



Police & Crime Commissioner and Chief Constable for Avon and Somerset

Joint Scheme of Governance

Delegations and Consents

Financial Regulations

Contractual Standing Orders

These arrangements shall take effect from 9th August 2019 until superseded by any subsequent scheme approved by the Police and Crime Commissioner and Chief Constable.

Approved by:

A handwritten signature in black ink that reads "Sue Mountstevens".

Sue Mountstevens – Police and Crime Commissioner for Avon and Somerset

Approved by:

A handwritten signature in blue ink that reads "Andy Marsh".

Andy Marsh – Chief Constable for Avon and Somerset

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Glossary

Term	Description
“The Act”	Police Reform and Social Responsibility Act 2011
“ASC”	Avon and Somerset Constabulary
“authorised officer”	Employees authorised by the Chief Constable
“best value for money”	The most cost effective means of meeting the need and takes account of whole life costs
“CC”	Chief Constable
“CC CFO”	CC’s Chief Finance Officer
“Chief Executive”	PCC’s Chief Executive and Monitoring Officer
“The Constabulary”	The Chief Constable of Avon and Somerset, police officers, police staff, police community support officers (PCSOs), special constabulary, volunteers and other members of the wider police family under his/her direction and control
“Contract”	Any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the Police and Crime Commissioner, the Constabulary or their affiliated bodies.
“DCC”	Deputy Chief Constable
“DPCC”	Deputy Police and Crime Commissioner for Avon and Somerset.
“HMRC”	Her Majesty’s Revenue and Customs
“HR”	Human Resources
“MTFP”	Medium Term Financial Plan
“NPCC”	National Police Chiefs Council
“OCC”	Office of the Chief Constable
“OPCC”	Office of the Police and Crime Commissioner
“Officer”	Includes a police officer, Statutory Officer, or a member of staff

Term	Description
“PCC”	Police and Crime Commissioner for Avon and Somerset
“PCC CFO”	PCC’s Chief Finance Officer
“Sensitive”	<p>Unusual or exceptional circumstances have arisen which should be deemed sensitive under the reasonable application of a risk assessment based on the PESTELO (Political, Economic, Social, Technological, Environmental, Legal, Organisational) method;</p> <p>And/or where an issue is reasonably likely to be of interest to the PCC because of public interest, media interest, profile in the region or impact on the reputation of the PCC or the Constabulary or impact on key partners;</p> <p>And/or where an issue is of strategic or policy interest to the PCC such as outsourcing, shared services, collaboration, deviation from national trends, public-private arrangements, areas of significance in the PCC's manifesto.</p>
“SLA”	Service Level Agreement
“STA”	Single Tender Action
“Statutory Officers”	The PCC, the CC, the Chief Executive, the PCC’s CFO and the CC’s CFO and the DCC
“SPR”	Strategic Policing Requirement – an obligation imposed by the Police Reform and Social Responsibility Act 2011, intended to help Police and Crime Commissioners (PCCs), their police forces and partner agencies to plan for, respond to and recover from threats that extend beyond their immediate communities. It sets out what resources police forces need in order to respond effectively to national situations.
“SPS”	Strategic Procurement Services
“Statutory Officers”	The PCC’s Chief Executive, the PCC’s CFO and the CC’s CFO
“TMPs”	Treasury Management Practices
“TMSS”	Treasury Management Strategy Statement

1 Introduction

- 1.1 The Police Reform and Social Responsibility Act 2011 ("the Act") established the corporation sole Police and Crime Commissioner (PCC).
- 1.2 The Scheme of Governance has been prepared in accordance with the requirements of the Home Office Code of Practice on Financial Management, which is made under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39A of the Police Act 1996.
- 1.3 The PCC has a number of statutory responsibilities which he/she will either discharge directly or via delegated responsibilities as outlined in the Scheme of Delegations ('this Scheme'). This Scheme does not identify all the statutory duties which are contained in specific laws and regulations.
- 1.4 The PCC has wider responsibilities than those solely relating to the Constabulary and they are referred to in the Financial Regulations.
- 1.5 Both the PCC and Chief Constable are separate legal entities known as corporations sole.
- 1.6 The PCC must not restrict the operational independence of the Constabulary and the Chief Constable who leads it but the PCC and Chief Constable must work together in ensuring that the PCC is not fettered in fulfilling their statutory role. The concept of operational independence is not defined by statute and as stated by HMICFRS is by its nature fluid and context driven.
- 1.7 The Scheme of Governance does not impinge on the common law legal authority of the office of constable, nor the duty of constables to maintain the Queen's peace without fear or favour. The office of constable shall not be open to improper political interference.
- 1.8 The primary purpose of the Scheme of Governance is to:-
 - Set out the respective roles of the PCC and Chief Constable;
 - Set out the common understanding and agreed ways in which certain functions will be governed and managed to enable proper and effective management of the Constabulary
 - Set out the delegations by the PCC and the CC to give effect to that common understanding
 - Incorporate Financial Regulations and Standing Orders relating to contracts.

2 Scheme of Delegation and Consents

INTRODUCTION

- 2.1. This Scheme includes, but is not limited to, formal delegations by the PCC and the Chief Constable. It also includes activities where the Chief Constable acts in his own right and/or pursuant to the duty to exercise his powers of direction and control in such a way as is reasonable to assist the PCC to exercise her functions.
- 2.2. Under the provisions of the Act, the PCC cannot delegate a function to a 'constable' including the Chief Constable or any member of staff employed by him. She may however delegate powers to make arrangements that enable her to carry out her functions, for example incidental powers such as entering into contracts, borrowing money¹.
- 2.3. This Scheme provides a framework to ensure that business is carried out efficiently, ensuring that decisions are not unnecessarily delayed. It is a record of how business will be conducted by delegations and otherwise in accordance with the Act.
- 2.4. This Scheme is intended to set out all significant powers and functions. It does not define how decisions should be taken nor does it attempt to list all matters which are incidental to the exercise of those responsibilities and which are part of the everyday management activities of the PCC and Chief Constable.
- 2.5. This Scheme is without prejudice to, and does not in any way affect, the PCC's or the Chief Constable's powers to make specific delegations from time to time, of which a formal record will be kept.
- 2.6. The PCC and CC may limit the delegations and/or remove delegations previously given.
- 2.7. The Scheme of Governance allows any person to whom a power has been delegated to sub delegate that power to a member of staff of either the PCC or the Chief Constable.
- 2.8. The PCC and CC may set out reporting arrangements on the exercise of any delegated functions.
- 2.9. To enable the PCC to exercise the functions of her office effectively the OPCC will need access to information, and officers and staff within the Constabulary. This access must not be unreasonably withheld or obstructed by the Chief Constable, or restrict the Chief Constable's direction and control of the Constabulary.
- 2.10. Nothing in this Scheme constrains the PCC's power to require the Chief Constable to submit "a report on such matters as may be specified in the requirement, being matters connected with the policing of the area for which the Constabulary is maintained", as provided by section 22 (3) of the Police Act 1996.
- 2.11. The PCC may not delegate under sections 18 (3) and sections 18 (7) of the Act, as follows:
 - Issuing a Police and Crime Plan;
 - Determining police and crime objectives;

¹ PRSR Act 2011, Schedule 1, Para 14

- Attendance at a meeting of the Police and Crime Panel (PCP);
 - Preparing an annual report to the PCP;
 - Appointing the Chief Constable, suspending the Chief Constable or calling upon the Chief Constable to retire or resign;
 - Setting a council tax or budget requirement.
- 2.12. The PCC is held to account by the Avon & Somerset PCP. This consists of local Council members and Independent members. The Panel scrutinises the decisions of the PCC and is intended as a check and balance on the PCC, rather than the Chief Constable.
- 2.13. The persons appointed as the PCC's Chief Executive (who is also the Monitoring Officer), the PCC's Chief Finance Officer, and the Chief Constable's Chief Finance Officer (collectively 'the statutory officers') have statutory powers and duties inherent to their positions, and do not rely on matters being delegated to them when exercising those functions.
- 2.14. Where the PCC has appointed a Deputy Police and Crime Commissioner (DPCC) to exercise the functions of the PCC, save for those functions referred to in paragraph 2.11 that cannot be delegated, the Scheme sets out those functions and decisions for which the PCC has given the DPCC delegated responsibility.

GENERAL PRINCIPLES OF DELEGATION

- 2.15. The PCC and Chief Constable expect anyone exercising delegated powers under this Scheme to draw to the attention of the Office of PCC and/or the appropriate Chief Officer of the Constabulary any item or issue involving the exercise of those powers where the circumstances would be likely to be regarded by the PCC as 'Sensitive'. 'Sensitive' items or issues are any defined in the Glossary herein.
- 2.16. In addition, the PCC is ultimately accountable for the Police Fund. Any financial liability affecting the Police Fund that the PCC might reasonably regard as Sensitive should be subject of discussion with the PCC's office.
- 2.17. This Scheme does not attempt to list all matters which form part of everyday management responsibilities.
- 2.18. Giving delegation to officers under this Scheme does not prevent an officer from referring the matter back to the PCC or Chief Constable for a decision if the officer thinks this is appropriate (for example, because of Sensitive issues or any matter which may have a significant financial implication).
- 2.19. When a Statutory Officer is considering a matter that is within another Statutory Officer's area of responsibility, they should consult each other before authorising the action.
- 2.20. In this document, reference made to the Statutory Officers include officers authorised by them to act on their behalf.
- 2.21. The Statutory Officers are responsible for ensuring that members of staff they supervise know about the provisions and obligations of this Scheme of Governance.
- 2.22. This Scheme provides an officer with the legal power to carry out duties

of the PCC. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including but not limited to:

- Police and Social Responsibility Act 2011 and other relevant legislation and amendments issued under this Act;
- Policing Protocol Order 2011 and as amended;
- Financial Regulations;
- Home Office Financial Management Code of Practice;
- CIPFA guidance and statement on the role of the Chief Finance Officer in public service organisations;
- Contract Regulations;
- The Commissioner's Corporate Governance framework;
- The PCC's and Constabulary employment policies and procedures;
- The Data Protection Act 2018 and the Freedom of Information Act 2000;
- Health and safety at work legislation and codes.

2.23. When carrying out any duties, as a minimum, regard must be had to the following:

- The views of the people in Avon and Somerset;
- Any report or recommendation made by the Police and Crime Panel on the annual report for the previous financial year.
- The Police and Crime Plan and any guidance issued by the Secretary of State.

2.24. The PCC may not delegate to any person, save a Deputy Police and Crime Commissioner, certain functions specified in sections 18 (7) (b), (c), or (d) of the Act, as follows:

- Determining police and crime objectives;
- Attendance at a meeting of the Police and Crime Panel (PCP);
- Preparing an annual report to the PCP.

KEY ROLES AND FUNCTIONS OF THE PCC AND THE PCC'S OFFICERS

The Police and Crime Commissioner (PCC)

2.25. The PCC's functions are set out in statute and subordinate legislation.

2.26. The key powers and duties of the PCC are set out in para 17 Policing Protocol Order 2011, clause 17 (and as amended from time to time) as follows:

- Set the strategic direction and objectives of Avon & Somerset Constabulary (ASC) through the Police and Crime Plan (the Plan), which must have regard to the strategic policing requirements set by the Home Secretary;
- Scrutinise, support and challenge the overall performance of ASC including against the priorities agreed within the Plan;
- Hold the Chief Constable to account for the performance of ASC's officers and

staff, the exercise of the functions of the office of Chief Constable and the functions of persons under the Chief Constable's direction and control

- Approve the medium term financial plan and approve the annual budget, allocating to the Chief Constable annual revenue funds and capital funding allocations subject always to approval of capital spending business cases set the council tax precept for the area covered by the PCC;
- Appoint and remove the Chief Constable;
- Maintain an efficient and effective police service for the area;
- Enter into collaboration agreements with other PCC's, other policing bodies and partners that improve the efficiency or effectiveness of policing for one or more policing bodies or police Constabulary in consultation with the Chief Constable (where this relates to the functions of the Constabulary then it must be with the agreement of the Chief Constable);
- Provide the local link between the police and communities;
- Publish information as specified by the Secretary of State and information that the PCC considers necessary to enable the people who live in the Constabulary area to assess the performance of the PCC and Chief Constable;
- Comply with all reasonable requests from the PCP to attend their meetings;
- Prepare and issue an annual report to the PCP;
- Monitor all complaints against officers and staff;
- Make crime and disorder reduction grants;
- Maintain an effective 'independent custody visiting scheme' for monitoring facilities for people being held in custody.

2.27. The PCC is a corporation sole and is the legal contracting body who owns all the assets and liabilities of Avon and Somerset Constabulary with the responsibility for the financial administration of their office and for approving the overall financial policy framework and budget.

2.28. The PCC will receive all funding relating to policing and crime reduction, including the government grant and precept, and other sources of income. These identified funds are to be allocated in accordance with any grant terms, and on the basis set out in the Plan.

2.29. The arrangements by which these funds are managed on a day to day basis are set out in the financial regulations, thereby aiding the PCC to hold the Chief Constable to account.

2.30. The PCC will be responsible for handling complaints and conduct matters in relation to the Chief Constable, and complying with the requirements of the Independent Office for Police Conduct.

2.31. In relation to complaints, the PCC may issue directions to the Chief Constable in accordance with Schedule 14 of the Act.

2.32. Under the provisions of Schedule 1 of the Act, the PCC may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the PCC.

2.33. Subject to the restrictions imposed by section 18 (3) of the Act the PCC

may delegate her functions to any person. There is no restriction on delegation of her powers.

Functions delegated to the Deputy Police and Crime Commissioner (DPCC), if appointed, and to the Chief Executive

- 2.34. The PCC may appoint a Deputy Police and Crime Commissioner (DPCC) to exercise any function save those listed in clause above.
- 2.35. Prior to or in the absence of the appointment of a DPCC in the absence (leave or illness) of the PCC, the PCC delegates to the Chief Executive the exercise of any of their functions with the exception of those that cannot be delegated contained in this Scheme.
- 2.36. In their absence (leave or illness) the DPCC delegates to the Chief Executive the exercise of their functions with the exception of those that cannot be delegated and set out in this Scheme.

Functions delegated to the Chief Executive Officer of the Police and Crime Commissioner

- 2.37. The Chief Executive is appointed by the PCC as the head of the PCC's staff, and the Monitoring Officer.
- 2.38. They have a statutory function to act as 'monitoring officer' under section 5(1) of the Local Government and Housing Act 1989 and must report to the PCC with a copy to the Police and Crime Panel if it appears that any proposal, decision or failure within the OPCC constitutes, has given rise to, or is likely to break the law or a code of practice. They will work with the PCC to deliver the PCC's vision, strategy and identified priorities and will ensure the OPCC is led effectively and efficiently through ongoing management and public involvement.
- 2.39. The formal delegations listed below and those in accordance with 2.34 – 2.36 above, are those given to the Chief Executive, which are in effect at the time of the publication of the scheme:-
 - General:-
 - To co-ordinate the production of the police and crime plan for submission to the PCC;
 - To prepare an annual report for submission to the PCC;
 - To provide information to the PCP, as reasonably required to enable the panel to carry out its functions;
 - To sign contracts on behalf of the PCC (and DPCC if appointed) in accordance with Financial Regulations;
 - To consider whether, in consultation with the PCC CFO, to provide indemnity to the PCC (and DPCC if appointed) in accordance with the Local Authorities (indemnities for Members and Officers) Order 2004 and to deal with or make provision to deal with other matters arising from any proceedings relating to them;
 - To consider and approve, in consultation with the PCC CFO, provision of indemnity and/or insurance to individual staff of the PCC in accordance with the Local Authorities (indemnities for Members and Officer) Order 2004.

- Financial:-
 - The financial management responsibilities of the Chief Executive are set out in the Financial Regulations;
 - Together with the PCC CFO, to manage the budget of the OPCC, particularly to:-
 - Order goods and services and spend on items provided for in the revenue budget; and
 - Ask for adequate quotations and tenders for goods and services provided for in the revenue budget.
- Human Resources:-
 - To appoint and dismiss, in consultation with the PCC, OPCC staff;
 - To make recommendations to the PCC with regard to staff terms and conditions of service, in consultation with the PCC CFO;
 - To undertake the management of OPCC staffing resources in line with agreed policies and procedures;
- 2.40. Management (including settlement) of employment tribunal cases and grievances of OPCC staff provided that those cases are not considered to be exceptional because:-
 - they involve a high profile claimant;
 - there is particular public interest in the case;
 - there is a real risk that the PCC will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed;
 - To appoint independent custody visitors and terminate appointments if necessary;
 - To appoint, manage and terminate appointments of such other volunteers as may be required by the PCC.
- Other:-
 - To approve, or affix the common seal of the PCC if required, all contracts and agreements:-
 - in respect of which there is no consideration;
 - that are £500,000 or above in value over the life of the contract;
 - which grant or convey any interest in land or property;
 - which are grants that are £10,000 of above; and
 - when it is determined by the PCC (or DPCC if appointed) there is a particular need for the seal to be attached.

These approvals and affixing of the common seal of the PCC may also be completed by the PCC CFO.
 - Obtain legal or other expert advice and to instruct legal professionals whenever this is considered to be in the PCC's best interests and for his/her benefit;

- Make arrangements to institute, defend or participate in any legal proceedings in any case where such action is necessary;
- To consider, with the PCC, any complaint made against the Chief Constable, and where appropriate, to make arrangements for appointing an officer to investigate the complaint;
- To respond to consultations on proposals affecting the PCC, if necessary, after first taking the views of the PCC, the PCC CFO or the Chief Constable, as appropriate;
- To make sure, in consultation with the Chief Constable, appropriate arrangements are made to gather the community's views on the policing of Avon and Somerset.

Functions delegated to the PCC's Chief Finance Officer (PCC CFO)

- 2.41. The PCC CFO has a statutory responsibility to manage financial affairs as set out in sections 112 and 114 of the Local Government Act 1988, and the Accounts and Audit Regulations (as amended from time to time).
- 2.42. The financial management responsibilities of the PCC CFO are set out in detail in the Financial Regulations.

KEY ROLES AND FUNCTIONS OF THE CC AND THE CC'S OFFICERS

The Chief Constable (CC)

- 2.43. The CC is responsible for maintaining the Queen's Peace and enforcing the law. In fulfilling these responsibilities the CC has direction and control of the Constabulary's officers and staff.
- 2.44. The CC is accountable for the exercise of police powers to the PCC for the delivery of efficient and effective policing, delivery of the PCC's police and crime plan, and for the management of resources and expenditure delegated to the Constabulary.
- 2.45. The Chief Constable discharges the functions in performance of his roles through his direction and control of police constables and police staff.
- Section 2 of Police Reform and Social Responsibility Act 2011 requires the Chief Constable to exercise his powers of direction and control in such a way as is reasonable to assist the PCC to exercise PCC's functions.
 - He also has additional powers provided by paragraph 7(1) of Schedule 2 of the Act to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of Chief Constable.
 - This Scheme includes the ways in which the Chief Constable will exercise his powers and functions to assist the PCC in the discharge of her functions.
 - The PCC has also delegated her additional powers provided by paragraph 14 of Schedule 1 of the Act to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the PCC.
- 2.46. The CC's functions are:-
- To lead the Constabulary in a way that is consistent with the attestation made by all constables on appointment and ensuring that it acts impartially;

- To support the PCC in the delivery of the strategy, priorities and objectives set out in the Police and Crime Plan; the Constabulary has its own Mission, Vision, Values and Strategic Objectives that have been set to help deliver the Police and Crime Plan;
- To provide the PCC with access to information, officers and staff as reasonably required;
- To have regard to the Strategic Policing Requirement (SPR) when exercising and planning their policing functions in respect of their Constabulary's national and international policing responsibilities;
- To notify and brief the PCC on any matter or investigation on which the Chief Constable considers public assurance needs to be provided (all PCC's will be designated as Crown Servants under the Official Secrets Act 1989 making them subject to the same provisions in relation to sensitive material as Government Ministers);
- To be the operational voice of policing in the Constabulary area, regularly explaining to the public the operational actions of officers and staff under their command;
- To enter into collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency or effectiveness of policing, and with the agreement of their respective policing bodies;
- To remain politically independent;
- To manage all complaints against the Constabulary, its officers and staff, except in relation to the Chief Constable, and to ensure that the PCC is kept informed to enable him/her to discharge their statutory obligations in relation to complaints in a regular meaningful and timely fashion. Serious complaints and conduct matters must be passed to the Independent Office for Police Conduct;
- To authorise, in line with police staff conditions of service, the suspension or dismissal of any staff employed by the Chief Constable;
- To exercise the power of direction and control in such a way that the PCC will be able to access all necessary information and staff within the Constabulary;
- To appoint a Chief Financial Officer (OCC CFO);
- To assist the PCC in exercising her function in maintaining an effective and efficient police service for the area by managing the day to day business of the Constabulary;
- To assist the PCC in the effective management of OPCC by entering into appropriate Service Level Agreements (SLA's) to support the operation of the OPCC;
- Under the provisions of Schedule 2 of the Act the Chief Constable may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of Chief Constable.
- To do anything which is calculated to facilitate the exercise of the functions of PCC.

Functions delegated to the CC's Chief Officer – Finance, Resources and Innovation

2.47. The CC's CFO has a statutory responsibility to manage financial affairs as set out in sections 112 and 114 of the Local Government Act 1988, and the Accounts and Audit Regulations (as amended from time to time).

2.48. The CC's Chief Officer – Finance, Resources and Innovations functions are:-

- **Financial** - To undertake the financial management responsibilities of the Constabulary, as set out in the Financial Regulations;
- **Procurement** - To undertake the day to day management of the procurement function in accordance with the standing orders relating to contracts;
- **Property** - To undertake management of the property function subject to the provisions of Financial Regulations;
- **Other**
 - To sign all contracts on behalf of the PCC, subject to Financial Regulations, once they have been properly approved, except those which are required to be executed under the authority or common seal of the PCC.
 - To exercise the powers and duties of the Police (Property) Regulations 1997 by:
 - authorising, where appropriate, requests to donate unclaimed lost property to charity; and
 - approving the keeping of unclaimed lost property if it can be put to good use for police purposes.

Functions delegated to the CC's Director of People and Organisational Development

2.49. The CC's Director of People and Organisational Development functions are:-

- To manage, as far as is allowed by government directives, the numbers, locations, ranks and grading of police staff and police officers within the overall workforce budget approved by the PCC (subject to consultation with the PCC for posts within the Chief Officer Group of the Constabulary);
- To appoint officers and staff (after consultation with the PCC on posts above the rank of Chief Superintendent and police staff equivalent);
- To approve the retirement, in the interests of the efficiency of the service, of employees and to report to the PCC on this issue each year;
- To approve the appointment or secondment of police officers for central services or overseas duty;
- In line with the terms of any approval given by the Secretary of State, to grant leave with pay, and the payment of appropriate fees and charges, for police officers chosen to take degree courses at university;
- To bring national agreements or salaries, wages and conditions into effect subject to those issues which are Sensitive or have major financial implications will be the subject of discussion with the PCC;
- To approve payments under any bonus or performance-related payment schemes approved by the PCC, honoraria payments made for taking on extra

duties and responsibilities, or similar special payments, subject to all payments relating to the Chief Constable's Review/Bonus Scheme can only be approved by the PCC;

- To negotiate with, and reach agreements with, recognised trade unions and staff associations on any matters that can be decided locally subject to those agreements being reported to the PCC;
- If the PCC Chief Executive agrees, to issue certificates staff have asked for to make them exempt from political restrictions;
- To administer the powers and duties conferred on the Chief Constable as the 'police pension authority' referred to in Police Regulations 2003 as amended and Police Pension Regulations as amended including:-
 - To approve the retirement of police officers and police staff up to and including the rank of Chief Superintendent on the grounds of ill health or other grounds, and the payment of ordinary and ill-health pensions and other payments, as appropriate, following advice from the Force Medical Advisor or a medical practitioner, subject to consultation with the PCC on the retirement of the Deputy Chief Constable, Assistant Chief Constables and staff equivalent and report to the PCC on all ill-health retirements;
 - To process all appeals made by police officers retired due to ill health, and to implement the subsequent awards made, in line with the appropriate Regulations.
 - To settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.

Functions delegated to the CC's Director of Legal Services

2.50. The CC's Director of Legal Services functions are:-

- To manage (including financial settlement) all claims for civil liabilities, whether insured or otherwise, arising from the office of Chief Constable, civil wrongs committed by police officers, claims made by all employees of the Chief Constable and all claims arising from the actions of such staff, the occupation of premises and the use of all assets and equipment by the Constabulary subject always to the following:-
 - Consultation with the PCC CFO on any cases which may have a significant impact on the Police Fund and for which budgetary provision had not been provided and which is outside or above the financial limits of any insurance;
 - Regular reporting to the PCC upon the conduct of civil claims, any trends and risk management steps being taken to reduce or minimise liabilities;
 - Notification to OPCC of any claims received which may be considered high risk by reason of:-
 - Significant financial claim i.e. above £50,000;
 - High personal impact - significant credibility issues of police officer or senior manager;

- High levels or prolonged media or social media coverage ;
 - Possible reputational risk to the PCC;
 - Complex and novel legal issues
 - Significant effect on national or the Constabulary's policing policy or procedure
 - High profile claimant/defendant
 - Major public protection issues
 - High community impact
- Approve all requests for financial assistance, in line with Home Office advice and after consultation with the PCC Chief Executive, to officers, members of the special constabulary and police staff involved in legal proceedings taken by or against them, as long as they act in good faith and exercise reasonable judgement in performing their police duties;
 - Institute, defend or participate in legal actions, subject to the rules set out above, to protect the interests of the Chief Constable and the OPCC;
 - To provide advice to officers and staff and to make civil applications in the Magistrates Courts to further the Police and Crime Plan objectives to protect the vulnerable. To report to the OPCC in relation to the number of orders secured and nature of the orders to demonstrate effectiveness;
 - Provide advice, institute and defend legal proceedings on behalf of the PCC when requested to do so subject to there being no identified conflict of interest between the Chief Constable and PCC.

URGENT MATTERS

- 2.51. If any matter which would normally be decided by the PCC (or DPCC) arises and cannot be delayed, the matter may be decided by the appropriate Statutory Officer in consultation with the Chief Constable.
- 2.52. The appropriate statutory officers authorised to decide urgent matters are:
- The Chief Executive (all issues);
 - The PCC Chief Finance Officer (financial and related issues);
 - The OCC Chief Finance Officer – finance, resources and innovation (financial issues relating to the Constabulary).
 - The OCC Director of People and Organisational Development – issues relating to OCC personnel matters
- 2.53. Urgent decisions must be reported to the PCC as soon as practicably possible.

3 Service Level Agreement

PURPOSE OF AGREEMENT

3.1 The PCC requires additional services to supplement the core office of staff (OPCC) which the Chief Constable agrees to provide pursuant to his obligations of assistance and in furtherance of the PCC and Chief Constable's joint vision of working together in partnership without compromise to the PCC's power and duty to hold the Chief Constable to account for the performance of the force's officers and staff.

OVERRIDING PRINCIPLES

- The provision and receipt of services will reflect the PCC and Chief Constable's commitment to working together in the spirit of partnership;
- The Chief Constable will provide to the PCC sufficient, timely, continuing support to allow the OPCC to function and carry out its duties and priorities to a reasonable timescale that meets the deadlines and priorities of the PCC and needs of the public;
- Services will be delivered to such a standard by appropriately trained and/or qualified staff as would reasonably be expected to enable the OPCC to operate as required by the PCC;
- The OPCC will make all reasonable efforts to ensure that requests for services are made clearly and sufficiently in advance to allow adequate time to provide an effective service.

SERVICES TO BE PROVIDED

3.2. These are as stated and described in the attached business area specifications. Any additional services or amendments to the attached specifications may be agreed between the PCC CFO and OCC CFO from time to time and will form part of this Agreement.

REVIEW

3.3. These arrangements shall be reviewed from time to time by the PCC's Chief Financial Officer (PCC CFO) and the CC's Chief Financial Officer (OCC CFO) of the delivery of the services which shall include the sufficiency and quality of provision in each business area. In the event that sufficiency and quality of provision in any business area, including timeliness, is agreed to be due to inadequacy of resources the PCC CFO and OCC CFO may agree a recommendation to the PCC to adjust the budget allocated to business areas.

RESOURCES

3.4. The services will be provided from the existing budgetary provision allocated by

the PCC to the Chief Constable unless provision of the services require third party expenditure by the Chief Constable. Such third party expenditure will be subject to agreement by the PCC CFO and unless otherwise agreed by the OCC CFO met by the OPCC.

DISPUTE RESOLUTION

- 3.5. Any dispute concerning the provision of services, other than any relating to performance, that cannot be resolved between the OPCC and OCC staff concerned shall be settled by the PCC CFO and OCC CFO.
- 3.6. In the event that the PCC CFO and OCC CFO cannot reach agreement on resolution the dispute will be escalated to the PCC Chief Executive and the Deputy Chief Constable for resolution.
- 3.7. Any dispute or other concerns relating to performance that cannot be resolved between the OPCC and OCC staff concerned shall be escalated to the PCC Chief Executive and the Deputy Chief Constable and ultimately to the PCC and CC as appropriate.

TERMINATION

- 3.8. This Agreement may be terminated forthwith by agreement between the PCC and CC or unilaterally by the PCC giving 3 months' notice to the CC of withdrawal from all or any part of the Agreement in any relevant business area.

INCORPORATION INTO SCHEME OF GOVERNANCE

- 3.9. The Service Level Agreement (SLA) is incorporated into the Scheme of Governance.

4 SLA – Business Area Specifications

INTRODUCTION

4.1 These business areas specifications are in accordance with the Service Level Agreement (“SLA”) between the Chief Constable of Avon and Somerset (“OCC”) and the Police and Crime Commissioner for Avon and Somerset and her officer (“OPCC”) and subject to the overriding principles set out in that SLA.

JOINT PLANNING

4.2 Wherever possible the OPCC and OCC will seek to align their planning cycles and endeavour to have joint forward planning and establish a shared understanding of likely demand on resources.

CONSULTATION, PUBLIC AND PARTNER WORKING

4.3 The OCC will consult with the OPCC on plans for consultation, engagement activity, public and partner working.

- **Consultation and Engagement** - OCC to provide OPCC with support for OPCC public consultation and engagement to meet statutory duties and additional commitments of the PCC and Police & Crime Panel to include preparation, attendance at events and analysis of feedback;
- **Public Involvement** - OCC to undertake reviews of such public involvement schemes (including but not limited to Neighbourhood Watch, Partners and Communities Together (PACT), Have Your Say, Community Speedwatch) where the OPCC has a valid reason or evidence to be concerned about their performance, effectiveness or of the level of support provided to such schemes.
- **Understanding Communities** - OCC to provide OPCC with access to their appropriate data, databases and systems as required by the OPCC to enable the OPCC to have the appropriate understanding of this information concerning communities across Avon and Somerset.
- **Partnership Working** - OCC to provide sufficient and timely support and access to data and staff resources in order to enable the OPCC to be effective in meetings with key partners and with the public and to meet statutory requirements and commitments of the PCC.
- **Commissioning** –
 - OCC to provide OPCC with support for OPCC Commissioning and grant giving to meet statutory duties, timescales and additional commitments of the PCC and Police & Crime Panel.
 - OCC to provide a nominated procurement lead to support OPCC Commissioning work and regular strategic procurement advice.

STRATEGIC PLANNING, PERFORMANCE, AUDIT, INSPECTION AND STANDARDS

4.4 Strategic Planning:-

- OCC to provide sufficient and timely support and access to data and staff resources to the OPCC to enable the OPCC to complete their Police and Crime Needs Assessment to meet statutory and PCC and Police & Crime Panel timescales and requirements.
- OCC to agree an annual delivery plan with the OPCC for the work needed to complete strategic planning activities. This annual plan will set out in more detail the activities and resources required to meet this business area specification for any given year. The plan will be prepared in time to meet the PCC's strategic planning timescales.
- Unless otherwise agreed an assurance plan will be agreed by the Deputy Chief Constable (DCC) and OPCC CEO. The PCC and OPCC will review progress against the assurance plan at Police & Crime Board meetings.
- OCC to provide sufficient and timely support and access to data and staff resources to the OPCC to enable the OPCC to complete the Force and Local area Police and Crime Plans to meet statutory and PCC and Police & Crime Panel timescales and requirements.

4.5 Performance:-

- OCC to provide sufficient and timely support and access to data and staff resources to the OPCC to enable the OPCC to monitor and analyse and understand performance outcomes, communicate performance results and messages to local people, set out performance aspirations and answer ad hoc queries from time to time to meet statutory and PCC and Police & Crime Panel timescales and requirements.

4.6 Audit, inspections and standards:-

- OCC to provide sufficient and timely support and access to data and staff resources to the OPCC to enable the OPCC to meet any statutory responsibilities regarding oversight and governance of professional standards and the needs of any inspections including from a PCC's volunteers panel or equivalent.
- OCC to provide sufficient and timely support and access to data and staff resources to the OPCC to meet the needs of inspection bodies and of the Joint Audit Committee and internal and external auditors and coordinate the management of inspections and analysis of findings so that the PCC and OPCC can meet any statutory, regulatory, audit and Joint Audit Committee and PCC and Police & Crime Panel timescales and requirements.

4.7 General support, HR and financial services to be provided for the benefit of the OPCC by the OCC:-

- The OCC will provide to the OPCC sufficient, timely, on-going support as required by the OPCC for Financial, HR, Vetting, Payroll, Pensions, Legal, ICT, Estates, Fleet, Procurement, Corporate Information Management, Data Protection, General Office, Corporate Support and other support services as needed to allow the OPCC to function and carry out its duties and priorities to a reasonable timescale that meets the deadlines and priorities of the PCC and

needs of the public without the OPCC needing to hire additional such resources into the OPCC team or procure additional such services from third party providers.

- The OCC will manage services delivered to the OPCC via any outsourced enabling services contracts including contract delivery and provision of services as required to the OPCC that fall under such arrangements.
- The OCC will provide to the OPCC sufficient, timely, on-going support and access to data and staff resources as required by the OPCC for HR advisory to allow the OPCC to function and carry out its duties as an employer and meet the needs of the OPCC without needing to hire additional such resources into the OPCC team or procure additional such services from third party providers.

4.8 Corporate Communications:-

- A more detailed Business area specification has been developed by the heads of Corporate Communications for the OPCC and OCC given the importance and sensitivity of this area and its nature being governed by responding to events as they happen as well as planned proactive activity.
- In terms of workloads and teams the majority of the resource is with the OCC with the OPCC having a smaller team. The OCC team is therefore a critical resource for the OPCC to meet the requirements of the PCC. While retaining two units it will be necessary for the OPCC to call on the resources of Corporate Communications. This includes day-to-day tasking to avoid duplication of work and support at peak demands.
- For both teams to work much more closely together three clear principles for the approach have been developed:
 - A joint pro-active campaigning strategy including:
 - Joint forward plan updated weekly and covering a rolling 12 month period;
 - Proactive marketing campaign plans for each of the PCC's priority areas; and
 - Timely delivery of joint campaigns.
 - Reactive strategy led by Corporate Communications with dynamic briefing of the PCC and a 'no surprises' policy:
 - Adhering to Critical Incidents protocol; and
 - Advance warning to the PCC/OPCC at the earliest opportunity of any issues of reputational risk or high profile (national/ broadcast) media interest.
 - Resourcing and Support, as outlined below.

4.9 Media Relations Support:-

- OCC communications will ensure the PCC is fully supported at all times by providing a dedicated media officer trained and familiar with OPCC systems (website, social media etc) and style to cover periods of absence/holidays or

peaks. Where possible this should be the same person.

- OCC team will provide written briefings when required by the PCC for example ahead of media items and/or visits.
- OCC Corporate Communications and OPCC Communications will support each other in responding to media enquiries and taking calls at times of peak demand or absence subject to availability.
- OCC Corporate Communications and OPCC Communications will work together to provide media/communications training to internal stakeholders.
- OCC media monitoring will cover OCC and OPCC coverage and be circulated to the OPCC daily.

4.10 Marketing support:-

- The heads of OPCC and OCC communications will jointly develop and drive forward proactive communications plans and integrated marketing campaigns to support the PCC's priorities.
- OCC Corporate Communications will provide marketing and communications support and advice for PCC partnership activities, where relevant, such as rural crime or business forum audiences.
- OCC Corporate Communications will provide support for PCC engagement events, where capacity allows, joint PCC/OCC events, and PCC PR events such as Forums, Roundtables and Awards.
- OCC Corporate Communications will provide editing support for print and online materials (such as Police and Crime Plans).
- The heads of OPCC and OCC communications will jointly provide regular monitoring and evaluation reports for all communications activities, including media.
- The OPCC and OCC communications heads will jointly ensure best value is achieved in commissioning design, print and other associated communications services.

4.11 Digital support:-

- OCC Corporate Communications will provide support and assistance in the creation of digital and social media content, particularly on joint proactive campaigns and at times of peak demand or absence. The OCC creative communications team will provide advice and sharing of best practice on all online services.
- OCC Corporate Communications will provide back-up OPCC website editorial and inputting support to allow for absences and peaks in demand.
- OCC Strategic Digital Services department will provide support for developing new websites, online platforms, webstreaming and other digital functions that are outside of corporate communications expertise. As well as supporting and when required maintaining existing websites such as the Be Proud Awards and Plan website.

Signed on behalf of Avon and Somerset Constabulary:

Signature

Date

Name, title and position

Signed on behalf of Avon and Somerset Police and Crime Commissioner:

Signature

Date

Name, title and position

5 Financial Regulations and Contractual Standing Orders

PURPOSE

- 5.1 The purpose of this document is to set out the Financial Regulations and Contract Standing Orders, that apply to the PCC, all staff in the OPCC, the Chief Constable and police officers and police staff in the OCC, having due regard to the overall regulatory framework of their approach to financial management.
- 5.2 To conduct business effectively, sound financial management policies are essential and they must be strictly adhered to. Part of this process is to adopt and implement Financial Regulations. These Financial Regulations have been drawn up in such a way as to ensure that the financial affairs of the PCC and the Chief Constable are conducted properly and in compliance with all necessary requirements. They also seek to reinforce the standards of conduct in public life required by the PCC, the Chief Constable, police officers, police staff, OPCC staff and in particular, the need for openness, accountability and integrity.
- 5.3 These Financial Regulations are designed to establish financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their officers and staff and to provide clarity about the financial accountabilities of groups or individuals and anyone acting on their behalf.
- 5.4 They reflect the application of best practice and the requirements of legislation. In particular they seek to meet the criteria set out in the Financial Management Code of Practice issued by the Home Office under Section 17 of the Police Reform and Social Responsibility Act 2011 and Section 39 of the Police Act 1996 which permits the Secretary of State to issue codes of practice to all police and crime commissioners and Chief Constables.

STATUS

- 5.5 These Financial Regulations should not be considered in isolation, but as a part of the overall regulatory and corporate governance framework. This includes the Policing Protocol, codes of conduct, Joint Statement and Code of Corporate Governance and the Scheme of Governance, within which financial regulations, schemes of delegation and Standing Orders Relating to Contracts sit.
- 5.6 The PCC, Chief Constable and all officers and staff have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
- 5.7 Financial Regulations explain the working financial relationship between the PCC and the Chief Constable and their respective CFO's, and the role played by the PCC's Chief Executive and Monitoring Officer. These officers shall be known collectively as the "Statutory Officers".
- 5.8 The PCC and Chief Constable are jointly responsible for approving or amending Financial Regulations. The PCC CFO is responsible for maintaining and reviewing of Financial Regulations and submitting any additions or amendments to the PCC

and Chief Constable, after consulting with the OCC CFO and the Chief Executive. Copies will be available on the PCC's website and on the Constabulary Intranet.

- 5.9 A Chief Officer may delegate a function, whether delegated to the Chief Officer or otherwise, to other officers provided that the terms of the delegation are clearly documented.
- 5.10 More detailed Financial Instructions to supplement these Regulations, shall be issued by the Chief Constable and OCC CFO after consultation with the PCC CFO and Chief Executive.
- 5.11 Statutory Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.
- 5.12 Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the PCC CFO and/or OCC CFO who shall determine, after consulting with the Monitoring Officer, whether the matter shall be reported to the PCC and/or Chief Constable. Further guidance set out in Section H.
- 5.13 The PCC and all officers and staff have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.
- 5.14 The Financial Regulations shall only be suspended by a formal decision of the PCC and Chief Constable
- 5.15 Financial Regulations may be reviewed at any time and at the same time as any review of Corporate Governance and may be amended by agreement between the PCC and Chief Constable.

FINANCIAL ROLES AND RESPONSIBILITIES

5.16 The Police and Crime Commissioner:-

- The PCC has a statutory duty to ensure an efficient and effective police service and to hold the Chief Constable to account on behalf of the public. The PCC is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The Statutory Officers of the Chief Constable and the PCC will provide professional advice and recommendations.
- The PCC is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of medium term financial plans in consultation with the Chief Constable. The PCC is responsible for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes the:
 - Police and Crime Plan;
 - Medium Term Financial plan (MTFP);
 - Annual Revenue Budget;
 - Annual Capital Programme;
 - Annual Statements of Accounts;

- Treasury Management Strategy, including the annual investment strategy and Minimum Revenue Provision (MRP) policy;
- Asset Management plans;
- PCC risk register and actions to mitigate risk.
- The PCC is responsible for approving procedures for recording and reporting financial decisions taken and for monitoring compliance with agreed financial policy and related executive decisions.
- The PCC is responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
- The PCC shall provide the PCC CFO with such staff, accommodation and other resources as are in his/her opinion sufficient to allow his/her duties under this section to be performed.

5.17 The Chief Constable:-

- To help ensure the effective delivery of policing services and to enable the Chief Constable to have impartial direction and control of all police officers and staff within the Constabulary, the Chief Constable will have day to day responsibility for financial management of the Constabulary within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.
- The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC.
- When the Chief Constable intends to make significant change of policy or seeks to move significant sums of their budget the approval of the PCC should be sought.
- The Chief Constable is responsible for the day to day financial management of the Constabulary within the framework of the budget, rules of virement and reporting arrangements. In operating day to day financial management, the Chief Constable shall comply with the approved policies and framework of accountability.
- The Chief Constable shall prepare Financial Instructions to supplement the Financial Regulations and provide detailed advice on the operation of the specific financial processes. The Chief Constable shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations are complied with.

5.18 The Independent Joint Audit Committee (JAC):-

- The Home Office Financial Management Code of Practice states that the PCC and Chief Constable should establish an Independent Joint Audit Committee (JAC). This should be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable. This Committee will advise the PCC and the Chief Constable according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In establishing the JAC, the PCC and the Chief Constable shall have regard to CIPFA Guidance on Audit Committees and principles of good practice set out in the HM Treasury Audit Committee

Handbook.

- The JAC shall comprise between three and five members who are independent of the PCC and the Constabulary.
- The JAC shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis.
- The PCC and Chief Constable shall be represented at all meetings of the JAC.

5.19 The Police and Crime Commissioner's Chief Finance Officer:-

- The PCC CFO has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
- The PCC CFO's duties are set out in legislation, regulations, Financial Management Code of Practice and CIPFA guidance and codes of practice including:
 - ensuring that the financial affairs of the PCC are properly administered and that Financial Regulations are observed and kept up to date;
 - ensuring regularity, propriety and Value for Money (VfM) in the use of public funds;
 - ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges;
 - reporting to the PCC, the Police and Crime Panel and to the external auditor;
 - any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC;
 - when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure;
 - advising the PCC on the robustness of the estimates and the adequacy of financial reserves;
 - preparing the annual statement of accounts, in conjunction with the OCC CFO;
 - ensuring the provision of an effective internal audit service, in conjunction with the OCC CFO;
 - securing the treasury management function, including loans and investments;
 - advising, in consultation with the Chief Executive and OCC CFO on the safeguarding of assets, including risk management and insurance;
 - arranging for the determination and issue of the precept;
 - liaising with the external auditor; and
 - advising the PCC on the application of value for money principles by the Constabulary to support the PCC in holding the Chief Constable to account for efficient and effective financial management.
- The PCC CFO, in consultation with the Chief Executive, OCC CFO and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or

take any action necessary to safeguard the finances of the OPCC and the Constabulary.

- The PCC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the PCC on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC's accounts, including group accounts.
- To enable him/her to fulfil these duties and to ensure the PCC is provided with adequate financial advice the PCC CFO:
 - must be a key member of the PCC's leadership Team, working closely with the Chief Executive, helping the team to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
 - must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the PCC, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and alignment with the PCC's financial strategy;
 - must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
 - must ensure that the finance function is resourced to be fit for purpose.

5.20 The Chief Constable's Chief Finance Officer:-

- The OCC CFO has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
- The OCC CFO's duties are set out in legislation, regulations, the Financial Management Code of Practice and CIPFA guidance and codes of practice including:
 - ensuring that the financial affairs of the Constabulary are properly administered and that these Financial Regulations are observed and kept up to date;
 - reporting to the Chief Constable, the PCC, the PCC CFO and to the external auditor;
 - any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable;
 - when it appears that any expenditure of the Chief Constable is likely to exceed the resources available to it to meet that expenditure;
 - advising the Chief Constable on value for money in relation to all aspects of the Constabulary's expenditure;
 - advising the Chief Constable and the PCC on the soundness of the budget in relation to the Constabulary;
 - liaising with the external auditor; and
 - working with the PCC CFO and his/her staff to produce the statement of accounts for the Chief Constable and to assist in the production of group accounts.

- The OCC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Constabulary on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Chief Constable's accounts. The OCC CFO will need to observe the locally agreed timetable for the compilation of the group accounts by the PCC CFO.
- To enable him/her to fulfil these duties the OCC CFO:
 - must be a key member of the Chief Constable's Management Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
 - must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer term implications, opportunities and risks are fully considered;
 - must lead the promotion and delivery by the Chief Constable of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficient and effectively; and
 - must ensure that the finance function is resourced to be fit for purpose.
- It must be recognised that Financial Regulations cannot foresee every eventuality. The OCC CFO, in consultation with the PCC CFO, shall be responsible for interpreting these Regulations so as to ensure the efficient and effective operation of services.

5.21 The Chief Executive and Monitoring Officer:-

- The Chief Executive is responsible for the leadership and general administration of the PCC's office.
- The Chief Executive is also the PCC's designated monitoring officer, appointed under section 5(1) of the local Government and Housing Act 1989.
- As Monitoring Officer he/she is responsible for:
 - ensuring the legality of the actions of the PCC and his/her officers;
 - ensuring that procedures for recording and reporting key decisions are operating effectively;
 - advising the PCC and officers about who has authority to take a particular decision;
 - advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework; and
 - advising the PCC on matters relating to standards of conduct.

Section A – Financial Management Framework

A1 – FINANCIAL MANAGEMENT STANDARDS OVERVIEW

1. The PCC, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.
2. The PCC shall receive updates on the financial performance of the Constabulary and the Office of the PCC by receiving regular budget monitoring and outturn reports, and also the Annual Audit Letter provided by the external auditor.

JOINT RESPONSIBILITIES OF THE PCC CFO AND OCC CFO

3. To ensure the proper administration of the financial affairs of the OPCC and the Constabulary.
4. To ensure that proper practices are adhered to.
5. To advise on the key strategic controls necessary to secure sound financial management.
6. To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons based on national and local financial performance indicators.
7. To ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
8. To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.
9. On behalf of the PCC and Chief Constable as employers and jointly as contributors to the Local Government Pension Scheme (LGPS), to ensure the proper management and administration of the LGPS including representation by the PCC CFO of both employers on the LGPS pensions committee or in the event he is unable to attend by the OCC CFO.

A2 – ACCOUNTING SYSTEMS, RECORDS AND RETURNS

1. Maintaining proper accounting records is one of the ways in which the PCC and Chief Constable will discharge their responsibility for stewardship of public resources. There is a statutory responsibility to prepare its annual accounts to present a true and fair view of the financial position of the OPCC and the Constabulary and of operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that adequate arrangements have been made for securing economy, efficiency and effectiveness in the use of resources.

JOINT RESPONSIBILITIES OF THE PCC CFO AND OCC CFO

2. To determine the accounting policies and procedures to be adopted, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the Chief Constable. All employees shall operate within the required accounting policies and published timetables.
3. To make proper arrangements for the audit of the PCC's, Constabulary's and group accounts in accordance with the Accounts and Audit Regulations (as amended from time to time).
4. To ensure that claims for funds including grants are made where possible by the due date.
5. To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis.
6. To prepare and publish the audited accounts in accordance with the statutory timetable.

RESPONSIBILITIES OF THE OCC CFO

7. To consult with the PCC CFO before making any fundamental changes to accounting records and procedures or accounting systems.
8. To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
9. To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.
10. To ensure that prime documents are retained in accordance with legislative and internal requirements. The format of such documents shall satisfy the requirements of internal and external audit.

A3 – THE ANNUAL STATEMENT OF ACCOUNTS

1. Both the PCC and Chief Constable have a statutory responsibility to prepare accounts to present a true and fair view of the financial position of the OPCC and the Constabulary and of operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on local Authority Accounting in the United Kingdom (the Code). The accounts will comprise separate statements for the PCC, Chief Constable as well as group accounts covering both entities.
2. The CC is responsible for approving the Chief Constable's Statement of Accounts and the PCC is responsible for approving the PCC's and Group Statement of Accounts.
3. The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of resources are adequate.

RESPONSIBILITIES OF PCC CFO

4. To draw up the timetable for final accounts preparation, in consultation with the OCC

CFO and external auditor.

5. To prepare, sign and date the statement of accounts, stating that it presents a true and fair view of the financial position of the OPCC and the Constabulary at the accounting date and its income and expenditure for the financial year just ended.
6. To publish the approved and audited accounts each year, in accordance with the statutory timetable.

JOINT RESPONSIBILITIES OF PCC CFO AND OCC CFO

7. To select suitable accounting policies and apply them consistently.
8. To make judgements and estimates that are reasonable and prudent.
9. To comply with the Code of Practice on local Authority Accounting.

RESPONSIBILITIES OF OCC CFO

10. To comply with accounting guidance provided by the PCC CFO and supply him/her with appropriate information upon request within a reasonable timescale.

RESPONSIBILITIES OF THE PCC

11. To consider and approve the PCC's and Group annual Statement of Accounts in accordance with the statutory timetable.

RESPONSIBILITIES OF THE CC

12. To consider and approve the CC's annual Statement of Accounts in accordance with the statutory timetable.

Section B – Financial Planning and Control

B1 – FINANCIAL PLANNING

1. Delivering a range of policing activities is complex and needs systems to be developed and implemented to enable scarce resources to be allocated in accordance with carefully considered priorities. Proper financial planning is essential if an organisation is to function effectively.
2. The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives.
3. The planning process should be continuous and the planning period should cover a minimum of 4 years. The process should include a more detailed annual plan, the budget, covering the forthcoming financial year. This allows the PCC and the Constabulary to plan, monitor and manage the way funds are allocated and spent during the financial year and over the medium term.
4. The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the virement rules operate. The annual budget will be supported by a detailed objective analysis of spending across all areas of income and expenditure.
5. It is recognised that the impact of financial planning in the police service will be constrained by the quality and timing of information made available by Central Government on resource allocation.

MEDIUM TERM FINANCIAL PLAN (MTFP)

6. The PCC and Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing a MTFP including revenue financial projections for a minimum of 4 years together with a capital programme covering at least the same period.

RESPONSIBILITIES OF THE PCC

7. To identify and agree, in consultation with the Chief Constable and other relevant partners and stakeholders, a medium term financial strategy which includes funding and spending plans for both revenue and capital. The strategy should take into account multiple years, the inter-dependencies of revenue budgets and capital investment, the role of reserves and consideration of risks. It should have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local authorities. The strategy should be aligned with the Police and Crime Plan.

JOINT RESPONSIBILITIES OF THE PCC CFO AND OCC CFO

8. To determine the format and timing of the MTFP to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
9. To prepare a MTFP including proposed income and expenditure for submission to the PCC. When preparing the MTFP, the Chief Constable shall have regard to:
 - the Police and Crime Plan;
 - policy requirements approved by the PCC as part of the policy framework;

- the Strategic Policing Requirement;
 - unavoidable future commitments, including legislative requirements;
 - initiatives already underway;
 - revenue implications of the capital programme;
 - proposed service developments and plans which reflect public consultation;
 - the need to deliver efficiency and/or productivity savings;
 - Government grant allocations; and
 - potential implications for local taxpayers.
10. To ensure that the medium term financial forecast includes options for the use of general balances, reserves and provisions, assumptions about future levels of government funding and demonstrates potential implications for local taxation.
11. A gap may be identified between available resources and required resources. Requirements should therefore be prioritised by the Chief Constable to enable the PCC to make informed judgements as to future funding levels and planning the use of resources.

ANNUAL REVENUE BUDGET PREPARATION

1. The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCC's strategic policies. It provides Statutory Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the Constabulary.
2. The PCC should consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget which will include a separate budget for the Constabulary. This will take into consideration funding from Government and from other sources and balance the expenditure needs of the policing service and the PCC against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Local Government Act 2003) and be completed in accordance with the statutory timeframe.
3. The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium term financial strategy should be clearly identified.

RESPONSIBILITIES OF THE PCC

4. To agree the planning timetable with the Chief Constable.
5. To obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates.
6. To present the proposed budget and precept recommendations to the Police and Crime Panel and respond to their views and comments.

RESPONSIBILITIES OF THE PCC CFO

7. To determine the format of the revenue budget to be presented to the PCC in consultation with the Chief Constable. The format is to comply with all legal

requirements and with latest guidance issued by CIPFA.

8. To obtain timely and accurate information from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations.
9. To advise the PCC on appropriations from/to and or the appropriate level of general balances, earmarked reserves or provisions to be held.
10. To submit a report to the PCC on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in local Authorities. These indicators shall be consistent with the annual revenue budget and capital programme approved by the PCC.
11. Upon approval of the annual budget, to submit the council tax requirement return to Central Government and precept requests to appropriate bodies in accordance with the legal requirement.
12. To produce and issue information required by the billing authorities to explain how the precept will be used to pay for the cost of policing in accordance with statutory requirements.

JOINT RESPONSIBILITIES OF THE CHIEF CONSTABLE AND OCC CFO

13. To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PCC CFO.
14. To submit estimates in the agreed format to the PCC for approval.
15. To identify all proposed individual major revenue projects (a major revenue project shall be defined as one in excess of the value shown in Section G).

B2 – BUDGETARY CONTROL

1. Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling both the Chief Constable and PCC to review and adjust their budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
2. The key controls for managing and controlling the revenue budget are that:
 - there is a nominated budget manager for each major budget heading (including all Constabulary directorates, any programme of change, central budgets, capital budgets, OPCC budget) who is accountable for the budgets under his/her direct control; and
 - the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures;
 - the Delegation Limits set out herein.

REVENUE BUDGET MONITORING

1. By continuously identifying and explaining variances against budgetary targets, the

PCC and the Chief Constable can identify changes in trends and resource requirements at the earliest opportunity. The PCC and Chief Constable both operate within an annual cash limit, approved when setting the annual budget. To ensure that the budget is not overspent in total, the Chief Constable, the OCC CFO, the Chief Executive and the PCC CFO are required to manage expenditure within their budget allocations, subject to the rules of virement.

JOINT RESPONSIBILITIES OF THE CHIEF CONSTABLE AND OCC CFO

2. To provide appropriate financial information to enable budgets to be monitored effectively.
3. To ensure that each element of income or expenditure has a nominated budget manager to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits expenditure.
4. To ensure that total spending for operational policing remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Constable, both the PCC CFO and PCC shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the PCC.
5. To submit a budget monitoring report to the PCC on a regular basis throughout the year, containing the most recently available financial information. The reports shall be in a format agreed with the PCC and PCC CFO.
6. To ensure that budget holders manage income and expenditure within their area, monitor performance and report variances within their own areas to the Chief Constable and OCC CFO.
7. To take any action necessary to avoid an adverse variation to their budget allocation and alert the Chief Constable and PCC CFO to any problems.
8. To require detailed budget monitoring to be undertaken by budget holders on a monthly basis and for this to be reported to the OCC CFO.
9. To ensure that budget holders receive sufficient financial support to enable them to undertake their budgetary control responsibilities.
10. To refer major revenue projects back to the PCC for further approval where, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown in Section G.

JOINT RESPONSIBILITIES OF THE CC, THE OCC CFO AND THE PCC CFO

11. To submit a periodic budget monitoring report, containing the most recently available financial information to the PCC showing spending to date and comparisons of projected outturn with the latest approved budget.

RESPONSIBILITIES OF THE PCC CFO

12. To report financial outturn to the Police and Crime Panel as reasonably required from time to time.

JOINT RESPONSIBILITIES OF THE CHIEF EXECUTIVE AND THE PCC CFO

13. To manage the budget allocated for the PCC's Office.

14. To ensure that total spending for the PCC's Office remains within the overall allocation of resources and take corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total resources due to circumstances beyond the control of the Chief Executive the PCC shall be alerted immediately together with proposals to remedy the situation as part of the regular reporting process to the PCC.

REVENUE VIREMENT

1. A virement is a planned reallocation of resources between approved budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable chief officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.
2. The Chief Constable is expected to exercise discretion in managing budgets responsibly and prudently and should only be required to refer back to the PCC when virement would incur substantive changes in the policy of the PCC or where a virement might create a significant future year or continuing commitment.
3. The Chief Constable shall be held to account by the PCC for decisions made and the way in which resources are deployed. The virement rules allow greater freedom but require detailed reports on significant changes.
4. Key controls for the scheme of virement are:
 - it is administered by Chief Officers within delegated powers given by the PCC. Any variation from this scheme requires the approval of the PCC;
 - the overall budget is agreed by the PCC. Chief Officers and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget;
 - virement does not create additional overall budget liability; and
 - each Chief Officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring.

RESPONSIBILITIES

5. The limits that apply on virements between budget headings are defined in Section G.
6. The exception to the above framework are that:
 - Virement is not permitted without the PCC's agreement in relation to financing items such as asset charges or where a proposal would adversely affect long term revenue commitments of the Constabulary and the PCC; and
7. Budget lines will be defined each year as part of the budget approval.
8. All requests for virement must be made in the format prescribed by the PCC CFO and/or OCC CFO and information on the virements within the limits set out in section G will be available to support budget monitoring report information.
9. The approval of the PCC shall be required if the virement involves:
 - a substantial change in policy;

- a significant addition to commitments in future years;
- where resources to be transferred were originally provided to meet expenditure of a capital nature.

TREATMENT OF YEAR END BALANCES

1. A year end balance is the amount by which actual income and expenditure varies from the final budget, normally identified down to devolved budget holder level. Arrangements are necessary for the transfer of resources between accounting years, i.e. a carry forward. This may increase or decrease the resources available to budget holders in the following financial year, dependent upon the nature of the budget variation. Carry forwards impact or reserves and balances will be undertaken in accordance with the approved scheme for that purpose.
2. The carry forward of underspent and overspent budgets is permitted only within the Delegation Limits in section G. Carry forwards will be reported to the PCC as part of the year end outturn report. Budget Managers will be required to satisfy the Chief Constable that expenditure proposed against carry forward underspending is in accordance with Police and Crime Plan priorities and is non recurrent in nature.

Joint responsibilities of the PCC CFO and the OCC CFO

3. To ensure that Budget Managers report any overspend on their budgets in any financial year.
4. To consider reducing budgets for the following financial year where overspending has occurred or is expected to occur.
5. To consider requests from Budget managers who identify planned underspends in any financial year for budget provision to be carried forward to the following financial year, subject to the limits indicated in Section G.
6. To refer all carry forwards that fall outside of the parameters stipulated in these Regulations to the PCC for approval.

Responsibilities of the PCC

7. To consider the arrangements for carrying forward underspends when considering the level of reserves and balances as part of the development of the financial strategy.

B3 – CAPITAL PROGRAMME

1. Capital expenditure involves acquiring or enhancing fixed assets with a long-term value, such as land, buildings, and major items of technology, plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.
2. Capital investment can be undertaken providing the spending plans are affordable, prudent and sustainable. CIPFA's Prudential Code sets out the framework under which the PCC will consider his/her/their spending plans.

3. The capital programme is governed through the capital strategy, informed by the constabulary's corporate strategies and supported by more detailed asset management transformation, and innovation planning. All proposals for significant investment in capital assets must be included within the MTFP.

Responsibilities of the Chief Constable

4. To develop and implement approved transformation, innovation and asset management plans.

Joint responsibilities of the PCC CFO and the OCC CFO

5. To prepare a MTFP for consideration and approval by the PCC including all financial implications of capital spending plans.

Responsibilities of the PCC

6. To approve the annual capital spending plan.
7. To approve the MTFP that includes a capital plan for at least 4 years.
8. To approve specific business cases for investment that may be presented from time to time and which propose significant investment in capital assets.

Joint responsibilities of the CC and OCC CFO

9. To prepare a rolling programme with a minimum of 4 years of future proposed capital expenditure for consideration by the PCC and the PCC CFO, and for approval by the PCC of the first full year of this programme annually. Each scheme shall identify the total capital cost of the project, the source of capital funding for the project and any additional revenue commitments.
10. To prepare detailed project appraisals and business cases in accordance with the Delegated limits for schemes included in the capital programme for submission to the PCC CFO and PCC for consideration and approval. This will include all additional revenue and capital costs and provide evidence of the scheme's viability for inclusion.
11. To ensure that each capital project has a named officer responsible for sponsoring the scheme, monitoring expenditure, implementation and outcomes.
12. To identify, in consultation with the PCC CFO, available sources of funding the capital programme, including the identification of potential capital receipts from disposal of property or other assets.
13. To prioritise requirements so that if a gap is identified between available resources and required capital investment the PCC can make informed judgements as to which schemes should be included in the capital programme, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.
14. Not to incur capital expenditure unless the scheme is approved by the PCC apart from professional fees to form a business case (e.g. feasibility studies, planning fees).

Responsibilities of the PCC CFO

15. To make recommendations to the PCC on the most appropriate level of revenue support, use of reserves and appropriate levels of borrowing, under the Prudential Code, to support the capital programme.

Responsibilities of the PCC

16. To approve a fully funded annual and medium term capital plan subject to approval of individual investment business cases.

ANNUAL CAPITAL PROGRAMME

Responsibilities of the PCC

17. To agree the annual capital programme, and how it is to be financed in accordance with Delegation limits set out in Section G.

Responsibilities of the OCC CFO

18. To incur expenditure, providing the project investment appraisal has been approved in accordance with these arrangements.
19. To ensure that property leases, finance leases or other credit arrangements with the value or term above the limits set out in Section G are not entered into without the prior approval of the PCC CFO.

MONITORING OF CAPITAL EXPENDITURE

Responsibilities of the OCC CFO

20. To ensure that adequate records are maintained for all capital contracts.

Joint responsibilities of the PCC CFO and the OCC CFO

21. To monitor progress of the capital programme and expenditure throughout the year against the approved programme.
22. To submit capital monitoring reports to the PCC on a regular basis throughout the year.
23. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme. The reports shall be in a format agreed by the PCC CFO.
24. To prepare a business case for all new capital schemes (after the annual programme has been agreed) for submission to the PCC for consultation and approval.
25. To demonstrate how any amendments to the programme increasing the overall costs are to be funded.
26. To report on the outturn of capital expenditure as part of the annual report on the statutory accounts.

B4 – MAINTENANCE OF BALANCES AND RESERVES

1. The PCC must decide the level of general reserves to retain before he/she can decide the level of council tax precept. Reserves are maintained as a matter of

prudence. They enable the PCC to provide for cash flow fluctuations and unexpected risks and costly events and thereby help protect it from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.

Responsibilities of the PCC CFO

2. To advise the PCC on reasonable levels of balances and reserves.
3. To report to the PCC on the adequacy of reserves and balances before he/she approves the annual budget and precept.
4. To approve appropriations to and from each earmarked reserve. These will be separately identified in the Annual Statement of Accounts.

Responsibilities of the Chief Constable

5. To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval.
6. To ensure the use of reserves only in accordance with the purpose identified when established.

Responsibilities of the PCC

7. To approve a policy on reserves and balances, including the minimum acceptable level of general balances.
8. To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.
9. To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.

Section C – Management of risk and resources

C1 – RISK MANAGEMENT AND BUSINESS CONTINUITY

1. It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks. This should include the proactive participation of all those associated with planning and delivering services.
2. All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the PCC and the Constabulary and to ensure continued corporate and financial wellbeing. In essence it is, therefore, an integral part of good business practice.

Joint responsibilities of the PCC and Chief Constable

3. The Code of Corporate Governance highlights the importance of risk management being embedded throughout the governance arrangements in both organisations, whether operating jointly or separately. The PCC and Chief Constable are responsible for approving the risk management policy statement and strategy for the respective organisations, and for reviewing the effectiveness of risk management.

Responsibilities of Chief Constable and the Chief Executive

4. To ensure a current risk register is reviewed regularly for each of the OPCC and the Constabulary and that mitigation actions are set out and reviewed at appropriate Constabulary governance meetings and at the JAC and Police & Crime Board as required and for promoting a culture of risk management awareness throughout the Constabulary and OPCC and reviewing risk as an ongoing process.
5. To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.
6. To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis.

Responsibilities of the OCC CFO

7. To agree with the PCC CFO appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.
8. To arrange for regular reviews to be undertaken of self insurance arrangements and, following these reviews, to agree with the PCC CFO a course of action to ensure that, over the medium term, funds are available to meet all known liabilities.
9. To ensure, in consultation with the PCC CFO, that appropriate insurance cover is provided, including where new risks are identified or circumstances affecting risks change.

10. To administer insurance matters including the settlement of liability claims.
11. To notify the PCC CFO of any significant claims.
12. To notify the Chief Executive of any terms of indemnity that are requested.
13. To ensure that claims made against insurance policies are made promptly.
14. To make all appropriate employees aware of their responsibilities for managing relevant risks.
15. To ensure that employees, or anyone covered by the Constabulary and OPCC insurance, are instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
16. To ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk.
17. To settle civil claims in accordance with the arrangements set out in Section G.

Responsibilities of the Chief Executive

18. To evaluate and authorise any terms of indemnity that is requested by external parties.
19. To approve before any contract for works is made that the insurance cover to be furnished by the contractor in respect of any act or defaults unless cover is provided by the PCC.

C2 – INTERNAL CONTROLS

1. Internal control refers to the systems of control devised by management to help ensure objectives of the PCC and the Chief Constable are achieved in a manner that promotes economical, efficient and effective use of resources and that assets and interests are safeguarded.
2. Policing is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. The PCC and the Chief Constable have statutory obligations, and, therefore, systems of internal control are required to identify, meet and monitor compliance with these obligations.
3. The PCC and the Chief Constable face a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of their objectives. Systems of internal control are necessary to manage these risks. These systems of internal control are established in order to provide achievement of:-
 - efficient and effective operations;
 - reliable financial information and reporting;
 - compliance with laws and regulations;
 - risk management.

Responsibilities of Statutory Officers

4. To implement effective systems of internal control, in accordance with advice from the PCC CFO and OCC CFO. These arrangements shall ensure compliance with all

applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.

5. To ensure that effective key controls exist and are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.
6. To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.

Joint responsibilities of the CC and the OCC CFO

7. To produce Annual Governance Statements following a review of the effectiveness of the internal controls in operation during the year, for inclusion within the annual statement of accounts for the Chief Constable. The CC's Annual Governance Statement should be signed off by the CC and the CC's CFO.

Joint responsibilities of the PCC and the Chief Executive

8. To produce Annual Governance Statements following a review of the effectiveness of the internal controls in operation during the year, for inclusion within the PCC's and Groups annual statement of accounts. The PCC and Group's Annual Governance Statement should be signed off by the PCC and the Chief Executive.

C3 – AUDIT REQUIREMENTS

INTERNAL AUDIT

1. Internal audit is an assurance function that provides an independent and objective opinion to an organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
2. The requirement for an internal audit function for local authorities is either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their Financial affairs".
3. In the Police Service the PCC and Chief Constable are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit Regulations 2011 (as amended) which state that a "relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control". The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the CIPFA Code of Practice.
4. In fulfilling this requirement the PCC and Chief Constable should have regard to the Code of Practice for Internal Audit in Local Government in the United Kingdom issued by CIPFA. The Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used

to assess arrangements to drive up audit quantity and governance arrangements.

5. In addition to enabling the PCC and the Chief Constable to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, internal audit is needed:
 - to satisfy the PCC and the Chief Constable that effective internal control systems are in place; and
 - to help inform the external auditor that financial systems and internal controls are effective and that the Police Fund is managed so as to secure value for money.

Responsibilities of the JAC

6. To approve the terms of reference within which internal audit operates. In terms of internal audit the ToRs will include the following key activities and responsibilities:
 - Advising the PCC and Chief Constable on the appropriate arrangements for internal audit and approving the internal audit plan;
 - Approving (but not directing) the annual internal audit plan;
 - Overseeing and giving assurance to the PCC and Chief Constable on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk;
 - Considering the Head of Internal Audit's Annual Report and annual opinion on the internal control environment for the PCC and Constabulary; ensuring appropriate action is taken to address any areas for improvement; and
 - Reviewing and monitoring the effectiveness of policies on fraud, irregularity and corruption.
7. To approve the internal audit plan, which sets out:
 - Internal Audit objectives and outcomes;
 - how the Head of Internal Audit will form and evidence his/her opinion on the control environment to support the Annual Governance Statements;
 - how Internal Audit's work will identify and address significant local and national issues and risks;
 - how the service will be provided, i.e. internally, externally, or a mix of the two; and what resources and skills are required for the delivery of the strategy; and
 - the resources and skills required to deliver the strategy.

Joint responsibilities of the PCC and the Chief Constable

8. To ensure the provision of an adequate and effective internal audit service.

Joint responsibilities of the PCC, CC, PCC CFO and OCC CFO

9. To ensure that internal auditors, having been security cleared, have the authority to:
 - access police and OPCC premises at reasonable times;
 - access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance;

- receive any information and explanation considered necessary concerning any matter under consideration;
 - require any employee to account for cash, stores or any other police and PCC assets under their control; and
 - access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
10. To ensure that Internal Audit has direct access to all Chief Officers and employees, where necessary.

Responsibilities of Head of Internal Audit (may be delegated to a senior representative from an appointed third party internal audit provider)

11. To prepare, in consultation with the PCC, Chief Constable, and PCC CFO and OCC CFO, an annual audit plan for consideration by the JAC.
12. To attend meetings of the JAC and to present to each meeting a report on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.
13. To present an annual report to the JAC, including an opinion on the effectiveness of the internal control environment within both the Constabulary and OPCC.

Responsibilities of the Statutory Officers

14. To consider and respond promptly to control weaknesses, issues and recommendations in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report.

Responsibilities of the OCC CFO

15. To ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the PCC CFO and Internal Audit prior to implementation.
16. To notify the PCC CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of police property or resources.

EXTERNAL AUDIT

17. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditor's objectives to review and report upon:
- the financial aspects of the audited body's corporate governance arrangements;
 - the audited body's financial statements; and

- aspects of the audited body's arrangements to secure Value for Money.
18. In auditing the annual accounts the external auditor must satisfy themselves, in accordance with Section 5 of the 1998 Act, that:
- the accounts are prepared in accordance with the relevant regulations;
 - they comply with the requirements of all other statutory provisions applicable to the accounts;
 - proper practices have been observed in the compilation of the accounts; and
 - the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.
19. The 1998 Act sets out other specific responsibilities of the auditor, for example under section on financial reporting.

Responsibilities of the JAC

20. To approve the annual audit plan and fee.
21. To receive and respond to the annual governance reports.
22. To receive the Annual Audit letter.

Joint responsibilities of the PCC CFO and the OCC CFO

23. To liaise with the external auditor and advise the PCC and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.
24. Publish a copy of the Annual Audit Letter.
25. To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
26. To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.

OTHER INSPECTION BODIES

27. The Constabulary and the OPCC may, from time to time, be subject to audit, inspection or investigation by external bodies such as HMICFRS and the HM Revenue & Customs, who have statutory rights of access.

Joint responsibilities of the PCC and the Chief Constable

28. To receive and respond to reports from other inspection bodies.

C4 – PREVENTING FRAUD AND CORRUPTION

1. The PCC and the Chief Constable will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside their organisations.
2. Expectations of propriety and accountability are that the PCC and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
3. It is expected that all individuals and organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity and without thought or actions involving fraud or corruption.

Joint responsibilities of the PCC and the CC

4. To foster a culture that will not tolerate fraud and corruption.
5. To approve and maintain an effective Anti-Fraud and Corruption Strategy and Fraud Response Plan (Section 1).
6. To ensure that adequate and effective internal control arrangements are in place.
7. To maintain a policy for the registering of interests and the receipt of hospitality and gifts covering both the PCC, Chief Constable and all employees. A register of interests and a register of hospitality and gifts shall be maintained for the PCC, the Chief Constable, Chief Officers and all employees.
8. To maintain a whistle blowing policy to provide a facility that enables employees the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity that they are not malicious and that appropriate action is taken to address any concerns identified. The Chief Constable shall ensure that all employees are aware of any approved whistle blowing policy.
9. To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by all members and employees.
10. To adopt and adhere to the whistle blowing policy.

Joint responsibilities of the Chief Executive, PCC CFO and CC

11. To prepare an effective Anti-Fraud and Corruption Strategy and Fraud Response Plan for approval by the PCC and Chief Constable.
12. To adhere to appropriate legislation.
13. To arrange for any suspected incidents of fraud or corruption to be reported in line with the protocol agreed between the Chief Constable's Head of Professional Standards, the PCC CFO, the OCC CFO and the Head of Audit and for these to be unrestricted in line with the agreed Anti- Fraud and Corruption Strategy and Fraud Response Plan.

C5 – ASSETS

1. Assets are held in the form of land, property, vehicles, information technology, data, other equipment, furniture and other items, together worth many millions of pounds.

It is important that assets are safeguarded and used efficiently in service delivery, that there are arrangements for the security of both assets and information required for service operations and that proper arrangements exist for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management which provides information about assets so that they are:

- Accurately recorded and classified;
 - Safeguarded against loss;
 - Used efficiently and effectively;
 - Adequately maintained; and
 - Valued in accordance with statutory and management requirements.
2. The PCC will own and fund all assets regardless of whether they are used by the PCC, by the Constabulary or by both bodies.
 3. The Chief Constable is responsible for the direction and control of the Constabulary and should therefore have day-to-day management of all assets used by the Constabulary.
 4. The PCC should consult the Chief Constable in planning the budget and developing a MTFP. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

Joint responsibilities of the PCC and CC

5. To ensure that:
 - assets are only used for the purposes of the Constabulary and the OPCC and are available for use when required and are properly accounted for;
 - an asset register is maintained that provides information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements;
 - assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place;
 - lessees and other prospective occupiers of land owned by the PCC are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate;
 - title deeds to PCC property are held securely;
 - no PCC asset is subject to personal use by an employee without proper authority;
 - valuable and portable items such as computers, cameras and other digital devices are identified with security markings as belonging to the Constabulary or OPCC;
 - all employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of the Data Protection Act and software copyright legislation;
 - assets no longer required are disposed of in accordance with the law and these

financial regulations; and

- all employees are aware of their responsibilities with regard to safeguarding the security of Constabulary and OPCC ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

VALUATION

Responsibilities of the OCC CFO

6. To maintain an asset register for all fixed assets with a value in excess of the limits shown, in a form approved by the PCC CFO.
7. To ensure that assets are recorded when they are acquired by the Constabulary or the PCC shall remain on the asset register until disposal.
8. To ensure that assets are subject to regular revaluations as required by best practice, accounting standards and financial codes of conduct.

INVENTORIES

Responsibilities of the CC

9. To ensure that inventories are maintained for the Constabulary in a format approved by the PCC CFO and OCC CFO that record an adequate description of items with a value in excess of the amount shown in Section G. Other items of equipment should also be recorded if they are deemed to be both desirable and portable (e.g. laptops).

Responsibilities of PCC

10. To ensure that inventories are maintained for the PCC's office in a format approved by the PCC CFO that record an adequate description of items with a value in excess of the amount shown in Section G. Other items of equipment should also be recorded if they are deemed to be both desirable and portable (e.g. mobile phones, laptops, other mobile technology).

STOCKS AND STORES

Responsibilities of the OCC CFO

11. To make arrangements for the care, custody and control of the stocks and stores of and maintain appropriate stores accounts in a form approved by the PCC CFO.
12. To write-off obsolete stock, up to the limits shown in Section G. Amounts for write off above this value must be referred to the PCC CFO for approval supported by a written report.

Responsibilities of the PCC CFO

13. To approve the arrangements for accounting for stores.
14. To consider and approve applications for write offs in excess of the limits set out Section G.

INTELLECTUAL PROPERTY

15. Intellectual property is a generic term that includes inventions and writing.
16. If any Intellectual Property is created by the employee during the course of employment, then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within the Constabulary, by the PCC and within the OPCC may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.
17. In the event that the Constabulary or PCC decides to become involved in the commercial exploitation of inventions, the matter should be brought to the attention of the Chief Executive.

Responsibilities of the Chief Constable

18. To ensure that employees are aware of these procedures.

ASSET DISPOSAL

19. Assets shall be disposed of when in the best interests of the Constabulary and the PCC and at the most advantageous price. Where this is not the highest offer, a report must be prepared for the PCC outlining the reasons.

Responsibilities of the Chief Constable

20. To dispose of surplus land and buildings only with prior written consent of the PCC and to dispose of surplus vehicles and items of equipment up to the estimated value shown in Section G.
21. To dispose of items above the value in Section G by public auction or sealed bids after advertisement.
22. To record all asset disposals in the asset register or inventory as appropriate.

Joint responsibilities of the PCC CFO and the OCC CFO

23. To ensure that income is received and accounted for.

C6 – TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

TREASURY MANAGEMENT

26. It is important that monies held by the PCC and the Constabulary are managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the capital sums involved.
27. The PCC has adopted the CIPFA Code of Practice on Treasury Management as updated from time to time. The primary requirements of the Code are:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - Approved Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities;
 - Approval of the annual Treasury Management Strategy Statement (TMSS) including the annual investment strategies and MRP policy. An annual report

and as a minimum a Mid Term Review report covering Treasury Management activities.

Responsibilities of the PCC

28. To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice.
29. To approve the annual TMSS including the annual investment strategy and MRP policy.
30. To receive and approve an annual report on treasury management activity and as a minimum a midterm and annual review report.

Responsibilities of the PCC CFO

31. To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance.
32. To prepare reports on the PCCs treasury management policies, practices and activities, including, as a minimum, an annual TMSS, including annual investment strategy and MRP policy.
33. To execute and administer treasury management in accordance with the CIPFA Code and the PCC's policy.
34. To arrange borrowing and investments, in compliance with the CIPFA Code.
35. To ensure that all investments and borrowings are made in the name of the PCC for Avon and Somerset.

BANKING ARRANGEMENTS

36. Banking activities are controlled by a single contract which aims to provide a wide range of complex and specialist banking services to departments, establishments and staff. A consistent and secure approach to banking services is essential in order to achieve optimum performance from our bankers and the best possible value for money.

Responsibilities of the PCC CFO

37. To have overall responsibility for the banking arrangements for the PCC.
38. To produce a policy on the establishment and maintenance of bank accounts, in consultation with the OCC CFO.
39. To authorise the opening and closing of all PCC bank accounts. No other employee shall open a bank account unless they are performing a statutory function (e.g. PCC CFO of a charitable body) in their own right.
40. To arrange for bank reconciliations to be undertaken on a timely and accurate basis.
41. To determine signatories on all PCC bank accounts.

IMPREST ACCOUNTS/PETTY CASH

42. Cash advances may be made to an individual in order that relatively small incidental payments may be made quickly. A record of disbursements from the account should be maintained to control the account and so that the expenditure may be

substantiated, accurately reflected in the PCC's accounts and correctly reimbursed to the account holder.

Responsibilities of the OCC CFO

43. To provide appropriate employees with cash, bank imprests or pre-paid cash cards to meet minor expenditure on behalf of the Constabulary and OPCC. The OCC CFO shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.
44. To prepare detailed Financial Instructions for dealing with petty cash, to be agreed with the PCC CFO, and these shall be issued to all appropriate employees.

Responsibilities of the PCC CFO

45. To provide appropriate employees with cash, bank imprests or pre-paid cash cards to meet minor expenditure on behalf of the PCC.
46. To determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.

MONEY LAUNDERING

47. The Constabulary and OPCC are alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.
48. Suspicious cash deposits in any currency in excess of £15,000 (or equivalent) should be reported to the Serious Organised Crime Agency (SOCA).
49. Internal control procedures will be monitored to ensure they are reliable and robust.

Responsibilities of the PCC CFO

50. To be the nominated Money Laundering Reporting Officer (MLRO).
51. To consider, in the light of all information, whether a disclosure gives rise to such knowledge or suspicion.
52. To disclose relevant information to the (SOCA).

Responsibilities of Chief Officers

53. To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide.

Responsibility of all employees

54. To notify the PCC CFO as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime.
55. Cash banking from a single source over £15,000 should be reported to the PCC CFO. This instruction does not apply to seizures and subsequent banking under the Proceeds of Crime Act.

C7 – STAFFING

1. Staffing costs are the largest element of the annual policing budget. An appropriate people strategy should exist. Staffing requirements are matched with budget allocations. The Chief Constable is responsible for approving the overall HR strategy in advance of its implementation (including hiring and material or Sensitive reorganisation or redundancy programs) in consultation with the PCC.

Responsibilities of the Chief Constable

2. To ensure that his employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed in advance by the PCC and that there is a proper use of the evaluation or other agreed systems for delivering the remuneration of a job.
3. To agree with the PCC the budget necessary in any given year to cover estimated staffing levels.
4. To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs.
5. To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
6. To approve, in consultation with the PCC CFO, policy arrangements for premature retirements on grounds of ill health or efficiency for all staff and redundancy arrangements for support staff.

Responsibilities of the Chief Executive

7. To have the same responsibilities as above for staff employed by the PCC and working within his/her office.

C8 – EVIDENTIAL AND NON-EVIDENTIAL PROPERTY

1. The Chief Constable is required to exercise a duty of care and safeguard evidential or non-evidential property pending decisions on its ownership, or private property of an individual e.g. a suspect in custody.

Responsibilities of the OCC CFO

2. To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his/her guardianship or supervision. These procedures shall be made available to all appropriate employees. More detailed information will be provided in Financial Instructions/Practice Directions.
3. To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.
4. To provide Financial Instructions/Practice Directions for dealing with cash, including cash seized under the Proceeds of Crime Act.

Responsibilities of all employees

5. To notify the Chief Constable immediately in the case of loss or diminution in value of such private property.

C9 – GIFTS, LOANS AND SPONSORSHIP

NB – this does not include the receipt of gifts and hospitality by individual members of OPCC or OCC

1. In accordance with the Police Act 1996, the PCC may decide to accept gifts of money and gifts or loans of other property or services (e.g. car parking spaces) if they will enable the police either to enhance or extend the service which they would normally be expected to provide. The terms on which gifts or loans are accepted may allow commercial sponsorship of some Constabulary activities.
2. Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.
3. Gifts, loans and sponsorship can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.
4. The total value of gifts, loans and sponsorship accepted, should not exceed 1% of the PCC's annual gross revenue budget of the Constabulary and OPCC.

Responsibilities of the PCC

5. To approve the policy on gifts, loans and sponsorship.

Joint responsibilities of the CC and the Chief Executive

6. To accept gifts, loans or sponsorship within agreed policy guidelines.
7. To refer all gifts, loans and sponsorship above the limit identified in Section G to the PCC for approval before they are accepted.

Joint responsibilities of the PCC CFO and the OCC CFO

8. To present an annual report to the PCC listing all gifts, loans and sponsorship.
9. To maintain a central register, in a format agreed by the PCC CFO, of all sponsorship initiatives and agreements. The PCC CFO, shall satisfy him/herself that it provides a suitable account of the extent to which such additional resources have been received.
10. To bank cash from sponsorship activity in accordance with normal income procedures.

Section D – Systems and Procedures

D1 – GENERAL

1. There are many systems and procedures relating to the control of PCC and Constabulary assets, including purchasing, costing and management systems. The Constabulary and the OPCC are reliant on computers for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
2. The PCC CFO and OCC CFO both have a statutory responsibility to ensure that financial systems are sound and should therefore be notified of any proposed new developments or changes.

Joint responsibilities of the PCC CFO and the OCC CFO

3. To make arrangements for the proper administration of the financial affairs, including to:
 - issue advice, guidance and procedures for officers and staff of the Constabulary and the OPCC acting on their behalf;
 - determine the accounting systems, form of accounts and supporting financial records;
 - establish arrangements for the audit of the financial affairs of the Constabulary and the OPCC;
 - approve any new financial systems to be introduced;
 - approve any changes to existing financial systems.
4. To ensure, in respect of systems and processes, that:
 - systems are secure, adequate internal controls exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely and that duties are appropriately segregated to minimise the risk of error, fraud or other malpractice;
 - appropriate controls exist to ensure that all systems input, processing and output. is genuine, complete, accurate, timely and not processed previously;
 - a complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa;
 - systems are documented and staff trained in operations .
5. To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems.
6. To establish a scheme of delegation, identifying staff authorised to act upon the Chief Constable's behalf in respect of income collection, placing orders, making payments and employing staff.

D2 – INCOME

1. Income is vital and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly. The responsibility for cash collection should be separated from that for identifying the amount due and for reconciling the amount due to the amount received.
2. The PCC and Chief Constable should adopt the NPCC National Policing Guidelines on Charging for Policing Services (National Charging Guidelines) and national guidance when applying charges under section 25 of the Police Act 1996. The purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them.
3. The PCC should ensure that there are arrangements in place so that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels the PCC should ensure that ongoing resource requirements are not dependent on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.
4. When specifying resource requirements the Chief Constable will identify the expected income from charging. The Chief Constable should adopt the National Charging Guidelines in respect of mutual aid.

Joint responsibilities of the CC and PCC

5. To adopt the National Charging Guidelines and national guidance when applying charges under section 25 of the Police Act 1996 and to keep scales of fees and charges under review with such reviews being carried out at least annually.

Joint responsibilities of the PCC CFO and the OCC CFO

6. To make arrangements for the collection of all income due and approve the procedures, systems and documentation for its collection, including the correct charging of VAT
7. To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations or the NPCC guidance require or permit otherwise, or with the express approval of the PCC.
8. To ensure that all income is paid fully and promptly into the designated Income Bank Account.
9. Appropriate details should be recorded on to paying-in slips to provide an audit trail and money collected and deposited reconciled on a monthly basis.
10. To ensure income is not used to cash personal cheques or make other payments.

Responsibilities of the OCC CFO

11. To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.
12. To operate effective debt collection procedures.
13. To initiate appropriate debt recovery procedures, including legal action where necessary.

14. To approve the write-off of bad debts, in consultation with the Chief Executive or the PCC CFO, up to the level shown in Section G. Amounts for write-off above this value must be referred to the PCC CFO for approval, supported by a written report explaining the reason(s) for the write-off.
15. To prepare detailed financial Instructions for dealing with income, to be agreed with the PCC CFO, and to issue them to all appropriate employees.

D3 – ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

1. Public money should be spent in accordance with corporate policies. The PCC and the Chief Constable have a statutory duty to ensure financial probity and best value. Financial Regulations and purchasing procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the Standing Orders Relating to Contracts in Section F.

Responsibilities of the OCC CFO

2. To maintain procurement procedures covering the principles to be followed for the purchase of goods and services and that all payments are made in accordance with this strategy and procedures.
3. To issue official purchase orders for all work, goods or services to be supplied to the Constabulary and OPCC, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PCC CFO.
4. Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of the Constabulary and PCC contracts.
5. Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations.
6. Payments are not to be made unless goods and services have been received within agreed tolerances of the correct price, quantity and quality in accordance with any official order.
7. To ensure that payments are made to the correct person, for the correct amount, on time and are recorded properly, regardless of the method of payment.
8. To ensure that VAT is recovered where appropriate.
9. To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
10. To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, detailed in Section F.
11. To prepare, in consultation with the PCC CFO, detailed financial instructions for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.

Responsibilities of Chief Officers

12. To ensure that every member and employee declares any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of the PCC or Chief Constable and that such persons take no part in the selection of a supplier or contract with which they are connected.

D4 – PAYMENTS TO EMPLOYEES

1. Employee costs are the largest item of expenditure for most PCCs. It is therefore important that there are controls in place to ensure accurate, timely and valid payments are made in accordance with individuals' conditions of employment.

Joint responsibilities of the Director of People and Organisational Development and the OCC CFO

2. To ensure, in consultation with the PCC CFO, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees.
3. To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.
4. To pay all valid travel and subsistence claims or financial loss allowance.
5. To pay salaries, wages, pensions and reimbursements by the most economical means.
6. To ensure that payroll transactions are processed appropriately through the payroll system.
7. To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
8. To prepare detailed Financial Instructions for dealing with payments to employees, to be agreed with the PCC CFO, and these shall be issued to all appropriate employees.

D5 – TAXATION

1. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe.

Responsibilities of the OCC CFO

2. To ensure that arrangements are in place for the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements.
3. To ensure that arrangements are in place for the timely completion and submission of VAT claims, inputs and outputs to HMRC.

Joint responsibilities of the PCC CFO and the OCC CFO

4. To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations.
5. To provide details to the HMRC regarding the construction industry tax deduction scheme.
6. To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.

D6 – PURCHASING CARDS

1. Purchasing cards are an alternative method of buying and paying for relatively low value goods, which generate a high volume of invoices. This should generate an efficiency saving from lower transaction costs (i.e. fewer invoices processed and paid for through the integrated accounts payable system), as well as reducing the number of petty cash transactions

Responsibilities of the OCC CFO

2. To provide detailed financial instructions to card holders.
3. To authorise and maintain control over the issue of cards.
4. To reconcile the purchase card account to the ledger on a monthly basis.

Responsibilities of Purchasing Card holders

5. To be responsible for ordering and paying for goods and services in accordance with the procurement policy and contract standing orders and all procedures laid down by the OCC CFO.

D7 – EX GRATIA PAYMENTS

1. An ex gratia payment is a payment made where no legal obligation has been established. An example may be recompense to a police officer for damage to personal property in the execution of duty or to a member of the public for providing assistance to a police officer in the execution of duty.

Responsibilities of the CC

2. To maintain a policy setting out the process by which ex gratia claims will be processed.
3. To make ex gratia payments, on a timely basis and in accordance with the policy set out, to members of the public and to staff up to the level shown in Section G. These payments will be for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the PCC and the Constabulary up to the limits set and in section G.
4. To maintain details of ex gratia payments in a register.

Section E – External Arrangements

E1 – EXTERNAL FUNDING

1. External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the PCC and Chief Constable. Funds from external agencies provide additional resources to enable policing objectives to be delivered. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Police and Crime Plan.
2. The main sources of such funding will tend to be specific Government grants, additional contributions from local authorities and other partners and shared funding arrangements for projects and programmes.

Responsibilities of Chief Officers

3. To pursue actively any opportunities for additional funding where this is considered to be in the interests of the Constabulary and PCC.

Joint responsibilities of the CC and the PCC

4. To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.

Joint responsibilities of the PCC CFO and the OCC CFO

5. To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met.

Responsibilities of the Chief Constable

6. To ensure that funds are acquired only to meet policing needs and objectives.
7. To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
8. To ensure that any conditions placed the PCC and the Constabulary in relation to external funding are in accordance with the approved policies. If there is a conflict, this needs to be taken to the PCC for resolution.

E2 – WORKING FOR THIRD PARTIES

1. The Constabulary provides services to other bodies outside of its normal obligations, for which charges are made (e.g. training, special policing services). Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

Responsibilities of the Chief Constable

2. To ensure that proposals for assistance are costed on a full cost recovery basis or

other basis as agreed from time to time by local arrangements subject to the actual charge being levied is done so in accordance with the rules established in the NPCC national regulations and national guidance wherever appropriate.

3. To ensure that no contract is subsidised by the Constabulary or the OPCC and that, where possible, payment is received in advance of the delivery of the service so that the Constabulary and the OPCC are not put at risk from any liabilities such as bad debts.
4. To ensure that appropriate insurance arrangements are in place.
5. To ensure that all contracts are properly documented.
6. To ensure that such contracts do not impact adversely on the services provided by the Constabulary and the OPCC.

E3 – JOINT WORKING ARRANGEMENTS

1. Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private service providers.
2. Joint working arrangements can take a number of different forms, each with its own governance arrangements. These can be grouped under the following headings:
 - Partnerships;
 - Consortia;
 - Regional Working;
 - Collaboration.
3. Partners engaged in joint working arrangements have common responsibilities:
 - to act in good faith at all times and in the best interests of the partnership's aims and objectives;
 - to be willing to take on a role in the broader programme, appropriate to the skills and resources of the contributing organisation;
 - to be open about any conflicts that might arise;
 - to encourage joint working and promote the sharing of information, resources and skills;
 - to keep secure any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature;
 - to promote the project;
4. In all joint working arrangements the following key principles must apply:
 - before entering into the agreement, a risk assessment has been prepared;
 - such agreements do not impact adversely upon the services provided by the Constabulary and OPCC;
 - project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise;
 - all arrangements are properly documented;

- regular communication is held with other partners throughout the project in order to achieve the most successful outcome;
 - audit and control requirements are satisfied;
 - accounting and taxation requirements particularly VAT, are understood fully and complied with;
 - an appropriate exit strategy has been produced.
5. The Constabulary and OPCC element of all joint working arrangements must comply with these Financial Regulations.

PARTNERSHIPS

6. The term partnership refers to groups where members work together as equal partners with a shared vision for a geographic or themed policy area, and agree a strategy in which each partner contributes towards its delivery. A useful working definition of such a partnership is where the partners:
- are otherwise independent bodies;
 - agree to co-operate to achieve a common goal; and
 - achieve partnership to create an organisational structure or process and agreed programme, and share information, risks and rewards.
7. The number of partnerships, both locally and nationally is expanding in response to Central Government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:
- comply with statutory requirements;
 - deliver strategic objectives in new and better ways;
 - improve service quality and cost effectiveness;
 - ensure the best use of scarce resources; and access new resources;
 - deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need;
 - forge new relationships;
 - find new ways to share risk.
8. Partnerships fall into core categories i.e. statutory based, strategic, commissioning and ad-hoc.
9. The PCC's Commissioning and Grants Strategy sets out the guiding principles to be taken into account in partnership activity.
10. **Statutory based partnerships** - These are partnerships that are governed by statute. They include, for example, Community Safety Partnerships (CSPs).
11. **Strategic partnerships** - These are partnerships set up to deliver core policing objectives. They can either be Constabulary-wide or local.
12. **Commissioning** - These involve the provision of funds by the PCC against defined outcomes to support the objectives of the Police & Crime Plan including: enhance community safety; provide victims services; reduce re-offending; address mental health issues; fund intervention and prevention work agreed from time to time with

various crime prevention activities, community groups, charities, volunteer groups and private sector providers.

Responsibilities of the PCC

13. To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan and the annual delivery plan.
14. To make appropriate arrangements to commission services from either the Constabulary or external providers. This includes the assessment of relative need, gathering evidence, prioritisation, assessment and monitoring of defined outcomes. The PCC has set a Commissioning and Grants Strategy that reflects her wish to have a single, joined-up and holistic approach to commissioning such services that is run only from the PCC's office to ensure a robust and transparent process is followed for all such commissioning funding and to ensure that any such commissioning funding is only allocated against well defined outcomes that are aligned to the PCC's priorities.
15. To ensure value for money from commissioning services with taxpayers' money and to have in place a robust process and team to assess need, prioritise funding and agree and measure outcomes.
16. To make grants to local service providers that support the delivery of the outcomes set out in the Police & Crime Plan including commissioning support services for victims, improving community safety and tackling offending.

Responsibilities of Chief Officers

17. To consult, as early as possible, with the OCC CFO and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements.
18. To direct all commissioning activity to the OPCC in accordance with the PCC's Commissioning and Grants Strategy to enable a single, joined up and holistic approach and process of control for considering projects or activities to be funded to third party providers of services. Such third party services include, but are not limited to: community safety projects; victims services; drugs and alcohol testing and treatment; young offender services; community safety; early intervention; reducing offending and re-offending; tackling vulnerability and similar.
19. The Chief Constable and senior officers may suggest and promote commissioning projects to the PCC and should use the OPCC as the assessment and processing team to consider any suggested funding. The Chief Constable may not use any funds provided from the PCC or received in the course of delivering policing services or otherwise to commission third party community safety projects or victim services without the express prior written agreement of the PCC.
20. The Chief Constable and senior officers will help the PCC ensure that commissioning activity is centrally controlled from the OPCC.

CONSORTIUM ARRANGEMENTS

21. A consortium is a long-term joint working arrangement with other bodies, operating with a formal legal structure approved by the PCC.

Responsibilities of Chief Officers

22. To contact the Chief Executive before entering into a formal consortium agreement,

to establish the correct legal framework.

23. To consult, as early as possible, the OCC CFO and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements.
24. To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
25. To produce a (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the Chief Executive.

Responsibilities of the PCC

26. To approve the Constabulary and OPCC participation in the consortium arrangement.

REGIONAL WORKING

Joint responsibilities of the PCC and the CC

27. To approve Constabulary participation in Regional Working.

Joint responsibilities of the PCC CFO and the OCC CFO

28. To monitor the financial contributions to/from Regional partners to ensure that they are in accordance with agreed procedures.

COLLABORATION

29. Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the Police Reform and Social Responsibility Act 2011, Chief Constables and PCCs have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more Constabulary or PCCs. Any collaboration which relates to the functions of a Constabulary must first be agreed with the Chief Constable of the Constabulary concerned.
30. The PCC shall hold the Chief Constable to account for any collaboration in which their Constabulary is involved. Any such proposal must be discussed with the PCC CFO and OCC CFO in the first instance.

Section F – Contract Standing Orders

F1 – AVON AND SOMERSET CONTRACT STANDING ORDERS

1. The Constabulary have a retained Strategic Procurement Service (SPS) in place to support police and OPCC procurement and commissioning activity.
2. All orders and contracts for works, goods or services made by or on behalf of the PCC shall be made in accordance with these Contract Standing Orders (Standing Orders).
3. All contracts shall comply with statutory requirements including, but not limited to, UK legislation, Directives of the European Community, and relevant Government Guidance.
4. All procurement activity will be undertaken in a transparent, fair and consistent manner, ensuring the highest standards of probity and accountability. All procurement will operate under robust principles and procedures to ensure best value. Detailed procedures are published.
5. No exceptions shall be made to these Standing Orders otherwise than reasons stated below.
6. Every Police Officer and employee of the PCC and under the direction and control of the Chief Constable shall comply with these Standing Orders; any failure to do so may result in disciplinary action.
7. In every written contract a clause shall be inserted to the effect that the PCC 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 has 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 the obtaining or execution of the contract or any other contract with the PCC or showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the PCC, or if the like acts shall have been done by any employee of the contractor or person acting on the contractors behalf (whether with or without the knowledge of the contractor), or if in relation to any contracts with the PCC the contractor or any employee of the contractor, or person acting on their behalf, shall have committed any offence under the Bribery Act 2010, or shall have given any fee or reward the receipt of which is an offence under section 117 (2) Local Government Act 1972 as amended and the Bribery Act 2010.

COMPETITIVE PROCUREMENT

8. The involvement of SPS for works goods and services as identified in the table below is mandatory.
9. For works, goods or services not available from an existing contract, the acceptance of quotations and bids will be based on the principle of best overall value for money, i.e. the most economically advantageous offer. Criteria for the award of contracts shall be recorded in advance of the invitation and strictly observed by officer's evaluating the bids. The criteria may include cost and qualitative elements and shall take into account whole life costs. The evaluation process must be objective, systematic, thorough and fair.

10. The table below describes the procedure and authority levels dependent on the estimated value of the procurement.
11. Estimated value is deemed to be the aggregate cost that is reasonably anticipated over the lifetime of the provision. If the lifetime is unknown, then the aggregate cost should be based on 48 months.

Procurement competition procedures and authority levels

Value	Procedure	Authority Level
< £10,000	Preferably three quotations shall be obtained (this may include from catalogues or price lists). The procurement procedure and outcome must be recorded and retained.	Purchase orders and contracts to be approved by Police Officers and employees with relevant authority in accordance with financial instructions.
£10,000 – £50,000	At least three formal written quotations or references to three supplier catalogues shall be obtained.	Purchase orders, requisitions and contracts to be approved locally by Police Officers and employees with relevant authority in accordance with financial instructions.
> £50,000	All procurement to be managed by SPS unless with the express approval of the OCC CFO or the PCC CFO. At least three Tenders shall be obtained, where the aggregated value of the contract is in excess of EU thresholds, tender procedures will be in accordance with EU Procurement Directives.	Managed by SPS. Contracts will be signed as follows:- Up to £500,000 by OCC CFO or Chief Constable or as otherwise agreed by the Chief Constable, OCC CFO and SPS. Above £500,000 by PCC or PCC appointed Chief Executive or PCC CFO.

Building Contracts with a tender value of £100,000 or above

12. The Officer with delegated authority to authorise orders or contracts committing the expenditure does so on behalf of the PCC.

Exceptions to Normal Procedures/Single Tender Action (STA)

13. STA should only be used in very exceptional circumstances. The OCC CFO will consider requests for exceptions to normal procedures under the following circumstances;
 - Where it can be evidenced that only one supplier is able to carry out the work or service or to supply goods for technical reasons or because of exclusive

rights;

- Extensions to existing contracts where there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience;
 - The contract has been classified as secret by the Chief Constable making the use of a particular contractor essential or a limited competition to a select list of contractors and the avoidance of advertising requirements in the public domain;
 - The contract is required so urgently that competition is impracticable. For example a genuine unforeseeable operational need arises. However failure to take action within appropriate timescales does not constitute grounds for an urgency exception.
14. Any STA up to £100,000 shall be authorised by the OCC CFO.
15. Any STA over £100,000 may be authorised by the OCC CFO in consultation with the PCC CFO.
16. A register of circumstances when STA was used will be maintained by the OCC CFO.

Competitive procurement using tenders

17. SPS will have responsibility to ensure appropriate procurement procedures are in place covering matters such as;
- The procedures to be applied in respect of the whole tendering process i.e. initial tender, specifications and standards, and evaluation and appointment of contractors and consultants;
 - Processes regarding the use of sub-contractors;
 - Processes regarding variations to contract;
 - The process to be undertaken in relation to declarations of interest in a contract;
 - The procedures to be followed in relation to Collaborative Contracts;
 - The adoption of Framework Agreements;
 - The Procedures to be followed in applying for an exception to Standing Orders, including:
 - The formal procedure to be adopted to evidence alternative provision is not available;
 - The formal justification of emergency provision.
 - The achievement of Value for Money, and the minimisation of risks to the Constabulary and PCC.

Tender custody and opening

18. **Electronic tendering** - the Constabulary and the PCC support the use of electronic means for the invitation and receipt of tenders through the selected e-tendering system in line with the system requirements.

19. **Non-electronic tendering** - In the event of operating non electronic procedure, tenders shall be stored in a secure and confidential manner as required by sealed bid procedure.
20. The opening of these tenders and recording of details shall be subject to the following regulations:-
 - They shall not be opened before the appointed time;
 - They shall be opened at one time by not less than two persons approved from time to time by the OCC CFO and the PCC CFO;
 - The appropriate tender details shall be recorded and then signed by each member of the tender opening panel.
21. Once the tenders have been opened they must be circulated only to those directly involved in tender evaluation and contract letting activities prior to awarding the contract.

Section G – Delegated Limits

References to Sections refer to the relevant part of these regulations where a delegated limit is to apply.

SECTION B – Financial Planning and Control

B1 – Financial Planning

1. The PCC will be given sufficient information to consider in advance of decision all sensitive revenue and sensitive capital projects and the proposed letting or re-letting of all sensitive contracts, the evaluation of all sensitive investments and of all sensitive capital spend. In any and all of these cases the PCC will be involved sufficiently early in the evaluation and consideration of options process to assess and suggest changes to options that are being considered before any final terms are agreed with third party providers of goods and services or with parties receiving and paying for services from the Constabulary. In all such sensitive cases the PCC will have sufficient time to review and contribute to the evaluation and development of options being considered by the OCC or OPCC for such sensitive items.
2. Budget estimates shall identify all proposed sensitive or individual major revenue projects.
3. A major revenue project for these purposes shall be defined as one whose estimated or expected total lifetime costs are excess of the value shown below:
 - **£250,000**

B2 – Budgetary Control

4. Major projects need not be referred back to the PCC for further approval unless they are sensitive or, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown below:
 - Project cost varies from approved estimate by **lesser of 10% and £250,000**.
5. The levels of authorisation for revenue virements are:
 - The Chief Constable may approve virements up to **£150,000**.
 - For virements over £150,000 and all sensitive virements approval from the PCC is required. Virements to a specific budget line approved within these limits, but with a cumulative value exceeding £150,000, shall be reported to the PCC.
6. Year End Balances – Devolved budget holders who underspend their budget in any financial year may carry forward planned underspends, subject to the limits set out below.
 - The **lower of £50,000 or 2%** of the devolved revenue and central pay budget
7. Devolved budget holders who overspend their budget in any financial year may have their budget reduced for the following year subject to the same limits above.

B3 – Land, Property and Capital Programme Approvals

8. Land & Property - The OCC CFO shall notify the PCC CFO of all proposed property leases or renewals before any agreement is made. Any lease or acquisition or

disposal of any interest in land or buildings or property must be subject to the PCC's prior written approval.

9. Capital approvals - No capital spend may be entered into unless it is in accordance with the capital programme approved by the PCC. Detailed estimates for each scheme in the capital programme shall be prepared by the responsible officer before tenders are sought or commitments made.
10. All sensitive schemes and all capital schemes when the cost of the scheme in total exceeds the limits shown below must have an appropriate business case for consideration and if thought appropriate by the PCC approval in writing by the PCC and the PCC must have been able to consider the options available to enable informed consideration of such business cases:
 - **£250,000**

SECTION C – Management of Risk and Resources

C1 – Risk Management

1. The Chief Constable shall be authorised to approve settlement of all claims for civil liabilities, whether insured or otherwise, arising from the office of Chief Constable, civil wrongs committed by police officers and police staff, claims made by all employees of the PCC or Chief Constable under the direction and control of the Chief Constable and all claims arising from the actions of such staff, the occupation of premises and the use of all assets and equipment by the Constabulary subject to the following:
 - prior consultation with the PCC CFO on any sensitive cases and on any cases which may have a significant impact on the Police Fund and for which budgetary provision had not been provided and which is outside or above the financial limits of any insurance;
 - regular reporting to the OPCC upon the conduct of civil claims, any trends and risk management steps being taken to reduce or minimise liabilities
 - notification to the OPCC of any claims received which may be considered sensitive or considered high risk by reason of:-
 - Significant financial claim i.e. above £50,000 damages
 - Significant reputational risk to the PCC
 - High personal impact- significant credibility issues of police officer or senior manager
 - Media coverage that may adversely affect public confidence in the PCC or the Police
 - Complex and novel legal issues
 - Significant effect on national or the Constabulary's policing policy or procedure
 - High profile claimant/defendant
 - Major public protection issues
 - High community impact

C5 – Assets

2. The Chief Constable shall maintain an asset register for all fixed assets with a value in excess of the limits shown below:
 - Land & Buildings - All values
 - Vehicles - All values
 - Computers - All values
 - Plant & Equipment- £12,000
3. Discrepancies between the actual level of stock and the book value of stock may be written off by the OCC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC CFO for approval.
 - Individual items £15,000
 - Overall annual limit on all stock £15,000
4. Obsolete stock, or equipment and materials surplus to requirements may be written off by the OCC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC CFO for approval.
 - Individual items £15,000
 - Overall annual limit on all stock £15,000
5. The OCC CFO may only dispose of surplus land and buildings with the prior written agreement of the PCC. The OCC CFO may dispose of surplus vehicles and items of equipment up to the estimated value shown below. Disposals above this value are to be reported to the PCC for prior approval.
 - Equipment £10,000
 - Vehicles £10,000
6. Items above the estimated value shown below shall be disposed of by public auction or sealed bids after advertisement unless an alternative disposal plan is agreed with the PCC.
 - Land & Buildings £500,000
 - Equipment £15,000

SECTION D – Systems and Procedures

D1 – Income

1. Individual amounts may be written off by the OCC CFO or PCC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC CFO for approval.
 - **£15,000**
2. All cases where write off action results from theft or fraud shall be referred to the PCC CFO and the OCC CFO for approval up to a maximum of £15,000 and to the PCC for approval of amounts in excess of that sum.

D2 – Ordering of goods and services

3. Quotations shall be obtained or tenders invited from suppliers or contractors in

accordance with the requirements set out in Standing Orders Relating to Contracts.

D3 – Ex Gratia Payments

4. The Chief Constable may make ex gratia payments to members of the public or employees up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the Constabulary. Any Sensitive ex gratia payment will require prior approval of the PCC.

- **£5,000**

SECTION E – External Arrangements

E2 – External Funding

1. The Chief Constable may enter into individual arrangements under which the PCC receives sponsorship up to the level shown below:

- **£15,000**

Section H – Guidance notes on breach of Standing Orders or Financial Regulations

1. These guidance notes are supplemental to the PCC and Chief Constable's Anti-Fraud and Corruption Strategy and Fraud Response Plan and should be read in conjunction with those documents.
2. The PCC CFO and the OCC CFO have responsibility under section 114 of the Local Government Finance Act 1998 to make a report if it appears to either of them that any person holding any office or employee or member of any collaborative body on which the PCC or the Constabulary is represented:
 - has made, or is about to make a decision which involved or would involve the PCC or the Chief Constable incurring expenditure which is unlawful;
 - has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the PCC or the Chief Constable; and
 - is about to enter an item on account, the entry of which is unlawful.
3. It is also the duty of the Chief Executive and Monitoring Officer to prepare a report for the PCC with respect to any proposal, decision or mission by any person holding any office or employment which may contravene any enactment, rule of law or code of practice or any maladministration or injustice as defined. In doing so it is the Monitoring Officer's duty so far as is practicable to consult with the PCC CFO and the OCC CFO.
4. A copy of such a report shall be sent to the external auditor.
5. To provide for effective action to deal with any fraud and corruption and to assist the PCC CFO and the OCC CFO in the performance of their duties to ensure the financial affairs of the Constabulary and the OPCC are properly conducted, the procedures in the anti-fraud and corruption strategy will be adhered to in the circumstances of any suspected or actual breach of financial regulations or standing orders.

Section I – Anti-Fraud and Corruption Strategy

Introduction

1. In administering its responsibilities in relation to fraud and corruption, whether it is attempted on the OPCC and/or the Constabulary or from within, the PCC and Chief Constable are committed to an effective Anti-Fraud and Corruption Strategy designed to:
 - Encourage prevention;
 - Promote detection; and
 - Identify a clear pathway for investigation.
2. The expectations regarding propriety and accountability is that the PCC, the Chief Constable and staff at all levels will lead by example in ensuring adherence to rules, and that all procedures and practices are above reproach.
3. The PCC and the Chief Constable also demand that individuals and organisations that they come into contact with will act towards them with integrity and without thought or actions involving fraud or corruption.
4. This Anti-Fraud and Corruption Strategy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. These cover:-
 - Culture (Section 2);
 - Prevention (Section 3);
 - Detection and Investigation (Section 4); and
 - Training (Section 5)
5. The PCC and the Chief Constable are also aware of the high degree of external scrutiny of its affairs by a variety of bodies including:-
 - HMICFRS
 - Internal Audit
 - HM Customs and Excise
 - Inland Revenue
 - The General Public

Culture

6. The PCC and the Chief Constable are determined that the culture and tone of these organisations are ones of honesty and opposition to fraud and corruption.
7. There is an expectation and requirement that all individuals and organisations associated in whatever way with the Constabulary and the OPCC will act with integrity, and that PCC and the Chief Constable and staff at all levels will lead by example in these matters.
8. The PCC, the Chief Constable and their staff are important in the stance on fraud and corruption and they are positively encouraged to raise any concerns that they

may have on these issues where they are associated with the activities of the Constabulary and the OPCC. Concerns may be about something that;

- Is unlawful;
 - Is against the PCC's Standing Orders, Financial Regulations or policies;
 - Falls below established standards or practices;
 - Results in waste or loss to the PCC;
 - Amounts to improper conduct.
9. Staff can do this in the knowledge that such concerns will be treated in confidence, properly investigated and without fear of reprisal and victimisation. If necessary, a route other than their normal line manager may be used to raise such issues.
10. The Public Interest Disclosure Act 1988 protects employees, who report suspected fraud or corruption activities, from any reprisals as long as they meet the rules set out in the Act.
11. In simple terms the rules for making a protected disclosure are:-
- The information disclosed is made in good faith;
 - The person making the disclosure must believe it to be substantially true;
 - The person making the disclosure must not act maliciously or make false allegations;
 - The person making the allegation must not be seeking any personal gain.
12. The designated officer required under the Act to receive disclosures is the PCC CFO.
13. Members of the public are also encouraged to report concerns through any of the above avenues.
14. Allegations/concerns can be made anonymously, however it should be noted that such cases can be more difficult to investigate. The likelihood of action will depend on:
- The seriousness of issues raised;
 - Credibility of the concern;
 - Likelihood of confirming the allegation from attributable sources.
15. Senior management are responsible for following up any allegation of fraud and corruption received and will do so by:
- dealing promptly with the matter;
 - recording all evidence received;
 - ensuring that evidence is sound and adequately supported;
 - ensuring security of all evidence collected;
 - notifying the PCC CFO, and implementing disciplinary procedures where appropriate.
16. The PCC and the Chief Constable can be expected to deal swiftly and thoroughly with any member of staff who attempts to defraud the Constabulary or the OPCC or who are corrupt. The PCC and the Chief Constable should be considered as robust in dealing with financial malpractice.

Prevention

17. The PCC and the Chief Constable recognise that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff in terms of their propriety and integrity. Staff recruitment is therefore required to be in accordance with procedures laid down by the Chief Executive and Chief Constable and in particular to obtain written references regarding known honesty and integrity of potential staff before employment offers are made.
18. All employees are expected to follow any Code of Conduct related to their personal professional qualifications and also to abide by the published Rules of Conduct. This code and the role that appropriate staff are expected to play in the Corporate Governance framework and systems of internal control will be featured in staff induction procedures.
19. The PCC and DPCC are required to adhere to the Code of Conduct relating to the declarations of interests. Staff are also required to declare pecuniary interests.
20. The PCC, Chief Constable and all staff are required to declare in a public register any offers of gifts or hospitality which are in any way related to the performance of their duties.
21. Significant emphasis has been placed on the thorough documentation of financial systems, and every effort is made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls. The adequacy and appropriateness of the Constabulary and the OPCC's financial systems is independently monitored by both Internal Audit and External Audit. Senior management place great weight on being responsive to audit recommendations.
22. The Independent Audit Committee provides an independent and objective view of internal control by receiving and considering audit plans, reports and management letters and reports as appropriate to the PCC.
23. As part of the prevention approach the PCC and the Chief Constable will participate in National Fraud Initiatives. External Audit will also assist in prevention with the issue of warning bulletins and outcomes from surveys and fraud and corruption.

Detection and Investigation

24. The array of preventative systems, particularly internal control systems within the Constabulary and the OPCC, has been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud.
25. It is often the alertness of staff and the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.
26. Despite the best efforts of financial managers and auditors, many frauds are discovered by chance or 'tip off', and arrangements are in place to enable such information to be properly dealt with.
27. Depending on the nature and anticipated extent of the allegations, the Internal Audit will normally work closely with management and other agencies such as the police to ensure that all allegations and evidence is properly investigate and reported upon.
28. The Constabulary and the OPCC's Disciplinary Procedures will be used where the

outcome of the Audit Investigation indicates improper behaviours.

29. The PCC and the Chief Constable will normally wish the police to prepare a case for the CPS regarding the prosecution of offenders where financial impropriety is discovered.

Training

30. The PCC and the Chief Constable recognise that the continuing success of its Anti-Fraud and Corruption Strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of staff throughout the organisation.
31. To facilitate this, the PCC and the Chief Constable support the concept of induction and training particularly for staff involved in internal control systems to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.
32. The possibility of disciplinary action against staff who ignore such training and guidance is clear.

Conclusion

33. The PCC and the Chief Constable have in place clear networks of systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation.
34. To this end, a continuous overview of such arrangements, in particular, by the PCC CFO, through internal audit, external Audit, the work of the JAC and in Constabulary via the Finance Unit and Professional Standards.

Fraud response plan

35. All instances of fraud and corruption will be investigated in accordance with this plan.
36. Fraud and corruption may be reported through a range of channels including direct to a line manager, by another manager, through the Chief Constable's Direct Line, in accordance with whistle blowing policies and by means of external reports. The means of reporting fraud will be publicised within the Constabulary and the OPCC and will be made known to partners and those individuals and organisations that we come into contact with.
37. The arrangements for detection and investigation are set out in the Anti Fraud and Corruption Strategy. The JAC and the PCC CFO, working with the OCC CFO, the auditors and the Head of Professional Standards will fully investigate loss and potential fraud.
38. The protocol requires the Professional Standards Department to liaise with the Head of Audit, after the matter has been investigated. This will enable the Head of Audit to identify any weaknesses in internal control that allowed the irregularity to occur and to ensure that corrective action is taken in order to minimise the risk of any reoccurrence within the Constabulary or the OPCC. Issues considered will be reported to the Standards and Confidence Meeting.

39. Disciplinary procedures are likely to be invoked where the outcome of any investigation indicates misconduct. Proven cases of gross misconduct may result in dismissal of the employee. Misconduct includes fraud committed by a member of staff against the organisation.
40. Where financial impropriety is discovered the presumption of the PCC and the Chief Constable is that these arrangements will be made where appropriate for the prosecution of offenders by the CPS.
41. In instances where the misconduct takes another form such as the misuse of systems and equipment that does not result in financial loss then the outcomes will be monitored by the PCC and the Chief Constable through the processes in place to oversee professional standards issues.
42. The PCC and the Chief Constable will seek to ensure that it learns lessons from any mistakes made that allowed any instances of fraud or corruptions to be perpetrated or to have gone unnoticed. This will be achieved by ensuring that system weaknesses or other contributory factors are identified and addressed. This will normally be achieved through an Internal Audit investigation, report and action plan to ensure that audit recommendations are implemented.
43. The External Auditor also has the powers to investigate fraud and corruption independently and the PCC and the Chief Constable will make use of these services in appropriate cases.
44. The PCC CFO and the OCC CFO will determine if a matter needs to be brought to the attention of the Chief Executive, PCC and the Chief Constable.
45. In the event that the PCC or the Chief Constable is involved the matter will be brought to the attention of the Monitoring Officer.
46. The PCC CFO and the OCC CFO will maintain a link with the External Auditor in order to keep them apprised of developments in serious cases.