

**SUPPLEMENTARY GUIDANCE: MANAGING PROCUREMENT AND CONFLICTS OF INTEREST**

**FOR THE ATTENTION OF: ALL BUDGET HOLDERS AND APPOINTED DEPUTIES**

**ISSUED BY: CHIEF EXECUTIVE IN ACCORDANCE WITH SECTION A2 OF THE FINANCIAL REGULATIONS**

1. Where the budget holder proposes to use a supplier that he/she is related to, then the instruction to supply goods/services or carry out work and the issuing of a purchase order must not come from the budget holder. The instruction to supply the goods/services or to do the work and the issuing of a purchase order must always come from and be signed by the Chief Executive (or, if he/she is unavailable, by one of his/her appointed deputies) beforehand and before any goods/services are supplied or work commences, in accordance with section 5.5 of the Schedule of Reserved Matters and section D10 of the Financial Regulations.
2. The budget holder will disclose the nature of this relationship to their Line Manager (or, if he/she is unavailable, his/her appointed deputy) who will then request the Chief Executive to issue the instruction to supply the goods/services or to do the work and sign the purchase order. If the Chief Executive is the budget holder's Line Manager, the budget holder will disclose the nature of this relationship to the Chief Executive directly and will request the Chief Executive to issue the instruction to supply the goods/services or to do the work and sign the purchase order. If the Chief Executive agrees he/she will sign the purchase order and the budget holder's Line Manager (or appointed deputy) will then issue the instruction along with the signed purchase order to the supplier. For the avoidance of doubt if the supplier is a company, corporate body, or partnership then the same will apply if the budget holder is related to any of its directors, partners, members, officers, employees, shareholders, guarantors or others with a controlling or beneficial interest in the supplier's business.
3. Where the budget holder proposes to use a supplier that he/she has a pecuniary interest in, or where the budget holder (or any other business that he/she is involved with) has/had/aspires to have a contractual relationship with, or where the budget holder might otherwise be conflicted, then the instruction to carry out work and the issuing of a purchase order must not come from the budget holder. The nature and extent of the interest must be disclosed to the budget holder's Line Manager (or, if he/she is unavailable, his/her appointed deputy), in accordance with section 2.5 of the Employees Code of Conduct and the Anti-Fraud & Corruption Policy, and crucially the instruction to supply the goods/services or to do the work and the issuing of a purchase order must always come from and be signed by the Chief Executive (or, if he/she is unavailable, by one of his/her appointed deputies) beforehand and before any goods/services are supplied or work commences, in accordance with section 5.6 of the Schedule of Reserved Matters and section D10 of the Financial Regulations.
4. The budget holder's Line Manager (or appointed deputy) will then advise the Chief Executive of the nature and extent of this disclosure and will request the Chief Executive to issue the instruction to supply the goods/services or to do the work and sign the purchase order. If the Chief Executive is the budget holder's Line Manager, the budget holder will advise the Chief Executive of the nature and extent of this disclosure directly and will request the Chief Executive to issue the instruction to supply the goods/services or to do the work and sign the purchase order. If the Chief Executive agrees he/she will sign the purchase order and the budget holder's

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Line Manager (or appointed deputy) will then issue the instruction along with the signed purchase order to the supplier.

5. When the supplier has supplied the goods/services or carried out the work as instructed in accordance with the Financial Regulations etc., the supplier will then submit their Invoice for payment. All Invoices must include the purchase order number that was issued to them at the time of the instruction (a valid purchase order number). If a supplier submits an Invoice without the valid purchase order number or attempts to get a purchase order issued retrospectively after goods/services have been supplied or work has been done, or the supplier has not supplied the goods/services or carried out the work that they were instructed to do at the agreed price/rate, the Invoice will not be approved for payment.
6. All supplier Invoices that include a valid purchase order number for goods/services supplied or work carried out as instructed at the agreed price/rate and in accordance with the Financial Regulations must then be signed and approved for payment by the authorizer(s) that issued the purchase order, as set out in section D11 of the Financial Regulations (approved Invoices). All approved Invoices will then be paid within 30 days of receipt, in accordance with the Financial Regulations.
7. If the budget holder receives a gift or hospitality from any of the Board's suppliers or contractors greater than or equal to the value of £30 (or any other amount as may be determined from time to time by the Board) they must disclose this to the Chief Executive, so that it can be recorded in the Register of Gifts and Hospitality, as required by section 2.3.1 of the Employees Code of Conduct, which is published each year on the Board's website.
8. If the budget holder is unsure about whether a conflict of interest exists, they should always seek clarification from their Line Manager or the Chief Executive before issuing any instruction to supply goods/services or to do work.
9. Failure to follow this Supplementary Guidance on Managing Procurement and Conflicts of Interest may lead to disciplinary action being taken against the budget holder and/or their Line Manager.

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