
Due Diligence Protocol

To: **Governance & Audit – 10th December 2014**

Main Portfolio Area: **Corporate**

By: **Interim Director of Corporate & Regulatory Services & Deputy 151 Officer**

Classification: **Unrestricted**

Ward: **All**

Summary: To present the new Due Diligence Protocol

For information

1.0 Introduction

1.1 The purpose of this paper is to codify processes around due diligence and this is captured in the new Due Diligence Protocol.

2.0 Background

2.1 Due diligence is firmly established as an element of corporate good governance and is an investigation of a business or person prior to signing a contract.

2.2 For the Council this contract can take a variety of forms, examples of these are a contract to provide services, an agreement in relation to a grant, a lease agreement or a joint venture/development partner agreement.

3.0 Current Position

3.1 Although the Council undertake due diligence, a formal protocol has not previously been produced to document this process.

3.2 The new Due Diligence Protocol is presented at **Annex 1**.

4.0 Corporate Implications

4.1 Financial

4.1.1 There are no direct financial implications; the approval of the protocol ensures that potential financial risks are considered prior to, during and after contract awards to avoid adverse impact on the Council's finances.

4.2 Legal

4.2.1 Section 151 of the 1972 Local Government Act requires a suitably qualified named officer to keep control of the Council's finances. For this Council, this is the Interim Director of Corporate & Regulatory Services (S151 Officer), Paul Cook, and this report is helping to carry out that function.

4.3 **Corporate**

4.3.1 Corporate priorities rely in part on the success of correct contract awards. The protocol assists the Council in managing risk associated with contracts.

4.4 **Equity and equalities**

4.4.1 There are no equity or equality issues arising from this report.

4.5 **Recommendations**

4.5.1 That Governance and Audit note the adoption of the Due Diligence Protocol.

Contact Officers:
Paul Cook, 01843 577617