as the case may be, the Management Board, shall be noted in their minutes.

5.2.2 Purchasing and disposal procedures must: -

- aim to ensure value for money for public money spent
- be consistent with high standards of integrity
- ensure fairness in allocating public Contracts
- comply with all legal requirements
- support the Executive’s corporate and departmental aims and policies.

5.3 **EU Procurement Regulations**

5.3.1 All Contracts let by the Executive will comply with all relevant EU Procurement Regulations. Where any provision or minimum requirement of these Standing Orders conflicts with a provision or minimum requirement of an EU Procurement Regulation then the provisions or minimum requirement of the EU Procurement Regulation will take precedence.

5.4 **Contracts**

5.4.1 For the purpose of these Standing Orders a Contract is any arrangement whereby the Executive pays or receives money (or goods/works or services in lieu of money) for either receiving or disposing of goods, services or works, excluding:

- Contracts for the sale or acquisition of land;
- Contracts of employment (this exception does not include Contracts for Services e.g. consultants)

5.4.2 A Contract includes leasing and hire arrangements for goods and any arrangement set up as a Recurring Order.

5.5 **Estimated Contract Value/Award Criteria**

5.5.1 Prior to commencing a procurement process the Contract Officer shall determine an Estimated Contract Value.
5.5.2 The Estimated Contract Value will determine which Award Procedure is followed.

5.5.3 Prior to Invitation to Tender or the obtaining of Quotations the Contract Officer shall determine the Award Criteria. The award will be based on either:-

   i) Lowest priced Tender; or
   ii) Most Economically Advantageous Tender

And in both cases the minimum quality criteria must be met.

5.5.4 The Invitation to Tender shall clearly inform Tenderers of the Award Criteria, and if Most Economically Advantageous then the documentation shall clearly set down the factors to be taken into account. For Contracts with an Estimated Contract Value above the EU Threshold the Tender Evaluation model should be made available at the Invitation to Tender stage.

5.6 Procurement Procedure

5.6.1 Contracts up to £25,000

   (a) Where the Estimated Contract Value does not exceed £25,000 (or in the case of Subsidised Transport Services the de-minimis level at that time subsisting except to the extent that the de-minimis level exceeds the EU Threshold for Services) the appropriate Contract Officer shall ensure that value for money is obtained.

   (b) Where the Estimated Contract Value does not exceed £5,000 at least two Quotations or Tenders shall be requested from persons believed to be suitably experienced in the supply of the required works, services or supplies. Between £5,000 and £25,000 at least three Quotations or Tenders should be requested. Tenders should be submitted in accordance with Standing Order 5.6.6 and Quotations should be submitted in an envelope stating on the face of it that it is a Quotation for the Contract concerned. If prior approval is obtained from a Management Board Attendee Quotations may be requested by telephone provided that the Quotation and the terms upon which the Quotation is made are confirmed in writing (by fax, letter or e-mail) prior to the Quotation being accepted.

   (c) If in ensuring that value for money is obtained the Contract Officer does not consider that the invitation of Quotations or Tenders in accordance with (b) above is appropriate prior written approval of this course of action and of the process to be followed must be obtained from the appropriate Management Board Attendee and the Secretary notified accordingly.
5.6.2 **Contracts over £25,000**

(a) All Contracts with an Estimated Contract Value in excess of £25,000 require Tenders to be invited in accordance with this Contract Standing Order 5.6.2 and either Standing Order 5.6.3, 5.6.4 or 5.6.5.

(b) Where the Estimated Contract Value exceeds £25,000 but is less than £100,000 Tenders shall be invited from not fewer than 3 persons believed to be suitably experienced in the supply of the required works, supplies or services (unless the Management Board determines that less than 3 persons shall be invited). The number of persons invited to Tender shall be sufficient to ensure as far as possible a competitive response.

5.6.3 **Approved List**

(a) Management Board may approve that an approved list shall be kept of persons to be invited to Tender for Contracts for works, services or supplies of specific categories, values or amounts.

(b) The provisions of this Standing Order cannot be utilised where the Estimated Contract Value exceeds the relevant EU Threshold. In such circumstances the appropriate Award Procedure in accordance with Standing Order 5.6.4 or 5.6.5 should be followed.

(c) The approved list shall:-

(i) be completed and maintained by the appropriate Management Board Attendee or their designated representative,
(ii) contain the names and contact details of all persons who wish to be included on it as approved by the Management Board Attendee or their designated representative,

(iii) indicate whether a person who is included on the approved list is approved for Contracts for all, or only some, of the specified categories, values or amounts.

(d) At least four weeks before the approved list is first compiled, notices inviting applications for inclusion shall be published in one or more newspapers circulating in the local area, and/or where appropriate, in one or more journals circulating amongst persons undertaking Contracts of that nature. The Contract Officer shall retain a copy of the advertisement on file. The advertisement will state the last date and time when responses will be required.

(e) The approved list may be amended from time to time by the addition of names of persons who wish to be included in it as are approved by the relevant Management Board Attendee in accordance with (c)(ii) above, or by the exclusion of the names of the persons who the Management Board Attendee concerned reasonably regards are no longer acceptable for inclusion on the approved list.

(f) Each approved list shall be reviewed at intervals not exceeding three years. At least four weeks before each review each person whose name appears on the approved list shall be asked whether they wish to remain on the approved list and notices inviting applications for inclusion on the approved list shall be published as set out above at 5.6.3 (d).

(g) Where any approved list contains more persons than it is reasonable to invite to Tender the Management Board Attendee shall ensure that an appropriate procedure is utilised to select those persons to be invited to Tender. Anyone on a current approved list may be selected to be invited to Tender for Contracts in accordance with 5.6.4(e) and 5.6.5(e) below.

(h) Approved lists for Subsidised Transport Services should comply with the requirements of the Transport Act 1985

5.6.4 Restricted Tender Procedure

(a) This Standing Order shall have effect where the Invitation to Tender for a Contract is to be limited to persons who reply to an advertisement requesting expressions of interest and who are selected for inclusion on a select list in accordance with (d) below.
(b) Advertisements shall be placed at least ten days before the closing date for the expressions of interest. The advertisement requesting expressions of interest shall be placed in one or more newspapers circulating in the local area, and/or where appropriate, in one or more journals circulating among persons undertaking Contracts of that nature. If the Estimated Contract Value is above the EU Threshold a notice in the prescribed format must be published in the OJEU, and prior guidance should be sought from the Secretary or her nominee. The Contract Officer shall retain a copy of the advertisement on file.

(c) The advertisement shall set out the nature and purpose of the proposed Contract, invite persons interested to apply for inclusion on the select list and shall state the last date and time when responses will be received.

(d) Selection for inclusion on the select list of persons to be invited to Tender shall be determined by reference to financial standing and technical capability.

(e) Nothing in this Standing Order prevents a Tender being invited from a person contained in a relevant approved list held in accordance with Standing Order 5.6.3.

5.6.5 Open Tender Procedure

(a) This Standing Order shall have effect where a proposed Contract is to be let by open Tender.

(b) Advertisements shall be placed at least ten days before the closing date for receipt of Tenders, in one or more newspapers circulating in the local area and/or where appropriate, in one or more journals circulating among persons undertaking Contracts of that nature and if the Estimated Contract Value is above the EU Threshold a notice in the prescribed format must be published in the OJEU, and prior guidance should be sought from the Secretary or her nominee. The Contract Officer shall retain a copy of the advertisement on file.

(c) The advertisement shall set out the nature and purpose of the proposed Contract, invite Tenders and state the last date and time when Tenders will be received.

(d) Where the open Tender procedure is used all those persons responding to the advertisement and expressing an interest in the Contract shall be invited to Tender.
(e) Nothing in this Standing Order prevents a Tender being invited from a person contained in a relevant approved list held in accordance with Standing Order 5.6.3.

5.6.6 Submission and receipt of Tenders

(a) The Executive shall supply all persons invited to Tender with an envelope correctly marked with the subject of the Tender and the date and time by which the Tender must be received by the Executive. A Tender will not be considered unless received in the despatched envelope or in a plain sealed envelope which shall bear the word “Tender” followed by the subject Tender to which it relates and addressed to the Secretary.

(b) The Invitation to Tender shall specify the time and date by which the sealed Tender envelope must be received by the Executive. The Invitation to Tender shall state that a Tender will not be considered if it is received after the date and time specified for receipt, or if the identity of the Tenderer is disclosed on the Tender envelope. Tenders received after the closing date or time, or that disclose the identity of the Tenderer will not be considered unless the prior approval of the Secretary or her nominee is obtained. The Secretary or her nominee may only exercise such discretion in circumstances where the Secretary or her nominee is satisfied that the integrity of the Tender process is not compromised by considering the Tender, and provided that the other Tenders received in respect of that process have not already been opened.

(c) The Contract Officer shall notify the Secretary on each occasion when Tenders are being invited specifying the date and time by which Tenders must be received and the list of those persons to whom the Invitation to Tender has been sent.

(d) On receipt every Tender shall be marked, on the envelope, with the date and time it was received by the Executive. A record of the date and time of receipt of Tenders shall be kept and signed by the receiving officer.

(e) All Tenders received by the Executive shall be delivered to the Secretary or her nominee and shall remain in the Secretary’s custody until the time appointed for their opening.

5.6.7 Opening of Quotations and Tenders

(a) Written Quotations shall be addressed to and opened by the Contract Officer requesting the same.
(b) Tenders where the Estimated Contract Value is under £25,000 shall be opened at one time only by at least two officers designated for that purpose by a Management Board Attendee.

(c) Tenders where the Estimated Contract Value is £25,000 or over are to be opened at one time only in the presence of the Secretary or her nominee and a Management Board Attendee or their nominated representative.

(d) Where the Estimated Contract Value is £25,000 or over a register of all Tenders shall be kept by the Secretary giving particulars of all Tenders and the date and time of opening and signed by all those present at the opening of the Tenders.

(e) The Contract Officer shall keep a complete record of all Quotations and Tenders with an Estimated Contract Value of under £25,000 received.

(f) All opened Tenders and a copy of the register referred to at (d) above shall be forwarded to the Contract Officer who is responsible for their safe custody. The Contract Officer shall sign to take custody of the Tenders from the Secretary or her nominee.

5.6.8 Errors and Discrepancies

(a) The lowest or Most Economically Advantageous (as the case may be) Tender should be examined for any arithmetical omission, errors or discrepancies in the computation of the Tender.

(b) Without prejudice to the right of the Executive to refuse any Tender, where the examination of a Tender reveals any arithmetical omission, error or discrepancy in the computation of the Tender the Executive shall, without amendment to any rates or prices submitted by the Tenderer amend the Tender to achieve arithmetical accuracy. The Tenderer is informed accordingly and is given the opportunity to either confirm the corrected Tender or to withdraw the Tender.

(c) Without prejudice to the right of the Executive to refuse any Tender, where the examination of a Tender reveals a discrepancy or possible error in a tendered rate or price submitted by the Tenderer, the Tenderer shall be invited to either confirm the submitted rate or price or correct the Tender or to withdraw the Tender.

(d) Where having corrected any error or discrepancies the resulting Tender is no longer the lowest Tender or the Most Economical
Advantageous, the next Tender should be considered and the provisions of this Standing Order 5.6.8 shall apply equally.

5.6.9 Clarification Procedures and Post-Tender negotiations

(a) The provision of pre-tender clarification of an Invitation to Tender is permitted provided that if the clarification sought would lead to the provision of information that would be required by all persons invited to Tender then all such persons should be notified of the clarification given. Such clarification should be given in writing.

(b) Post-Tender clarification is permitted with the approval of the Secretary or her representative. The Contract Officer is permitted to seek clarification of any Tender provided that he does not enter into post-tender negotiations with any Tenderer (as more fully described in Standing Order 5.6.9 (c)). The Contract Officer should keep detailed records of any post-tender clarification.

(c) Post-Tender negotiation means negotiating with any Tenderer after submission of a Tender and before the award of the Contract. Subject to the approval of the Secretary and Chief Financial and Systems Officer or their respective nominee's negotiations may take place with the Tenderer whose Tender is after Tender Evaluation either the lowest priced or the Most Economically Advantageous Tender as appropriate, where:-

(i) modifications are proposed to be made to the specification, quantity or conditions, or,

(ii) the Tender under consideration exceeds the Estimated Contract Value and price reduction measures are necessary

(iii) in the interest of obtaining value for money the Contract Officer believes that negotiations may lead to better value for money being obtained

(d) Post-tender negotiation must only be conducted in accordance with the following procedures :-

(i) all such negotiations must be undertaken by two or more officers authorised for these purposes by the appropriate Management Board Attendee. One of the officers involved should be the Contract Officer.

(ii) a full written record of negotiations and any agreements made shall be maintained.
(iii) only where any such negotiations are unsuccessful shall
negotiations proceed with the next lowest priced or Most
Economically Advantageous Tender. Negotiations with
more than one Tenderer at any one time are not
appropriate.

(e) Where negotiations in respect of the specification, quantity or
contract terms take place such that they result in a fundamental
change to the specification, quantity or Contract terms the
Contract must not be awarded but should be re-tendered. The
decision as to whether there is a fundamental change shall be
taken by the Secretary or her nominee.

5.6.10 Acceptance of Quotations and Tenders

(a) Where payment is being made by the Executive a Tender or
Quotation other than the lowest or Most Economically
Advantageous shall not be accepted unless the Management
Board or, if the amount exceeds £100,000 the Executive Board
has considered a written report from the appropriate
Management Board Attendee setting out the justification for so
doing.

(b) Where payment is to be received by the Executive a tender or
Quotation other than the highest or Most Economically
Advantageous shall not be accepted unless the Management
Board or, if the amount exceeds £100,000 the Executive Board
has considered a written report from the appropriate
Management Board Attendee setting out the justification for so
doing.

(c) Contract awards up to £5000 may be made by a Management
Board Attendee. Contract awards up to £25,000 may be made
by a Director. Contract awards between £25,000 and £100,000
may be made by Management Board and Contract awards over
£100,000 shall only be made by the Executive Board.

(d) Where the proposed Contract award under consideration
exceeds the sum of the Estimated Contract Value plus £5,000 or
if higher 110% of the Estimated Contract Value it shall not be
accepted by a Director, the Management Board or the Executive
Board, (as appropriate) unless they have considered a joint
report from the relevant Management Board Attendee and the
Chief Financial and Systems Officer detailing the reasons for the
variance.

(e) Contracts for subsidised services pursuant to Section 89 of the
Transport Act 1985 may be awarded by a Director up to the de-
minimis levels in force at the date of award.
<table>
<thead>
<tr>
<th>Estimated Contract Value</th>
<th>Award Procedure</th>
<th>Advertising</th>
<th>Approval to Award to lowest/most economically advantageous tender/quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to £5,000</td>
<td>Ensure value for money Tenders/ Quotations from at least 2 persons (SO 5.6.1(b))</td>
<td>Not required</td>
<td>Management Board Attendee (SO 5.6.10(c))</td>
</tr>
<tr>
<td>£5,001 to £25,000</td>
<td>Ensure value for money. Tenders/ Quotations from at least 3 persons (SO 5.6.1(b))</td>
<td>Not required</td>
<td>Director (SO 5.6.10(c))</td>
</tr>
<tr>
<td>£25,001 to £100,000</td>
<td>Invitation to Tender to at least 3 persons (SO 5.6.2(b))</td>
<td>Required unless Approved List utilised. (SO 5.6.4(b) or 5.6.5(b))</td>
<td>Management Board (SO 5.6.10(c))</td>
</tr>
<tr>
<td>£100,001 to EU Threshold</td>
<td>Invitation to Tender to at least 4 persons (SO 5.6.2(c))</td>
<td>Required unless Approved List utilised (SO 5.6.4(b) or 5.6.5(b))</td>
<td>Executive Board (SO 5.6.10(c))</td>
</tr>
<tr>
<td>Above EU Threshold</td>
<td>EU Procedure or, where this does not apply, Invitation to Tender to at least 4 persons</td>
<td>Required (SO 5.6.4(b) or 5.6.5(b))</td>
<td>Executive Board (SO 5.6.10(c))</td>
</tr>
</tbody>
</table>
5.7 **Contract Formalities**

5.7.1 All written Contracts must be approved by the Secretary or her nominee before signing.

5.7.2 All leasing and hire agreements in respect of goods, works or services must be signed by the Secretary or her nominee.

5.7.3 Whenever possible and in any event for every Contract the value of which exceeds £25,000, Contracts must be in writing unless the Secretary or her nominee decides otherwise. Where these Standing Orders require that a Contract shall be in writing this will not be satisfied by the use of e-mail. This also applies to variations or extensions of existing Contracts. Exceptions to the requirement for Contracts to be in writing are:-

(i) where the relevant Management Board Attendee is satisfied that works must be executed, or supplied or services obtained as a matter of urgency following action under Standing Order 2.4.9 or in the case of an emergency in accordance with Standing Order 5.8.1(a) (v) or 5.8.1 (b) (ii); or

(ii) in the case of the purchase or sale of goods by auction.

5.7.4 Every written contract shall at the discretion of the Secretary be executed either under seal or signed. If signing is appropriate a Contract up to £25,000 in value or amount may be signed by the relevant Management Board Attendee, or the Secretary or her nominee. Contracts above £25,000 shall be signed by the Secretary or her nominee. All written contracts shall be supplied to the Secretary for keeping.

5.7.5 Every Contract in writing shall state clearly:-

(i) the parties to the Contract

(ii) the work, supplies or services to be provided or supplied

(iii) the price payable, having regard to discounts or other deductions and allowances

(iv) the payment intervals

(v) the time or times in which the Contract is to be performed and, where appropriate the amount of liquidated damages which may become due.

(vi) that the Contractor may not assign or sub-contract in whole or in part without the prior written consent of the Executive.
(vii) when the Executive has the right to terminate the Contract.

(viii) Such other terms as the Secretary or her nominee may require

5.7.6 In the case of Contracts for Works exceeding £200,000 in value, and for other types of Contracts where the Secretary deems it necessary, a performance bond, in an amount to be determined by the Chief Financial and Systems Officer after discussion with the Contract Officer, shall be provided by the Contractor unless the appropriate Management Board Attendee, having the approval of the Chief Financial and Systems Officer and the Secretary decides that such provision is not required.

5.7.7 In every written Contract a clause shall be inserted to secure that the Executive shall be entitled to cancel the Contract and to recover from the Contractor the amount of any loss resulting from such cancellation, if the Contractor shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to obtaining or the execution of the Contract or any other Contract with the Executive, or for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Executive, or if the like acts shall have been done by any person employed by him or acting on his behalf, whether with or without the knowledge of the Contractor, or if in relation to any Contract with the Executive the Contractor or any person employed by him or acting on his behalf shall in respect of the Contract have committed any offence under the Prevention of Corruption Acts 1889 to 1916, or any amendment of them, or shall have given any fee or reward the receipt of which is an offence under Sub-section 2 of Section 117 of the Local Government Act 1972.

5.8 Exceptions for Emergency Works, Services or Supplies

5.8.1 Nothing in these Standing Orders shall require Tenders or Quotations to be invited or obtained if:

(a) in the case of Contracts for supplies or services:

(i) the supplies or services are proprietary and, in the opinion of a Director, no reasonably satisfactory alternative is available; or

(ii) the supplies or services are obtained from or under Contracts which have been negotiated by a central or local government purchasing organisation or by or on behalf of any consortium, association or similar body of
which the Executive is a member and the Secretary is satisfied that the Executive's legal requirements have been satisfied; or

(iii) the price of the supplies or services are wholly controlled by trade organisation or government order and no reasonably satisfactory alternative is available.

(iv) The Executive takes advantage of a Contract awarded by another public authority that has been subject to competition and in case of a procurement above the EU Threshold an EU Procedure has been undertaken.

(v) the supplies or services are emergency supplies or services necessary to ensure
• the health and safety of authorised users or members of the public; or
• prevention of rapid and progressive deterioration; or
• the maintenance of essential services including damage caused by fire, subsidence, tempest, storm or flood

(vi) The services are essential bus services and section 91 of the Transport Act 1985 applies.

(b) **In the case of Contracts for works:**

(i) the works to be executed necessarily involve the use of a proprietary part repair or element; or

(ii) the works to be executed are emergency maintenance repairs to buildings or plant considered necessary to ensure:
• the health and safety of authorised users or members of the public; or
• prevention of rapid and progressive deterioration; or
• the maintenance of essential services, including damage caused by fire, subsidence, tempest, storm or flood.

A Director or the Secretary shall be authorised to order the necessary supplies, services, works or urgent Section 91 Transport Act 1985 services immediately subject to providing a
noting report to the next meeting of the Executive Board or Management Board as appropriate.

5.9. **Variation and Extensions of Existing Contracts**

5.9.1 Any variations to an existing Contract shall only be made where either there is no financial consequence arising from the variation, or, where there is a financial consequence the approval of either a Director, Management Board or Executive Board (as appropriate) has been obtained. In determining the appropriate forum to give such approval the provisions of Contract Standing Order 5.6.10 shall apply and the Contract value shall be the value of the Contract as originally awarded together with the value of any subsequent variations and the variation being considered.

5.9.2 Contract Standing Order 5.9.1 shall not apply where:-

i) including the value of the variation the Contract will still be completed within 110% of the Contract Value and the Management Board Attendee has budgetary provision;

ii) the variation is required to allow immediate action to prevent danger or damage to persons or property

5.9.3 When, prior to commencing a procurement process the Contract Officer contemplates that a Contract may be extended then the Estimated Contract Value shall be the estimated value of the extended Contract. In such cases the Contract conditions should allow for the Contract to be extended.

5.10 **Income Generating Contracts**

5.10.1 Any Contract to be awarded by the Executive which produces income for the Executive, shall so far as is reasonably practicable be awarded in accordance with these Standing Orders in order to demonstrate that the Executive has awarded the Contract to the person who submitted the highest/most Economically Advantageous Quotation or Tender.

5.11 **Contract Reporting**

5.11.1 It shall be the duty of the relevant Management Board Attendee to ensure that the Chief Financial & Systems Officer and the Secretary are provided with a completed return each time a contract for £25,000 or over is awarded. The return shall be completed within 2 weeks of the Contract award. The return shall be made on the form prescribed by the Secretary.

5.11.2 Based on the information provided by every Management Board Attendee the Chief Financial & Systems Officer and Secretary shall provide an annual report to the Management Board and Executive
Board summarising both the contracts entered into and the extent of the compliance with these Contract Standing Orders.

5.12 **Employment of Consultants**

5.12.1 The appointment of external consultants must, in addition to the requirement of this Standing Order 5.12, comply with the provisions of Section 5 of Standing Orders generally in respect of requesting and accepting a Tender or Quotation.

5.12.2 The Contract Officer responsible for engaging a consultant will:

(i) produce a project brief, prior to requesting a Tender or Quotation, identifying clearly the objectives and links to corporate objectives, the time-scales and the reporting procedure

(ii) monitor the progress of the consultancy

(iii) carry out a formal review of the consultant’s performance against the project brief.

5.12.3 The Chief Financial and Systems Officer will maintain a register of all ongoing consultancy work to assist in the monitoring of costs.

5.12.4 On the completion of the consultancy work, the value of which exceeds £25,000, a report shall be submitted to the Management Board which reports the results of the work and reviews the performance of the consultant against the Project Brief.
SECTION 6

HUMAN RESOURCE PROCEDURES

6.1 Control of Establishment

(a) The Human Resources Manager shall ensure that procedures exist for the control of establishment, grading of posts and implementation of a salary scale that ensures posts can be filled with staff of an appropriate calibre.

(b) Appointment of all Officers shall be made in accordance with the approved establishment, grades and rates of pay.

(c) Any major change in the organisation of any department shall be the subject of a recommendation from the Director General to the Executive Board.

6.2 Creation of New Posts

(a) New posts, including new Fixed Term Contract posts not on the establishment of the Executive shall be created only on the authority of the Human Resources and Standards Committee.

(b) In respect of a proposed new post the appropriate Member or attendee of Management Board shall submit a report to a meeting of the Human Resources and Standards Committee. This report shall include draft job descriptions in standard layout; the recommended job title and grading; the cost implications of the post; and the other options considered. The Human Resources Manager shall ensure that the job description, job title, and grading are consistent with the Executive’s standards.

6.3 Deletion of Existing Posts

(a) Posts shall be deleted from the establishment on the occasion of a restructuring, and a report to the Human Resources and Standards Committee from the appropriate Management Board Member or attendee shall identify the posts that are proposed to be deleted and the business reasons for so doing.

(b) Additionally, the Human Resources Manager shall delete a post that has remained vacant for six months from the establishment following consultation with the relevant Management Board Attendee, unless the Human Resources and Standards Committee authorise its retention.
6.4 Reporting on Establishment

The establishment together with a list of all temporary, fixed-term contract and supernumerary employees shall be reported to the Human Resources and Standards Committee on a monthly basis.

6.5 Appointment of Permanent and Fixed Term Staff

(a) Appointments can only be made to vacant posts in accordance with Executive procedures.

(b) The necessity to seek and make an appointment to an established post that becomes vacant shall be determined by the Line Manager with the approval of the appropriate Management Board Attendee.

(c) In all cases the procedures for advertising and preliminary selection shall be determined by the Human Resources Manager, in consultation with the Line Manager, having regard to the Executive’s Diversity Policy. The final decision on the selection of an appointee to an established post shall be the responsibility of the appropriate Line Manager.

(d) The Human Resources Manager shall send letters of appointment to both internal and external successful candidates. In general these will be standard letters that will identify the working arrangements and job grade. This grade level shall be determined by the Human Resources Manager in conjunction with the Line Manager upon offer of appointment to the successful candidate.

(e) No extension to any Fixed Term Contract posts shall be made without the express approval of the Human Resources and Standards Committee.

6.6 Engagement of Temporary Staff

(a) Temporary staff will not be engaged to cover for permanent/fixed-term contract staff on annual leave. They will however be permitted to cover for permanent/fixed-term contract staff on long-term sickness absence or maternity leave. For these purposes, long-term sickness is defined as a period in excess of three weeks. In exceptional circumstances and to cover sickness of less than three weeks temporary staff can be recruited with the approval of the Human Resources Manager and one other member of the Human Resources and Standards Committee.

(b) The engagement of temporary staff must be arranged by the Human Resources Manager in consultation with the appropriate Line Manager. The Human Resources Manager will maintain a register of all such appointments.
6.7 **Payment of Salaries and Pensions**

(a) The Human Resources Manager shall maintain proper records for each employee of the Executive containing details of appointment, employment, grade, rate of pay and such other personal details to identify the basis for payment to each employee.

(b) The Human Resources Manager shall notify the Chief Financial and Systems Officer as soon as possible and in such form as the Chief Financial and Systems Officer may approve of all matters affecting the payment of emoluments and in particular:

(i) appointments, resignations, dismissals, secondments and transfers;

(ii) changes in remuneration, normal increments and pay awards;

(iii) such other information as may be required to maintain records of service, pensions, income tax, National Insurance and the like.

(c) Timesheets and other records in a form and containing information required by the Chief Financial and Systems Officer for recording and payment of wages and salaries shall be certified in manuscript or other format approved by the Chief Financial and Systems Officer and forwarded to him by such dates as he may require. Certification of such documents shall be made by the appropriate Designated Officer.

(d) The processing for payment of all salaries, wages, pensions and other employees’ allowances and disbursements shall be under the control of the Chief Financial and Systems Officer and all records shall be in a form prescribed by him.

(e) The payment of all salaries, wages, pensions, compensation and other emoluments to employees or former employees of the Executive shall be made by the Chief Financial and Systems Officer or under arrangements approved by him.

6.8 **Terms and Conditions relating to Employees of the Executive**

In relation to the Terms and Conditions of Employment, these are set out by the Joint Negotiating Committee for Non-Manual Employees of the Passenger Transport Executive subsequently referred to as the Scheme of Salaries and Service. Additionally, there are local agreements negotiated with UNISON which supplement and extend these conditions.
6.9  **Changes to Contractual Terms and Conditions**

(a) Any change to the contractual terms and conditions attached to any post shall be authorised by the Human Resources and Standards Committee.

(b) All local agreements including pay agreements with trade unions shall be signed by a Director

6.10 **Regrading/Promotion**

Authorisation of permanent or temporary regradings/promotions shall be by the Human Resources and Standards Committee.

6.11 **Honouraria and Ex-Gratia Payments**

(a) Honouraria

In certain circumstances an honourarium may be a suitable method of rewarding an Officer who has managed an exceptional workload. All requests for an honourarium payment must be referred to the Human Resources and Standards Committee.

(b) Ex-gratia Payments

Ex-gratia payments shall only be made with the approval of the Human Resources and Standards Committee.

6.12 **Use of Official Vehicles**

(a) In the absence of approval by a Chief Officer the Executive’s vehicles shall only be used in connection with Executive business.

(b) Officers or Members using the Executive’s vehicles shall at all times comply with the Executive’s current policies and procedure for car use and shall take all reasonable measures to secure vehicles in order to guard against theft or damage.

6.13 **Health Screening**

All new appointments to the Executive’s permanent establishment are subject to health screening. Subsequently, any Officer or Director may be required to undergo medical examination from time to time as deemed necessary by the Executive. Any Officer or Director must disclose to their Line Manager as soon as is practicable any medical condition diagnosed in such examinations which is likely to inhibit significantly their ability to carry out their duties and responsibilities.
6.14 **Assault on Executive Officers**

(a) For the purposes of this Standing Order, “Assault” is any action by a person or persons which does cause or could have caused injury to an Officer or the Executive.

(Note: This Standing Order is not meant to inhibit the exercise by an Officer of any legal right they have).

(b) Officer’s Responsibilities

(i) All Officers must report any instance of Assault immediately to their Line Manager.

(ii) The Line Manager has a duty to assess the seriousness of the incident and then to decide what further action is required.

(iii) The Line Manager must issue a report of each incident to a Director and to the Health and Safety Manager where a log of such incidents will be maintained.

6.15 **Equal Opportunities**

The Executive is striving to be an Equal Opportunities employer. As such the Executive ensures that no applicant or Officer receives less favourable treatment on the grounds of sex, marital or family status, disability, age, race, colour, nationality, ethnic or national origins, sexual orientation, religion or any other reason which cannot be shown to be justifiable. The principle will apply to recruitment, promotion, learning and development procedures, Executive Policies, and all terms and conditions of employment.