



OFFICE OF THE POLICE & CRIME
COMMISSIONER FOR NORFOLK

SCHEME OF GOVERNANCE AND CONSENT

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1.0 INTRODUCTION, OUTLINE OF LEGISLATIVE BACKGROUND AND GENERAL PRINCIPLES

1.1 General

- 1.1.1 The Financial Management Code of Practice for the Police Forces of England and Wales published by the Home Office in October 2013 provides that a Scheme of Governance should be prepared by the Police and Crime Commissioner (PCC). In doing so he should be advised by the Chief Finance Officer of the PCC in consultation with the Chief Executive, the Chief Constable and the Police Force Chief Finance Officer. Accordingly this document has been prepared to govern the interrelationship between the PCC and Chief Constable and to set out those powers which may be exercised by either the PCC or the Chief Constable or others acting on their behalf. It also sets out the constraints on those powers.
- 1.1.2 This Scheme of Governance and Consent comprises a number of key elements including Financial Regulations, Contract Standing Orders and the Scheme of Delegation. There is no separate Scheme of Consent; rather the consents granted to the Chief Constable appear as appropriate throughout the document. They relate in particular to the extent of, and any conditions attaching to, the PCC's consent to the Chief Constable to exercise powers to enter into contracts and acquire or dispose of property.
- 1.1.3 The Scheme will be regularly reviewed and amended as appropriate in consultation with and on the advice of those officers identified above at paragraph 1.1.1.
- 1.1.4 Whilst this Scheme of Governance and Consent has been adopted by the PCC, delegations by the Chief Constable have also been included within it. Further, in view of the close collaboration with the Suffolk police area, the Scheme adopted in Suffolk is very similar and in some instances identical where that is necessary for the effective working of joint departments.

1.2 Legislative Background

- 1.2.1 The role of the PCC was established by the Police Reform and Social Responsibility Act 2011 (the 2011 Act). The role has been established as a "corporation sole" meaning that the PCC is a separate legal entity. As a separate corporate entity created by legislation the PCC has those powers that are expressly provided for in legislation, that are required for carrying out the purposes of their incorporation and that may reasonably be regarded as incidental to, or consequential to those matters provided for by legislation.
- 1.2.2 The Act has also established the Chief Constable as a corporation sole.
- 1.2.3 The Act has conferred wide powers upon the PCC and Chief Constable. A PCC may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of his functions. This includes entering into contracts and other agreements (whether legally binding or not), acquiring and disposing of property (including land), and borrowing money.
- 1.2.4 A Chief Constable may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of his or her functions. This includes entering into contracts and other agreements (whether legally binding or not), and acquiring and disposing of property (apart from land). However, the Chief Constable may only enter into contracts or agreements or acquire or dispose of property with the consent of the PCC. This restriction does not apply to contracts or agreements in relation to the employment of police staff.

1.2.5 These are two key powers. They have been drawn upon, amongst other things, to establish the general principles (see below) upon which this Scheme of Governance and Consent is founded.

1.2.6 Whilst the 2011 Act is the key piece of legislation that establishes the role of PCC there is also other primary and secondary legislation which impacts upon the role. This Scheme of Governance and Consent must be read in conjunction with the requirements expressed by this legislation. In particular, specific attention is drawn to the provisions of the Policing Protocol. Additionally the Financial Management Code of Practice and the Strategic Policing Requirement are key reference documents.

1.3 General Principles

1.3.1 This Scheme of Governance and Consent is, amongst other things, founded upon a number of key elements and which are reflected through the Scheme. They relate to financial management, property management, contracts and procurement.

1.3.2 Financial Management

The PCC has established a set of Financial Regulations (see below) which govern the relationship between the PCC and the Chief Constable in relation to financial matters. These Regulations are joint Regulations with Suffolk such that the Norfolk and Suffolk police areas operate the same Financial Regulations.

1.3.3 To ensure the effective delivery of policing services and to enable the Chief Constable to have impartial direction and control of the Force, the Chief Constable has day to day responsibility for financial management of the Force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC. These levels of authorisation are found in this Scheme and the Financial Regulations and Contract Standing Orders thereto.

1.3.4 It is the responsibility of the Chief Constable to ensure that the financial management of their allocated budget remains within the objectives and conditions that have been set by the PCC in making his budget decisions as well as this Scheme, Financial Regulations and Contract Standing Orders.

1.3.5 Property Management

The PCC owns all police assets in Norfolk both real estate and personal property regardless of whether they are used by the PCC, the Force or both.

1.3.6 The acquisition and disposal of land and/or buildings requires the approval of the PCC in all instances.

1.3.7 The acquisition and disposal of property by the Chief Constable other than land or buildings may be undertaken subject to the provisions of the Financial Regulations and Contract Standing Orders below. Property so acquired is and will be owned by the PCC.

1.3.8 The Chief Constable is responsible for the direction and control of the Force and has management of all assets used by the Force, both real and personal.

1.3.9 Safeguarding and managing the Police estate and property inventory is regarded as a function of the Chief Constable, which his staff carry out on the Chief Constable's behalf.

1.3.10 Contracts and Procurement

The PCC has overall responsibility for property and contracts. The PCC through this Scheme of Governance and Consent has granted consent to the Chief Constable for the daily administration of property (including building maintenance) and contracts in accordance with Financial Regulations and Contract Standing Orders. However no

general consent is granted for contracts relating to property or as covered by the Contract Standing Orders to be entered into other than in the name of PCC.

1.3.11 The Contract Standing Orders cover the procedures for procurement, tenders and contracts. They contain the tender thresholds and levels of authorisation. All procurements and contracts must comply with statutory requirements including EU procurement rules, the statutory regulations for the provision of equipment and services for police purposes, and value for money requirements.

1.3.12 The Contract Standing Orders are joint Standing Orders for the police areas of both Norfolk and Suffolk.

1.3.13 The Chief Constable is able to enter into agreements, memoranda of understanding or such other instruments, not covered by clauses 1.3.10 to 1.3.12 above, and which relate to the performance of the Chief Constable's functions. Further the Chief Constable is able to enter into any agreement where specifically provided for by legislation.

1.3.14 Policy Framework

The OPCCN will adopt the Constabularies Joint Policy Framework, however any variations will be subject to the approval of the Chief Executive.

1.3.15 Information Sharing

Section 36 of the Police Reform and Social Responsibility Act 2011 provides that the Chief Constable must give the PCC such information on policing matters that the PCC may require. The PCC requires that all reasonable information requests made by him or on his behalf are responded to promptly. This includes his statutory officers having full access to information, including all relevant financial information, to enable them to discharge their statutory roles.

2.0 KEY ROLES OF THE PCC AND CHIEF CONSTABLE

2.1 General

2.1.1 The responsibilities and requirements upon the PCC are established by legislation. They are helpfully summarised in The Policing Protocol Order 2011 which also describes the roles of the Chief Constable, Police and Crime Panel and Home Secretary. This Scheme does not identify all of the statutory functions of the PCC as they are set out in specific legislation. However, the key requirements of the PCC role and that of the Chief Constable are set out below.

2.2 Police and Crime Commissioner

2.2.1 The key roles of the PCC are to:

- secure the maintenance of an efficient and effective police force for the area;
- set the budget, determine the level of precept and allocate funds and assets to the Chief Constable;
- appoint, suspend and, if necessary remove the Chief Constable;
- hold the Chief Constable to account for the exercise of the functions of the Chief Constable and those exercising functions under his direction and control;
- issue a Police and Crime Plan which amongst other things, sets out the Police and Crime objectives for the policing of the area;
- make Crime and Disorder reduction grants;
- produce an annual report.
- commission Victims' Services

2.2.2 The PCC receives all funding, including the government grant and precept, and other sources of income, related to policing and crime reduction. The allocation of this funding is for the PCC to determine in consultation with the Chief Constable, and where appropriate with any grant terms.

2.2.3 The Police and Crime Panel has a statutory role to scrutinise the decisions and actions taken by the PCC in discharging his functions.

2.3 Chief Constable

2.3.1 The Chief Constable is responsible for maintaining the Queen's Peace and has direction and control over the Force's officers and staff. The Chief Constable is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, and the management of resources and expenditure by the Force. At all times the Chief Constable, their constables and staff, remain operationally independent in the service of the communities that they serve. The Chief Constable is required to discharge their functions according to the 2011 Act and the Policing Protocol as well as in accordance with all other relevant legislation and the common law. In addition to the statutory responsibilities and obligations imposed upon the Chief Constable, the Chief Constable will undertake all those matters necessary for the management and operational control of the Force.

2.3.2 The key roles of the Chief Constable are:

- to lead the Force in a way that is consistent with the attestation made by all constables on appointment and ensuring that it acts impartially;
- to appoint the Force's officers and staff (after consultation with the PCC, in the case of officers above the rank of Chief Superintendent and police staff equivalents);
- to support the PCC in the delivery of the strategy and police and crime objectives set out in the Police and Crime Plan;

- to provide the PCC with access to information, officers and staff as required;
- to have regard to the Strategic Policing Requirement when exercising and planning their policing functions in respect of their Force's national and international policing responsibilities;
- to notify and brief the PCC upon any matter or investigation which they may need to provide public assurance either alone or with the PCC;
- to be the operational voice of policing in the Force area, and to regularly explain 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, subject to the agreement of the PCC;
- to remain politically independent of the PCC;
- to manage all complaints against the Force, its officers and staff, except in relation to the Chief Constable, and to ensure that the PCC is kept informed to enable them 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 Police Complaints Commission;
- to exercise the power of direction and control in such a way as is reasonable to enable the PCC to have access to all necessary information and staff within the Force;
- to have responsibility for financial management of the Force within the framework of the agreed budget allocation and authorisation levels.

3.0 DELEGATIONS BY THE PCC

3.1 General

- 3.1.1 Notwithstanding the delegations made by the PCC, he reserves the right to require that a specific matter is referred to him for decision and not dealt with under powers of delegation.
- 3.1.2 The PCC must be advised of any policing and crime matter which may have a significant impact on the people of Norfolk.
- 3.1.3 Delegation to officers as below does not prevent an officer from referring the matter to the PCC for a decision if the officer considers this appropriate. This may for example be because of the sensitive nature of an issue or because the matter may have a significant financial implication.
- 3.1.4 When an officer is considering a matter that is within another professional officer's area of competence, they should consider whether it would be appropriate to consult the other professional officer before authorising any action.
- 3.1.5 All decisions made by officers that are of significant public interest and which are made under powers conferred on them by the PCC must be recorded and available for inspection as required by the provisions of this Scheme regarding decision-making below.
- 3.1.6 References made to the professional officers, or to the Chief Executive and the PCC's Chief Finance Officer, include officers authorised by them to act on their behalf and provided that such further delegation is documented in writing.
- 3.1.7 The professional officers are responsible for making sure that members of staff they supervise know about the provisions and obligations of this Scheme.
- 3.1.8 The persons appointed as the Chief Executive (who is the Head of Paid Service and the Monitoring Officer) and the PCC's Chief Finance Officer have powers and duties deriving from their statutory roles. The delegations set out within this Scheme are without prejudice to their ability to discharge those statutory roles.
- 3.1.9 The Scheme provides the professional officers with the authority to discharge the duties of the PCC where permissible by legislation. In undertaking such duties they must comply with all relevant requirements as appropriate including the:
- Police Reform and Social Responsibility Act 2011;
 - Contract Standing Orders;
 - Financial Regulations;
 - Requirements relating to decision-making within this Scheme;
 - Financial Management Code of Practice published by the Home Office (October 2013);
 - CIPFA Statement on the role of the Chief Finance Officer of the PCC and the Chief Finance Officer of the Chief Constable;
 - Data Protection Act 1998 and Freedom of Information Act 2000;
 - Health and Safety at Work Legislation and associated instruments;
 - Equality Act 2010.
 - Policing & Crime Act 2017 (phased enactment)
- 3.1.10 The PCC may delegate the performance of his functions under section 18 of the 2011 Act, with the exception of those noted below and as provided at paragraph 3.1.13:
- issuing the Police and Crime Plan;
 - determining the police and crime objectives for the Police and Crime Plan;

- calculation of the budget requirement for the purpose of issuing a precept;
- appointing, suspending and removing the Chief Constable;
- attendance at the Police and Crime Panel for specified duties;
- preparing the Annual Report.

3.1.11 The PCC may not delegate the performance of a function to:

- a constable;
- another PCC;
- the Mayor's Office for Policing and Crime;
- the Deputy Mayor for Policing and Crime;
- the Mayor of London;
- the Common Council of the City of London;
- any body which maintains a police force;
- a member of staff of the above.

3.1.12 The PCC must not restrict the operational independence of the Chief Constable and the force over which they have direction and control.

3.1.13 The PCC may appoint a deputy to exercise their functions except for those which cannot be delegated. The PCC cannot give consent to such deputy to carry out the following:

- issuing the Police and Crime Plan;
- appointing, suspending or removing the Chief Constable;
- calculating the budget requirement for the purpose of issuing a precept.

3.1.14 Where a deputy is appointed they are authorised to exercise or perform any or all of the functions of the PCC with the exception of those listed at paragraph 3.1.13, during any period when the PCC is unavailable through leave or illness to exercise the functions or at any other time with the consent of the PCC.

3.2 Functions designated/delegated to the Chief Executive of the Office of the PCC.

3.2.1 The Chief Executive is the Head of the PCC's staff and is also the Monitoring Officer for the PCC. These are statutory roles.

3.2.2 The Chief Executive is the primary advisor on strategic issues that arise from the PCC's legal duties. The Chief Executive discharges their statutory roles as Chief Executive, Head of Paid Service and Monitoring Officer in accordance with the relevant statutory requirements, the Association of PCC Chief Executives' Statement on the role of the Chief Executive and Monitoring Officer of the PCC, and Home Office Guidance.¹

3.2.3 The delegations listed below are those granted by the PCC to the Chief Executive, Head of Paid Service and Monitoring Officer:

3.2.4 To take such day to day action as is required for the efficient and effective administration and management of the Office of the PCC and to give effect to the decisions and direction of the PCC.

3.2.5 To execute all contracts, agreements and other legal instruments either in writing or by affixing the Common Seal of the PCC, on behalf of the PCC in accordance with any decisions made by or on behalf of the PCC.

3.2.6 To manage the PCC's corporate budget in accordance with Financial Regulations.

[1. See "Have you got what it takes. Delivering through your Chief Executive and Monitoring Officer", Home Office, 2012]

- 3.2.7 To discharge the functions of the PCC in respect of the handling and recording of complaints in accordance with the OPCCN Complaints Policy.
 - 3.2.8 In addition, the Police and Crime Panel has delegated to the Chief Executive the responsibility for the receipt, initial handling and recording of complaints in respect of the PCC in accordance with Part 2 of the Elected Policing Bodies (Complaints and Misconduct) Regulations 2012.
 - 3.2.9 To fix fees for copies of documents and extracts of documents requested under the Freedom of Information Act 2000, or the Data Protection Act 1998 or otherwise.
 - 3.2.10 To manage the staff of the Office of the PCC including the appointment and dismissal of members of the PCC's staff.
 - 3.2.11 To make recommendations to the PCC with regard to staff terms and conditions of service in respect of the PCC's staff in consultation with the PCC's Chief Finance Officer.
 - 3.2.12 To administer the Independent Custody Visitors Scheme and any other volunteer schemes including the appointment, suspension and removal of custody visitors and other volunteers.
 - 3.2.13 To obtain legal or other expert advice. To commence, defend, withdraw or settle any claim or legal proceedings where required, on the PCC's behalf, in consultation with the Chief Finance Officer.
 - 3.2.14 To consider the provision of financial assistance to police officers (and, if considered appropriate, Police Community Support Officers, members of the Special Constabulary and Police Staff) 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. This action is to be taken in line with Home Office advice and after consulting with the Chief Constable and PCC's Chief Finance Officer.
 - 3.2.15 To exercise the PCC's discretions under the Local Government Pension Scheme where those discretions relate to staff employed in the Office of the PCC and in consultation with the PCC's Chief Finance Officer.
 - 3.2.16 To ensure that there are processes in place in line with the Occupational Pension Scheme (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 in connection with the Local Government Pension Scheme.
- 3.3. Functions designated/delegated to the Chief Finance Officer of the Office of the PCC.**
- 3.3.1 The Chief Finance Officer of the PCC has a personal fiduciary duty by virtue of their appointment as the person responsible for proper financial administration under the 2011 Act. This includes requirements and formal powers to safeguard lawfulness and propriety in expenditure (section 114 of the Local Government Finance Act 1988, as amended by paragraph 188 of Schedule 16 to the 2011 Act).
 - 3.3.2 The Chief Finance Officer of the PCC will discharge their statutory role in accordance with statutory requirements, their job description, the CIPFA Statement on the Role of the Chief Finance Officer of the PCC and the Chief Finance Officer of the Chief Constable, the Financial Management Code of Practice and other relevant guidance and best practice.
 - 3.3.3 The Chief Finance Officer of the PCC is the PCC's professional adviser on financial matters. To enable them to fulfil these duties and to ensure the PCC is provided with adequate financial advice, the Chief Finance Officer of the PCC:

- 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 align 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.

3.3.4 The responsibilities of the PCC CFO are set out in Financial Regulations (Section A4) at Appendix C.

3.4 Matters designated/delegated to other staff of the Office of the PCC.

3.4.1 The Chief Finance Officer of the Office of the PCC is authorised to undertake the roles of and obligations of the Chief Executive when for reasons of absence or illness the Chief Executive is unable to discharge such roles and obligations including the various delegations to the Chief Executive contained within the Scheme of Governance and Consent.

3.4.2 The Director for Performance and Scrutiny for the Office of the PCC is authorised as Deputy Monitoring Officer to undertake the roles of and obligations of the Chief Executive when for reasons of absence or illness the Chief Executive is unable to discharge such roles and obligations including the various delegations to the Chief Executive contained within the Scheme of Governance and Consent.

3.4.2 Any member of the PCC's staff who is authorised by the Chief Executive to act, and provided such further delegation and the terms thereof is documented in writing, may act on behalf of the Chief Executive and with particular reference to the execution of all contracts, agreements and other legal instruments either in writing or by affixing the common seal of the PCC, on behalf of the PCC in accordance with any decisions made by or on behalf of the PCC.

4.0 DELEGATIONS BY THE CHIEF CONSTABLE

4.1 General

- 4.1.1 These delegations set out the authorities delegated by the Chief Constable to the Deputy Chief Constable, Assistant Chief Constables and Assistant Chief Officers, as well as any other officer and members of police staff as appropriate to discharge functions on behalf of the Chief Constable.
- 4.1.2 These delegations should be read in conjunction with other documents in the Scheme of Governance and Consent as well as any relevant collaboration agreement.
- 4.1.3 The legislation relevant to the delegations includes the Police Reform and Social Responsibility Act 2011. Other relevant instruments include the Policing Protocol, the Financial Management Code of Practice and the Strategic Policing Requirement.

4.2 Functions designated to the Chief Finance Officer of the Chief Constable

- 4.2.1 The Chief Finance Officer of the Chief Constable has a personal fiduciary duty by virtue of their appointment as the person responsible for proper financial administration under the Police Reform and Social Responsibility Act 2011. This includes requirements and formal powers to safeguard lawfulness and propriety in expenditure (section 114 of the Local Government Finance Act 1988, as amended by paragraph 188 of Schedule 16 to the Police Reform and Social Responsibility Act 2011).
- 4.2.2 The Chief Finance Officer will discharge their statutory role in accordance with statutory requirements, their job description, the CIPFA Statement on the Role of the Chief Finance Officer of the Chief Constable, the Home Office Financial Management Code of Practice and other relevant guidance and best practice.

4.3 Functions delegated to the Chief Finance Officer of the Chief Constable by the Chief Constable.

- 4.3.1 The responsibilities of the Chief Finance Officer are set out in Financial Regulations at Section 5 and Appendix C below.
- 4.3.2 To exercise the Chief Constable's discretions under the Local Government Pension Scheme in relation to staff employed by the Chief Constable.
- 4.3.3 To ensure that there are processes in place in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 in connection with the Local Government Pension Scheme.

4.4 Functions Delegated to the Director of Human Resources by the Chief Constable

- 4.4.1 To undertake the day to day management of the human resources function in respect of police officers and police staff under the direction and control of the Chief Constable.

4.5 Delegation of functions to Chief Officers by the Chief Constable

- 4.5.1 The Chief Constable may delegate responsibility to any member of the Chief Officer Team as operational necessity requires.
- 4.5.2 The Chief Constable may delegate responsibility to officers employed external to the force giving them authority to undertake functions within the force where such authority derives from collaboration agreements made under the Police Act 1996.

5.0 FINANCIAL REGULATIONS

5.1 General

5.1.1 The Financial Regulations govern the relationship between the PCC and the Chief Constable in relation to financial matters. These Regulations are joint Regulations with Suffolk such that the Norfolk and Suffolk police areas operate under the same Financial Regulations.

5.1.2 The Financial Regulations are found at Appendix C to this Scheme.

6.0 CONTRACT STANDING ORDERS

6.1 General

6.1.1 The Contract Standing Orders govern the relationship between the PCC and the Chief Constable in relation to the entering into of contracts. The Standing Orders are joint Standing Orders with Suffolk such that the Norfolk and Suffolk police areas operate under the same Contract Standing Orders.

6.1.2 The Contract Standing Orders are found at Appendix D to this Scheme.

7.0 DECISION-MAKING AND ACCOUNTABILITY FRAMEWORK

7.1 General

7.1.1 The Police Reform and Social Responsibility Act 2011 sets out the functions and responsibilities of the PCC. This decision-making and accountability framework details the arrangements to enable the PCC to make robust, well-informed and transparent decisions and hold the chief constable to account. The framework includes arrangements for providing information to assist the Police and Crime Panel in its role to scrutinise the decisions and actions of the PCC. The framework applies to decision-making by the PCC and those exercising delegated authority on behalf of the PCC.

7.2 Meetings Structure

7.2.1 The PCC is able to make decisions at any time. Decisions made by the PCC and those exercising delegated authority on behalf of the PCC must comply with the formalities set out below. In order to transact business transparently and effectively, the following distinct types of meeting will take place.

7.2.2 PCC and Chief Constable (Strategic Governance Board - not in public)

Purpose: Regular briefings and discussions. The meetings enable the PCC to exercise his statutory functions, making decisions relating to strategic direction, policy issues and medium/long-term planning. It also provides a regular structured opportunity for the PCC and Chief Constable to brief one another and discuss any pertinent issues.

Frequency: Monthly

Records and publication: Meetings will not be minuted unless there is an issue of significant public interest. Where any decisions require it they will be recorded and published.

7.2.3 Meetings (held in public)

Purpose: To hold the Chief Constable to account and to enable issues to be discussed, and decisions made, in public.

Frequency: To be decided by the PCC.

Records and Publication: Minutes, agendas and reports for meetings held in public will be published along with any decisions taken.

Meetings established under this provision are set out below.

7.2.4 **Public Engagement**

Purpose: To enable engagement with the public around the county.

Frequency: To be decided by the PCC.

Method: To be decided by the PCC, to include surgeries, webcasts and public events.

Location: To be decided but should enable engagement across the county and ideally with the public in each Local Policing Command area.

7.2.5 Attendance of advisers at the above meetings will be at the discretion of the PCC, in consultation with the Chief Constable, having regard to the matters to be discussed. Other individuals e.g. from partner organisations may be invited at the discretion of the PCC.

7.3 **Decision-Making Process**

7.3.1 A good decision making process is fundamental to effective governance arrangements and is likely to produce more consistent, reliable and objectively sustainable decisions, which should result in taking the right decision, for the right reason, at the right time.

7.3.2 **Template**

The decision-making template (Appendix A) will be used for the submission of information to support decision-making. This will enable decisions (including urgent decisions) of significant public interest to be properly recorded and published.

7.3.3 Decisions made under delegated authority from the PCC (See Delegations by the PCC) will be subject to the submission and recording process.

7.3.4 Submissions to the PCC and Deputy PCC will be made via the Chief Executive in order to verify that appropriate information and advice has been included and that the request is being made to the appropriate person. Those officers exercising delegated authority on behalf of the PCC should satisfy themselves that all relevant factors have been considered and that relevant advice has been taken into account in the preparation of the report upon which action is required.

7.3.5 **Confidentiality**

In order to ensure that material is properly protected and managed, the Government Protective Marking Scheme must be used to mark submissions. Items that are marked 'Not Protectively Marked' will mean they are suitable for publication.

7.3.6 Where there is a need to share information which is marked other than 'Not Protectively Marked', (Appendix B) the Chief Executive, in discussion with others as appropriate, will decide on what basis that information is made available. These arrangements will include how such information is made available to the Police and Crime Panel to undertake its role in scrutinising the PCC.

7.3.7 Decisions

All decisions of significant public interest will be recorded via the template, signed as appropriate by the PCC and those exercising delegated authority. All such decisions will, except as provided below, be published on the website of the Office of the Police and Crime Commissioner (OPCC) as soon as practicable after the decision is made. Each decision will be given a unique reference number and details recorded in an electronic register. Decisions of significant public interest taken under delegated authority will be similarly handled. Where decisions contain information that is other than not protectively marked the fact of the decision rather than the decision itself will be published.

7.3.8 This process of transparent recording of decisions will enable the Police and Crime Panel to access information. For information not available via the OPCC website, the Chief Executive will make arrangements for information (including confidential information where appropriate) to be provided to the Police and Crime Panel to enable it to discharge its statutory functions.

7.4 Recording and publication of decisions and specified information

7.4.1 Secondary legislation outlines the information that must be recorded and published. This includes decisions, agendas, meeting dates, times and places of meetings, reports and minutes. This information will be published on the OPCC website www.norfolk-pcc.gov.uk.

7.5 Meeting dates, times and places

7.6.1 A programme of meetings will be maintained and published which will include the dates, times and venues of meetings (to be held in public) and engagement events.

7.6.2 Wherever possible the PCC will provide the opportunity for the public to ask questions at meetings held in public. The PCC will decide the arrangements for dealing with public questions.

7.6 Agendas and papers

7.6.1 Agendas and papers for meetings that are held in public will be available through the OPCC website at least 5 working days prior to the meeting.

7.7 Minutes

7.7.1 Minutes of meetings held in public (or meetings not held in public where matters of significant public interest are discussed) will be published as soon as practicable after the meeting has taken place.

7.8 Meetings held in Public

7.8.1 Police Accountability Forum (PAF)

Purpose: To hold the Chief Constable to account and to enable issues to be discussed and where appropriate make decisions in public. This will include holding the Chief Constable to account for the management of the funds provided to the Chief Constable for the purpose of policing and the delivery of the strategy and objectives set out in the Police and Crime Plan.

Frequency: 6 meetings per year.

Open/Closed: The meetings will be held in public unless the nature of the business to be transacted (or part thereof) requires to be considered in closed session. This will be determined by reference to the Government's Protective Marking Scheme.

- Attendances:* PCC (and members of staff from their Staff Team).
Chief Constable and members of the Chief Officer Team and Senior Staff as appropriate to the business under discussion.
- Venue:* To be held at varying locations within Norfolk, at discretion of the PCC
- Records and Publication:* There will be agendas, reports and minutes produced and published (having regard to the publication of material in the light of the Government Protective Marking Scheme) in respect of all meetings and where appropriate published via the PCC's website.
- Business:* The Panel will be the principal vehicle for holding the Chief Constable to account upon the delivery of those elements of the Police and Crime Plan that fall to the Chief Constable. Accordingly delivery against the Plan will be considered where appropriate at each meeting.
- The further business to be transacted including financial reporting will be specified in a Schedule of Future Business. The requirements for the provision of written reports to the Panel will be specified by the PCC.

7.8.2 Audit Committee

Terms of Reference

The Audit Committee is independent of the Police and Crime Commissioner (PCC) and Norfolk Constabulary. The Committee is established based on relevant Home Office and Chartered Institute of Finance and Accountancy (CIPFA) guidance. It will discharge the functions of an Audit Committee as identified by CIPFA guidance.

1.0 Statement of Purpose

- The Audit Committee is a key component of the corporate governance arrangements of the PCC for Norfolk and the Chief Constable of Norfolk. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- The purpose of the Audit Committee is to provide independent advice and recommendation to the PCC and the Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment, and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the Committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of the governance, risk management and control frameworks, financial reporting and annual governance processes, and internal audit and external audit.
- These terms of reference will summarise the core functions of the committee in relation to the Office of the Police and Crime Commissioner (OPCC) and to the Constabulary and describe the protocols in place to enable it to operate independently, robustly and effectively

2.0 Governance, Risk and Control

The Committee will, in relation to the PCC and the Chief Constable:

- Review the corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.

- Review the Annual Governance Statement[s] prior to approval and consider whether [it] [they] properly [reflects] [reflect] the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
- Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC/the Constabulary.
- Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the police and crime commissioner/the chief constable in addressing risk-related issues reported to them.
- Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter-fraud strategy, actions and resources.
- And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

2.0 Internal Audit

The Committee will:

- Annually review the internal audit charter and resources
- Review the internal audit plan and any proposed revisions to internal audit plan.
- Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence
- Consider the head of internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.
- Consider summaries of internal audit reports and such detailed reports as the committee may request from the PCC/Chief Constable including issues raised or recommendations made by the internal audit service, management responses and progress with agreed actions.
- in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.
- Consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.

4.0 External Audit

The Committee will:

- Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
- Consider the external auditor's annual management letter, relevant reports, and the report to those charged with governance.
- Consider specific reports as agreed with the external auditor.
- Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

5.0 Financial Reporting

The Committee will:

- Review the Annual Statement of Accounts
- Examine the Annual draft Treasury management Strategy

6.0 Accountability Arrangements

The Committee will:

Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and the Chief Constable.

Frequency: No less than 4 meetings per year.

Open/Closed: The meetings will be held in public. (having regard to the publication of material in the light of the Government Protective Marking Scheme)

Attendees: The Committee will comprise five named members with appropriate public sector or other experience and who are independent of the PCC and the Constabulary. One of the members will be the Chairman who will be directly appointed by the PCC and the Chief Constable.

The executive of the PCC and Chief Constable's Command Team should be represented at all meetings.

Venue: OPCCN Offices (and as otherwise determined by the PCC).

Records & Publication: There will be a summary of each meeting produced and published via the PCC's website.

Business: The business to be transacted will be specified in the Forward Plan

7.9.3 Corporate Governance Working Group

The Working Group will provide advice to the PCC and Chief Constable on the application of statutory requirements and guidance relating to issues of corporate governance.

7.9.4 Norfolk/Suffolk Collaboration Panel

Purpose: To consider issues of mutual interest and to discharge the governance responsibilities of the PCCs in relation to collaboration between Norfolk and Suffolk.

Frequency: The Panel will meet as agreed by the Chief Executive. The number of meetings will be commensurate with the level of business but it is anticipated that there will be approximately 4 meetings a year.

Open/Closed: The meetings will be held in public unless the nature of the business to be transacted requires to be considered in closed session. This will be determined by reference to the Government Protective Marking Scheme.

Attendances: PCCs (and members of staff from their staff teams).
Chief Constables including members of the Chief Officer Team and Senior Staff as deemed appropriate to the business under discussion.

Venue: As agreed variously by the PCC's of Norfolk and Suffolk.

Records & Publications: There will be agendas, reports and minutes produced and published (having regard to the publication of material in the light of the Government Protective Marking Scheme) in respect of all meetings and where appropriate published via the PCC's website.

7.9.5 Regional Collaboration

Terms of Reference for the Eastern Region Alliance Summit

Principles: The meeting shall be a private business meeting and not a public decision making board. Appropriate minutes will be made.

The meeting shall provide the PCC's and Chief Constables (the Members) with a forum to discuss and shape new initiatives and discharge their statutory duties.

The principle of local accountability shall be maintained. Decisions may be made by the meeting 'in principle' and recommendations may be made but each PCC and Chief Constable shall retain their executive sovereignty as corporation sole.

Role (Meetings): Assist the Members in meeting their statutory obligations, to include keeping collaboration opportunities under review and ensuring collaboration takes place where it is in the interests of the efficiency or effectiveness of their own and other Police Force areas.

Hold the Lead Force Chief Constables and Lead PCC's to account for the operational delivery of the collaborative functions for which they are responsible.

Consider plans for the delivery of all functions through collaboration and where appropriate ensure they are implemented effectively.

Discharge the functions assigned to it by relevant collaboration agreements agreed by the Members.

Perform an oversight function (to include accountability, finance and performance) on behalf of the Members in respect of ongoing collaborative functions and projects. The Members participating in this oversight will be defined within the relevant collaboration agreement.

Consider regional police and crime issues, share best practice, exchange ideas and facilitate closer working between Members.

When required to do so:

- Consider proposals for any significant expenditure, overspends or disposal of any significant assets in relation to collaborative functions;
- Resolving any high level strategic service delivery issues or disputes which cannot be resolved through line management arrangements.
- Receive 6 monthly reports on the performance of all regional collaborative functions, including financial and operational performance, in accordance with the terms of the objectives of the relevant collaboration agreement.

Membership: The Meeting (Board) shall comprise Commissioners and the Chief Constable (or their representatives) of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk.

The Chair is appointed on an annual basis.

A nominated OPCC will have responsibility for all necessary administration in relation to the meeting.

Proceedings & Meetings:

The aim is for meetings to take place quarterly although they can be held as and when it is felt appropriate by Members.

The meeting does not have a formal decision making function and therefore detail concerning voting and quorum is unnecessary. Where a collaboration agreement requires the Meeting to make a decision, it shall do so in principle and refer the decision to individual Members to make decisions at a local level.

The meeting shall be held in private unless determined otherwise by all the Members.

7.9.6 Public Engagement

The PCC will hold meetings to engage directly with the public. They will range from meetings to which the public are invited to one-to-one surgeries with members of the public. The meeting arrangements will vary from time to time. All public meetings will be publicised in advance via the PCC's website.

8.0 WORKING AGREEMENTS BETWEEN PCC AND CHIEF CONSTABLE

8.1 General

The PCC and Chief Constable have agreed to work together in co-operation to ensure the effective and efficient delivery of policing services. Notwithstanding their separate legal identities as Corporation Sole it is acknowledged that they have such interdependence as to require the sharing of significant areas of business support. Indeed Section 2 (5) of the Police Reform and Social Responsibility Act 2011 provides:

“A Chief Constable must exercise the power of direction and control in such a way as is reasonable to assist the relevant Police and Crime Commissioner to exercise the Commissioner’s functions.”

The sharing of business support, for example Finance/Payroll, HR, ICT, Performance, Consultation, Legal is not regarded as the provision of services by one to the other but rather a co-operative arrangement for the effective delivery of business support essential to the operation of both Corporation Sole. At all times both Corporation Sole will operate to the general principle of reasonableness. The provision of business support by the Chief Constable to the PCC is to be funded from the budget provided by the PCC to the Chief Constable rather than under any separate arrangement. There is no intention on either part to create enforceable private law rights or liabilities in relation to the provision of such business support.

Appendix A



OFFICE OF THE POLICE & CRIME
COMMISSIONER FOR NORFOLK

ORIGINATOR:	DECISION NO. 2017/
--------------------	---------------------------

REASON FOR SUBMISSION:

SUBMITTED TO:

SUBJECT:

SUMMARY:

RECOMMENDATION:

OUTCOME/APPROVAL BY: PCC/CHIEF EXECUTIVE/CHIEF FINANCE OFFICER
(Delete as appropriate)

The recommendations as outlined above are approved.

1.1. Signature Date

DETAIL OF THE SUBMISSION:

1.OBJECTIVE:

2.BACKGROUND:

3.AREAS FOR CONSIDERATION:

4.OTHER OPTIONS CONSIDERED:

5.STRATEGIC AIMS/OBJECTIVE SUPPORTED:

6.FINANCIAL AND OTHER RESOURCE IMPLICATIONS:

7.OTHER IMPLICATIONS AND RISKS:

PUBLIC ACCESS TO INFORMATION: *Information contained within this submission is subject to the Freedom of Information Act 2000 and wherever possible will be made available on the OPCC website. Submissions should be labelled as ‘Not Protectively Marked’ unless any of the material is ‘restricted’ or ‘confidential’. Where information contained within the submission is ‘restricted’ or ‘confidential’ it should be highlighted, along with the reason why.*

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE ‘YES’ OR ‘NO’
Has legal advice been sought on this submission?	
Has the PCC’s Chief Finance Officer been consulted?	
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	
Have human resource implications been considered?	
Is the recommendation consistent with the objectives in the Police and Crime Plan?	
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	
Has communications advice been sought on areas of likely media interest and how they might be managed?	
In relation to the above, have all relevant issues been highlighted in the ‘other implications and risks’ section of the submission?	

APPROVAL TO SUBMIT TO THE DECISION-MAKER (this approval is required only for submissions to the PCC).

Chief Executive

I am satisfied that relevant advice has been taken into account in the preparation of the report, that the recommendations have been reviewed and that this is an appropriate request to be submitted to the PCC.

Signature:

Date

Chief Finance Officer (Section 151 Officer)

I certify that:

- a) there are no financial consequences as a result of this decision,
OR
- b) the costs identified in this report can be met from existing revenue or capital budgets,
AND
- c) the decision can be taken on the basis of my assurance that Financial Regulations have been complied with.

Signature:

Date

Appendix B

GOVERNMENT PROTECTIVE MARKING SCHEME DEFINITIONS

Criteria for assessing CONFIDENTIAL assets:

- materially damage diplomatic relations (i.e. cause formal protest or other sanction);
- prejudice individual security or liberty;
- cause damage to the operational effectiveness or security of United Kingdom or allied forces or the effectiveness of valuable security or intelligence operations;
- work substantially against national finances or economic and commercial interests;
- substantially to undermine the financial viability of major organisations;
- impede the investigations or facilitate the commission of serious crime;
- impede seriously the development or operation of major government policies;
- shut down or otherwise substantially disrupt significant national operations.

Criteria for assessing RESTRICTED assets:

- affect diplomatic relations adversely;
- cause substantial distress to individuals;
- make it more difficult to maintain the operational effectiveness or security of United Kingdom or allied forces;
- cause financial loss or loss of earning potential or to facilitate improper gain or advantage for individuals or companies;
- prejudice the investigation or facilitate the commission of crime;
- breach proper undertakings to maintain the confidence of information provided by third parties;
- impede the effective development or operation of government policies;
- to breach statutory restrictions on disclosure of information;
- disadvantage government in commercial or policy negotiations with others;
- undermine the proper management of the public sector and its operations.



OFFICE OF THE POLICE & CRIME
COMMISSIONER FOR NORFOLK



Financial Regulations

1 April 2014
Revised June 2016

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INTRODUCTION

OVERVIEW

1. Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds, including:
 - The Local Government Act 1972
 - The Local Government Finance Act 1988
 - The Accounts and Audit (England) Regulations 2015
 - The Police Reform and Social Responsibility Act 2011
2. The Police Reform and Social Responsibility Act 2011 defined arrangements for separate corporations sole for the Police and Crime Commissioner (PCC) and Chief Constable (CC), each of which is required to appoint a Chief Finance Officer (CFO). In addition, the Home Office issued a Financial Management Code of Practice (FMCOP) in October 2013 which deals specifically with the financial management of the corporations sole of the PCC and CC. The professional responsibilities of the PCC and CC CFOs are defined in the FMCOP and in a CIPFA Statement issued in September 2012, "Responsibilities of the CFO to the PCC and the CFO to the CC".
3. To conduct its business effectively, the PCC and CC need to ensure that sound financial management policies are in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. The Regulations contained herein have been drawn up in such a way as to ensure that the financial matters of the PCC and CC are conducted properly and in compliance with all necessary requirements. The CC CFO is responsible for managing funds delegated by the PCC in accordance with the requirements in these Regulations.
4. The Regulations are designed to establish overarching financial responsibilities, and to provide clarity about the financial accountabilities of groups or individuals. They apply to all PCC staff and all CC officers and staff and anyone acting on their behalf. The Regulations have been drawn in the knowledge that under S18 of the Police Reform and Social Responsibility Act 2011 it is not possible for the PCC to arrange for a function to be exercised by a constable or a member of staff employed as such.

STATUS

5. Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory framework within the Scheme of Governance and Consent. This scheme also includes the Contract Standing Orders.
6. All staff has a general responsibility for taking 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.
7. The PCC is responsible for approving or amending Financial Regulations in close consultation with the CC, the PCC CFO, the CC CFO, the Chief Executive and the Head of Finance.

8. The PCC is responsible for ensuring that all staff, contractors and agents for whom the PCC is responsible are aware of the existence and content of Financial Regulations and that they are complied with. Equally, the CC is responsible for ensuring that all officers, staff, contractors and agents for whom the CC is responsible are aware of the existence and content of Financial Regulations and that they are complied with.
9. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings. Such cases shall be reported to the PCC CFO and to the CC CFO who shall report to the PCC, Chief Executive and CC who will then determine the action to be taken.

DEFINITIONS WITHIN THE REGULATIONS

10. The 'Office of the Police and Crime Commissioner' (OPCC) when used as a generic term shall refer to the PCC, PCC Chief Executive, PCC CFO, and staff under his/her direction.
11. The 'Constabulary' shall refer to the CC, CC CFO, police officers, the special constabulary, and police staff under his/her direction.
12. The terms CC, CC CFO, PCC, PCC Chief Executive and PCC CFO include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, recorded, made to an appropriate level and the member of staff given sufficient authority, training and resources to undertake the duty in hand. Such delegations are set out in Section G.

SECTION A

FINANCIAL MANAGEMENT FRAMEWORK

A1 INTRODUCTION

- 1.1 The Home Office advises on the roles and responsibilities of the PCC, the Constabulary and statutory officers. The PCC CFO and the CC CFO have certain statutory obligations and the PCC Chief Executive a specific monitoring role.
- 1.2 As far as possible financial management should be delegated to the CC CFO acting on behalf of the CC. The CC should actively encourage devolution of financial budgets within the Constabulary, provided that the financial information used to support this devolution is reliable, accurate, timely and complete.
- 1.3 Devolved budget monitoring responsibilities will ensure greater accountability within the Constabulary.
- 1.4 The PCC has responsibility for the Police Fund with the specific financial responsibilities of the PCC and CC being defined in the Home Office FMCOP. The professional financial responsibilities of the PCC CFO and CC CFO are defined in the FMCOP and in a CIPFA Statement.

A2 THE ROLE OF THE PCC

- 2.1 The financial role and responsibilities of the PCC include:
 - Agreeing a budget requirement and capital programme, setting the precept following advice from the PCC CFO in liaison with the CC CFO, subject to review by the Police and Crime Panel (PCP);
 - Setting the allocation of resources to the Chief Constable;
 - Scrutinising, challenging and monitoring aspects of financial performance and, if required, agreeing action taken to contain spending within the approved plans;
 - Identifying and agreeing the long term financial strategy of the PCC and any long term spending commitments;
 - Maintaining the highest standards of conduct and ethics;
 - Making Financial Regulations and any amendments to them, as presented by the PCC Chief Executive, the CC, the PCC CFO, the CC CFO and the Head of Finance.
 - Approving payment of Crime Disorder Reduction Grants
 - Own property and enter into contracts.

A3 THE ROLE OF THE CC

3.1 The financial role and responsibilities of the CC include:

- Through the CC CFO, ensuring overall financial management of the Constabulary and reporting financial management issues and implications to the PCC;
- Complying with financial policies and procedures for use by the Constabulary including the Scheme of Governance and Consent, ensuring that officers and staff comply with them and with these Financial Regulations;
- Through the CC CFO drawing up financial policies and procedures, in liaison with the PCC CFO;
- Ensure proper financial management of resources allocated to him/her through the budget or arising from income generated by activities within the operational area, including control of officers, staff, security, custody and the management and safeguarding of assets. Ensure all resources are used efficiently and effectively.

A4 THE ROLE OF STATUTORY OFFICERS

PCC CFO and CC CFO

4.1 The PCC CFO and CC CFO have responsibility for financial administration and stewardship. The role has the statutory responsibilities specified by:

- Within the Police Reform and Social Responsibility Act (2011) Schedule 1 paragraph 6 and Schedule 2 paragraph 4 define the role of the PCC CFO and CC CFO respectively in requiring a person to be responsible for the proper administration of the PCC and CC financial affairs;
- Section 113 of the Local Government Finance Act 1988 that requires the CFOs to hold a Chartered accountancy qualification;
- Section 114 of the Local Government Finance Act 1988 which requires the statutory finance officer to report to the PCC and the CC if the PCC or the CC or one of their staff:
 - has made, or is about to make, a decision which involves incurring unlawful expenditure;
 - has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency;
 - is about to make an unlawful entry in the PCC or CC's accounts.

4.2 The role and responsibilities of the PCC CFO are to:

- Ensure that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date and accounting standards applied consistently;
- Ensure regularity, propriety and Value for Money (VfM) in the use of public funds;

- Ensure that the funding required to finance agreed programmes is available from Central Government funding, precept, other contributions and recharges;
- Report to the PCC, the PCP and to the external auditor any unlawful, or potentially unlawful, expenditure by the PCC or staff of the PCC;
- Report to the PCC, the PCP and to the external auditor when it appears that expenditure is likely to exceed the resources available to meet that expenditure;
- Advise the PCC on a budget requirement and capital programme and the robustness of the budget and adequacy of financial reserves;
- Ensure production of the statements of accounts of the PCC;
- Ensure receipt and scrutiny of the statements of accounts of the Chief Constable and production of the group accounts;
- Liaise with the external auditor;
- Advise 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;
- Advise, in consultation with the PCC Chief Executive, on the safeguarding of assets, including risk management and insurance;
- Ensure that accurate, complete and timely financial management information is provided to the PCC, and assist the PCC in monitoring the revenue and capital budgets;
- Arrange for the determination, issue and transfer of the precept;
- Secure, in liaison with the CC CFO, the provision of an effective internal audit service. Assist in the provision of safe and efficient financial arrangements ensuring there is a system of effective internal control;
- Secure and monitor treasury management including loans and investments and ensure compliance with the Prudential Code and Treasury Management Code, including regular reports to the PCC;
- Be responsible for all banking arrangements and authorise the creation and closure of any account;
- Undertake the role of Money Laundering Reporting Officer;
- Ensure the finance function is resourced to be fit for purpose.

4.3 The PCC CFO, in consultation with the PCC Chief Executive and the CC CFO, shall have the authority to institute any proceedings or take any action necessary on behalf of the PCC to safeguard the finances of the PCC.

4.4 The role and responsibilities of the CC CFO are to:

- Ensure that the financial affairs of the Constabulary are properly administered and that Financial Regulations drawn up by the PCC are observed and kept up to date;
- Report to the CC, the PCC and the external auditor, any unlawful, or potentially unlawful, expenditure by the CC or officers or staff of the CC;
- Report to the CC, the PCC and the external auditor when it appears that expenditure of the CC is likely to exceed the resources available to meet that expenditure;
- Advise the CC on Value for Money in relation to all aspects of the Constabulary's expenditure;
- Advise the CC and the PCC on the soundness of the budget in relation to the Constabulary;
- Liaise with the external auditor;
- Ensure the statement of accounts is prepared for the CC;
- Ensure information is provided to the PCC CFO as required to enable production of group accounts;
- Be responsible to the CC for all financial activities undertaken within the Constabulary or contracted out under the supervision of the Constabulary;
- Direct the preparation of financial policies and strategies that optimise resources along with corporate management of the Constabulary both at an operational and strategic level. Ensure efficient and effective use of resources;
- Ensure adequate awareness and comprehension of financial policies / strategies and their continued development within the Constabulary;
- Draft the constabulary's medium term financial requirements and an annual budget in consultation with the PCC CFO. Submit these draft proposals to the CC and PCC for approval;
- Manage the allocation of the delegated budget, devolution to Budget Managers and in year virement for and on behalf of the CC. Monitor expenditure and provide regular reports to the CC and PCC;
- Ensure the management of revenue and capital resources to maximise effective use of funding and achieve value for money;
- Ensure the completion of all statutory returns including Home Office directives;
- Ensure the finance function is resourced to be fit for purpose.

PCC Chief Executive

4.5 The role and responsibilities of the PCC Chief Executive in relation to financial management are to;

- Support and advise the PCC in fulfilling his/her statutory responsibilities;
- Ensure the proper recording and reporting of PCC decisions;
- Advise the PCC and CC about who has authority to take a particular decision;
- Advise the PCC and CC about whether a proposed decision is within the policy framework;
- Ensure the PCC meets his/her obligations in relation to statutory publications;
- Perform the role of Monitoring Officer to draw to the PCC's attention any actual or possible contravention of law, maladministration or injustice.

A5 FINANCIAL MANAGEMENT STANDARDS

Overview & Control

- 5.1 The PCC and CC and all officers and staff have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring that all officers and staff are clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.
- 5.2 The PCC and CC will ensure that they receive updates on the financial performance by way of on-going budget monitoring and outturn reports, in addition to reports by Internal Audit, HMIC and External Audit.

Requirements

- 5.3 The PCC and CC shall ensure that all their officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- 5.4 All officers and staff are to be properly managed, developed, trained and have adequate support to carry out their financial duties effectively.
- 5.5 The PCC and CC shall ensure that specific duties and responsibilities in financial matters are made clear to individual officers and members of staff and that these are properly recorded.

A6 ACCOUNTING RECORDS AND RETURNS

Overview and Control

- 6.1 The PCC CFO in liaison with the CC CFO is responsible for determining the accounting policies of the PCC and CC, in accordance with recognised accounting practices, and for approving strategic accounting systems and procedures. All officers and staff are to operate within the required accounting policies and published timetables.

- 6.2 Financial systems are used to record the financial transactions of the PCC and CC. With possible minor exceptions, these are electronic systems. Maintaining proper accounting records is one of the ways in which the PCC and CC discharge their responsibility for stewardship of public resources.
- 6.3 The following rules should be followed as a general principle:
- officers and staff with the duty of examining or checking the accounts of cash transactions must not themselves be originators or approvers of these transactions;
 - the duties of providing information about sums due to or from the PCC and CC and calculating, checking and recording these sums, are to be separated from the duties of collecting or disbursing them.

Requirements

- 6.4 The PCC CFO and the CC CFO shall:
- Ensure that there is agreement between themselves before making any fundamental changes to accounting records and procedures or accounting systems.
 - ensure that all transactions, material commitments, contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
 - maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.
 - ensure that reconciliation procedures are carried out on recognised control accounts on an agreed timetable to ensure transactions are correctly recorded.
- 6.5 Prime documents are to be retained in accordance with legislative requirements and the internal needs of the PCC and CC (Financial policies provide details of retention periods). The format of such documents shall satisfy the requirements of internal and external audit. The PCC and CC shall be responsible for providing a detailed schedule of requirements and making this available to all appropriate staff.

A7 THE ANNUAL STATEMENT OF ACCOUNTS

Overview and Control

- 7.1 The PCC and CC have a statutory responsibility to prepare accounts to present fairly their operations during the year. The PCC CFO and CC CFO are responsible for the preparation of the accounts in accordance with proper practices as set out in *the Code of Practice on Local Authority Accounting in the United Kingdom: (The CODE)* and with the Accounts and Audit (England) Regulations 2015. The PCC and CC are responsible for approving these annual accounts after scrutiny by the PCC, CC and the Audit Committee.
- 7.2 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly and that proper accounting practices have been followed.

Requirements

7.3 The PCC CFO and CC CFO shall:

- ensure that there is a timetable for final accounts preparation, in consultation with the external auditor;
- select suitable accounting policies within the overall agreed approach and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the CODE;
- prepare, sign and date the statement of accounts, stating that it presents truthfully and fairly the financial position at the accounting date and its income and expenditure;
- publish the approved and audited accounts each year, in accordance with the statutory timetable.

7.4 The PCC CFO in liaison with the CC CFO is responsible for the determination of PCC and CC accounting policies.

7.5 The PCC and CC shall consider for approval the annual accounts in accordance with the statutory timetable.

SECTION B

FINANCIAL PLANNING AND CONTROL

B1 FINANCIAL PLANNING

Overview and Control

- 1.1 The PCC and CC are complex organisations. Systems are needed to enable scarce resources to be allocated in accordance with carefully judged priorities. Proper financial planning is essential if the PCC and CC are to function effectively.
- 1.2 The financial planning process will be directed by the approved policy framework, a business planning process and a need to meet key objectives.
- 1.3 The planning process will be continuous and the planning period will cover at least four years. The process should include a more detailed annual budget, covering the forthcoming financial year. This allows the PCC and CC to plan, monitor and manage the way funds are allocated and spent. This should be used to support the Police and Crime Plan and the alignment of business and financial planning.
- 1.4 The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the rules around virement operate.

Medium Term Financial Planning

Requirements

- 1.5 The PCC CFO and CC CFO are responsible for ensuring that a Medium Term Financial Plan (MTFP) looking at least four years ahead is prepared. The MTFP should be submitted to the PCC and CC, be subject to review during the financial year, and cover:
 - policy requirements approved by the PCC as part of the policy framework;
 - the risk management policy ensuring that risk appraisals are embedded throughout the forecast;
 - unavoidable future commitments, including legislative requirements;
 - initiatives already underway;
 - spending patterns and pressures revealed through the budget monitoring process;
 - efficiency and savings requirements;
 - proposed service developments and plans;
 - capital spending proposals
 - revenue consequences of capital spending proposals;
 - taxation or other constraints;
 - public and partner consultation.
- 1.6 The PCC shall prepare at least a four year forecast of potential resources, including options for transfers to and from general balances and earmarked reserves and use of provisions, based upon an interpretation of government funding assumptions and all other available information. This will include potential implications for local taxation.
- 1.7 A gap may be identified between available resources and required resources. Requirements should be prioritised carefully by the PCC and CC to enable best informed judgements as to future funding levels and planning the use of resources.

- 1.8 The PCC and CC shall integrate financial and budget plans into service planning so that such plans can be supported by financial and non-financial performance measures.

Annual Revenue Budget Preparation

Requirements

- 1.9 The PCC CFO in liaison with the CC CFO shall determine the format and timetable for the annual budget. The format and timetable is to comply with all legal requirements and with other external guidance.
- 1.10 The PCC CFO and CC CFO shall prepare detailed budget estimates for the forthcoming financial year in accordance with the agreed timetable. This will identify the base budget, inflation and other commitments, budget changes, risk assessments, efficiencies, savings and service development proposals. Budget preparation should take account of legal requirements, Government guidelines, accounting standards, the Treasury Management Code and the Prudential Code and reflect medium term financial planning requirements.
- 1.11 The PCC CFO and CC CFO shall ensure that a business case is prepared for any major project and that proposals undergo an option appraisal that demonstrates the costs and benefits of the project to the service.
- 1.12 The results of the appraisal shall provide evidence as to the scheme's viability and inclusion in the proposed revenue budget, including a recommended solution resulting from consideration of the business case and option appraisal.
- 1.13 The PCC CFO shall advise on the adequacy of all reserves and provisions, transfers to or from general balances, earmarked reserves or provisions and ensure that the overall budget is balanced.
- 1.14 The PCC Chief Executive shall ensure that the PCC's draft precept and council tax requirement is submitted to the PCP in accordance with the statutory timetable.
- 1.15 Upon approval of the annual budget and capital programme, the PCC CFO shall submit the Council Tax return to central government and precept requests to appropriate bodies in accordance with the legal requirement.
- 1.16 The PCC CFO and CC CFO shall seek to identify opportunities to improve economy, efficiency and effectiveness, and value for money during the preparation of the budget and on a continuous basis throughout the year.

B2 BUDGETARY CONTROL

Overview and Control

- 2.1 Budget management ensures that once the PCC has approved the overall budget, resources allocated are used for their intended purpose, subject to virement rules, and are properly accounted for. Budgetary control is a continuous process, enabling the PCC CFO and CC CFO to review and adjust budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 2.2 Budget Managers shall accept accountability for the budgets under their management, the level of service to be delivered and understand their financial responsibility.
- 2.3 Management of budgets must not be seen in isolation. It should be measured in conjunction with service outcomes and performance measures.
- 2.4 For strategic monitoring and management purposes, the budget shall identify operational policing, other policing costs, PCC costs, capital financing items and transfers to and from general balances and earmarked reserves.

Revenue Budget and Capital Programme Monitoring

Overview and Control

- 2.5 By continuously identifying and explaining variances against budgetary targets changes in trends and resource requirements can be identified at the earliest opportunity.
- 2.6 To ensure that the PCC in total does not overspend, each Budget Manager is required to manage expenditure within their budget allocation. All budget officers responsible for committing expenditure must comply with relevant guidance and Financial Regulations.

Requirements

- 2.7 The CC CFO is responsible for providing appropriate financial information to enable budgets to be monitored effectively.
- 2.8 The CC CFO shall ensure that each element of income or expenditure has a nominated budget holder 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. The CC CFO shall ensure also that a nominated officer is responsible for monitoring income and expenditure against the pensions account.
- 2.9 The PCC Chief Executive is responsible for managing the Commissioner's corporate budget in line with Financial Regulations.
- 2.10 It is the responsibility of Budget Managers to manage income and expenditure within their area and to monitor performance, taking account of financial information provided by the CC CFO. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the PCC CFO and CC CFO, including any variances within their own areas. Budget Managers will also take any action necessary to avoid exceeding their budget allocation and alert the CC CFO to any problems.
- 2.11 The CC CFO shall ensure that Budget Managers receive sufficient financial support to enable them to undertake the budgetary control responsibilities.

- 2.12 The CC CFO shall ensure as best as possible that total spending for operational policing remains within the allocation of resources and takes, where possible, corrective action where significant variations from the approved budget are forecast. Where total projected expenditure is likely to exceed the allocation of resources, the PCC CFO shall be alerted immediately, and proposals for remedy should be put forward. The same responsibilities apply to the PCC Chief Executive for the PCC's corporate budget. Where there is requirement for an urgent or immediate response to a major incident, civil emergency or ministerial direction under the Civil Contingences Act 2004 that would or might cause the operational budget to be exceeded, the CC and PCC shall operate within an agreed protocol for the financial management of such an event.
- 2.13 The CC CFO shall submit a budget monitoring report monthly to the PCC containing the most recently available financial information. The monitoring reports shall compare projected income and expenditure with the latest approved budget allocations. The style and format of the reports to the PCCs will reflect their requirements and be sufficient to ensure sound financial management.

Virement

Overview and Control

- 2.14 A virement is a planned reallocation of resources between approved budgets or heads of expenditure. A budget head is considered to be a line in the approved budget report. This scheme of virement is intended to enable the CC CFO to manage the budget 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.
- 2.15 The overall budget is agreed by the PCC and budget holders are expected to incur spend in accordance with budgeted expenditure headings, subject to agreed virement rules, and within the limit of total resources allocated. Virement does not create additional overall budget liability. The CC CFO is expected to exercise discretion in managing budgets responsibly and prudently. Virement is not to be used as a tool to create future commitments. Therefore, it is vital that virement decisions do not lead to additional future spending without the prior approval of the PCC.
- 2.16 Overall, the rules on virement are designed to allow the CC CFO greater flexibility to meet operational requirements and to facilitate the decision making process. The CC CFO shall still be held to account by the PCC for decisions made and the way in which resources are deployed. Unless agreed by the PCC, resources cannot be transferred if the effect is to alter a previous policy or decision of the PCC. Similarly, resources ring-fenced for specific purposes may not be transferred without approval of the PCC. The virement rules allow greater freedom but require reports on significant changes.
- 2.17 Virement is permissible, however the CC CFO can withdraw the ability for virement in any year should he/she feel it is prudent to do so.

Requirements

- 2.18 The PCC is responsible for approving any transfers to and from PCC balances.

- 2.19 Each budget monitoring report reported to the PCC shall contain details where revised budgets or forecast income and expenditure varies to a significant degree from the original approved budget.
- 2.20 The CC CFO can delegate authority to officers and staff in accordance with these arrangements.

Treatment of Year End Balances

Overview and Control

- 2.21 A year-end balance is the amount by which actual income and expenditure including capital costs varies from the final budget, normally identified down to devolved budget holder level. Arrangements may be necessary for the transfer of resources between accounting years, i.e. a carry forward. This may increase or decrease the resources available to Budget Managers in the following financial year. Regardless of any specific approval within these regulations, all carry forwards will be considered for approval by the PCC CFO as part of the final outturn process.
- 2.22 As part of the monitoring and control process, reporting of potential variations from budget and proposals for reallocation of resources shall be made as early as possible in the financial year. All reasonable endeavours shall be taken to provide a service that matches the approved budget.
- 2.23 There may be occasions when an overall overspend position occurs, particularly where exceptional events occur so close to the end of the financial year that a balanced outturn position is not possible. In this event, consideration of a case by the CC for funding the overspend from the PCC's general reserve will be presented to the PCC CFO.

Requirements

- 2.24 Devolved budget holders who overspend their budget in any financial year may have their devolved budget reduced for the following financial year up to the amount of overspend, subject to the determination of the PCC CFO or CC CFO.
- 2.25 As a default position, any underspends against budgets will be taken to the corporate reserves of the PCC. In exceptional circumstances, Budget Managers who underspend their budget in any financial year may have their devolved budget increased for the following financial year, subject to the determination of the PCC CFO.

Financial Guarantees

- 2.26 The CC must inform the PCC CFO of any proposal that may require a financial guarantee prior to its implementation.

B3 CAPITAL PROGRAMME

Overview and Control

- 3.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the PCC such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments for the future in the form of financing costs and revenue running costs.
- 3.2 Capital expenditure and financing should be managed in accordance with the Local Government Act 2003 and the CIPFA Prudential Code for Capital Finance in Local Authorities.
- 3.3 The capital programme should be linked to capital strategies including the Estates Strategy, the ICT strategy and the Transport Strategy.
- 3.4 A report should be addressed to the PCC annually to formally report the performance against prudential indicators in accordance with the Local Government Act 2003 and the Prudential Code for Capital Finance. Assurance should be provided during the year as part of budget monitoring reports on compliance with the prudential indicators.

Requirements

- 3.5 Capital expenditure on land and buildings should be in accordance with the requirements of the approved capital strategies.
- 3.6 The CC shall ensure that a business case is prepared for each project and that proposals undergo an option appraisal that demonstrates the costs and benefits of the project to the service.
- 3.7 The results of the appraisal shall provide evidence for the scheme's viability and inclusion in the proposed capital programme, including a recommended solution resulting from consideration of the business case/option appraisal. Routine vehicle, ICT and estate replacement programmes shall be excluded from this requirement, although a report justifying the level of programme will be required.
- 3.8 The PCC CFO in liaison with the CC CFO, shall prepare at least a four year rolling programme of proposed capital expenditure for approval by the PCC as part of the annual process for determining the budget and precept. This shall cover the forthcoming financial year and the following three years. Each scheme shall identify the total capital cost of the project and any additional revenue commitments. The PCC will determine the Capital Programme.
- 3.9 Schemes proposed after the annual budget meeting for inclusion in the capital programme during the current financial year shall be submitted to the PCC CFO for approval in accordance with the limits shown in Section F.
- 3.10 The PCC CFO, in liaison with the CC CFO, shall identify funding for the capital programme. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.

- 3.11 A gap may be identified between available resources and required resources. Requirements should be prioritised carefully by the CC to enable the PCC to make the best informed judgements as to future funding levels and planning the use of resources.
- 3.12 No capital expenditure shall be incurred unless the scheme is included in the capital programme approved by the PCC or as subsequently modified. In this respect, the vehicle replacement programme, equipment replacement programme and ICT replacement programme shall be regarded each as one scheme.
- 3.13 Detailed estimates for each scheme in the approved capital programme shall be prepared as part of the option appraisal before tenders are sought or commitments made.
- 3.14 Arrangements covering variations in contract conditions and prices are covered within Contract Standing Orders.
- 3.15 Finance and operating leases and any other credit arrangements shall not be entered into without the prior approval of the PCC and sufficient revenue resources must be available to meet the repayments.
- 3.16 The CC CFO shall submit capital monitoring reports to the PCC monthly containing 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 in liaison with the CC CFO.
- 3.17 It is the responsibility of budget holders to manage capital expenditure estimates, taking account of financial information provided by the CC CFO. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the CC CFO including any variances within their own areas. Budget Managers should also take any action necessary to avoid exceeding their budget allocation and alert the CC CFO to any problems.
- 3.18 The CC CFO shall report to the PCC projections of spending on individual capital projects and reasons for significant changes to the Programme including spending slipping between financial years.
- 3.19 The CC CFO shall report capital expenditure for the year and cumulative expenditure on individual schemes to the PCC as part of the closure of accounts arrangements.
- 3.20 The CC CFO shall take steps to ensure that any external funding that is subject to a specific timescale is, wherever possible, fully utilised within that timescale.

B4 MAINTENANCE OF BALANCES AND RESERVES

Overview and Control

- 4.1 General Fund reserves are maintained by the PCC as a matter of prudence. Earmarked reserves for specific purposes may also be maintained by the PCC.

Requirements

- 4.2 The PCC CFO shall advise the PCC on reasonable levels of general fund balances and earmarked reserves and take account of professional best practice.
- 4.3 When the annual budget and capital programme are submitted to the PCC for consideration, the PCC CFO is required to advise on the adequacy of the PCC's balances and reserves.
- 4.4 The PCC shall approve the creation and transfers to and from general balances and reserves. The purpose, usage and basis of transactions should be clearly identified for each reserve established.

SECTION C

MANAGEMENT OF RISK AND RESOURCES

C1 RISK MANAGEMENT

Overview and Control

- 1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks to the PCC and CC. This should include the proactive participation of all those associated with planning and delivering services.
- 1.2 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 organisation and to ensure the continued corporate and financial well-being of the organisation. In essence it is, therefore, an integral part of good business practice.
- 1.3 Procedures should be in place 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.

Requirements

- 1.4 The PCC and CC are each responsible for ensuring Risk Management Strategies are in place and which provide for ongoing review and reporting.
- 1.5 The PCC CFO, in consultation with the CC CFO and Chief Executive, is responsible for advising the PCC on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate.
- 1.6 The PCC is responsible for approving the strategy for insurance.
- 1.7 The CC CFO shall;
 - ensure that insurance cover is provided within the terms of the approved strategy and take account of all new risks as appropriate;
 - ensure that claims made by the CC against insurance policies are made promptly;
 - negotiate all claims in consultation with other officers as appropriate;
 - notify the PCC CFO promptly of all new risks that require insurance and of any alterations affecting existing insurance;
 - make all appropriate staff aware of their responsibilities for managing relevant risks and provide information on risk management initiatives;
 - ensure that there are regular reviews of risk across the service;

- ensure that staff, or anyone covered by the PCC's 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;
- ensure all appropriate staff are aware of their responsibilities to notify the CC CFO immediately of any loss, liability or damage that may lead to a claim against the PCC or CC, together with the information required;
- approve, before any contract for works is made, the insurance cover to be furnished by the contractor in respect of any act or default unless the PCC chooses to provide insurance cover itself.

1.8 The CC CFO shall be authorised to settle insurance liability claims, against the force, including third party costs up to the value shown in Section F. Beyond this value, claims must be referred to the PCC CFO for approval.

1.9 The CC CFO shall be authorised to settle actual and/or potential employment/engagement related claims which have been or could be issued in an Employment Tribunal and/or County Court and/or High Court up to the value shown in Section F. Beyond this value, claims must be referred to the PCC CFO for approval.

(Note: The functions in 1.8 and 1.9 above may be delegated to other Chief Officers)

1.10 The PCC Chief Executive will obtain legal or other expert advice and commence, defend, withdraw or settle any claim or legal proceedings on the PCC's behalf, in consultation with the PCC CFO.

1.11 The PCC Chief Executive shall consider any terms of indemnity that the PCC is requested to give by external parties.

C2 INTERNAL CONTROLS

Overview and Control

2.1 Internal control refers to the systems of control devised by management to help ensure PCC objectives are achieved in a manner that promotes economical, efficient and effective use of resources and those assets and interests are safeguarded from fraud or misappropriation.

2.2 The PCC and CC require internal controls to manage and monitor progress towards strategic objectives. The PCC and CC have statutory obligations and, therefore, require internal controls to identify, meet and monitor compliance with these obligations.

2.3 The PCC and CC face a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks. The system of internal controls is established in order to provide measurable achievement of:

- efficient and effective operations
- reliable financial information and reporting
- compliance with laws and regulations
- risk management

Requirements

- 2.4 The PCC and CC are responsible for implementing effective systems of internal control and the PCC CFO, in liaison with the CC CFO, for advising on such. 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.
- 2.5 The CC CFO shall ensure that internal controls exist for 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 systems is to promote ownership of the control environment by defining roles and responsibilities.
- 2.6 The CC CFO shall ensure that internal controls exist for financial and operational systems and procedures. This includes physical safeguards for assets, segregation of duties, authorisation and approval procedures and robust information systems.
- 2.7 The PCC and CC shall each produce, agree and sign an Annual Governance Statement
- 2.8 The PCC and CC shall have an Audit Committee which has a responsibility for the oversight of corporate governance, internal control and risk management. The committee shall consider the internal and external audit reports of both the PCC and the CC; advise the PCC and CC according to good governance principles and adopt appropriate risk management arrangements in accordance with proper practices. The Committee will also monitor the delivery of the Treasury Management Strategy during the year and also review the draft Annual Governance Statements and the draft accounts. Further information is contained in the detailed Terms of Reference for the Audit Committee.

C3 AUDIT REQUIREMENTS

Internal Audit

Overview and Control

- 3.1 The requirement for an internal audit function is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2003 more specifically require that a “relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems”. Both the PCC and CC corporations sole are auditable bodies.
- 3.2 Internal audit is an independent and objective appraisal function established by an organisation for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.
- 3.3 Internal audit is required to comply with the Auditing Practices Board’s guidelines “Guidance for Internal Auditors”, as interpreted by CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom, along with any other statutory obligations and regulations.

3.4 The work of the Internal Audit function provides overall assurances to External Audit on internal control systems and external auditors may use the work of internal audit when carrying out their functions.

Requirements

3.5 The PCC CFO, in liaison with the CC CFO, shall ensure an effective internal audit service is resourced and maintained.

3.6 Internal audit shall have direct access to the PCC, PCC Chief Executive, PCC CFO, CC, CC CFO, the Chairman of the Audit Committee and all levels of management.

3.7 The PCC and CC shall ensure that internal auditors have the authority to;

- access premises at all reasonable times;
- access all assets, records, documents, correspondence, control systems and appropriate personnel;
- receive any information and explanation considered necessary concerning any matter under consideration;
- require any staff to account for cash, stores or any other asset under their control;
- access records belonging to third parties, such as contractors, when required.

3.8 Any instances where the CC considers it inappropriate for internal audit to have the access detailed above, such as items considered to be of a sensitive operational nature, are to be confirmed with the PCC Chief Executive and PCC CFO.

3.9 The PCC CFO and the CC CFO, taking advice from internal audit and after consulting with the PCC, CC and external auditor, are responsible for ensuring an annual audit plan is prepared. The plan is to take account of the characteristics and relative risks of the activities involved.

3.10 The PCC CFO and the CC CFO shall submit the annual internal audit plan to the Audit Committee for approval prior to the start of the forthcoming financial year.

3.11 The PCC and CC shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner.

3.12 The PCC and CC shall 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.

3.13 Internal audit shall provide an annual report to the Audit Committee summarising activities and findings for the year. This shall include an opinion on the effectiveness of the systems of internal control to support the Annual Governance Statements.

3.14 Internal audit shall provide an undertaking to respect the confidential nature of the service and to employ suitably qualified and vetted staff.

External Audit

Overview and Control

3.15 Following the abolition of the Audit Commission in 2015, the Secretary of State for Communities and Local Government delegated statutory functions (from the Audit Commission Act 1998) to Public Sector Audit Appointments Limited (PSAA) by way of a letter of delegation issued under powers contained in the Local Audit and Accountability Act 2014. PSAA is an independent company limited by guarantee incorporated by the Local Government Association in August 2014. The company is responsible for appointing auditors to local government, police and local NHS bodies and for setting audit fees. The work of external audit is governed by the Local Audit and Accountability Act 2014, the National Audit Office 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. The main duties of the auditor are to establish whether:

- the financial statements give a true and fair view of the financial position of the audited body and its expenditure and income for the period in question;
- whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction., and providing a conclusion that in all significant respects, the audited body has (or has not) put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the relevant period.

Requirements

3.16 The PCC CFO and the CC CFO shall liaise with the external auditor and advise the PCC and CC on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.

3.17 The CC shall ensure that the external auditors are given the same levels of access as determined for internal audit above for the purposes of their work.

Other Inspection Bodies

3.18 The PCC and CC may, from time to time, be subject to audit, inspection or investigation by external bodies such as HMIC or HM Revenue & Customs.

C4 PREVENTING FRAUD AND CORRUPTION

Overview and Control

4.1 The PCC and CC will not tolerate fraud or corruption in the administration of their responsibilities

4.2 The PCC's and CC's expectation of propriety and accountability is that officers and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

- 4.3 The PCC and CC also expect that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom they come into contact will act towards the PCC and CC with integrity and without thought or actions involving fraud or corruption.

Requirements

- 4.4 All staff shall act with integrity and lead by example.
- 4.5 The PCC and CC jointly are responsible for preparing an effective anti-fraud and anti-corruption policy and maintaining a culture that will not tolerate fraud or corruption and ensuring that internal controls are such that fraud or corruption will be prevented where possible.
- 4.6 Appropriate legislation, including the provisions upon whistleblowing, shall be adhered to.
- 4.7 The PCC and CC shall ensure that interests and the receipt of hospitality and gifts are registered.
- 4.8 The PCC, in consultation with the CC, shall ensure the existence of a whistle blowing policy to provide a facility that enables staff, 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 CC shall ensure that all officers and staff are aware of any approved whistle blowing policy and associated procedures.
- 4.9 The PCC and the CC shall notify the PCC CFO and the CC CFO immediately if a preliminary investigation gives rise to any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. In such instances, the PCC, the CC, the PCC CFO and the CC CFO shall agree any further investigative process. Pending investigation and reporting, the PCC and CC shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 4.10 The PCC and CC may instigate disciplinary procedures where the outcome of an investigation indicates improper behaviour.

C5 MONEY LAUNDERING AND PROCEEDS OF CRIME

Overview and Control

- 5.1 The PCC and CC are alert to the possibility that they may be the subject of an attempt to involve them in a transaction to launder money.
- 5.2 The Anti-Fraud and Corruption Policy places a responsibility on staff for reporting financial irregularities including money laundering.
- 5.3 The PCC and CC are not 'Relevant Persons' as defined in Regulation 3 of the Money Laundering Regulations 2007 nor part of the 'Regulated Sector' as defined in Section 9 of the Proceeds of Crime Act 2002.
- 5.4 Notwithstanding the above, there will always be a very small risk of such transactions being directed at the organisation.

Requirements

- 5.5 The PCC CFO shall perform the role of Money Laundering Reporting Officer (MLRO) whose principal role is to receive, consider and respond to any reports received of known or suspected money laundering.
- 5.3 The CC CFO is responsible for ensuring that:
- Internal control procedures are reliable and robust,
 - Cash receipts of over £5,000 from a single source are reported to the CC CFO or PCC CFO.
 - Periodic assessments are undertaken of the risks of money laundering.
 - There are processes to check that suppliers and counterparties are bona fide and to reduce the risk of paying individuals or companies that are on the HM Treasury financial sanctions list,

C6 ASSETS

Overview and Control

- 6.1 The PCC holds assets in the form of land, property, vehicles, equipment, and other items. It is important that assets are safeguarded, that there are arrangements for the security of both assets and that proper arrangements exist for the disposal of assets. The CC CFO shall keep an asset register of all property and capitalised assets owned by the PCC. The function of the asset register alongside an asset management plan is to provide the PCC with information about fixed assets so that they are:
- safeguarded
 - used efficiently and effectively
 - adequately maintained
 - valued in accordance with statutory and management requirements.
- 6.2 Intellectual property is a generic term that includes inventions, writing and certain activities which could give rise to items which could be patented. If these are created by officers and staff during the course of employment, then, as a general rule, they belong to the PCC, not the officer or member of staff. .

Requirements

Security

- 6.3 Resources are only to be used for the purposes of the PCC and CC, and are to be properly accounted for.
- 6.4 The CC CFO shall ensure that 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.
- 6.5 Portable items such as computers, cameras and recording devices should be identified with appropriate security markings as property of the PCC.

- 6.6 The CC shall ensure that all staff are aware of their responsibilities with regard to safeguarding the PCC's assets and information, including the requirements of the Data Protection Act and software copyright legislation.
- 6.7 The CC CFO shall ensure that title deeds to the PCC's property are held securely.
- 6.8 Lessees and other prospective occupiers of PCC land are not allowed to take possession of the land until a lease or agreement in a form approved by the CC CFO is in place.

Valuation

- 6.9 The CC CFO shall maintain an asset register for all property and capitalised assets in accordance with the Accounting Policies shown in the annual Statement of Accounts., in a form approved by the PCC CFO. Assets are to be recorded when they are acquired by the PCC and this record updated as changes occur with respect to condition and ownership. Assets are to be valued:
- in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: (The Code)
 - for insurance purposes.
- 6.10 Assets may also be valued at market rates for asset management planning purposes where this is different from other valuations.
- 6.11 The PCC CFO and CC CFO shall arrange for the valuation of assets for accounting purposes.

Inventories

- 6.12 The PCC CFO and CC CFO shall maintain inventories that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown in Section F.
- 6.13 There shall be at least an annual check of all items on the inventory in order to verify location, review, and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. The annual check is to be undertaken by the responsible budget holder, who shall ensure that another member of staff is responsible for maintaining the inventory.

Stocks and Stores

- 6.14 The PCC CFO and CC CFO shall make arrangements for the care, custody and control of stocks and stores and maintain detailed stores accounts in a form approved by the CC CFO. Stocks are to be maintained at reasonable levels so as to balance the need for availability and the risk of obsolescence.
- 6.15 A complete stock check is to be undertaken at least once per year either by means of continuous or annual stock take. The stock take shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure will be followed and a complete stock check undertaken whenever stock keeping duties change.

- 6.16 Where significant, values of stocks and stores at 31 March each year are to be certified and included in the annual accounts.
- 6.17 Discrepancies between the actual level of stock and the recorded level of stock may be written off by the CC CFO up to the level shown in Section F. Amounts for write off above this value must be referred to the PCC CFO for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.
- 6.18 Obsolete stock may be written off by the CC CFO up to the level shown in Section F. Amounts for write off above this value must be referred to the PCC CFO for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.

Intellectual Property

- 6.19 The PCC CFO and CC CFO jointly are responsible for preparing guidance on intellectual property procedures and ensuring that staff are aware of these procedures.

Asset Disposal

- 6.20 Assets shall be disposed of when in the best interests of the PCC and at the most advantageous price. Where this is not the highest offer, the CC CFO shall prepare a report for approval by the PCC CFO. Disposal of interests in land and building is vested in the PCC who may delegate responsibility.
- 6.21 Items shall be disposed of by public auction or sealed bids after advertisement, unless it can be shown that an alternative method of disposal would provide better value for the PCC.
- 6.22 All asset disposals shall be recorded in the asset register or inventory as appropriate.
- 6.23 The CC CFO shall inform the PCC CFO of any disposals that may have a significant impact upon the balance sheet.

C7 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Overview and Control

- 7.1 The PCC and CC are large organisations. It is important that PCC and CC money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of all monies. All treasury management activities should be undertaken in accordance with the CIPFA Treasury Management Code.

Requirements

- 7.2 The PCC and CC shall adopt the key recommendations of *CIPFA's Treasury Management in the Public Services: Code of Practice (the Code)*, as described in Section 4 (Key Principles) of that Code.
- 7.3 Accordingly, the PCC CFO shall maintain, following approval by the PCC
- a treasury management policy statement, stating the policies and objectives of the treasury management activities of the PCC,

- suitable treasury management practices (TMPs), setting out the manner in which the organisations will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 7.4 The content of the statement will follow the recommendations contained in Section 6 (Treasury Management Policy Statement) and Section 7 (Treasury Management Practices) of the Code, subject only to amendment where necessary to reflect the particular circumstances of the PCC. Such amendments will not result in the PCC deviating materially from the Code's key recommendations.
- 7.5 The PCC shall receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of this year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs. During the financial year, reports on action undertaken shall be submitted to the PCC, by the CC CFO, as part of the financial monitoring information.
- 7.6 Responsibility for the implementation of the PCC's treasury management policies and practices, and day to day administration of treasury management decisions is vested in the CC CFO, in liaison with the PCC CFO, who will act in accordance with the organisation's policy statement and TMPs and, CIPFA's *Statement of Professional Practice on Treasury Management*.
- 7.7 The PCC and CC nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 7.8 The PCC shall adopt the following Treasury Management Policy Statement. The PCC:
- Defines its treasury management activities as "the management of the PCC's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks";
 - Regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the OPCC;
 - Acknowledges that effective treasury management will provide support towards the achievement of its business and services objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employ suitable performance measurement techniques, within the context of effective risk management.
- 7.9 All investments shall be in the name of the PCC.
- 7.10 The PCC CFO shall have overall responsibility for banking arrangements. The PCC CFO, in liaison with the CC CFO, shall determine a policy for the secure operation of bank accounts. All bank accounts shall be in the name of the PCC unless authorised by the PCC CFO and PCC Chief Executive. The CC CFO has authority to open or close covert accounts to aid operations. The opening and closing of other bank accounts requires the authorisation of the PCC CFO.

- 7.11 The CC CFO shall provide appropriate staff with cash or bank imprests to meet minor expenditure. The CC 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.
- 7.12 The CC CFO shall prepare detailed Financial Instructions for dealing with petty cash
- 7.13 The use of purchase cards shall be allowed for undertaking PCC and CC business. The PCC CFO, in consultation with the CC CFO, shall determine a policy for the secure operation of such purchase cards.
- 7.14 All imprest cheques shall be signed at an appropriate level in accordance with an approved list of signatories and up to the level shown in Section F. All other cheques shall be signed at an appropriate level in accordance with an approved bank mandate.
- 7.15 The CC shall comply with the requirements of the Money Laundering Regulations 2007 (amended 2012).

C8 CUSTODY OF UNOFFICIAL FUNDS AND PRIVATE PROPERTY

Voluntary Unofficial Funds

Overview and Control

- 8.1 These are deemed to be funds, other than those of the PCC or CC, which are controlled wholly or partly by staff by reason of their employment.
- 8.2 These funds should be kept separate from all PCC and CC transactions and bank accounts and those responsible must ensure that appropriate insurance arrangements are in place to keep such funds separate.

Requirements

- 8.3 Staff controlling such funds shall ensure that a suitably experienced independent person audits the fund in accordance with procedures required by the CC CFO, and arrange for the annual audited accounts to be received by the appropriate management body.
- 8.4 The CC CFO shall be informed of the existence, purpose and nature of all voluntary unofficial funds and receive minutes from the management bodies confirming the adoption of the audited accounts.
- 8.5 The CC CFO shall issue a policy note detailing how unofficial funds are to be managed and controlled.

Custody of Private Property

Overview and Control

- 8.6 The CC is required to exercise a duty of care and safeguard found or seized property pending decisions on its ownership, or private property of an individual e.g. a suspect in custody.

Requirements

- 8.7 The CC is responsible for the safekeeping of the private property of a person, other than a member of staff, under his/her guardianship or supervision, and shall determine procedures for such. These procedures shall be made available to all appropriate staff.
- 8.8 The CC is responsible for the safekeeping of found or seized property and shall determine procedures for such. These procedures shall be made available to all appropriate staff.
- 8.9 The CC shall be informed without delay in the case of loss or diminution in value of such private property.
- 8.10 The CC shall comply with the requirements of the Proceeds of Crime Act 2002.

SECTION D

SYSTEMS AND PROCEDURES

D1 GENERAL

Overview and Control

- 1.1 There are many systems and procedures relating to the control of the PCC's assets, including purchasing, costing and management systems. The PCC is reliant on electronic systems for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should comprise controls to ensure that transactions are properly processed and errors detected promptly.
- 1.2 It is imperative that operating systems and procedures are secure and that basic data exists to enable the PCC and CC's objectives, targets, budgets and plans to be formulated and measured. Performance measures need to be communicated to appropriate personnel on an accurate, complete and timely basis.

Requirements

- 1.3 The PCC CFO, in liaison with the CC CFO, is responsible for determining the overall accounting systems and procedures. The CC CFO is responsible for determining supporting financial records and issuing guidance and procedures for staff.
- 1.4 The PCC and CC shall ensure, in respect of systems and processes, that
 - systems are secure, adequate internal controls exist and accounting records are properly maintained and held securely. This is to include an appropriate segregation of duties 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 to be 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.
- 1.5 The PCC and CC shall register compliance with the Data Protection Act 1988 ensuring that data processing (manual or electronic) involving personal information is registered.
- 1.6 The CC shall ensure compliance with copyright legislation around software being used.
- 1.7 The CC shall ensure that there is a documented and tested business continuity plan to allow 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.
- 1.8 The PCC CFO or CC CFO shall establish arrangements for the delegation of their more routine functions, identifying officers and staff authorised to act upon their behalf in respect of income collection, placing orders, making payments and employing staff. A schedule of officers and staff and the delegated limits of their authority shall be maintained by the Head of Finance.

D2 INCOME

Overview and Control

- 2.1 Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly.
- 2.2 The responsibility for cash collection should be separated from that:
 - for identifying the amount due
 - for reconciling the amount due to the amount received

Requirements

- 2.3 The PCC shall determine and review annually a policy for all fees and charges, having regard to relevant guidance.
- 2.4 The CC CFO shall make arrangements for the collection of all income due including the appropriate and correct charging of VAT.
- 2.5 The CC CFO shall review scales of fees and charges at least annually. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the PCC.
- 2.6 The CC CFO shall order and supply to appropriate officers and staff 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.
- 2.7 Income is to be paid fully and promptly in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a monthly basis by the CC CFO. Income must not be used to cash personal cheques or other payments.
- 2.8 Sponsorship Income shall be entered into a Sponsorship Register in accordance with the approved policy. The total value of gifts and sponsorship in any financial year should not exceed 1% of the PCC net revenue budget. Where the monetary value of a sponsorship proposal is over the limits shown in section F or is perceived to be of a sensitive or controversial nature, this must be approved by the PCC before acceptance.
- 2.9 The CC CFO shall establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid in accordance with the PCC terms and conditions.
- 2.10 Income due shall not be written off until the CC CFO is satisfied that all reasonable steps have been taken for its recovery. Individual amounts may be written off by the CC CFO up to the level shown in Section F. Amounts for write off above this value must be referred to the PCC CFO for approval, supported by a written report explaining the reasons for the write off. A record must be kept of all sums written off up to the approved limit.
- 2.11 The CC CFO shall prepare detailed policies and procedures for dealing with income, to be agreed with the PCC CFO, and these shall be issued to all appropriate officers and staff.

D3 ORDERING OF GOODS AND SERVICES

Overview and Control

- 3.1 Public money should be spent with demonstrable probity and in accordance with PCC and CC policies. PCCs have an obligation to achieve value for money. These procedures should ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Contract Standing Orders.

Requirements

- 3.2 The CC is responsible for preparing a procurement policy covering the principles to be followed for the purchase of goods and services. The PCC is responsible for approving the procurement policy.
- 3.3 All officers and staff have a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions.
- 3.4 All orders issued shall be in accordance with the approved procurement policy or Financial Instructions. Official orders must be issued for all work, goods or services to be supplied, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PCC CFO and the CC CFO. Orders must be in a form approved by the PCC CFO and the CC CFO.
- 3.5 Authorisation of requisitions / orders shall be in accordance with the limits shown in Section F. Only authorised officers and staff can raise requisitions / orders and therefore an authorised signatory list will be maintained.
- 3.6 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of PCC contracts.
- 3.7 Goods and services ordered must be appropriate and needed, there must be adequate budgetary provision and quotations or tenders must be obtained where necessary.
- 3.8 Tenders and quotations shall be obtained in accordance with Contract Standing Orders.
- 3.9 Commitments incurred by placing orders are to be shown against the appropriate budget allocation and incorporated within budget monitoring reports.
- 3.10 Apart from in exceptional circumstances, which need to be documented and approved, a different person should authorise the payment from the person who signed the requisition / order.
- 3.11 The CC CFO shall prepare detailed procedure notes for dealing with ordering, to be agreed with the PCC CFO, and these shall be available to all appropriate officers and staff.

D4 PAYMENTS FOR GOODS AND SERVICES

Requirements

- 4.1 All payments are to be made in accordance with the approved procurement procedures or Financial Instructions.

- 4.2 Payments are not to be made unless goods and services have been received at the correct price, quantity and quality in accordance with any official order. Goods should not be received by the person who placed the initial requisition, unless this is impracticable.
- 4.3 Two officers/staff must be involved in the processing of an invoice for payment. The first officer/staff must certify the accuracy and validity of the invoice. The second officer/staff shall authorise the invoice for payment.
- 4.4 Authorisation of invoices shall be in accordance with the limits shown in Section F.
- 4.5 Procedures should be in place to ensure that all payments are to be made to the correct person, for the correct amount and be recorded properly, regardless of the method of payment. Systems should ensure the invoice has not been processed for payment before and that full advantage has been taken of any discounts offered.
- 4.6 Where VAT is charged, payment is not to be made unless a proper VAT invoice has been received.
- 4.7 All payments should be processed promptly to comply with the Late Payment of Commercial Debt (Interest) Act 1988.
- 4.8 The CC CFO shall prepare detailed procedures for dealing with payments, to be agreed with the PCC CFO, and these shall be issued to all appropriate officers and staff.

D5 PAYMENTS TO OFFICERS, STAFF AND PCC

Overview and Control

- 5.1 Payments to staff must be accurate, timely, and made only where they are due and in accordance with individuals' conditions of employment. Payments must also be recorded and accounted for.
- 5.2 All overtime claims and other claims for remuneration, travel and expenses should be submitted within 3 months in accordance with Police Regulations and Constabulary Policy. This is to ensure that monitoring of expenditure is more accurate and that authorisation of claims can be certified properly.

Requirements

- 5.3 Proper authorisation procedures are to be in place for starters, leavers, variations to pay and enhancements to pay. Appointments are to be made in accordance with approved establishments, grades and scale of pay and adequate budget provision should be available. Payroll staff must be notified of all appointments, terminations or variations in the correct format and to the timescales required.
- 5.4 The CC CFO shall make arrangements for the secure and reliable payment of salaries, wages, pensions, compensation and other emoluments to existing and former officers and staff. Adequate and effective systems are to be in place and procedures operated so that:
- payments are only authorised to bona fide officers, staff and pensioners;
 - payments are only made where there is a valid entitlement;

- conditions and contracts of employment are applied correctly;
- officer and staff names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

5.5 The CC CFO shall make arrangements for the payment of all travel and expense claims. The PCC Chief Executive shall make arrangements for the payment of all PCC travel and expenses claims in accordance with determinations from the Home Secretary. Such claims should be in the prescribed form, duly completed and certified. Certification is taken to mean that journeys were authorised and expenses incurred properly and necessarily and that allowances are payable properly, ensuring that cost effective use of travel arrangements is achieved. Due consideration should be given to tax implications. Payments shall be made to the value of presented receipts up to the prescribed limits, in accordance with Financial Instructions.

5.6 All overtime payments are to be made on the basis of authorised timesheets or claims.

5.7 Payroll transactions are to be processed only through the payroll system. Payments to individuals engaged on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue and Customs requirements. In cases of doubt, advice should be sought.

5.8 The CC CFO shall ensure that full records are maintained of benefits in kind and that they are properly accounted for in any returns to the HM Revenue and Customs.

5.9 The CC CFO shall ensure compliance with all HM Revenue and Customs regulations and record and make arrangements for the accurate and timely payment of income tax and national insurance. The CC CFO shall also ensure compliance with regulations regarding the payment of pension deductions and other statutory or voluntary deductions from pay to the appropriate recipients. Payroll staff should be notified of all employee benefits in kind to enable full and complete reporting within the income tax self-assessment system.

5.10 The CC CFO shall prepare detailed procedures for dealing with payments to officers and staff, to be agreed with the PCC CFO, and these shall be issued to all appropriate officers and staff.

D6 TAXATION

Overview and Control

6.1 The PCC and CC are responsible for ensuring their tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax can be severe.

6.2 It is important that all relevant officers and staff are kept up to date on tax issues and instructed on required record keeping.

Requirements

6.3 The PCC CFO and CC CFO shall ensure the completion of all HM Revenue and Customs requirements regarding PAYE and that due payments are made in accordance with statutory requirements.

- 6.4 The PCC CFO and CC CFO shall ensure that the correct VAT liability is attached to all income due and that all VAT reclaimed on purchases complies with HM Revenue and Customs regulations. The CC CFO shall ensure the completion of VAT claims for receipts and payments are made in accordance with statutory requirements.
- 6.5 Where construction and maintenance works are undertaken, the contractor shall fulfil the necessary construction industry tax deduction requirements. The CC CFO shall provide relevant information to the HM Revenue and Customs regarding construction industry tax deductions
- 6.6 The CC CFO shall maintain up to date guidance for officers and staff on organisational taxation issues (e.g. VAT, CIS and Corporation Tax)..

D7 EX GRATIA PAYMENTS

Overview and Control

- 7.1 An ex gratia payment is a payment made where no legal obligation exists. 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.

Requirements

- 7.2 The CC CFO may make ex gratia payments to members of the public up to the level shown in Section F 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 PCC. The CC CFO shall maintain details of such payments in a register.
- 7.3 The CC CFO may make ex gratia payments up the level shown in Section F in any individual instance, for damage or loss of property or for personal injury to a police officer in the execution of duty or to a member of the public assisting the police. The CC CFO shall maintain details of such payments in a register. Amounts greater than those specified in Section F must be referred to the PCC CFO for approval.

D8 SETTLEMENT AGREEMENTS

Overview and Control

- 8.1 Settlement agreements (previously compromise agreements) are legally binding contracts which, in exceptional circumstances, may be used to end an employment relationship on agreed terms. Once a valid settlement agreement has been signed, the employee will be unable to make an employment tribunal claim about any type of claim which is listed on the agreement.

Requirements

- 8.2 The CC, in consultation with the CC CFO, will take legal and HR advice and will authorise all settlement agreement payments. Given the risk of serious public criticism, settlements above the limit specified in Section F will require consultation with the PCC Chief Executive.

SECTION E

EXTERNAL ARRANGEMENTS

E1 PARTNERSHIPS

- 1.1 Where the PCC and / or CC enter into a partnership with another body, the Chief Executive and / or CC should, as the case may be, ensure that the interests of the PCC or Constabulary with regard to risk, governance, performance management and financial probity are covered within any agreement.

E2 EXTERNAL FUNDING

Overview and Control

- 2.1 External funding is a very important source of income. The main source of such funding is government grants, but consideration should be given to ensuring that the potential for all income sources is maximised. The PCC shall agree a fees and charges policy and review this on a regular basis.
- 2.2 Any match funding requirements should be given due consideration prior to entering into agreements and resources identified for future commitments.

Requirements

- 2.3 The CC CFO shall ensure that any conditions placed on the Constabulary in relation to external funding are in accordance with the approved policies of the PCC. In such cases, the CC shall comply with the key conditions determined by the funding body and any statutory requirements.
- 2.4 The CC CFO shall pursue actively any opportunities for additional funding where this is considered to be in the interests of the PCC.
- 2.5 All bids for external funding and the proper recording of grant income shall be co-ordinated through the CC CFO.
- 2.6 The CC CFO shall ensure that all funding notified by external bodies is received and properly recorded in the PCC group accounts, that all claims for funds are made by the due date and that audit requirements are met.

E3 WORK FOR THIRD PARTIES

Overview and Control

- 3.1 The CC may provide, at the request of any person, special policing services at any premises or in any locality in the policing area for which the force is maintained, subject to the payment to the authority (PCC) of charges on such scales as may be determined by the authority (PCC).The CC shall ensure that arrangements are in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

Requirements

- 3.2 The CC CFO shall ensure that proposals for assistance are costed in accordance with ACPO guidance, that contracts are drawn up where appropriate, that charges are made in accordance with the PCC policy that, where possible, payment is received in advance of the delivery of the service and that the PCC is not put at risk from any bad debts.
- 3.3 The CC CFO shall ensure that appropriate insurance arrangements are in place.

E4 PRIVATE FINANCE INITIATIVES / PRIVATE FINANCE 2

Overview and Control

- 4.1 Private Finance Initiative (PFI) / Private Finance 2 (PFII) are alternative methods of procuring assets or services for the organisation, whereby a scheme is designed, built, financed and operated by a private contractor in return for an annual payment by the PCC over the life of the contract. Schemes are normally supported by government grant for the capital element of the cost.
- 4.2 Such transactions tend to be complex, of a larger scale and with a fairly lengthy lead in time. The advantage of using PFI / PFII is to provide services that might otherwise be unaffordable or unavailable.

Requirements

- 4.3 PFI / PFII shall be considered as a potential funding source during the option appraisal process of a project, where a scheme or group of schemes meet the current criteria for consideration of PFI / PFII support. Any PFI / PFII scheme shall only proceed on terms agreed by the PCC.
- 4.4 The PCC shall be responsible for approving progress of all PFI / PFII projects at key stages, including final sign off. Key stages are to be determined in advance of any potential scheme by the CC.
- 4.5 The CC shall ensure that appropriate specialist legal and financial advice is received at all stages of any potential PFI / PFII project, from initial preparation of the business case, through to procurement and operation of the contract and that sufficient fees are identified within the budget to procure such advice.
- 4.6 The CC shall ensure that PFI / PFII payments are made correctly under the contract after enforcement of any contract penalties for non-performance.
- 4.7 The CC shall inform the PCC of any matter that may lead to termination under an approved contract. The PCC shall be required to approve termination of a contract by use of the contractor default provisions.
- 4.8 The PCC CFO, in liaison with the CC CFO, is responsible for accounting for PFI / PFII arrangements in accordance with the relevant regulations and proper accounting practices.

E5 COLLABORATED ACTIVITIES

Overview and Control

- 5.1 Providing services under collaborated arrangements can achieve efficiencies, savings and improve service reliance requirements.
- 5.2 The PCC and CC shall jointly ensure that each activity covered by collaborated arrangements is subject to the financial regulations.
- 5.3 The PCC and CC shall jointly ensure that every collaboration is subject to a Section 22a collaboration agreement where appropriate.

E6 COMMISSIONING

Overview and Control

- 6.1 The PCC and CC have responsibilities for delivering outcomes through the commissioning of services at the right cost in accordance with the National Audit Office (NAO) guidelines, Ministry of Justice Commissioning Framework and local policy and procedures.
- 6.2 The PCC and CC are required to use the NAO commissioning toolkit, MOJ Commissioning Framework and local policy and procedures as their basis for completing the following phases of the commissioning cycle...
 1. Assessing Need
 2. Designing Services
 3. Sourcing Providers
 4. Delivery to Users
 5. Ongoing Monitoring and Evaluation.

Requirements

- 6.4 In defining whether a grant or procurement process is followed. the PCC and CC are required to consider the following:-
 - **Grant:** If members of the public derive a direct benefit from the service being delivered or performed,
 - **Procurement:** If the commissioning organisation derives a direct benefit from the service being delivered or performed, it is classified as a Procurement exercise and normal Contract Standing Orders prevail.
- 6.5 The PCC and CC shall also give consideration to shared services with organisations who share the same values, objectives and financial support. These may be a combination of one or more Authorities as defined by the Public Procurement Regulations 2015.

SECTION F

DELEGATED LIMITS

The section references below refer to the main body of text within sections A to E of these Financial Regulations. All financial limits are contained within this section in order to minimise the need for change when values are updated. The values will be reviewed annually, in February of each year, to ensure they remain appropriate for the following financial year.

The Chief Constable will establish reporting arrangements to the PCC which ensure prior approval of the PCC before incurring a liability that the PCC might reasonably regard as novel, contentious or repercussive.

B3 Capital Programme

3.9 The CC has day-to-day financial management of the force including the capital programme and as such shall approve any in-year variations to the Capital Programme on the following basis:

- CC CFO to have delegated authority to approve new or additional expenditure up to £50k on an existing or new project subject to remaining within the overall approved capital programme.
- New or additional expenditure in excess of £50k to be approved by the PCC CFO and subject to consultation with the PCC.

C1 Risk Management

1.8 The CC CFO shall be authorised to settle insurance liability claims against the CC, including third party costs up to the value shown below. Beyond this value, claims must be referred to the PCC CFO for approval.

£20k

1.9 The CC CFO shall be authorised to settle actual and/or potential employment/engagement related claims which have been or could be issued in an Employment Tribunal and/or County Court and/or High Court up to the value shown below. Beyond this value, all claims must be referred to the PCC CFO for approval.

£20k

1.11 For claims against the PCC, the PCC Chief Executive will obtain legal or other expert advice and commence, defend, withdraw or settle any claim or legal proceedings on the PCC's behalf, in consultation with the PCC CFO.

C6 Assets

Inventories

6.12 The PCC CFO and CC CFO shall maintain inventories that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown below.

£100

Stocks and Stores

- 6.17 Discrepancies between the actual level of stock and the book value of stock may be written off by the CC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC CFO for approval.

<i>Individual items</i>	<i>£10k</i>
<i>Cumulative for financial year</i>	<i>£25k</i>

- 6.18 Obsolete stock may be written off by the CC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC CFO for approval.

<i>Individual items</i>	<i>£10k</i>
<i>Cumulative for financial year</i>	<i>£25k</i>

C7 Banking Arrangements

- 7.14 All imprest cheques shall be signed at an appropriate level in accordance with an approved list and up to the level shown below

<i>Up to £1k</i>	<i>One signatory</i>
<i>Over £1k</i>	<i>Two signatories</i>

D2 Income

- 2.8 Where the monetary value of a sponsorship proposal is over the limit shown below or is perceived to be of a sensitive and controversial nature, this must be approved:

<i>Up to £10k</i>	<i>Head of Finance</i>
<i>£10k to £50k</i>	<i>CC CFO</i>
<i>Over £50k</i>	<i>PCC CFO</i>

- 2.10 Individual amounts may be written off by the CC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC CFO for approval.
£5k

D3 Ordering of Goods and Services

- 3.5 Authorisation of requisitions/orders shall be in accordance with the limits shown below:

<i>Up to £20k</i>	<i>Nominated authorised signatory</i>
<i>£20k - £50k</i>	<i>Authorised Budget Manager</i>
<i>Over £50k</i>	<i>Countersigned by PCC CFO or CC CFO</i>

D4 Payments for Goods and Services

- 4.4 Authorisation of invoices shall be in accordance with the limits shown below:

<i>Up to £20k</i>	<i>Nominated authorised signatory</i>
<i>£20k - £50k</i>	<i>Authorised Budget Manager</i>
<i>Over £50k</i>	<i>Countersigned by PCC CFO or CC CFO</i>

D7 Ex Gratia Payments

7.2 The CC CFO may make ex gratia payments to members of the public 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 CC. Amounts greater than those specified must be referred to the PCC CFO for approval.

£5k

7.3 The CC CFO may make ex gratia payments up to the level shown below in any individual instance, for damage or loss of property or for personal injury to personnel in the execution of duty or to a member of the public assisting the police. Amounts greater than those specified must be referred to the PCC CFO for approval.

£5k

D8 Settlement Agreements

8.2 The CC, in consultation with the CC CFO, will take legal and HR advice and will authorise all settlement agreement payments. Given the risk of serious public criticism, settlements above the limit specified below F will require consultation with the PCC Chief Executive.

£50k

SECTION G

FURTHER DELEGATIONS UNDER FINANCIAL REGULATIONS

Paragraph 12 of the Introduction to these Financial Regulations permits Chief Officers to further delegate responsibilities to other officers to act on their behalf. These further delegations are recorded below.

NORFOLK

Section C – Regulation C1

- 1.8 The CC CFO shall be authorised to settle insurance liability claims, against the force, including third party costs up to the value shown in Section F. Beyond this value, claims must be referred to the PCC CFO for approval.

The PCC CFO and CC CFO delegate the authorisation to settle insurance liability claims up to the value of £50,000 to the Deputy Chief Constable unless the claims/payments are considered potentially controversial or out of the ordinary. The Deputy Head of Legal Services is authorised to settle, or authorise settlement of, insurance liability claims for up to £2,000.

Settlements above £50,000 will need to be authorised by the PCC CFO.

- 1.9 The CC CFO shall be authorised to settle actual and/or potential employment/engagement related claims which have been or could be issued in an Employment Tribunal and/or County Court and/or High Court up to the value shown in Section F. Beyond this value, claims must be referred to the PCC CFO for approval.

The PCC CFO and CC CFO delegate the authorisation to settle actual and/or potential employment/engagement related claims which have been or could be issued in an Employment Tribunal and/or County Court and/or High Court up to the value of £50,000 to the Deputy Chief Constable, unless the claims/payments are considered potentially controversial or out of the ordinary.

Settlements above £50,000 will need to be authorised by the PCC CFO.



OFFICE OF THE POLICE & CRIME
COMMISSIONER FOR NORFOLK



Contract Standing Orders

Revised June 2016

1. INTRODUCTION

- 1.1. All contracts and orders for goods, works or services made by or on behalf of the Police and Crime Commissioners (PCC), with the exception of contracts/leases, for the lending or borrowing of money, land and contracts of service for employment purposes, shall be made in accordance with these Contract Standing Orders (Standing Orders).
- 1.2. All contracts shall comply with statutory requirements including, but not limited to, Directives of the European Union, UK legislation and relevant Government Guidance.
- 1.3. The PCC and Chief Constables (CC) require all procurement activity to be undertaken in a transparent, fair and consistent manner, ensuring the highest standards of probity and accountability. All procurement undertaken on behalf of the PCC and CC will operate under robust principles and procedures to ensure best value.
- 1.4. No exceptions shall be made to these Standing Orders other than for those reasons stated in Section 5.
- 1.5. Professional and legal advice on procurement matters must be directed through the Commercial Team of the Suffolk and Norfolk Joint Procurement and Supplies Department who will decide the appropriate route for response or escalation.
- 1.6. Every officer and employee of Suffolk and Norfolk Constabularies and the PCC shall comply with these Standing Orders; any failure to do so may result in disciplinary action.
- 1.7. Any specific delegation of these Standing Orders to an officer may be exercised by their deputy or by another officer specifically designated in writing by the officer in accordance with any general directions issued by them
- 1.8. Any dispute regarding the interpretation of these Standing Orders will be referred to the PCC and their decision will be final.

2. GLOSSARY OF TERMS

These terms will have the following meanings in the Standing Orders;

Police and Crime Commissioner (PCC)	The Police and Crime Commissioner of Norfolk and the Police and Crime Commissioner of Suffolk
Chief Constable (CC)	The Chief Constable of Norfolk and the Chief Constable of Suffolk
Chief Executive (Exec)	The Chief Executive of Suffolk PCC and the Chief Executive of Norfolk PCC
CC Chief Finance Officer (CC CFO)	The Chief Finance Officer of Norfolk CC and the Chief Finance Officer of Suffolk CC
PCC Chief Finance Officer (PCC CFO)	The Chief Finance Officer of Norfolk PCC and the Chief Finance Officer of Suffolk PCC
Chief Officers	Officers who are members of the Chief Officer's Team of Norfolk and the Chief Officer's Team of Suffolk
Constabulary	Police officers, including the special constabulary, and police staff under the direction and control of the CC
Office of the Police and Crime Commissioner (OPCC)	When used as a generic term shall refer to the PCC, Chief Executive, the PCC CFO of Norfolk and the PCC, Chief Executive, the PCC CFO of Suffolk and staff under their direction
Departmental Head	The most senior officer in any Division, Department or Branch
Officers	All police officers and police staff of Suffolk and Norfolk Constabularies and staff of the PCC
Joint Head of Procurement	The officer responsible for the Joint Procurement and Supplies Department
Procurement	The commercial/procurement element of the Joint Procurement and Supplies Department operating on behalf of the joint Constabularies and PCC.
Procurement Policy and Procedures	All Procurement Policies and Procedures published by the Procurement and Supplies Department
Single Tender Action (STA)	The selection of a supplier to provide works, goods or services without competition
Emergency	An unforeseeable operational or business requirement requiring immediate resolution
Framework Agreement	An enabling agreement, which establishes the terms (in particular the terms as to price and where appropriate, quantity) under which individual contracts (call-offs) can be made throughout the period of the agreement (normally a maximum of four years)
Collaborative Contract	A contract for the provision of goods, works or services to more than one Constabulary or public entity

3. COMPETITIVE PROCUREMENT

- 3.1. For goods, works or services 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.
- 3.2. Estimated value is deemed to be the aggregate whole life cost (inclusive of consumables, maintenance and disposal) to the joint organisations that is reasonably anticipated over the time of provision. If the lifetime is unknown, then the aggregate cost should be based on 48 months. Requirements must not be disaggregated in order to avoid competitive procurement under any circumstances.
- 3.3. Where the estimated aggregated value of a proposed contract is in excess of EU thresholds, tender procedures will be in accordance with EU Procurement Directives. For those with aggregated values of less than EU thresholds, the principles of the EU directives will be followed unless it is not practical to do so. The Joint Head of Procurement has responsibility to publish details of the processes to be followed.
- 3.4. Criteria for the award of contracts shall be recorded in advance of the invitation to tender and strictly observed by officers evaluating the bids. The criteria cannot be altered once the tender is advertised. The criteria may include cost and qualitative elements and shall take into account whole life costs.
- 3.5. Evaluation models used to select the successful tender shall generally be weighted such that the overall percentage score allocated to cost is not less than 50%. In exceptional circumstances Procurement may agree an alternative cost/quality ratio.
- 3.6. The evaluation of bids must be objective, systematic, thorough and fair. Decision makers should be aware that the records of the decision-making process may be subject to scrutiny at a later date.
- 3.7. The table at 3.9 describes the procedure and authority levels dependent on the estimated value of the procurement.
- 3.8. If there is already a corporate contract in place for the goods, works or services required, it is mandatory to use it. The Procurement department will advise.

3.9. PROCUREMENT COMPETITION PROCEDURES AND AUTHORITY LEVELS

Estimated Value £	Quotation / Tender Requirements	Levels of Delegated Authority	Procurement Engagement
> 500 - 3,000	Evidence of more than one price comparison shall be obtained, preferably in writing (including email) or obtained from catalogues or price lists. Evidence shall be attached to the requisition.	Requisitions to be approved locally by officers with relevant authority in accordance with financial instructions Contracts must be signed by a minimum of a Procurement Category Manager	Procurement engagement is not mandatory. Advice and support is available on request
3,000 - 20,000	At least three quotations shall be obtained in writing. Evidence of competition shall be attached to the requisition.	Requisitions to be approved locally by officers with relevant authority in accordance with financial instructions Contracts must be signed by a minimum of a Procurement Category Manager	Procurement engagement is not mandatory. Advice and support is available on request
20,000 - 50,000	At least three quotations received through the e-tendering system shall be obtained	Requisitions to be approved locally by officers with relevant authority in accordance with financial instructions /procedures Contracts must be signed by a minimum of a Procurement Strategic Category Manager	Procurement engagement is not mandatory. Advice and support is available on request Units without access to the e- tendering system are required to contact Procurement
> 50,000	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	Contracts will be signed by the minimum post of; < £50,000 - £100,000 Joint Head of Procurement £100,000 - £1,000,000 CC CFO >£1,000,000 under seal of the PCC	All procurement activity to be facilitated by Procurement

3.10 An officer with delegated authority to authorise requisitions or contracts committing the expenditure does so on behalf of the PCC.

- 3.11. The authority levels shall apply to variations to contract, i.e. any additional costs resulting from the variation must be aggregated with the original contract value for the purposes of authorisation.

4. FINANCIAL AND CONTRACTUAL DELEGATIONS

- 4.1. The PCC CFO and CC CFO will be responsible for determining authorised signatories within the PCC and Constabulary. Those authorised signatories and sub delegation rules will be described and documented in the PCC Financial Regulations and Procurement Procedures. They will ensure that suitable segregation of responsibilities are observed, that purchases are compliant with Regulations and Procedures, and that sufficient funding and resources are available within the revenue budget or capital programme.

5. EXCEPTIONS TO NORMAL PROCEDURES/SINGLE TENDER ACTION

5.1. Exceptions

5.1.1. Tenders are not required in the following circumstances:

- Purchases through government agency or other consortium or similar body where legally entitled to do so and in accordance with the approved purchasing methods of such a consortium or body, or
- Purchases at public auctions, or
- Internal PCC or Constabulary business where one part of the PCC or Constabulary provides a service to the other.
- For works up to £3,000 where no corporate contract exists and are commissioned by the Estates Department.

- 5.1.2 All exceptions to normal procedures must be approved in accordance with the arrangements set out in the Procurement Policy and Procedures for local and collaborative contracts and full justification recorded.

5.2. Single Tender Action (STA)

- 5.2.1. STA should only be used in very exceptional circumstances. The PCC CFO or CC CFO or their delegated authorities 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 an existing contract where there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience and it is legal to do so;
- The contract has been classified as secret by the CC CFO 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, e.g. when an operational need arises which requires immediate action. However failure to take action within appropriate timescales does not constitute grounds for an urgency exception;
- 5.2.2 Where, for any reason not covered by para 5.2.1, an exception is sought to be made to the application of normal procurement procedures, then the PCC CFO may approve the exception. Post activity exception will only be granted for operationally imperative, or other emergency situations.
- 5.2.3 Any STA over £3,000 shall be requested by the Departmental Head via the Joint Head of Procurement and then the appropriate Chief Officer. The formal procedure shall be described in the Procurement Procedures.

6. COMPETITIVE PROCUREMENT USING TENDERS

- 6.1. The Joint Head of Procurement will have responsibility to ensure appropriate Procurement Policy and Procedures are published 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;
 - (i) The formal procedure to be adopted to evidence alternative provision is not available.
 - (ii) The formal justification of emergency provision.
 - The achievement of Value for Money, and the minimisation of risk to the PCC and Constabulary;
 - The Procurement Policy and Procedures will set out arrangements for the recording and retention of information in relation to procurement activity;
 - The Procurement Policy will also detail the arrangements for reporting procurement activity to meet the requirements of the PCC and Constabulary together with addressing the need to publish information in accordance with Government requirements.
- 6.2. Contents of the Policies and Procedures will be agreed by the PCC CFO and CC CFO.

7. TENDER CUSTODY AND OPENING

Electronic Tendering

- 7.1. Tenders will be received through a proprietary e-tendering solution, which ensures managed opening and version controls with all processes and actions being fully auditable except in extraordinary circumstances i.e. system failure.

Tender custody and opening if non-electronic means are utilised

- 7.2. In the event of operating by non-electronic means, tenders shall be stored in a secure and confidential manner as required by the sealed bid procedure set out in the Procurement Policy and Procedures.
- 7.3. 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 one of which will be the CC CFO or other Chief Officer in the absence of the CC CFO.
 - The appropriate tender details shall be recorded on the Tender Opening Certificate, which shall be ruled off (to prevent the addition of further entries) and then signed by each member of the tender opening panel.
- 7.4. 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.

8. FORM OF CONTRACT

- 8.1. All contracts shall be in the name of a PCC and for joint contracts Suffolk PCC with Norfolk PCC as a named party ensuring joint and several liability. They shall be evidenced in writing. If appropriate, legal advice should be sought in relation to contracts through Procurement in the first instance.
- 8.2. Every contract shall specify the:-
- goods, services or works to be provided;
 - consideration;
 - time within which the contract is to be performed; and
 - terms and conditions for payment.
- 8.3. Every contract shall ensure that the contractor indemnifies the Commissioner against all losses in connection with injury to or death of any person, or damage to property, happening as a result of or in connection with the carrying out of the contract. The contractor shall also be required to effect and maintain insurance which provides both the contractor and the employer with full cover in respect of any liability against which

the contractor is required to indemnify the employer. The CC shall stipulate the minimum amount of insurance after consultation with the PCC CFO.

- 8.4. Liquidated Damages: Each contract should be reviewed for the appropriate inclusion of liquidated damages.
- 8.5. Default Clauses: Contracts which are estimated to exceed £50,000 shall provide that should the contractor default in the terms of the contract, the PCC, without prejudice to any remedy for breach of contract, shall be at liberty to purchase other goods, services or works as appropriate of the same or similar description to make good any default. Every contract shall provide that the amount by which the cost of purchasing other goods, services or works (including the expenses of acquiring the new supplier) exceeds the amount which would have been payable to the contractor shall be recoverable from the contractor.
- 8.6. Transfer or Assignment of Contracts: Every contract which is estimated to exceed £50,000 shall prohibit the contractor from assigning the contract or sub-letting any portion of the contract work without the written consent of the CC.
- 8.7. Prevention of Corruption: In every contract a clause shall be inserted to secure that the Commissioner shall be entitled to cancel any contract and to recover from the contractor the amount of any loss resulting from such cancellations if the contractor or any person employed by them or acting on their behalf (whether with or without the knowledge of the contractor) shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing something in relation to the obtaining or execution of any contract with the Commissioner, or 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 subsection 2 of Section 117 of the Local Government Act 1972.
- 8.8. Exclusion of third party rights: Unless precluded by statute every contract shall exclude the ability of third parties to claim the same rights and remedies as those enjoyed by the main parties to the contract. The rights of permitted successors to or assignees of the rights of a party shall not be excluded

9. COLLABORATIVE CONTRACTS AND FRAMEWORK AGREEMENTS

- 9.1. Where tenders are invited that include other police forces or public sector organisations, they will be invited on a lead PCC basis and comply with these Standing Orders.

10. REVIEW

- 10.1 These Standing Orders will be reviewed at least on an annual basis by the PCC CFO and CC CFO.