



**POLICE
& CRIME
COMMISSIONER**
THAMES VALLEY

CORPORATE GOVERNANCE FRAMEWORK

2012/2013

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Statement of Corporate Governance for the

Police and Crime Commissioner and Chief Constable for Thames Valley Police

Introduction

The purpose of this statement is to give clarity to the way the two corporations sole, police and crime commissioner and chief constable of Thames Valley will govern both jointly and separately to ensure they are conducting business in the right way, for the right reason at the right time.

Context

The principle statutory framework within which the corporations' sole will operate is:

- Police Reform and Social Responsibility Act 2011,
- Policing Protocol Order 2011,
- Financial Management Code of Practice,
- Strategic Policing Requirement.

This framework creates a public sector relationship, based upon the commissioner provider arrangement but with unique elements such as the single elected commissioner and operational independence of the police service. It is therefore not appropriate to import corporate governance arrangements into this environment but to build upon existing good governance principles and experience.

In accordance with the CIPFA / SOLACE framework on corporate governance the PCC and Chief Constable are required to produce separate annual governance statements to show how their respective organisations have complied with this joint code of corporate governance.

Principles

The core principles to be adopted by both corporations sole will be those highlighted by the good governance standard for public services¹:

- Focus on outcomes for local people,
- Clarity of roles and functions,
- Promotion of values and demonstrating these through behaviour,
- Informed, transparent decisions & managing risk,
- Developing capacity and capability
- Engaging with local people to ensure robust accountability.

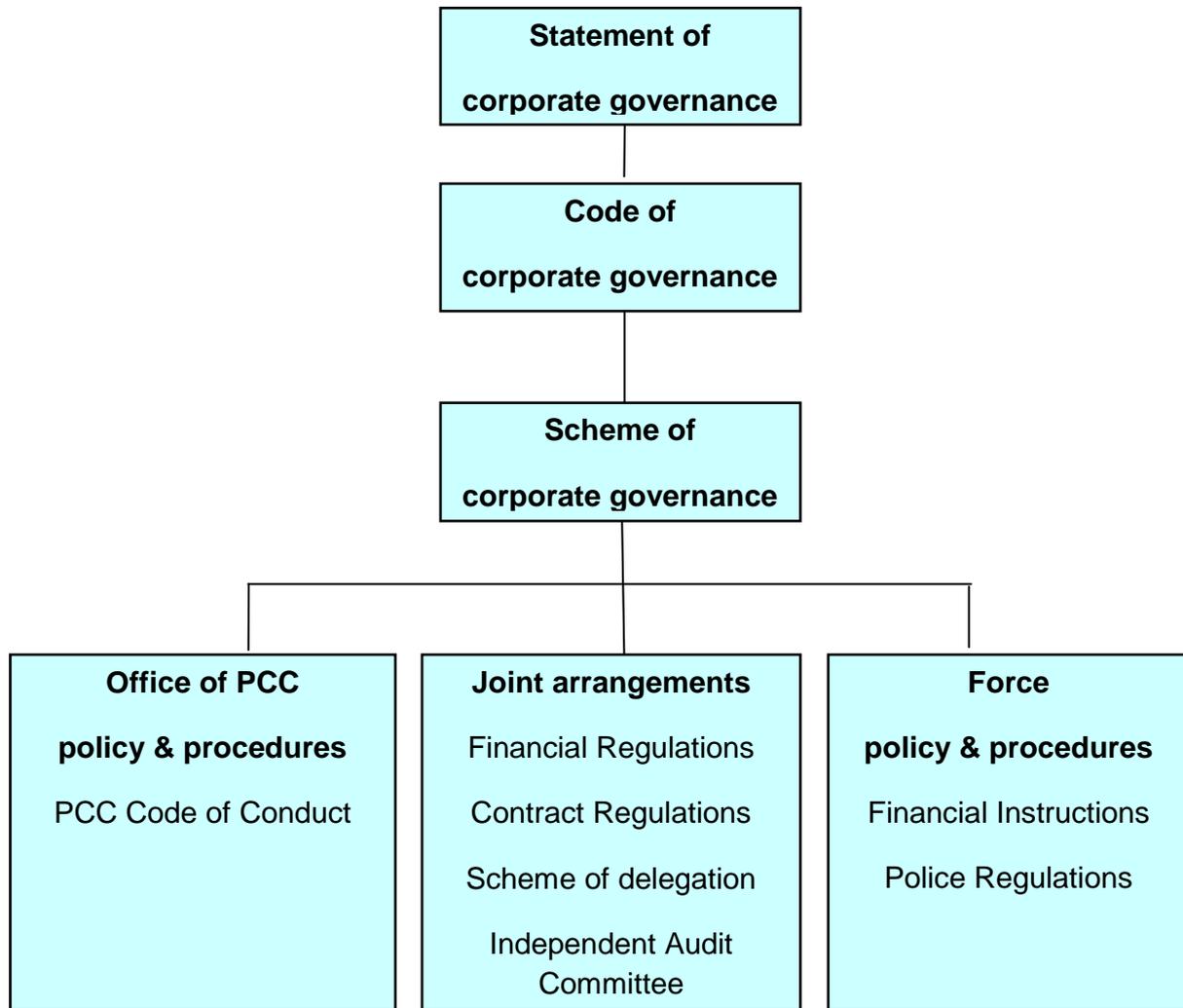
Framework / Instruments of governance

The corporate governance framework within which the PCC and Chief Constable will govern, both jointly and separately will consist of:

- Statement of corporate governance – statutory framework and local policy,
- Code of corporate governance – sets out how the core principles will be implemented,
- Scheme of corporate governance – defines the parameters within which the corporations soles will conduct their business,

¹ Also referred to as the Nolan Principles

- Separate policy and procedures for each corporation sole, with protocols and other governance documents where they operate jointly.



Leadership

A corporate governance group will review the framework on an annual basis and oversee its implementation at least on a quarterly basis. Membership will consist of police and crime commissioner, chief and deputy constable, chief executive and the respective chief finance officers. (?????????)

CODE OF CORPORATE GOVERNANCE for the PCC and Chief Constable for Thames Valley Police

1 INTRODUCTION

- 1.1 Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the system, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and lead their communities.
- 1.2 This Code of Corporate Governance describes how the Police and Crime Commissioner (PCC) and the Chief Constable of Thames Valley Police discharge their responsibilities in this respect, reflecting their commitment to the statutory requirements. It should be read alongside the Scheme of Corporate Governance which defines the parameters for decision making, including schemes of delegations, consents, financial regulations and standing orders relating to contracts.
- 1.3 The term "Thames Valley Police" is used throughout this document to reflect both the PCC and the Force.
- 1.4 The PCC has two key statutory responsibilities:
- To secure the maintenance of an efficient and effective local police force;
 - To hold to account the Chief Constable of Thames Valley Police for the exercise of his/her functions and those of persons under his/her direction and control.
- In exercising these functions the PCC is accountable to the electorate in the Thames Valley Police area
- 1.5 The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force.
- 1.6 The Good Governance Standard for Public Services² sets out six core principles on which effective governance should be built:
- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
 - Leaders, officers and partners working together to achieve a common purpose with clearly defined functions and roles
 - Promoting values for the PCC and Chief Constable and demonstrating the values of good governance through upholding high standards of conduct and behaviour
 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
 - Developing the capacity and capability of the PCC, Officers of the PCC and the Force to be effective
 - Engaging with local people and other stakeholders to ensure robust public accountability

² Also referred to as the Nolan Principles

- 1.7 To achieve this, a local scheme has been formulated to ensure that these principles are fully integrated in the conduct of Thames Valley Police's business as well as establishing a means of demonstrating compliance.
- 1.8 Thames Valley Police must also demonstrate that the systems and processes in place are:
- Monitored for their effectiveness in practice
 - Subject to annual review to ensure they remain up to date
- 1.9 Throughout this code, the term "employees" refers to all police officers, police support staff, special constables, volunteers and other members of the wider policing family working for Thames Valley Police.
- 1.10 This Code applies to all employees, contractors and/or agents providing a direct service to Thames Valley Police
- 1.11 The Code will be reviewed and updated as appropriate on an annual basis.

2. THE CODE OF CORPORATE GOVERNANCE

- 2.1 Accordingly, Thames Valley Police has developed a single joint Code of Corporate Governance which incorporates the core good governance principles, develops these in a local context, and sets out the arrangements for reviewing their effectiveness. However, at year-end the PCC and Chief Constable will produce separate Annual Governance Statements to show their respective compliance with this Code – see section 3
- 2.2 The way in which each of the core principles of good governance is put into practice by Thames Valley Police is set out below:

A Focusing on the purpose of the PCC and the Force, and on outcomes for local people, and creating a vision for the local area

- 2.3 *The function of governance is to ensure that organisations fulfil their purpose and achieve their intended outcomes for citizens and service users and operate in an effective, efficient, economic and ethical manner. This concept should guide all governance activity.*
1. The Act³ requires the PCC to issue a **police and crime plan**⁴ covering a five year period, including one year beyond his/her term of office. It will outline the police and crime objectives (outcomes) and the strategic direction for the policing.
 2. Both the PCC and Chief Constable must have regard to the plan and the PCC must have regard to the priorities of the responsible authorities⁵ during its development.
 3. Each organisation will have an **Annual delivery plan** which sets out how it will operate to support achievement of these outcomes

³ Police Reform and Social Responsibility Act 2011

⁴ PRSR Act 2011, section 5

⁵ PRSR Act 2011, section 10

4. The PCC and Chief Constable will seek to ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties
5. A **medium term financial strategy** will be developed jointly by the PCC and Chief Constable. This will be reviewed and refreshed at least annually to ensure delivery of the corporate aims and objectives. Detailed arrangements for financial management will be set out in **financial regulations**.
6. The Act requires the Police and Crime commissioner to issue an **annual report**⁶
7. A **commissioning and award of grants framework** will be developed by the PCC, which will incorporate commissioning intentions and priorities.
8. The PCC and Chief Constable will decide jointly how the **quality of service** for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.
9. The PCC and Chief Constable will ensure that effective arrangements are in place to deal with failure in service delivery
10. The PCC and Chief Constable will jointly consider how best to achieve **value for money** and ensure that their agreed approach is reflected in the Police and Crime Plan objectives and associated delivery plans.

B Leaders, Officers and Partners working together to achieve a common purpose with clearly defined functions and roles

2.4 *The PCC is responsible for maintaining an efficient and effective police service and holds to account the Chief Constable of TVP for the exercise of his/her functions and those of persons under his/her direction and control.*

2.5 *The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force.*

1. The Act⁷ clearly sets out the **functions of the PCC and chief constable** and the protocol⁸ sets out how these functions will be undertaken to achieve the outcomes of the police and crime plan.
2. The PCC may appoint a **deputy**⁹ who will be a member of his staff as highlighted in the Act. The role description approved by the PCC will incorporate functions delegated within the scheme of corporate governance.
3. The Act¹⁰ requires the PCC to have a **chief executive and chief finance officer**. The chief executive will be the head of paid service and undertake the responsibilities of monitoring officer¹¹.

⁶ PRSR Act 2011, section 12

⁷ PRSR Act 2011, section 5 – 8,

⁸ Policing Protocol Order 2011

⁹ PRSR Act 2011, section 18 (1)

¹⁰ PRSR Act 2011, sch 1, paras 6 to 8

4. The Act¹² requires the chief constable to appoint a **chief finance officer**.
5. The **financial management code of practice**¹³ sets out the responsibilities of chief finance officers¹⁴ for both police and crime commissioner and chief constable.
6. The **scheme of corporate governance** defines the parameters for key roles in the corporations' sole including schemes of delegations and/or consents from the PCC or chief constable, financial regulations and contract standing orders.
7. The PCC, Chief Constable and all employees will operate within:
 - a. Office of PCC and force policy and procedures,
 - b. corporate governance framework,
 - c. discipline regulations and codes of conduct.
8. The PCC and Chief Constable will ensure that effective mechanisms exist to monitor service delivery.
9. The PCC and Chief Constable will ensure that joint vision, strategic plans, priorities and targets are developed in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated
10. The PCC and Chief Constable will seek to ensure that when working in partnership, that all employees are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the organisation
11. The PCC and Chief Constable will seek to ensure that when working in partnership that there is clarity about the legal status of the partnership and that representatives, or organisations, both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions

C Promoting the values for the PCC and Force and demonstrating the values of good governance through upholding high standards of conduct and behaviour

2.6 *Good governance flows from a shared ethos or culture, as well as from systems and structures. It cannot be reduced to a set of rules, or achieved fully by compliance with a set of requirements. This spirit or ethos of good governance can be expressed as values and demonstrated as behaviour.*

1. The Policing Protocol Order 2011 requires all parties to abide by the seven **Nolan principles**¹⁵ and these will be central to the conduct and behaviour

¹¹ Local Government and Housing Act, section 5 & APACE statement on the role of CEO

¹² PRSR Act 2011, schedule 2 (4)

¹³ Financial Management Code of Practice for the Police, section 4, & CIPFA statement on role of chief finance officers, 2011

¹⁴ CIPFA Statement on the role of the chief finance officer of the PCC and the chief finance officer of the Chief Constable

of all. It also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust.

2. The Financial Management Code of Practice requires the PCC and chief constable to ensure that the **good governance principles** are embedded within the way the organisations operate. As such, the PCC and Chief Constable will set the tone for their respective organisations by creating a climate of openness, support and respect.
3. The PCC and Chief Constable will set out their **values** in the respective corporate and strategic plans and use them as a guide for decision making and as a basis for developing positive and trusting relationships
4. The PCC and Chief Constable will put in place appropriate arrangements to help ensure that the PCC, Deputy PCC (if appointed) and all employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice
5. The PCC and Chief Constable will put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice
6. In pursuing the objective(s) of a partnership, the PCC and Chief Constable will seek to agree relevant criteria against which decision making and actions can be judged

D Taking informed and transparent decisions, which are subject to scrutiny and managing risk

- 2.7 *Decision making within a good governance framework is complex and challenging. It must further the organisation's purpose and strategic direction and be robust in the medium to longer terms. To make such decisions, the PCC, Chief Constable and their respective senior officers must be well informed.*
- 2.8 *The PCC and senior officers making decisions need the support of appropriate systems, to help ensure that decisions are implemented and that resources are used legally and efficiently.*
- 2.9 *Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective.*
 1. The PCC and Chief Constable will develop and maintain effective arrangements to hold the Chief Constable to account¹⁶ for force performance and compliance with other requirements
 2. The **decision making protocol**¹⁷ sets out principles behind how decisions will be taken by the PCC and Chief Constable and the standards to be adopted. This will ensure that those making decisions are provided with

¹⁵ Standards in public life, 2005

¹⁶ PRSR Act 2011, sections 1 (7) and (8)

¹⁷ Refer to relevant report

information that is fit for the purpose – relevant, timely and accurate and gives clear explanations of technical issues and their implications.

3. It requires a combined forward plan of decisions, which brings together the business planning cycles for the **police and crime plan**, the **office of the PCC** and the force **corporate planning process**. This will ensure proper governance by bringing together the right information at the right time e.g. strategic needs assessments, costs, budgets etc.
4. The PCC and Chief Constable will ensure that professional advice on matters that have legal or financial implications is available and recorded in advance of decision making and used appropriately
5. The **national decision model**¹⁸ will be applied to spontaneous incidents or planned operations, by officers or staff within the force as individuals or teams, and to both operational and non-operational situations.
6. Put in place arrangements to safeguard the PCC, Chief Constable and all employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice
7. The **scheme of governance** defines the parameters for decision making, including delegations, consents, financial regulations and standing orders relating to contracts.
8. The **risk management strategy** establishes how risk is embedded throughout "Thames Valley Police", with the PCC and Chief Constable and their respective staff and officers all recognising that risk management is an integral part of their job
9. A joint independent **audit committee**¹⁹ will operate in accordance with CIPFA guidance and the Financial Management Code of Practice.
10. The **communication and engagement strategies** demonstrate how the police and crime commissioner and chief constable will ensure that local people are involved in decision making.
11. Furthermore an **information scheme**²⁰ will ensure that information relating to decisions will be made readily available to local people, with those of greater public interest receiving the highest level of transparency, except where operational and legal constraints exist.
12. The **Police and Crime Panel**²¹ provides checks and balances in relation to the performance of the PCC. It does this by scrutinising the way the PCC exercises his/her functions, however the Panel does not scrutinise the Chief Constable.
13. The PCC and Chief Constable will ensure that effective, transparent and accessible arrangements are in place for dealing with complaints

¹⁸ Single National Decision Model (NDM) for the Police Service. ACPO July 2011

¹⁹ Chartered Institute of Public Finance & Accountancy: Audit Committees : Practical Guidance for Local Authorities

²⁰ The Elected Local Policing Bodies (Specified Information) Order 2011

²¹ PRSR Act 2011, schedule 6

14. The PCC and Chief Constable will ensure that arrangements are in place for whistle blowing to which employees and all those contracting with "Thames Valley Police" have access
15. The PCC and Chief Constable will recognise the limits of lawful action placed on them (e.g. the ultra vires doctrine) and will observe both the specific requirements of legislation and the general responsibilities placed on the PCC and Chief Constable by public law
16. The PCC and Chief Constable will observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice into their procedures and decision making processes

E Developing the capacity and capability of the PCC, Officers of the PCC and the Force to be effective in their roles

2.10 *Effective governance relies on public confidence in the PCC, Chief Constable and their respective employees. Good governance strengthens credibility and confidence in our public services.*

2.11 *Organisations need people with the right skills to direct and control them effectively. Governance roles and responsibilities are challenging and demanding, and the PCC and Chief Constable need the right skills for their roles. In addition, governance is strengthened by the participation of people with different types of knowledge and experience.*

1. The PCC and Chief Constable will be provided with, and will also provide to their employees appropriate induction and ongoing training and development programmes tailored to individual needs and opportunities
2. The PCC and Chief Constable will ensure that the statutory officers²² have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation
3. To develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed
4. To ensure that effective arrangements are in place for reviewing performance and agreeing an action plan(s) which would include any training or development needs
5. To ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the PCC and police force
6. To ensure that career structures are in place for employees to encourage participation and development

²² Chief Executive, Chief Finance Officers and members of the Chief Constable's Management Team

F Engaging with local people and other stakeholders to ensure robust public accountability

- 2.12 *The PCC has a statutory responsibility to engage with the public on policing issues and must have regard to the views of people in the Force's area about policing in that area. In discharging this responsibility the PCC is helping to ensure that the Force is held to account for the way services are delivered to the public and at what cost and, in addition, reflecting his/her own accountability to the public.*
- 2.13 *Force engagement with the public takes place on many levels from daily street contacts and phone calls through to attendance at public meetings and formal surveys in relation to service levels.*
- 2.14 *Both the PCC and the Force are subject to external review through the external audit of their financial statements and through HMIC. They are required to publish their financial statements and are required to publish an annual report. Their budgets are effectively subject to significant influence and overview by government, which has powers to intervene. The PCC, Chief Constable and all employees are subject to codes of conduct.*
1. The protocol²³ highlights that the PCC is **accountable to local people** and that he/she draws on this mandate to set and shape the strategic objectives for the force area in consultation with the chief constable.
 2. The **police and crime plan** will clearly set out what the strategic direction and priorities are to be and how it will be delivered.
 3. The PCC, with the support of the Chief Constable, will engage with the **Police and Crime Panel**²⁴ on matters of mutual interest, over and above development of the annual budget and police and crime plan.
 4. To complement this, the **communication and engagement strategies** will set out how local people will be involved with the PCC and the chief constable to ensure they are part of the decision making, accountability and future direction. This will be a mixture of being part of the yearly planning arrangements and becoming involved in issues of interest to local people as they emerge.
 5. The PCC and chief constable will develop arrangements for effective engagement with key **stakeholders**, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction.
 6. As appropriate the PCC will hold the Chief Constable to account through public meetings
 7. The PCC is required to publish an **annual report**²⁵ on the activities of the PCC in relation to monitoring its own performance and that of the Chief Constable and Force

²³ Policing Protocol Order 2011, section 14

²⁴ PRSR Act, schedule 6

²⁵ PRSR Act 2011, section 12

8. To establish a clear policy on the types of issues that the PCC and Chief Constable will meaningfully consult on with the public and service users, including a feedback mechanism
9. To ensure that Thames Valley Police as a whole is open, transparent and accessible to our communities, service users and stakeholders.
10. To maintain and promote a clear policy on how employees and their representatives are consulted in decision making

3 ARRANGEMENTS FOR REVIEW OF GOVERNANCE

- 3.1 The PCC and Chief Constable have put in place the following arrangements to review the effectiveness of the Code of Corporate Governance:
- 3.2 The PCC and Chief Constable are committed to a joint local Code of Corporate Governance and for carrying out an annual review of its effectiveness.
- 3.3 A formal review of both the Code of Corporate Governance and the Scheme of Corporate Governance will be undertaken annually.

The Police and Crime Commissioner (PCC)

- 3.4 The PCC will produce an Annual Governance Statement (AGS) which will be published on his/her website alongside the annual Statement of Accounts. The AGS will include an Action Plan to rectify any significant areas of weakness in internal control and/or corporate governance.

The Force

- 3.5 The Deputy Chief Constable, under delegated authority from the Chief Constable, is responsible for corporate governance issues affecting the Force, ensuring that appropriate reviews, both pro-actively and reactively, are carried out into key areas and highlighted, including:
 - Professional standards and performance
 - Strategic co-ordination and planning, including risk management and business continuity, and strategic assessments
 - Crime recording
- 3.6 The Director of Information, Science and Technology is responsible for the management of information, including information security and data protection
- 3.7 The Chief Constable will produce an Annual Governance Statement (AGS) which will be published on the Force website alongside the annual Statement of Accounts. The AGS will include an Action Plan to rectify any significant areas of weakness in internal control and/or corporate governance.

The joint independent Audit Committee

- 3.8 The Committee's draft terms of reference include the following key requirements in respect of corporate governance:
 - To consider and comment on the adequacy of the local Code of Corporate Governance;

- To approve the Annual Governance Statements (AGS) from the PCC and Chief Constable
- To monitor implementation and delivery of the agreed AGS Action Plan(s);
- To obtain assurance that an annual review of the effectiveness of the internal audit function takes place;
- To consider and comment upon the adequacy and effectiveness of the assurance framework, and the specific governance and accountability policies, systems and controls in place, such as Financial Regulations; the Scheme of Consent; anti-fraud and corruption; whistle-blowing, and declarations of interest, gifts and hospitality.

The Corporate Governance Working Group

3.9 The Working Group, which comprises senior officers from the Office of the PCC and Force, is responsible for:

- drafting the local code of corporate governance,
- monitoring compliance with the Code during the year, including the system of internal control
- preparing the draft Annual Governance Statement
- recommending an Action Plan(s) to rectify significant areas of weakness
- monitoring the implementation of agreed action plans

3.10 The Working Group reports to the Independent Joint Audit Committee on a quarterly basis.

Internal audit

3.11 The primary role of internal audit is to give an assurance to the PCC and Chief Constable, through the two chief finance officers, on the effectiveness of the controls in place to manage risks. To this end the Chief Internal Auditor delivers an annual opinion on the effectiveness of the controls reviewed by the Internal Audit Team and by any external provider of internal audit services employed during the year. This annual opinion, set out in the annual report of the Chief Internal Auditor, is one of the key sources of evidence in support of the Annual Governance Statement(s).

3.12 The Chief Internal Auditor provides regular update reports to the joint Independent Audit Committee, including areas of concern.

3.13 Major control weaknesses are reported to the Force Risk Management Group and to the joint Independent Audit Committee.

3.14 The review of both the corporate governance and risk management arrangements periodically feature in the annual audit plan. Corporate governance and risk management issues may arise through other reviews carried out by the Internal Audit Team. In this case the issues will be dealt with initially in the relevant audit report. Significant governance failures identified through general audit work will also be referred to the Corporate Governance Working Group.

External Audit

3.15 The external auditor will audit the financial statements of the PCC and Chief Constable, as well as the Group accounts and will also review the Annual Governance Statement(s). External audit plans and reports, including the Annual Audit Letter, are considered by the joint Independent Audit Committee at appropriate times in the annual cycle of meetings.

Her Majesty's Inspectorate of Constabulary (HMIC)

- 3.16 The role of HMIC is to promote the economy, efficiency and effectiveness of policing in England, Wales and Northern Ireland through inspection of police organisations and functions to ensure agreed standards are achieved and maintained; good practice is spread and performance is improved. It also provides advice and support to the tripartite partners (Home Secretary, PCC and forces) and plays an important role in the development of future leaders.
- 3.17 HMIC reports are sent to the Chief Constable and the PCC for consideration and appropriate action. HMIC, working alongside external audit, will play a key role in informing the PCC and the public on the efficiency and effectiveness of their forces and, in so doing, will facilitate the accountability of PCCs to the public.

Scheme of Corporate Governance 2012/13

Definitions within this Scheme of Governance

1. The Police and Crime Commissioner shall be referred to as the PCC
2. The PCC's chief finance officer shall be referred to as the PCC CFO
3. The Chief Constable's chief finance officer (CC CFO) is the Director of Finance
4. The 'Force' shall refer to the Chief Constable, police officers, police staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under his/her direction and control

Notes

2. The Police Reform and Social Responsibility Act 2011 prohibits delegation from the PCC to a constable or to any member of staff of a constable. As the reference to a constable therefore includes the Chief Constable, this prohibits delegation to any police officer under his/her direction and control and to any police staff employed by the chief constable. As such, all delegations to the Force must be to a member of Police Staff who are not employed by the chief constable. Any Scheme of Delegation as it relates to the Force can only operate therefore until such time as relevant police staff are no longer under the employment of the PCC.

1. Introduction

- 1.1 The Statement of Corporate Governance details the key roles of the PCC, Chief Executive, Chief Constable and the two Chief Finance Officers. The Code of Corporate Governance describes the strategies, arrangements, instruments and controls to ensure good governance in the two corporations sole.
- 1.2 This Scheme of Corporate Governance should be read alongside the aforementioned statement and code.
- 1.3 It sets out the delegations by the PCC to a Deputy PCC (if appointed), the Chief Executive, the Police Force via senior officers such as the Director of Finance, Director of HR and the Force Head of Legal Services (see note 2 above).
- 1.4 In addition, this Scheme incorporates other instruments such as the financial regulations and standing orders relating to contracts.
- 1.5 This Scheme aims to clarify those powers which, for the benefit of good business practice, are given to the statutory officers. The PCC may limit these powers and/or remove delegation.
- 1.6 This Scheme provides a framework which makes sure the business is carried out efficiently, ensuring that decisions are not unnecessarily delayed. It forms part of the overall corporate governance framework of the two corporations sole.
- 1.7 The PCC may set out reporting arrangements on any authorised powers.
- 1.8 Powers are given to the Chief Constable by laws, orders, rules or regulations. Also, national conditions of employment give powers to the PCC or the Chief Constable or, as in the case of police regulations, the Secretary of State for the Home Department.
- 1.9 The powers given to the statutory officers should be exercised in line with the PCC's delegation, the law, standing orders and financial regulations, and also policies, procedures, plans, strategies and budgets.
- 1.10 This Scheme does not identify all the statutory duties which are contained in specific laws and regulations.

2. Role of the PCC

- 2.1 The details of the role of the PCC can be found in the Code of Corporate Governance.
- 2.2 The PCC is the legal contracting body which owns all the assets and liabilities, with the responsibility for the financial administration of his/her office and the force, including all borrowing limits. Consent can be given to the Chief Constable to acquire property (other than land and buildings) and, if and when given, will be detailed in the financial regulations and standing orders relating to contracts.
- 2.3 The PCC will receive all funding, including the government grant and precept, and other sources of income related to policing and crime reduction. All funding for the force must come via the PCC. How this money is allocated is for the PCC to decide in consultation with

the Chief Constable and in accordance with the Police and Crime Plan, or in accordance with any grant terms.

- 2.4 The Police and Crime Panel is a check and balance on the PCC through reviewing and/or scrutinising his/her decisions and actions, but not those of the Chief Constable.
- 2.5 The PCC may appoint a deputy to exercise his/her functions, with the exception of those which cannot be delegated as defined by the Police Reform and Social Responsibility Act 2011.
- 2.6 The PCC will be responsible for handling complaints and conduct matters in relation to the Chief Constable, monitoring complaints against officers and staff, and complying with the requirements of the Independent Police Complaints Commission.

3. General principles of delegation

- 3.1 The PCC may ask that a specific matter is referred to him/her for a decision and not dealt with under powers of delegation.
- 3.2 The scheme does not attempt to list all matters which form part of everyday management responsibilities.
- 3.3 Giving delegation to officers under this scheme does not prevent an officer from referring the matter to the PCC for a decision if the officer thinks this is appropriate (for example, because of sensitive community and stakeholder issues or any matter which may have a significant financial implication).
- 3.4 When a statutory officer is considering a matter that is within another statutory officer's area of responsibility, they should consult the other statutory officer before authorising the action.
- 3.5 All decisions statutory officers make under powers given to them by the PCC must be recorded and be available for inspection.
- 3.6 In this document, reference made to the statutory officers include officers authorised by them to act on their behalf.
- 3.7 The statutory officers are responsible for making sure that members of staff they supervise know about the provisions and obligations of this Scheme of Delegation.
- 3.8 The persons appointed as the Chief Executive (who will also be the Monitoring Officer) and the Chief Finance Officer (appointed under Schedule 1, paragraph 6(1)(b) of the PRSR Act 2011) have statutory powers and duties relating to their positions and therefore, do not rely on matters being delegated to them to carry these out.
- 3.9 The Scheme of Delegation provides an officer with the legal power to carry out duties of the PCC. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including:
 - The Police and Social Responsibility Act 2011 and other relevant legislation issued under this Act (e.g. policing Protocol Order).
 - Financial Regulations

- Contract Regulations
- Home Office Financial Management Code of Practice
- CIPFA Statement on the role of the Chief Financial Officer of the PCC and the Chief Finance Officer of the Chief Constable
- The PCC's governance framework
- The PCC's and Thames Valley Police employment policies and procedures.
- The Data Protection Act 1998 and the Freedom of Information Act 2000
- Health and safety at work legislation and codes.

3.10 When carrying out any duties, the PCC and staff must have regard to the following:

- The views of the people in Thames Valley
- Any report or recommendation made by the Police and Crime Panel on the annual report for the previous financial year.
- The Police and Crime Plan and any guidance issued by the Secretary of State, specifically the Strategic Policing Requirement.

(Note: this list is a summary and is not exhaustive)

3.11 The PCC may appoint any officer to carry out any function, with the exception of those listed below:

- Issuing the Police and Crime Plan
- Determining objectives in the Police and Crime Plan
- Calculation of budget requirements
- Making representations in relation to the appointment of Chief Officer posts
- Being consulted in relation to the appointment or removal of Chief Officer posts
- Suspension of the Chief Constable, or asking him or her to resign or retire
- Attendance at the Police and Crime Panel for specified duties
- Preparing the annual report

3.12 This Scheme is a record of the formal delegations that are in effect at the time of its publication. The PCC's governance framework, including the Scheme of Delegation will be reviewed at least annually. With the exception, of those matters listed in paragraph 3.11, any person to whom a power is delegated under this scheme may sub-delegate that power as they deem appropriate.

3.13 PCC may give additional delegation to his/her officers under section 18 of the Act. This Scheme is a record of the formal delegations that are in effect at the time of its publication. The PCC's governance framework, including the Scheme of Delegation will be reviewed at least annually. With the exception, of those matters listed in paragraph 3.11, the scheme allows any person, with appropriate authority, to delegate that power further.

3.14 The PCC must not restrict the operational independence of the police force and the Chief Constable who leads it.

3.15 To enable the PCC to exercise the functions of their office effectively they will need access to information, and officers and staff within their force area. This access must not be unreasonably withheld or obstructed by the Chief Constable, or restrict the Chief Constable's direction and control of the force.

3.16 The PCC has wider responsibilities than those solely relating to the police force and this is referred to in the Code of Corporate Governance.

4. Functions delegated to the Deputy PCC

Introduction

4.1 The PCC may appoint a deputy to exercise his/her functions (except those which cannot be delegated; these are listed in paragraph 4.2). The Deputy PCC can give delegation to the Chief Executive to carry out any functions (with the exception of those listed in paragraph 3.11) in his/her absence (defined as leave or illness).

4.2 The PCC cannot give delegation to his/her deputy to carry out the following functions:

- (a) issuing a police and crime plan;
- (b) determining police and crime objectives;
- (c) attendance at a meeting of a police and crime panel in compliance with a requirement by the panel to do so;
- (d) preparing an annual report to a policing and crime panel;
- (e) appointing the chief constable, suspending the chief constable, or calling upon the chief constable to retire or resign;
- (f) calculating a budget requirement

5. Functions delegated to the PCC's Chief Executive

Introduction

5.1 To act as the head of the body's paid service under Section 4 of the Local Government and Housing Act 1989.

5.2 The Code of Corporate Governance identifies the role of the Chief Executive as the head of the PCC's staff, and is also the Monitoring Officer for the Commissioner.

5.3 The formal delegations, listed below, are those given to the Chief Executive, which are in effect at the time of the publication of the scheme.

General

5.4 To act as 'monitoring officer' under section 5(1) of the Local Government and Housing Act 1989.

5.5 Prepare the police and crime plan in consultation with the Chief Constable for submission to the PCC, including:

- planning how resources will be used
- commissioning services
- obtaining the views of the public
- implementing performance monitoring and reporting arrangements.

5.6 Prepare an annual report for submission to the PCC.

- 5.7 Provide information to the Police and Crime Panel, as reasonably required to enable the panel to carry out its functions.
- 5.8 To sign all contracts on behalf of the PCC (and Deputy PCC if appointed) in accordance with any decisions either has made. In the absence of the Chief Executive, the PCC CFO and/or the Business Partner (Policy) can sign these contracts.
- 5.9 To consider whether, in consultation with the PCC CFO, to provide indemnity to the PCC (and Deputy PCC if appointed) in accordance with appropriate statutory provisions and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- 5.10 To consider and approve, in consultation with the PCC CFO, provision of indemnity and/or insurance to individual staff of the Commissioner in accordance with appropriate statutory provisions.

Financial

- 5.11 The financial management responsibilities of the Chief Executive are set out in the financial regulations.
- 5.12 To manage the budget of the PCC's office, in consultation with PCC CFO, particularly to:
 - order goods and services and spend on items provided for in the revenue budget.
 - ask for and accept quotations and tenders for goods and services provided for in the revenue budget

Human Resources

- 5.13 To appoint, in consultation with the PCC, staff who are under the direction and control of the PCC
- 5.14 To consult the Director of HR regarding the dismissal of staff under the direction and control of the PCC. (Note: The Director of HR will chair gross misconduct hearings and will take the decision to dismiss where appropriate. Appeals will heard by the Chief Executive or PCC as appropriate, sitting with an independent person)
- 5.15 To make recommendations to the PCC with regard to staff terms and conditions of service, in consultation with the PCC CFO as necessary.
- 5.16 To undertake the management of staff employed by the PCC under the direction and control of the PCC in line with agreed policies and procedures.
- 5.17 Settlement of employment tribunal cases and grievances of staff under the PCC's direction and control, in consultation with the Legal Advisor and the Director of HR, with the exception of those cases felt to be exceptional because:-
 - they involve a high profile claimant
 - there is a particular public interest in the case

- there is a real risk that the PCC or his/her office will be exposed to serious public criticism or serious weaknesses in the organisation or polices and procedures will be revealed.

5.18 To settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.

5.19 To appoint Independent Custody Visitors and terminate appointments if necessary.

Other

5.20 To affix the common seal of the PCC to all contracts, agreements or transactions:

- in respect of which there is no consideration
- for the supply or provision of goods and/or services where the consideration is over £1 million in value (over the life of the contract if appropriate)
- which grant or convey an interest in land

5.21 To exercise the statutory powers of the PCC for professional standards, on behalf of the Deputy PCC (if appointed), as delegated to them on a temporary or permanent basis, and such delegations to be documented with this Scheme.

5.22 To authorise people to make, defend, withdraw or settle any claims or legal proceedings on the PCC's behalf. Any damages or ex gratia payment of more than £30,000 must be approved by the PCC

5.23 To consider, with the PCC, any complaint made against the Chief Constable, and where appropriate, to make arrangements for appointing an officer to investigate the complaint.

5.24 To respond to consultations on proposals affecting the PCC, if necessary, after first taking the views of the Commissioner, the PCC CFO or the Chief Constable, as necessary and appropriate.

5.25 To get legal or other expert advice and to appoint legal professionals whenever this is considered to be in the PCC's best interests and for his/her benefit.

5.26 To make sure, in consultation with the Chief Constable, appropriate arrangements are made to gather the community's views on the policing of Thames Valley and preventing crime.

Delegated powers from the PCC

5.27 To approve the payment of damages or legal costs incurred by officers and staff in connection with legal proceedings (including, but not limited to, inquest proceedings), in consultation with the Chief Constable's Head of Legal Services. There is a presumption that officers and staff will be indemnified where they have acted in good faith in the normal course of their duties.

5.28 To sign all contracts on behalf of the PCC, irrespective of value, once they have been properly approved, except those which are required to be executed under the common seal of the PCC. In these cases the Chief Executive is authorised to sign and affix the seal. In the Chief

Executive's absence the PCC CFO and/or the Business Partner (Policy) can sign contracts as well as signing and affixing the seal.

- 5.29 Arrange for the institution, defence or participation in legal proceedings on behalf of the PCC

6. Functions designated to the PCC's Chief Finance Officer

- 6.1 To be responsible for the proper administration of the PCC's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
- 6.2 As the financial adviser to the PCC there is a statutory responsibility to manage his/her financial affairs as set out in sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).
- 6.3 The detailed financial management responsibilities of the PCC's Chief Finance Officer are set out in the financial regulations – see section 9.

7. Key Role of the Chief Constable

Introduction

- 7.1 The role of the Chief Constable is referred to in Code of Corporate Governance but, essentially, is responsible for maintaining the Queen's peace and has direction and control over the force's officers and staff.
- 7.2 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 management of resources and expenditure by the police force.

Functions delegated to the appropriate officer under the Direction and Control of the Chief Constable

Chief Constable's Chief Finance Officer (Director of Finance)

- 7.3 To be responsible for the proper administration of the Force's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
- 7.4 As the chief finance officer appointed by the Chief Constable there is a statutory responsibility to manage the force's financial affairs, as set out in sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).
- 7.5 The detailed financial management responsibilities of the Director of Finance are set out in Financial Regulations – section 9.

Delegated powers from the PCC

- 7.6 To permit the late inward transfer of pension rights in consultation and agreement with the PCC's CFO.

Head of Procurement

- 7.7 To undertake the day to day management of the procurement function in accordance with the contract regulations – section 9.

Head of Property

- 7.8 To undertake the day to day management of the property function subject to the provision of financial regulations.

Director of Human Resources

- 7.9 To undertake the day to day management of the HR function. It is agreed and understood between the PCC and the Chief Constable that police civilian members of staff will be under the direction and control of the Chief Constable. The Chief Constable will discharge all and any functions which form part of, or are ancillary to, the exercise of direction and control. It is agreed that any such functions which previously formed the subject matter of a delegation from the Police Authority will be exercised by the Chief Constable. For the avoidance of doubt, such functions need not be exercised by the Chief Constable personally but may be exercised on her behalf by such officers and staff as the Chief Constable thinks fit. Normally they will be exercised by the Director of Human Resources. In addition, and without prejudice to the general position set out above, the following specific functions of the PCC are delegated to the Director of Human Resources as set out below

Delegated powers from the PCC

- 7.10 To extend the payment of Occupational Sick Pay to a member of Police Staff beyond their contractual entitlement for a period of time, in accordance with TVP policy, legislation and the needs of the organisation
- 7.11 To determine decisions relating to requests for early retirement for Police Staff in accordance with the PCC's scheme and the payment of added years, in conjunction with the Director of Finance and in consultation with the PCC CFO.
- 7.12 To apply the discretion of the employer to increase the total membership of an active member for pension purposes in conjunction with the Director of Finance, in consultation and agreement with the PCC CFO.
- 7.13 To permit flexible retirement in respect of police staff in conjunction with the Director of Finance and in consultation and agreement with the PCC CFO.
- 7.14 To permit early payment of pension in respect of police staff in conjunction with the Director of Finance and in consultation and agreement with the PCC CFO.

Legal – Force Head of Legal Services

- 7.15 Institute, defend or participate in legal actions to protect the interests of Thames Valley Police and the Office of the PCC.

- 7.16 Provide advice, institute and defend legal proceedings on behalf of the PCC when requested to do so and where there is no identifiable conflict of interest between the PCC and the Chief Constable.

Delegated powers from the PCC

- 7.17 The authority to approve the settlement of any claim (including Employment Tribunal claims) brought against the Chief Constable or the PCC, or the making of any ex gratia payment, subject to the following conditions:
- a. Any damages or ex gratia payment of more than £10,000 must be approved by the PCC's Chief Executive or Chief Finance Officer
 - b. Any damages or ex gratia payment of more than £30,000 must be approved by the PCC
 - c. Where the prior approval of insurers is required, this is obtained prior to the approval of any settlement

8. Urgent matters

- 8.1. If any matter which would normally be referred to the PCC (or Deputy PCC, [if appointed]) for a decision arises and cannot be delayed, the matter may be decided by the appropriate chief officer.
- 8.2. The appropriate chief officers authorised to decide urgent matters are:
- the Chief Executive (all issues other than operational matters);
 - the PCC's Chief Finance Officer (financial and related issues)
 - the Chief Constable (operational and financial issues affecting the police service).
- 8.3. Urgent decisions taken must be reported to the PCC as soon as practicably possible.

9. Financial Regulations, including Contract Regulations

- 9.1 Financial regulations explain the working financial relationship between the PCC, the Chief Constable and their respective chief finance officers, having regard also to the role played by the Chief Executive. A copy is attached at Appendix 1.
- 9.2 Financial Regulations ensure that financial dealings are conducted properly and in a way which incorporates recognised best practice and focuses on bringing operational and financial management together with timely and accurate financial information. They also include sufficient safeguards for both chief finance officers who are responsible for ensuring that the financial affairs of the PCC and police force are properly administered to discharge properly their statutory obligations.
- 9.3 Embedded with Financial Regulations are the Contract Regulations which is a single set of standing orders relating to contracts. These regulations explain the procedures to be followed for procurement, tenders and contracts, including tender thresholds and authorisation levels.

FINANCIAL REGULATIONS

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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. In addition, the Home Office has issued a Financial Management Code of Practice under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners (PCCs) and Chief Constables.
2. Each PCC and their respective Chief Constable is established in law as a corporation sole within the 2011 Act. As such, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. Staff of the PCC are accountable to the directly elected holder of that office.
3. The public accountability for the delivery and performance of the police service is placed into the hands of the PCC on behalf of their electorate. The PCC draws on their mandate to set and shape the strategic objectives of their force area in consultation with the Chief Constable. They are accountable to the electorate; the Chief Constable is accountable to their PCC. The Police and Crime Panel within each force area is empowered to maintain a regular check and balance on the performance of the PCC in that context.
4. The PCC within each force area has a statutory duty and electoral mandate to hold the police to account on behalf of the public.
5. The PCC may appoint a Deputy PCC who may exercise any function of the PCC
6. The PCC is the recipient of all funding, including the government grant and precept and other sources of income, related to policing and crime reduction and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.
7. The PCC and the Chief Constable are both required to appoint a chief finance officer.
8. To conduct its business effectively, TVP needs to ensure that it has sound financial management policies 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 TVP are conducted properly and in compliance with all necessary requirements.
9. The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
10. A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.

STATUS

11. These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework of TVP that includes the Policing Protocol, codes of conduct, scheme of consent and schemes of delegation.
12. The PCC and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
13. Financial Regulations explain the working financial relationship between the PCC and the Chief Constable and their respective chief financial officers, having regard also to the role played by the PCCs Chief executive.
14. The PCC and Chief Constable are jointly responsible for approving or amending Financial Regulations. The Treasurer is responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the PCC and Chief Constable, after consulting with the Director of Finance and the Chief Executive..
15. More detailed Financial Instructions to supplement these Regulations, shall be issued by the Chief Constable after consultation with the Treasurer and Chief Executive.
16. Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.
17. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the Treasurer and/or Director of Finance who shall determine, after consulting with the Monitoring Officer, whether the matter shall be reported to the PCC and/or Chief Constable.
18. The PCC and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.

CONTENT

19. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority. These are also summarised in Section 7.
 - Section 1 - Financial management
 - Section 2 - Financial planning
 - Section 3 - Management of risk and resources
 - Section 4 - Systems and procedures
 - Section 5 - External arrangements
 - Section 6 - Contract regulations
 - Section 7 - Summary of delegated limits

DEFINITIONS WITHIN THE REGULATIONS

20. For the purposes of these Regulations TVP, when used as a generic term, shall refer to:
- The PCC
 - The Office of the PCC (OPCC)
 - The Force
21. The PCC's chief finance officer is the Treasurer.
22. The Chief Constable's chief finance officer is the Director of Finance
23. The Chief Executive also fulfils the monitoring officer role
24. The 'Force' shall refer to the Chief Constable, police officers, police staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under his /her direction.
25. Chief Officers when referred to as a generic term shall mean the Chief Constable, Chief Executive, Treasurer and Director of Finance.
26. 'Employees' when referred to as a generic term shall refer to police officers, police staff and other members of the wider police family.
27. The expression 'authorised officer' refers to employees authorised by a chief officer.
28. The expression 'contract' refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the PCC, the Force or their affiliated bodies.
29. The expression 'best value for money' shall mean the most cost effective means of meeting the need and takes account of whole life costs.
30. The expression 'he' shall refer to both male and female.
31. Within these Regulations, most of the references have been made to the responsibilities of the Chief Constable since most of the day to day financial management is vested with that post. However, where resources are under the control of the Chief Executive or Treasurer, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Executive or Treasurer.
32. The terms Chief Constable, Chief Executive and Treasurer 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, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.

1.1 FINANCIAL MANAGEMENT

The Police and Crime Commissioner (PCC)

- 1.1.1 The PCC has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the police to account on behalf of the public. The PCC is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. Details of the local arrangements relating to income, such as that collected under section 25 of the Police Act 1996, should be set out in local schemes of consent. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The statutory officers of the Chief Constable and the PCC will provide professional advice and recommendations.
- 1.1.2 The PCC shall appoint a Chief Financial Officer (the Treasurer) to be responsible for the proper administration of the commissioner's financial affairs. He shall also appoint a Chief Executive who may act as the PCC's monitoring officer.
- 1.1.3 The PCC is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of medium term financial plans in consultation with the Chief Constable. He is responsible for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes:
- Police and Crime Plan
 - Financial strategy
 - Annual revenue budget
 - Capital programme
 - Medium term financial forecasts
 - Treasury management strategy, including the annual investment strategy
 - Asset management strategy
 - Risk management strategy
 - Governance policies
- 1.1.4 The PCC is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
- 1.1.5 The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
- 1.1.6 The PCC shall provide his chief finance officer with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed
- 1.1.7 The PCC may appoint a Deputy PCC (DPCC) for that area and arrange for the DPCC to exercise any function of the PCC

The Deputy Police and Crime Commissioner (DPCC)

- 1.1.8 The DPCC may exercise any function conferred on him by the PCC

The Chief Constable

- 1.1.9 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 holds office under the Crown, but is appointed by the PCC.
- 1.1.10 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, management of resources and expenditure by the police force. At all times the Chief Constable, his/her constables and staff, remain operationally independent in the service of the public.
- 1.1.11 To help ensure the effective delivery of policing services and to enable the Chief Constable to have impartial direction and control of all constables and staff within their force, the Chief Constable should have 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.
- 1.1.12 The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The Chief Constable will discharge this through the Director of Finance who will lead for the force on financial management.
- 1.1.13 When the Chief Constable intends to make significant change of policy or seeks to move significant sums of their budget then the approval of the PCC should be sought.
- 1.1.14 The Chief Constable shall appoint a Chief Finance Officer (Director of Finance) to be responsible for the proper administration of the Chief Constable's financial affairs.
- 1.1.15 The Chief Constable is responsible for the day to day financial management of the Force within the framework of the budget, rules of virement and reporting arrangements. In operating day to day financial management, the Chief Constable shall comply with the approved policies and framework of accountability.
- 1.1.16 The Chief Constable shall prepare Financial Instructions to supplement the Financial Regulations and provide detailed instructions on the operation of the specific financial processes delegated to the Chief Constable. The Chief Constable shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.

The Independent Audit Committee

- 1.1.17 The Home Office Financial Management Code of Practice states that the PCC and Chief Constable should establish an independent audit committee. This should be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable. This committee will advise the PCC and the Chief Constable according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In establishing the Audit Committee the PCC and CC shall have regard to CIPFA Guidance on Audit Committees.
- 1.1.18 The Audit Committee shall comprise between three and five members who are independent of the PCC and the Force.

- 1.1.19 The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis
- 1.1.20 The PCC and Chief Constable shall be represented at all meetings of the Audit Committee.

The Treasurer

- 1.1.21 The Treasurer is the PCC's Chief Finance Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
- 1.1.22 The Treasurer's statutory responsibilities are set out in:
- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011
 - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
 - The Accounts and Audit Regulations 2011
- 1.1.23 The Treasurer is the PCC's professional adviser on financial matters and shall be responsible for:
- ensuring that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date;
 - ensuring regularity, propriety and Value for Money (VfM) in the use of public funds;
 - ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges;
 - Reporting to the PCC, the Police and Crime Panel and to the external auditor:
 - any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC;
 - when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure;
 - advising the PCC on the robustness of the estimates and the adequacy of financial reserves;
 - preparing the annual statement of accounts, in conjunction with the Director of Finance
 - ensuring the provision of an effective internal audit service, in conjunction with the Director of Finance;
 - securing the treasury management function, including loans and investments;
 - advising, in consultation with the Chief Executive on the safeguarding of assets, including risk management and insurance
 - arranging for the determination and issue of the precept
 - liaising with the external auditor; and
 - advising the PCC on the application of value for money principles by the police force to support the PCC in holding the chief constable to account for efficient and effective financial management.
- 1.1.24 The Treasurer, in consultation with the Chief Executive, Director of Finance and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of TVP.
- 1.1.25 The Treasurer has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the PCC on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC's accounts, including group accounts.

1.1.26 The Treasurer is the PCCs professional adviser on financial matters. To enable them to fulfil these duties and to ensure the PCC is provided with adequate financial advice the Treasurer:

- must be a key member of the PCC's Leadership Team, working closely with the Chief Executive, helping the team to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the PCC, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and alignment with the PCC's financial strategy;
- must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- must ensure that the finance function is resourced to be fit for purpose.

The Director of Finance

1.1.27 The Director of Finance is the Chief Constable's Chief Finance Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer

1.1.28 The Director of Finance is responsible to the Chief Constable for all financial activities within the Force or contracted out under the supervision of the Force.

1.1.29 The Director of Finance's responsibilities are set out in:

- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
- The Accounts and Audit Regulations 2011

1.1.30 The Director of Finance is responsible for:

- ensuring that the financial affairs of the force are properly administered and that these financial regulations are observed and kept up to date;
- Reporting to the Chief Constable, the PCC, the Treasurer and to the external auditor:
 - any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable;
 - when it appears that any expenditure of the Chief Constable is likely to exceed the resources available to it to meet that expenditure
- advising the Chief Constable on value for money in relation to all aspects of the force's expenditure;
- advising the Chief Constable and the PCC on the soundness of the budget in relation to the force;
- liaising with the external auditor;
- working with the Treasurer's staff to produce the statement of accounts for the Chief Constable and to assist in the production of group accounts for TVP.

1.1.31 The Director of Finance has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the force on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Chief Constable's accounts. The Director of Finance will need to observe the locally agreed timetable for the compilation of the group accounts by the Treasurer.

1.1.32 The Director of Finance is the Chief Constable's professional adviser on financial matters. To enable him/her to fulfil these duties the Director of Finance :

- must be a key member of the Chief Constable's Management Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer term implications, opportunities and risks are fully considered;
- must lead the promotion and delivery by the Chief Constable of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- must ensure that the finance function is resourced to be fit for purpose.

1.1.33 It must be recognised that financial regulations cannot foresee every eventuality. The Director of Finance, in consultation with the Treasurer, shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.

The Chief Executive

1.1.34 The Chief Executive is responsible for the leadership and general administration of the PCC's office

1.1.35 The Chief Executive is also the PCC's designated monitoring officer, appointed under section 5(1) of the Local Government and Housing Act 1989.

1.1.36 The monitoring officer is responsible for:

- ensuring the legality of the actions of the PCC and his officers.
- ensuring that procedures for recording and reporting key decisions are operating effectively
- advising the PCC and officers about who has authority to take a particular decision
- advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework
- advising the PCC on matters relating to standards of conduct

1.2 FINANCIAL MANAGEMENT STANDARDS

Why is this important?

- 1.2.1 The PCC, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

Responsibilities of the Treasurer and Director of Finance

- 1.2.2 To ensure the proper administration of the financial affairs of TVP
- 1.2.3 To ensure that proper practices are adhered to
- 1.2.4 To advise on the key strategic controls necessary to secure sound financial management
- 1.2.5 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators
- 1.2.6 To ensure that all staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- 1.2.7 To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.

1.3 ACCOUNTING RECORDS AND RETURNS

Why is this important?

- 1.3.1 Maintaining proper accounting records is one of the ways in which the PCC and Chief Constable will discharge their responsibility for stewardship of public resources. TVP has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of TVP resources.

Joint Responsibilities of the Treasurer and Director of Finance

- 1.3.2 To determine the accounting procedures and records for TVP, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the Chief Constable. All employees shall operate within the required accounting policies and published timetables.
- 1.3.3 To make proper arrangements for the audit of the PCCs and Force's accounts in accordance with the Accounts and Audit Regulations 2011.
- 1.3.4 To ensure that all claims for funds including grants are made by the due date
- 1.3.5 To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis
- 1.3.6 To prepare and publish the audited accounts in accordance with the statutory timetable.

Responsibilities of the Chief Constable and Director of Finance

- 1.3.7 To obtain the approval of the Treasurer before making any fundamental changes to accounting records and procedures or accounting systems
- 1.3.8 To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis
- 1.3.9 To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements

1.4 THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

- 1.4.1 TVP has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The accounts will comprise separate statements for the PCC, Chief Constable as well as group accounts covering both entities.
- 1.4.2 The PCC is responsible for approving these annual accounts.
- 1.4.3 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of TVP resources.

Responsibilities of the Treasurer

- 1.4.4 To draw up the timetable for final accounts preparation, in consultation with the Director of Finance and external auditor
- 1.4.5 To prepare, sign and date the statement of accounts, stating that it presents fairly the financial position of TVP at the accounting date and its income and expenditure for the financial year just ended
- 1.4.6 To publish the approved and audited accounts of TVP each year, in accordance with the statutory timetable
- 1.4.7 To produce summary accounts for publication on the website

Joint Responsibilities of the Treasurer and Director of Finance

- 1.4.8 To select suitable accounting policies and apply them consistently
- 1.4.9 To make judgements and estimates that are reasonable and prudent
- 1.4.10 To comply with the Code of Practice on Local Authority Accounting

Responsibilities of the Director of Finance

- 1.4.11 To comply with accounting guidance provided by the Treasurer and supply him with appropriate information upon request within a reasonable timescale.

Responsibilities of the PCC

- 1.4.12 To consider and approve the annual accounts in accordance with the statutory timetable.

2.1 FINANCIAL PLANNING

Why is this important?

- 2.1.1 TVP is a complex organisation responsible for delivering a range of policing activities. It needs to develop systems to enable resources to be allocated in accordance with priorities. Financial planning is essential if it is to function effectively
- 2.1.2 The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives
- 2.1.3 The planning process should be continuous and the planning period should cover at least 3 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows the PCC and Force to plan, monitor and manage the way funds are allocated and spent.
- 2.1.4 It is recognised that the impact of financial planning in the police service will be constrained by the quality of information made available by central government on resource allocation.

Medium Term Financial Planning

- 2.1.5 The PCC and Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing a medium term (3-5 years) revenue forecast and capital programme.

Responsibilities of the PCC

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

Responsibilities of the Treasurer and Chief Constable

- 2.1.7 To determine the format and timing of the medium term financial plans to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
- 2.1.8 To prepare a medium term forecast of proposed income and expenditure for submission to the PCC. When preparing the forecast, the Chief Constable shall have regard to:
 - the police and crime plan
 - policy requirements approved by the PCC as part of the policy framework
 - the strategic policing requirement
 - unavoidable future commitments, including legislative requirements
 - initiatives already underway
 - revenue implications of the draft capital programme
 - proposed service developments and plans which reflect public consultation

- the need to deliver efficiency and/or productivity savings
- government grant allocations
- potential implications for local taxpayers

2.1.9 To prepare a medium term forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding.

2.1.10 A gap may be identified between available resources and required resources. Requirements should be prioritised by the Chief Constable to enable the PCC to make informed judgements as to future funding levels and planning the use of resources.

Annual Revenue Budget

2.1.11 The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCCs strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the Force.

2.1.12 The PCC should consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget which will include a separate force budget. This will take into consideration funding from government and from other sources, and balance the expenditure needs of the policing service against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Local Government Act 2003) and be completed in accordance with the statutory timeframe.

2.1.13 The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium term financial strategy should be clearly identified.

Responsibilities of the PCC

2.1.14 To agree the planning timetable with the Chief Constable

2.1.15 To obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates.

2.1.16 To present the proposed budget and council tax recommendations to the Police and Crime Panel for approval.

Responsibilities of the Treasurer

2.1.17 To determine the format of the revenue budget to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA

2.1.18 To obtain timely and accurate information from billing authorities on the council taxbase and the latest surplus/deficit position on collection funds to inform budget deliberations

2.1.19 To advise the PCC on the appropriate level of general balances, earmarked reserves or provisions to be held.

- 2.1.20 To submit a report to the PCC on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities. These indicators shall be consistent with the annual revenue budget and capital programme approved by the PCC.
- 2.1.21 Upon approval of the annual budget, to submit the council tax requirement return to central government and precept requests to appropriate bodies in accordance with the legal requirement.
- 2.1.22 To produce and issue to the billing authorities, in accordance with statutory requirements, the council tax information leaflet.

Responsibilities of the Chief Constable and Director of Finance

- 2.1.23 To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the Treasurer.
- 2.1.24 To submit estimates in the agreed format to the PCC for approval, including details of council tax implications and precept requirements.

2.2 BUDGETARY CONTROL

Why is this important?

- 2.2.1 Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling both the Chief Constable and PCC to review and adjust their budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 2.2.2 The key controls for managing and controlling the revenue budget are that:
- a) there is a nominated budget manager for each cost centre heading who is accountable for the budgets under his direct control; and
 - b) the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures

Revenue Monitoring

Why is this important?

- 2.2.3 By continuously identifying and explaining variances against budgetary targets, TVP can identify changes in trends and resource requirements at the earliest opportunity. The PCC and Chief Constable both operate within an annual cash limit, approved when setting the annual budget. To ensure that TVP in total does not overspend, the Chief Constable and Treasurer are required to manage expenditure within their budget allocations, subject to the rules of virement.

Responsibilities of the Chief Constable and Director of Finance

- 2.2.4 To provide appropriate financial information to enable budgets to be monitored effectively.
- 2.2.5 To ensure that each element of income or expenditure has a nominated budget manager to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits expenditure.
- 2.2.6 To ensure that total spending for operational policing remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Constable, both the Treasurer and PCC shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the PCC. The same responsibilities apply to the Chief Executive and the Treasurer for their budgets.
- 2.2.7 To submit a budget monitoring report to the PCC on a regular basis throughout the year, containing the most recently available financial information. The reports shall be in a format agreed with the PCC and Treasurer.

Responsibility of the Treasurer

- 2.2.8 To co-ordinate a joint budget monitoring report for presentation to the Police and Crime Panel, as necessary, containing the most recently available financial information.

Virement

Why is this important?

- 2.2.9 A virement is an approved reallocation of resources between budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable chief officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.
- 2.2.10 The Chief Constable should only be required to refer back to the PCC when virement would incur substantive changes in the policy of the PCC or where a virement might create a future year or continuing commitment. Revenue expenditure can only be funded from revenue funding.
- 2.2.11 Key controls for the scheme of virement are:
- it is administered by chief officers within delegated powers given by the PCC. Any variation from this scheme requires the approval of the PCC
 - the overall budget is agreed by the PCC. Chief officers and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget
 - virement does not create additional overall budget liability.
 - each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring.

Responsibilities

- 2.2.12 The Chief Constable may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC approval where the proposed transfer exceeds £250,000.
- 2.2.13 The Director of Finance can approve any virement where the additional costs are fully reimbursed by other bodies.
- 2.2.14 For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels

Force Budget

Up to £ 1,000,000

Over £1,000,000

Director of Finance

PCC

PCC's own budget

Up to £250,000

Over £250,000

Treasurer

PCC

2.2.15 The approval of the PCC shall be required if the virement involves:

- a) a substantial change in policy
- b) a significant addition to commitments in future years
- c) where resources to be transferred were originally provided to meet expenditure of a capital nature

2.3 CAPITAL PROGRAMME

Why is this important?

- 2.3.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to TVP 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 in the form of financing costs and revenue running costs.
- 2.3.2 TVP is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. CIPFA's Prudential code sets out the framework under which the Force and PCC will consider their spending plans.
- 2.3.3 The capital programme is linked to the approved financial strategy.

Responsibilities of the Chief Constable

- 2.3.4 To develop and implement asset management plans

Responsibilities of the Treasurer and Chief Constable

- 2.3.5 To prepare a financial strategy for consideration and approval by the PCC

Responsibilities of the PCC

- 2.3.6 To approve the estates asset management plan
- 2.3.7 To approve the annual financial strategy

Medium term Capital Programme

Responsibilities of the Chief Constable & Director of Finance

- 2.3.8 To prepare a rolling programme of proposed capital expenditure for consideration by the PCC.. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
- 2.3.9 To prepare project appraisals (i.e. the Business Proposal Form) for all schemes in the draft medium term year capital programme and shall be submitted to the Treasurer and PCC for consideration and scheme approval. This will include all additional revenue and capital costs
- 2.3.10 Each capital project shall have a named officer responsible for sponsoring the scheme, monitoring progress and ensuring completion of the scheme.
- 2.3.11 To identify, in consultation with the Treasurer, available sources of funding for the medium term capital programme, including the identification of potential capital receipts from disposal of property.

- 2.3.12 A gap may be identified between available resources and required capital investment. Requirements should be prioritised by the Chief Constable to enable the PCC to make informed judgements as to which schemes should be included in the capital programme, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.
- 2.3.13 All schemes within the draft medium term capital programme should incorporate an estimate of future price inflation.
- 2.3.14 Approval of the medium term capital programme by the PCC in February each year authorises the Chief Constable to seek planning permissions, incur professional fees and preliminary expenses as appropriate.

Responsibilities of the Treasurer

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

Responsibilities of the PCC

- 2.3.16 To approve a fully funded medium term capital programme.

Annual Capital Programme

Responsibilities of the PCC

- 2.3.17 To agree the annual capital programme, and how it is to be financed.

Responsibilities of the Chief Constable

- 2.3.18 Approval of the annual capital programme by the PCC authorises the Chief Constable to incur expenditure on schemes providing the project appraisal has been approved and expenditure on the scheme does not exceed the sum contained in the approved programme by more than 10% or £250,000 which ever is the lower amount
- 2.3.19 To ensure that finance leases or other credit arrangements are not entered into without the prior approval of the Treasurer.
- 2.3.20 To ensure that, apart from professional fees (e.g. feasibility studies and planning fees) no other capital expenditure is incurred before the scheme is approved by the PCC.

Monitoring of Capital Expenditure

Responsibilities of the Chief Constable

- 2.3.21 To ensure that adequate records are maintained for all capital contracts

Responsibilities of the Chief Constable and Director of Finance

- 2.3.22 To monitor expenditure throughout the year against the approved programme.
- 2.3.23 To submit capital monitoring reports to the PCC on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme. The reports shall be in a format agreed by the PCC and Treasurer.
- 2.3.24 To prepare a business case for all new capital schemes [after the annual programme has been agreed] for submission to the PCC for consultation and approval. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.

Responsibilities of the Treasurer and Director of Finance

- 2.3.25 To report on the outturn of capital expenditure as part of the annual report on the statutory accounts.

2.4 MAINTENANCE OF BALANCES AND RESERVES

Why is this important?

- 2.4.1 The PCC must decide the level of general reserves he wishes to retain before he can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the organisation to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.

Responsibilities of the Treasurer

- 2.4.2 To advise the PCC on reasonable levels of balances and reserves.
- 2.4.3 To report to the PCC on the adequacy of reserves and balances before he approves the annual budget and council tax.
- 2.4.4 To approve appropriations to and from each earmarked reserve. These will be separately identified in the Annual Statement of Accounts.

Responsibilities of the Chief Constable

- 2.4.5 To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval.
- 2.4.6 To present a business case to the Treasurer and PCC for one-off expenditure items to be funded from earmarked and/or general reserves.

Responsibilities of the PCC

- 2.4.7 To approve a policy on reserves and balances, including lower and upper parameters for the level of general balances
- 2.4.8 To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.
- 2.4.9 To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.

3.1 RISK MANAGEMENT AND BUSINESS CONTINUITY

Why is this important?

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

Responsibilities of the PCC and Chief Constable

- 3.1.3 The PCC and Chief Constable are jointly responsible for approving the risk management policy statement and strategy, and for reviewing the effectiveness of risk management.

Responsibilities of Chief Officers

- 3.1.4 To prepare the TVP risk management policy statement and for promoting a culture of risk management awareness throughout TVP and reviewing risk as an ongoing process.
- 3.1.5 To maintain and/or implement new procedures, as necessary and appropriate, 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
- 3.1.6 To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis

Responsibilities of the Treasurer

- 3.1.7 To advise the PCC on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.
- 3.1.8 To arrange for an actuary to undertake a regular review of TVP's own self insurance fund and, following that review, to recommend to the PCC a course of action to ensure that, over the medium term, the fund is able to meet all known liabilities.

Responsibilities of the Chief Constable

- 3.1.9 To ensure, in consultation with the Treasurer, that appropriate insurance cover is provided.
- 3.1.10 To ensure that claims made by TVP against insurance policies are made promptly

- 3.1.11 To make all appropriate employees aware of their responsibilities for managing relevant risks
- 3.1.12 To ensure that employees, or anyone covered by TVP insurance, is 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
- 3.1.13 To ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk

Responsibilities of the Chief Executive

- 3.1.14 To evaluate and authorise any terms of indemnity that TVP is requested to give by external parties.

3.2 INTERNAL CONTROL SYSTEM

Why is this important?

- 3.2.1 Internal control refers to the systems of control devised by management to help ensure TVP objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that TVP assets and interests are safeguarded.
- 3.2.2 TVP is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. TVP has statutory obligations, and, therefore, requires a system of internal control to identify, meet and monitor compliance with these obligations.
- 3.2.3 TVP faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. A system of internal control is necessary to manage these risks. The system of internal control is established in order to provide achievement of:
- efficient and effective operations
 - reliable financial information and reporting
 - compliance with laws and regulations
 - risk management

Responsibilities of Chief Officers

- 3.2.4 To implement effective systems of internal control, in accordance with advice from the Treasurer and Director of Finance. 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.
- 3.2.5 To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.
- 3.2.6 To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.

Responsibilities of the Chief Executive and Chief Constable

- 3.2.7 To produce an Annual Governance Statement for consideration and approval by the PCC. Following approval, the Annual Governance Statement should be signed by the Chief Executive, Chief Constable and PCC.

3.3 AUDIT REQUIREMENTS

Internal Audit

Why is this important?

- 3.3.1 Internal audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 3.3.2 The requirement for an internal audit function for local authorities is either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their financial affairs". In the Police Service the PCC and Chief Constable are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit Regulations 2011 (as amended) which state that a "relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control". The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the CIPFA Code of Practice.
- 3.3.3 In fulfilling this requirement the PCC and Chief Constable should have regard to the Code of Practice for Internal Audit in Local Government in the United Kingdom issued by CIPFA. In addition, the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.
- 3.3.4 In addition to enabling the PCC and the Chief Constable to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, internal Audit is needed:
- to satisfy the PCC and the Chief Constable that effective internal control systems are in place; and
 - to satisfy the external auditor that financial systems and internal controls are effective and that the Police Fund is managed so as to secure value for money.

Responsibilities of the Independent Audit Committee

- 3.3.5 To approve the terms of reference within which internal audit operates. In terms of internal audit the ToR will include the following key activities and responsibilities:
- Advising the PCC and Chief Constable on the appropriate arrangements for internal audit and approving the Internal Audit Strategy.
 - Approving (but not directing) the internal audit annual programme.
 - Overseeing and giving assurance to the PCC and Chief Constable on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.

- Considering the Head of Internal Audit's Annual Report and annual opinion on the internal control environment for the PCC and Force; ensuring appropriate action is taken to address any areas for improvement.
- Reviewing and monitoring the effectiveness of TVP policies on fraud, irregularity and corruption.

3.3.6 To approve the internal audit strategy, which sets out:

- Internal Audit objectives and outcomes;
- how the Head of Internal Audit will form and evidence his opinion on the control environment to support the Annual Governance Statement;
- how Internal Audit's work will identify and address significant local and national issues and risks;
- how the service will be provided, i.e. internally, externally, or a mix of the two; and what resources and skills are required for the delivery of the strategy; and
- the resources and skills required to deliver the strategy.

Responsibilities of the PCC and Chief Constable

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

Responsibilities of the PCC, Chief Constable, Treasurer and Director of Finance

3.3.8 To ensure that internal auditors, having been security cleared, have the authority to:

- access TVP premises at reasonable times
- access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance
- receive any information and explanation considered necessary concerning any matter under consideration
- require any employee to account for cash, stores or any other TVP asset under their control
- access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.

3.3.9 Internal Audit shall have direct access to all Chief Officers and employees, where necessary.

Responsibilities of the Head of Internal Audit

3.3.10 To prepare - in consultation with the PCC, Chief Constable, Treasurer and Director of Finance - an annual audit plan that conforms to the CIPFA Code of Practice, for consideration by the Independent Audit Committee.

3.3.11 To attend meetings of the Independent Audit Committee and to present to each Committee a report on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.

3.3.12 To present an annual report to the Independent Audit Committee, including an opinion on the effectiveness of the internal control environment in TVP.

Responsibilities of Chief Officers

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

Responsibilities of the Director of Finance

- 3.3.14 To ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the Treasurer and internal audit prior to implementation.
- 3.3.15 To notify the Treasurer immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of TVP property or resources. Pending investigation and reporting, the Chief Constable should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration. Investigation of internal financial irregularities shall normally be carried out by the Professional Standards Department, who shall consult with the Head of Internal Audit as appropriate and keep him informed of progress. At the conclusion of the investigation the Head of Internal Audit shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure that the risk of recurrence is minimised. The operation of this Regulation shall be in accordance with the agreed protocol between the Head of Professional Standards, the Director of Finance and the Head of Internal Audit.

External Audit

Why is this important?

- 3.3.16 The Audit Commission is responsible for appointing external auditors to each local authority, including police. The Code of Audit Practice prescribes the way in which auditors appointed by the Audit Commission carry out their functions under the Audit Commission Act 1998. The external auditor has rights of access to all documents and information necessary for audit purposes.
- 3.3.17 The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires the Audit Commission to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditor's objectives to review and report upon:
- the financial aspects of the audited body's corporate governance arrangements
 - the audited body's financial statements
 - aspects of the audited body's arrangements to secure Value for Money.
- 3.3.18 In auditing the annual accounts the external auditor must satisfy themselves, in accordance with Section 5 of the 1998 Act, that:
- the accounts are prepared in accordance with the relevant regulations;
 - they comply with the requirements of all other statutory provisions applicable to the accounts;

- proper practices have been observed in the compilation of the accounts; and
- the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.

3.3.19 The 1998 Act sets out other specific responsibilities of the auditor, for example under section on financial reporting.

Responsibilities of the Independent Audit Committee

3.3.20 To approve the annual work plan and fee

3.3.21 To receive and respond to the annual governance statement

3.3.22 To receive the annual audit letter

Responsibilities of the Treasurer and Director of Finance

3.3.23 To liaise with the external auditor and advise the PCC and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.

3.3.24 To provide the Home Office with a copy of the annual audit letter

Responsibilities of the Chief Constable and Treasurer

3.3.25 To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to TVP premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.

3.3.26 To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner

3.4 PREVENTING FRAUD AND CORRUPTION

Why is this important?

- 3.4.1 TVP will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside TVP.
- 3.4.2 TVP expectation of propriety and accountability is that the PCC and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 3.4.3 TVP also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity.

Responsibilities of the PCC and Chief Constable

- 3.4.4 To adopt and adhere to the whistle blowing policy
- 3.4.5 To approve and adopt a policy on registering of interests and the receipt of hospitality and gifts

Responsibilities of the Chief Constable and PCC

- 3.4.6 To maintain an effective anti-fraud and anti-corruption policy.
- 3.4.7 To ensure that adequate and effective internal control arrangements are in place
- 3.4.8 To maintain a policy for the registering of interests and the receipt of hospitality and gifts covering both the PCC and employees. A register of interests and a register of hospitality and gifts shall be maintained for the PCC and employees.
- 3.4.9 To maintain a whistle blowing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity, that they are not malicious and that appropriate action is taken to address any concerns identified. The Chief Constable shall ensure that all employees are aware of any approved whistle blowing policy.
- 3.4.10 To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by the PCC and all employees.

3.5 ASSETS

Security

Why is this important?

- 3.5.1 TVP holds assets in the form of land, property, vehicles, equipment, furniture and other items, together worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, that there are arrangements for the security of both assets and information required for service operations and that proper arrangements exist for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

Context

- 3.5.2 The PCC will initially own and fund all assets regardless of whether they are used by the PCC, by the force or by both bodies. However, with consent from the PCC, Chief Constables can acquire property (other than land or buildings) and this should be set out in the scheme of consent.
- 3.5.3 The Chief Constable is responsible for the direction and control of the force and should therefore have day-to-day management of all assets used by the force.
- 3.5.4 The PCC should consult the Chief Constable in planning the budget and developing a medium term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

Responsibilities of the PCC

- 3.5.5 To approve an estates asset management plan, including disposals.

Responsibilities of the Chief Constable

- 3.5.6 To ensure that:
- a) the property portfolio is managed in accordance with the agreed estates asset management plan and within budgetary provisions, in consultation with the Chief Executive and treasurer as appropriate
 - b) an asset register is maintained to provide TVP with information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements
 - c) 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
 - d) lessees and other prospective occupiers of TVP land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate

- e) title deeds to TVP property are held securely
- f) no TVP asset is subject to personal use by an employee without proper authority
- g) valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to TVP
- h) all employees are aware of their responsibilities with regard to safeguarding TVP assets and information, including the requirements of the Data Protection Act and software copyright legislation
- i) assets no longer required are disposed of in accordance with the law and the regulations of the TVP
- j) all employees are aware of their responsibilities with regard to safeguarding the security of TVP ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

Valuation

Responsibilities of the Chief Constable

- 3.5.7 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the Treasurer. Assets are to be recorded when they are acquired by TVP. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* and the requirements specified by the Treasurer

<i>Land & Buildings</i>	<i>All values</i>
<i>Vehicles</i>	<i>All values</i>
<i>ICT hardware</i>	<i>All values</i>
<i>Plant & Equipment</i>	<i>£100,000</i>

Inventories

Responsibilities of the Chief Constable

- 3.5.8 To ensure that inventories are maintained in a format approved by the Treasurer and Director of Finance that record an adequate description of items with a value in excess of £1,000. Other items of equipment should also be recorded if they are deemed to be both desirable and portable (e.g. laptops).

Stocks and Stores

Responsibilities of the Chief Constable

- 3.5.9 To make arrangements for the care, custody and control of the stocks and stores of TVP and to maintain detailed stores accounts in a form approved by the Treasurer.
- 3.5.10 To undertake a complete stock check at least once per year either by means of continuous or annual stocktake. The stocktake shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change.
- 3.5.11 Discrepancies between the actual level of stock and the book value of stock may be written-off, in consultation with the Treasurer.
- 3.5.12 To write-off obsolete stock, in consultation with the Treasurer

Intellectual Property

Why is this important?

- 3.5.13 Intellectual property is a generic term that includes inventions and writing e.g. computer software.
- 3.5.14 It is TVP policy that if any Intellectual Policy is created by the employee during the course of employment, then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within TVP may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.
- 3.5.15 In the event that TVP decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an intellectual property policy. Matters should only proceed after legal advice

Responsibilities of the Chief Constable

- 3.5.16 To ensure that employees are aware of these procedures.
- 3.5.17 To prepare guidance on intellectual property procedures and ensuring that employees are aware of these procedures.

Responsibilities of the Chief Constable and PCC

- 3.5.18 To approve the intellectual property policy

Asset Disposal

Why is this important?

- 3.5.19 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the regulations of the PCC.

Responsibilities of the Chief Constable

- 3.5.20 In accordance with the Asset Management Strategy to dispose of:
- a) Non-estate assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the Chief Constable shall consult with the Treasurer.
 - b) Police houses with an estimated sale value of less than £500,000
 - c) Other surplus land and buildings with an estimated sale value of less than £500,000

Responsibilities of the PCC

- 3.5.21 To approve the disposal of police houses and other land and buildings with an estimated sale value of over £500,000

Responsibilities of the Director of Finance

- 3.5.22 To record all asset disposals in the asset register or inventory as appropriate.

Responsibilities of the Treasurer and Director of Finance

- 3.5.23 To ensure that income received for the disposal of an asset is properly banked and accounted for.
- 3.5.24 To ensure that appropriate accounting entries are made to remove the value of disposed assets from TVP records and to include the sale proceed if appropriate.

Interests in Land

Responsibilities of the Chief Executive and Constable

- 3.5.25 The Chief Executive, in consultation with the Chief Constable, shall:
- a) grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, up to an annual rental of £100,000;
 - b) take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms

Police Property Act Fund

Why is this important?

- 3.5.26 The Police (Property) Act 1997 is a fund whereby allocations are received from the sale of recovered stolen goods or property that has been found. If the owners of the property are not traceable then the goods are sold at auction. The monies from the sale of goods are then redistributed by way of grants or donations to local charitable bodies that support and complement local policing and crime reduction priorities.

Responsibilities of the Chief Constable and PCC

- 3.5.27 The Director of Finance, in consultation with the Chief Constable and PCC, shall make donations to charitable bodies within the TVP area in accordance with the requirements of the Police Property Act 1997
- 3.5.28 The Director of Finance shall determine those items of crime property which may be retained for police purposes subject to consulting with the PCC in respect of any single item estimated to be in the value of £5,000 or above

3.6 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Treasury Management

Why is this important?

3.6.1 TVP is a large organisation that handles hundreds of millions of pounds in each financial year. It is important that TVP money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the TVP capital sum.

3.6.2 TVP will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- Suitable Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

Responsibilities of the PCC

3.6.3 To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).

3.6.4 To approve the annual treasury management policy and annual investment Strategy

3.6.5 To receive and approve quarterly treasury management performance monitoring reports

Responsibilities of the Treasurer

3.6.6 To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance

3.6.7 To prepare reports on the PCCs treasury management policies, practices and activities, including, as a minimum, an annual strategy, quarterly performance monitoring reports and an annual report.

3.6.8 To execute and administer treasury management in accordance with the CIPFA Code and the PCCs policy.

3.6.9 To arrange borrowing and investments, in compliance with the CIPFA Code

3.6.10 To ensure that all investments and borrowings are made in the name of TVP.

Banking Arrangements

Why is this important?

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

Responsibilities of the Treasurer

- 3.6.12 To have overall responsibility for the banking arrangements for TVP.
- 3.6.13 To produce a policy on the establishment and maintenance of bank accounts, in consultation with the Director of Finance.
- 3.6.14 To authorise the opening and closing of all TVP bank accounts. No other employee shall open a bank account unless they are performing a statutory function (e.g. treasurer of a charitable body) in their own right
- 3.6.15 To undertake bank reconciliations on a timely and accurate basis.
- 3.6.16 To determine signatories on all TVP bank accounts

Imprest Accounts / Petty Cash

Why is this important?

- 3.6.17 Cash advances may be made to an individual in a department / establishment in order that relatively small incidental payments may be made quickly. A record of disbursements from the account should be maintained to control the account and so that the expenditure may be substantiated, accurately reflected in the TVP accounts and correctly reimbursed to the account holder.

Responsibilities of the Chief Constable

- 3.6.18 To provide appropriate employees of TVP with cash, bank imprests or pre-paid cash cards to meet minor expenditure on behalf of TVP. The Chief Constable 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.
- 3.6.19 To prepare detailed Financial Instructions for dealing with petty cash, to be agreed with the Treasurer, and these shall be issued to all appropriate employees.

Money Laundering

Why is this important?

- 3.6.20 TVP is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.
- 3.6.21 Suspicious cash deposits in any currency in excess of €15,000 (or equivalent) should be reported to the Serious Organised Crime Agency (SOCA)
- 3.6.22 TVP will monitor its internal control procedures to ensure they are reliable and robust.

Responsibilities of the Treasurer

- 3.6.23 To be the nominated Money Laundering Reporting Officer (MLRO) for TVP.
- 3.6.24 Upon receipt of a disclosure to consider, in the light of all information, whether it gives rise to such knowledge or suspicion.
- 3.6.25 To disclose relevant information to the Serious Organised Crime Agency (SOCA)

Responsibilities of Chief Officers

- 3.6.26 To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide

Responsibilities of employees

- 3.6.27 To notify the Treasurer as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime
- 3.6.28 Cash bankings from a single source over €15,000 should be reported to the Treasurer. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9).

3.7 STAFFING

Why is this important?

- 3.7.1 Staffing costs form the largest element of the annual policing budget. An appropriate HR strategy should exist, in which staffing requirements and budget allocations are matched. The Chief Constable is responsible for approving the overall HR strategy in consultation with the PCC.

Responsibilities of the Chief Constable

- 3.7.2 To ensure that employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed by the PCC.
- 3.7.3 To advise the PCC on the budget necessary in any given year to cover estimated staffing levels
- 3.7.4 To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs
- 3.7.5 To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
- 3.7.6 To approve, in consultation with the Treasurer, policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for support staff.

Responsibilities of the Chief Executive

- 3.7.7 To have the same responsibilities as above for staff employed directly by the PCC.

3.8 TRUST FUNDS

Why is this important?

- 3.8.1 Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them.
- 3.8.2 The TVP financial procedures and financial regulations should be viewed as best practice, which ought to be followed whenever practicable.
- 3.8.3 Examples include the TVP Benevolent Fund, TVP Civilian Staff Welfare Fund, TVP Welfare Fund, Thames Valley Special Constabulary Fund and the Taplow Traffic Charity Trust.
- 3.8.4 No employee shall open a trust fund without the specific approval of the Chief Constable and Treasurer

Responsibilities of Trustees

- 3.8.5 All employees acting as trustees by virtue of their official position shall ensure that accounts are audited as required by law and submitted annually to the appropriate body, and the Treasurer and/or Director of Finance shall be entitled to verify that this has been done.

3.9 ADMINISTRATION OF EVIDENTIAL & NON-EVIDENTIAL PROPERTY

Why is this important?

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

Responsibilities of the Chief Constable

- 3.9.2 To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his guardianship or supervision. These procedures shall be made available to all appropriate employees. For more detailed information please refer to the Evidential and Non-Evidential Standard Operating Procedure (SOP).
- 3.9.3 To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.
- 3.9.4 To issue separate Financial Instructions for dealing with cash, including seized cash under the Proceeds of Crime Act

Responsibilities of all employees

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

3.10 GIFTS, LOANS AND SPONSORSHIP

3.10.1 This does not include the receipt of hospitality and gifts – please see Section 3.4

Why is this important?

3.10.2 In accordance with the Police Act 1996, the PCC may decide to accept gifts of money and gifts or loans of other property or services (e.g. car parking spaces) if they will enable the police either to enhance or extend the service which they would normally be expected to provide. The terms on which gifts or loans are accepted may allow commercial sponsorship of some police force activities.

Context

3.10.3 Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.

3.10.4 Gifts, loans and sponsorship can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.

3.10.5 The total value of gifts, loans and sponsorship accepted, should not exceed 1% of the TVP gross expenditure budget annually.

Responsibilities of the PCC

3.10.6 To approve the policy on gifts, loans and sponsorship

Responsibilities of the Chief Constable

3.10.7 To accept gifts, loans or sponsorship within agreed policy guidelines.

3.10.8 To refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.

Responsibilities of the Director of Finance

3.10.9 To present an annual report to the PCC listing all gifts, loans and sponsorship.

- 3.10.10 To maintain a central register, in a format agreed by the Treasurer, of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The register will be made available to the Treasurer, who shall satisfy himself that it provides a suitable account of the extent to which such additional resources have been received.
- 3.10.11 To bank cash from sponsorship activity in accordance with normal income procedures.

4.1 SYSTEMS & PROCESSES - INTRODUCTION

Why is this important?

- 4.1.1 There are many systems and procedures relating to the control of TVP assets, including purchasing, costing and management systems. TVP is reliant on computers for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 4.1.2 The Treasurer and Director of Finance both have a statutory responsibility to ensure that TVP financial systems are sound and should therefore be notified of any proposed new developments or changes.

Responsibilities of the Treasurer and Director of Finance

- 4.1.3 To make arrangements for the proper administration of TVP financial affairs, including to:
- issue advice, guidance and procedures for officers and others acting on behalf of TVP
 - determine the accounting systems, form of accounts and supporting financial records
 - establish arrangements for the audit of TVP financial affairs
 - approve any new financial systems to be introduced
 - approve any changes to existing financial systems.
- 4.1.4 To ensure, in respect of systems and processes, that
- systems are secure, adequate internal control exist and accounting records (e.g. invoices, income documentation) 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 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
- 4.1.5 To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems
- 4.1.6 To establish a scheme of delegation, identifying staff authorised to act upon the Chief Constable's behalf in respect of income collection, placing orders, making payments and employing staff.

4.2 INCOME

Why is this important?

- 4.2.1 Income is vital to TVP and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly.

Context

- 4.2.2 The PCC and Chief Constable should adopt the ACPO national charging policies and national guidance when applying charges under section 25 of the Police Act 1996. It should keep in mind that the purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them.
- 4.2.3 PCCs should ensure that there are arrangements in place to ensure that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels PCCs should ensure that ongoing resource requirements are not dependant on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.
- 4.2.4 When specifying resource requirements the Chief Constable will identify the expected income from charging. The Chief Constable should adopt ACPO charging policies in respect of mutual aid.

Responsibilities of the Chief Constable and PCC

- 4.2.5 To adopt the ACPO national charging policies and national guidance when applying charges under section 25 of the Police Act 1996

Responsibilities of the Director of Finance and Treasurer

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

Responsibilities of the Director of Finance

- 4.2.10 To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.
- 4.2.11 To operate effective debt collection procedures.
- 4.2.12 To initiate, in consultation with the Chief Executive, appropriate debt recovery procedures, including legal action where necessary.
- 4.2.13 To approve the write-off of bad debts, in consultation with the Chief Executive or the Treasurer, up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.

Up to £20,000

Director of Finance and/or Treasurer

£20,000- £50,000

Director of Finance in consultation with the Chief Executive or the Treasurer

Over £50,000

PCC

- 4.2.14 To prepare detailed Financial Instructions for dealing with income, to be agreed with the Treasurer, and to issue them to all appropriate employees.

4.3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Why is this required?

- 4.3.1 Public money should be spent in accordance with the authorities policies. TVP has a statutory duty to ensure financial probity and best value. The PCC's financial regulations and purchasing procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the contract regulations in Section 5.

Responsibilities of the Director of Finance

- 4.3.2 To maintain a procurement policy covering the principles to be followed for the purchase of goods and services.
- 4.3.3 To issue official orders for all work, goods or services to be supplied to TVP, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the Treasurer. Orders must be in a form approved by the Treasurer.
- 4.3.4 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of TVP contracts.
- 4.3.5 Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations.
- 4.3.6 Payments are not to be made unless goods and services have been received by TVP at the correct price, quantity and quality in accordance with any official order.
- 4.3.7 To ensure that payments are made to the correct person, for the correct amount, on time (i.e. with 28 days) and are recorded properly, regardless of the method of payment.
- 4.3.8 To ensure that VAT is recovered where appropriate
- 4.3.9 To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected
- 4.3.10 To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, as set out in the separate Contract - Procedures and Content document.
- 4.3.11 To prepare, in consultation with the Treasurer, detailed Financial Instructions for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.

Responsibilities of the Chief Officers

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

4.4 PAYMENTS TO EMPLOYEES

Why is this required?

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

Responsibilities of the Chief Constable

- 4.4.2 To ensure, in consultation with the Treasurer, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees.
- 4.4.3 To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.
- 4.4.4 To pay all valid travel and subsistence claims or financial loss allowance.
- 4.4.5 To pay salaries, wages, pensions and reimbursements by the most economical means.
- 4.4.6 To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
- 4.4.7 To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
- 4.4.8 To prepare detailed Financial Instructions for dealing with payments to employees, to be agreed with the Treasurer, and these shall be issued to all appropriate employees.

4.5 TAXATION

Why is this important?

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

Responsibilities of the Treasurer

- 4.5.2 To ensure the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements
- 4.5.3 To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC

Responsibilities of the Treasurer and Director of Finance

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

4.6 CORPORATE CREDIT CARDS

Why is this important?

- 4.6.1 Credit cards provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties.
- 4.6.2 Only a small number of credit cards are issued in TVP, where a clear business need is identified

Responsibilities of the Chief Constable

- 4.6.3 In conjunction with the Treasurer to provide Financial Instructions to all cardholders.

Responsibilities of the Director of Finance

- 4.6.4 To authorise and maintain control over the issue of cards.

Responsibilities of credit card holders

- 4.6.5 To ensure that purchases are in accordance with approved TVP policies e.g. catering, hospitality
- 4.6.6 To provide receipted details of all payments made by corporate credit card each month, including nil returns, to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.

4.7 PURCHASING CARDS

Why is this important?

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

Responsibilities of the Chief Constable

- 4.7.2 To provide, in conjunction with the Treasurer, detailed financial instructions to card holders.

Responsibilities of the Director of Finance

- 4.7.3 To authorise and maintain control over the issue of cards.
- 4.7.4 To reconcile the purchase card account to the ledger on a monthly basis.

Responsibilities of Purchasing Card Holders

- 4.7.5 To be responsible for ordering and paying for goods and services in accordance with the Force procurement policy, contract standing orders and all procedures laid down by the Director of Finance.

4.8 EX GRATIA PAYMENTS

Why is this important?

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

Responsibilities of the Chief Constable

- 4.8.2 To make ex gratia payments, on a timely basis, 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 TVP

<i>Up to £20,000</i>	<i>Chief Constable</i>
<i>Over £20,000</i>	<i>PCC</i>

- 4.8.3 To maintain details of ex gratia payments in a register:

- 4.8.4 To make ex gratia payments, on a timely basis, up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

<i>Up to £10,000</i>	<i>Chief Constable</i>
<i>Over £10,000</i>	<i>PCC</i>

5.1 CONTRACT REGULATIONS

What is a contract?

- 5.1.1 A contract is an agreement between two parties for the supply of goods and/or services. Employees should avoid giving verbal commitments to suppliers as this can constitute a contract.
- 5.1.2 The terms and conditions to be applied to the contract provide clarity and protection to the participants, and the specification of the requirement should be clearly understood by both parties. Their length and complexity are likely to depend on the extent of cost and complexity of the goods or services to be supplied.

Why are these important?

- 5.1.3 All employees engaged in the following activities, shall make every effort to ensure that the best value for money is achieved for the acquisition and delivery of:
- a) goods or materials;
 - b) services and consultancy;
 - c) building works;
 - d) the supply of goods or services to third parties which provide the TVP with an income.
- 5.1.4 Such efforts shall also continue throughout the lifetime of any contract to ensure that best value for money is maintained in the quality and standard of all goods, services and works supplied and in the review of proposals to change or vary any feature of any contract during its lifetime.

Key controls

- 5.1.5 No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in these Contract Regulations, or any statute or the EU Directive.
- 5.1.6 Competition shall be encouraged from potential providers to supply TVP with goods, services, building works, etc.
- 5.1.7 Every contract concluded on behalf of TVP shall comply with:
- a) the EU Treaty;
 - b) any relevant Directives of the EU for the time being in force in the United Kingdom including any requirement for aggregation;
 - c) any laws of the United Kingdom including any Act of Parliament requiring the letting of contracts by competitive tendering or relating to Best Value; and
 - d) the requirement of the Code of Practice for Local Authorities on Data Transparency to publish copies of contracts and tenders to businesses and to the voluntary community and social enterprise sector on the website.
- 5.1.8 Subject to compliance with 5.1.7, exemption from any of the following provisions of these Contract Regulations may only be made:
- a) by direction of the PCC; or

- b) by a chief officer in an emergency.
- 5.1.9 The PCC shall be informed of the circumstances of every exemption made under 5.1.8(b) at the earliest opportunity.
- 5.1.10 In addition to adhering to the above, any employee who is engaged in any activities or processes leading to the award of a contract or in its subsequent delivery, shall:
- a) show no undue favour to or discriminate against any contractor or potential contractor;
 - b) carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information).
 - c) not breach the requirements of the TVP Policy for Gifts and Gratuities, Hospitality, Discounts, Travel and other Potential Conflicts of Interest.
- 5.1.11 These Contract Regulations shall apply, irrespective of whether the contract is financed with monies provided by the PCC or any other person or body e.g. grants from local councils and other partnership monies.

Responsibilities

POWER TO DELEGATE

- 5.1.12 A chief officer may delegate his powers under these Contract Regulations to an authorised officer. The Head of Procurement will maintain a record of all employees to whom delegated powers have been assigned.

PURCHASING PROCEDURES AND THRESHOLDS

- 5.1.13 The procedure to be followed shall be determined by reference to the estimated value of the purchase as set out below (except for contracts for building construction contracts selected from the Approved List of Contractors for Small Construction Contracts - details are available from the Director of Finance and the Head of Property Services). Unless specified otherwise the value of the contract is the estimated whole life cost.

<i>Less than £5,000</i>	<i>Any contract may be placed with the supplier identified as providing the best value for money</i>
<i>£5,000 - EU Threshold</i>	<i>For all contracts estimated to cost over £5,000 early consultation with the Procurement Department is required.</i>
	<i>At least three written quotations shall be invited and responses recorded. Where only two suppliers can be identified the prior approval of the Head of Procurement must be obtained before quotations are invited</i>
<i>Over EU Threshold</i>	<i>Public notice of tender shall be placed in one or more appropriate publications or other suitable media e.g. internet. At least ten days shall be allowed between the date of publication and the closing date for interest to be declared. At least four written tenders shall be invited, unless less than four declarations of interest are received.</i>

Where the estimated value of purchase exceeds the threshold values set by the appropriate European Directives, a public notice shall be placed in the Official Journal of the European Union. The duration of notice and the information to be presented shall be in compliance with the appropriate European Directive. The minimum number of written tenders invited and the procedure for award and notification shall also be determined by the European Directive.

Placement of the public notice, preparation for tendering, assessment of offers and assembly of recommendation for award of such contracts shall be controlled only by staff nominated by the Force's Head of Procurement.

- 5.1.14 Acceptance procedures are set out below. Exemptions to this Regulation are detailed in 5.1.45 (Negotiated contract), 5.1.48 (Single Quotation/Tender Contract) and 5.1.52 (Proprietary Article or Service). There are no exemptions to the requirements of the EU Directives. Post tender negotiation may only take place under the conditions set out in 5.1.45 (Negotiated Contract)

SELECTION CRITERIA

- 5.1.15 Unless otherwise approved by the PCC, the selection of organisations to be invited to quote or tender under these Contract Regulations shall be based on a combination of technical capacity, quality and financial standing, in accordance with the principles of the EU directives.

INVITATIONS TO TENDER

- 5.1.16 The suitability of potential tenderers and respondents to tender notices to supply the goods, services or works required shall be assessed prior to the tender being issued. Failure to adequately assess applicants may lead to offers being sought from companies that are unable to make offers or those not being able to meet the specification.
- 5.1.17 All tenders issued by the PCC shall consist of instructions to tenderers regarding submission information, terms, conditions and specification with a pricing schedule to be returned to TVP in accordance with the conditions specified in 5.1.13.
- 5.1.18 Completed tenders shall be submitted by the date and time and in the manner stated in the instruction for invitation to tender (electronic being the preferred method) and shall comply with the public sector requirement around being anonymous prior to opening of the document.

OPENING OF TENDERS

- 5.1.19 All tenders shall be opened at one time, which shall be as soon as practicable after the time appointed for their opening in the invitation to tender.
- 5.1.20 Only officers authorised by the Chief Executive shall be eligible to open tenders where the estimated value of the purchase exceeds the EU Threshold.

- 5.1.21 Any tender received after the other tenders have been opened shall be returned promptly to the tenderer. The tender may be opened to ascertain the name of the tenderer, but no details of the tender shall be disclosed.
- 5.1.22 Where examination of tenders reveals clerical errors or discrepancies which would affect the tender figure(s) in an otherwise successful tender, the tenderer should be afforded an opportunity of confirming, withdrawing or correcting his offer (the correction of genuine errors is permitted for tenders which are compliant in all other aspects). This should be documented, including the reason(s) for referral back to the tenderer.
- 5.1.23 The PCC delegates to the Chief Executive the discretion to permit the consideration of tenders which do not comply strictly with the above rules, subject to the reasoning behind any discretion being exercised being properly recorded.

EVALUATION OF TENDERS

- 5.1.24 Assessment criteria may be made on appropriate technical, qualitative and financial grounds which are appropriate to the contract concerned. These should be agreed before the Tender is issued in consultation with an appropriate stakeholder group, agreed with the Head of Procurement, which should include financial and technical/practitioner representation.
- 5.1.25 Evaluations of the Tender submissions are to be carried out by the stakeholder group based on the agreed criteria which shall be applied to all tenderers fairly, transparently and consistently.
- 5.1.26 Additional interviews, presentations and site visits for larger contracts may be included. Such decisions should be made prior to the invitation of tenders, not when adjudicating received offers.
- 5.1.27 Those members of staff involved in the evaluation process should be mindful of the policy on gifts, loans and hospitality – see 3.4.9

ACCEPTANCE OF TENDERS

- 5.1.28 The following procedures shall be applied for the acceptance of a quotation or tender:
1. The PCC's terms and conditions shall apply unless otherwise agreed by the Chief Executive.
 2. Acceptance shall be made in writing.
 3. Where the lowest or the most economically advantageous quotation or tender, which meets the specification and the quality and technical standards required, is acceptable, then formal acceptance shall be by:
 - a) Up to the EU Threshold for Goods and Services - the appropriate chief officer.
 - b) From the EU Threshold for Goods and Services up to £1m - the appropriate chief officer from the PCC's office and the Force.

- c) Over £1m - the PCC.

(The Public Supply Contract Regulations state: "The criteria which a contracting authority may use to determine that an offer is the most economically advantageous include delivery date, running costs, cost effectiveness, quality, aesthetic and functional characteristics, technical merit, after sales service, technical assistance and price").

- 4. In any other case acceptance shall be by:
 - a) Up to the EU Threshold for Goods and Services - the appropriate chief officer from the PCC's office and the Force and a subsequent report to the PCC.
 - b) Above the EU Threshold for Goods and Services - the PCC.
- 5. The successful tenderer shall be advised as soon as possible after the decision has been made on the award of a contract. At the same time unsuccessful tenderers shall be advised of the decision. In the case of contracts subject to EU Procurement Regulations a period of 10 days shall then lapse before a formal contract is awarded in order to allow unsuccessful tenderers to challenge the decision should they choose to do so.

CONTRACTS - FORM

- 5.1.29 Every contract shall be in writing and in a form approved by the Chief Executive..

CONTRACTS - CONTENTS

- 5.1.30 In order for the PCC to comply with best practice and legislation, successful Contractors shall be required to provide details, where appropriate, of the Company's compliance with Corporate and Social Responsibilities i.e. Environmental Policy.
- 5.1.31 All contractors shall be expected to provide details of their Business Continuity Plan where appropriate.
- 5.1.32 All Contractors shall be expected to comply with the Force Security Policy.
- 5.1.33 All Contractors' staff deployed on force premises shall be required to comply with appropriate TVP policies.
- 5.1.34 Every contract shall specify:
 - a) the work, materials, matters or things to be supplied or carried out;
 - b) the price to be paid, with a statement of discounts or other deductions; and
 - c) the time or times within which the contract is to be performed.

- 5.1.35 Formal contracts for the provision of services and the execution of work shall provide for appropriate remedy to be provided by the contractor in case the terms of the contract are not duly performed. The PCC may also require sufficient security (e.g. parent company bond) for the due performance of any such contract.
- 5.1.36 In formal contracts for the supply of goods or materials, a clause shall be inserted to secure that, should the contractor fail to deliver the goods or materials or any such portion thereof within the time or times specified in the contract, the PCC, without prejudice to any other remedy for breach of contract, shall be at liberty to determine the contract either wholly or to the extent of such default and to purchase other goods, or materials, as the case may be, of the same or similar description to make good (a) such default; or (b) in the event of the contract being wholly determined the goods or materials remaining to be delivered. The clause shall further secure that the amount by which the cost of so purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials, as the case may be, replaced by such purchase, if they had been delivered in accordance with the contract. Any additional costs incurred by the PCC in remedying the breach of contract shall be recoverable from the contractor.
- 5.1.37 Every contract shall contain a clause as follows:
- a) "The contractor shall not unlawfully discriminate within the meaning and scope of the provisions of the Acts currently in force.
 - b) The contractor shall take all reasonable steps to secure the observance of the provisions of sub-clause (a) of this clause by all servants, employees or agents of the contractor and all sub-contractors employed in the execution of the contract."
- 5.1.38 In every contract for the execution of works, the supply of goods or materials or the provision of services, shall be inserted the following clause:
- "The contractor shall comply in all respects with the provisions of the Data Protection Act and will indemnify the PCC against all actions, costs, expenses, claims, proceedings and demands which may be made or brought against the PCC for breach of statutory duty under the Act which arises from the use, disclosure or transfer of personal data by the contractor and his servants and agents".

CONTRACTS - COMPLIANCE WITH STANDARDS

- 5.1.39 Where an appropriate European Standard Specification or British Standard implementing a European Standard or an appropriate and recognised International Standard is current at the date of the tender, every contract in writing shall require that, as the case may be, all goods and materials used or supplied and all services shall be in accordance with that standard.

CONTRACTS - CANCELLATION

- 5.1.40 Where a Contractor is failing to provide the agreed service evidence shall be required in order to terminate the agreement.
- 5.1.41 Escalation processes include reporting any defaults during the Contract Review Meetings which should include Procurement representation.
- 5.1.42 Should a contract no longer be required, written notification shall be given to the Procurement Department who shall in turn notify the PCC, Treasurer and Director of Finance.
- 5.1.43 Consideration shall be given to notice periods and consequences of early termination where applied.

EXCEPTIONAL CIRCUMSTANCES

- 5.1.44 The requirements within these Contract Regulations that competition is required for tenders and quotations may be set aside when exceptional circumstances are incurred. By definition the circumstances leading to this action must be exceptional to those normally experienced and an individual who believes that they have a case must provide evidence supporting their conclusion to the Head of Procurement in the first instance, for consideration by Chief Officers, as prescribed below.

NEGOTIATED CONTRACT

- 5.1.45 This is a contract awarded on the basis of a direct agreement with a contractor, without going through the competitive bidding process.
- 5.1.46 Unless barred by statute, a chief officer may approve the award of a contract and a variation to a contract subject to the following requirements:
 - 1a) the estimated value of the contract or variation must be less than the EC Threshold for Goods and Services,
or
 - 1b) the negotiations are to be based on a tender received as a result of competitive tendering;
 - 2) the chief officer must be satisfied (in the case of contract awards of £50,000 or more in consultation with his fellow chief officer) that the contract provides the best value for money. Where the contract exceeds £50,000 in value a subsequent report shall be presented to the PCC;
 - 3) any contract defined in whole or in part by negotiation shall be limited to a maximum period of three years unless the prior approval of the PCC has been obtained.
- 5.1.47 Negotiated contracts are only to be carried out in consultation with the Procurement Department

SINGLE QUOTATION / TENDER CONTRACT

5.1.48 A chief officer may approve the award of a contract, having:

- a) only invited a single quotation or tender,
- b) received or sought an offer from a current contractor to vary the goods, services or works supplied (e.g. variation to an existing contract); or
- c) conduct negotiations based on a tender or quotation received as a result of competitive tendering or quotation;

where he can demonstrate that it is in the interests of TVP not to seek competitive tenders and represents best value for money.

5.1.49 Contracts in excess of £5,000 can only be awarded following consultation with the Procurement Department.

5.1.50 Where a contract exceeds £50,000 in value, the chief officer shall present a subsequent report to the PCC.

5.1.51 Contracts identified in 5.1.48 (b) and (c) are to be carried out in consultation with the Procurement Department.

PROPRIETARY ARTICLE OR SERVICE

5.1.52 Proprietary articles and services are those for which it has been established that there is only one source of supply. A chief officer may approve the award of a contract to the sole supplier of the article or service where he is satisfied that the requirement can only be fulfilled by the proprietary article or service.

5.1.53 Contracts in excess of £5,000 can only be awarded following consultation with the Procurement Department.

5.1.54 Under these circumstances, where a contract exceeds £50,000 in value, the Chief Officer should present a subsequent report to the PCC.

ACQUISITIONS UNDER A FRAMEWORK CONTRACT

5.1.55 Where best value for money can be substantiated, the acquisition of goods or materials, the provision of services and the execution of building works may be made through an appropriate framework contract awarded by another authority or public body where the conditions of contract identify the TVP PCC and or Force to be a contract participant. The use of such contracts must be agreed by the Procurement Department.

CONTRACTS REGISTER

5.1.56 A record of all contracts let with a value in excess of £50,000 shall be maintained by the Head of Procurement.

CONTRACT MONITORING

- 5.1.57 Where appropriate contracts shall be monitored and measured by the way of performance indicators and regular review meetings involving the Contractor and Practitioner representation.
- 5.1.58 Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the Chief Officer in consultation with the Head of Procurement where the amount involved is less than £50,000. Above this amount the PCC shall approve all such waivers.

6.1 JOINT WORKING ARRANGEMENTS

Why is this important?

6.1.1 Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private service providers.

6.1.2 Joint working arrangements can take a number of different forms, each with its own governance arrangements. In TVP these are grouped under the following headings:

- Partnerships
- Consortia
- Collaboration

6.1.3 Partners engaged in joint working arrangements have common responsibilities:

- to act in good faith at all times and in the best interests of the partnership's aims and objectives
- to be willing to take on a role in the broader programme, appropriate to the skills and resources of the contributing organisation
- to be open about any conflicts that might arise
- to encourage joint working and promote the sharing of information, resources and skills
- to keep secure any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
- to promote the project

6.1.4 In all joint working arrangements the following key principles must apply:

- before entering into the agreement, a risk assessment has been prepared
- such agreements do not impact adversely upon the services provided by TVP
- project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise
- all arrangements are properly documented
- regular communication is held with other partners throughout the project in order to achieve the most successful outcome
- audit and control requirements are satisfied
- accounting and taxation requirements, particularly VAT, are understood fully and complied with
- an appropriate exit strategy has been produced

6.1.5 The TVP element of all joint working arrangements must comply with these Financial Regulations

PARTNERSHIPS

6.1.6 The term partnership refers to groups where members work together as equal partners with a shared vision for a geographic or themed policy area, and agree a strategy in which each partner contributes towards its delivery. A useful working definition of such a partnership is where the partners:

- are otherwise independent bodies;
- agree to co-operate to achieve a common goal; and

- achieve it to create an organisational structure or process and agreed programme, and share information , risks and rewards

6.1.7 The number of partnerships, both locally and nationally, is expanding in response to central government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:

- deliver strategic objectives;
- improve service quality and cost effectiveness;
- ensure the best use of scarce resources; and
- deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need.

6.1.8 Partnerships typically fall into three main categories i.e. statutory based, strategic, and ad-hoc.

Statutory based

6.1.9 These are partnerships that are governed by statute. They include, for example, Crime and Disorder Reduction Partnerships (CDRPs) and Local Strategic Partnerships (LSPs)

Strategic

6.1.10 These are partnerships set up to deliver core policing objectives. They can either be force-wide or local.

Ad-hoc

6.1.11 These are typically locally based informal arrangements agreed by the local police commander.

Context

6.1.12 As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the PCC, in exercising his functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, PCCs are free to pool funding as they and their local partners see fit. PCCs can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies.

6.1.13 When the PCC acts as a commissioner of services, he will need to agree the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. The PCC is able to make crime and disorder grants in support of local priorities. The inclusion of detailed grant conditions directing local authorities how to spend funding need not be the default option. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.

Responsibilities of the PCC

6.1.14 To have regard to relevant priorities of local partners when considering and setting the 5 year Police and Crime Plan and the annual delivery plan

6.1.15 To make appropriate arrangements to commission services from either the force or external providers

Responsibilities of Chief Officers

- 6.1.16 To follow the guidance manual for local partnerships, as published on the local policing intranet site
- 6.1.17 To consult, as early as possible, the Director of Finance and the Treasurer to ensure the correct treatment of taxation and other accounting arrangements
- 6.1.18 To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the Chief Executive.

CONSORTIUM ARRANGEMENTS

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

Responsibilities of Chief Officers

- 6.1.20 To contact the Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework.
- 6.1.21 To consult, as early as possible, the Director of Finance and the Treasurer to ensure the correct treatment of taxation and other accounting arrangements
- 6.1.22 To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
- 6.1.23 To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the Chief Executive

Responsibilities of the PCC

- 6.1.24 To approve TVP participation in the consortium arrangement.

COLLABORATION

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

6.2 EXTERNAL FUNDING

Why is this important?

- 6.2.1 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of TVP. Funds from external agencies provide additional resources to enable TVP to deliver its policing objectives. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the TVP overall plan.
- 6.2.2 The main source of such funding for TVP will tend to be specific government grants, additional contributions from local authorities (e.g. for ANPR, CCTV and PCSOs) and donations from third parties (e.g. towards capital expenditure)

Responsibilities of Chief Officers

- 6.2.3 To pursue actively any opportunities for additional funding where this is considered to be in the interests of TVP.

Responsibilities of the Chief Constable and the PCC

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

Responsibilities of the Treasurer and Director of Finance

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

Responsibilities of the Chief Constable

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

6.3 WORK FOR EXTERNAL BODIES

Why is this required?

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

Responsibilities of the Chief Constable

- 6.3.2 To ensure that proposals for assistance are costed, that no contract is subsidised by TVP and that, where possible, payment is received in advance of the delivery of the service so that TVP is not put at risk from any liabilities such as bad debts.
- 6.3.3 To ensure that appropriate insurance arrangements are in place.
- 6.3.4 To ensure that all contracts are properly documented
- 6.3.5 To ensure that such contracts do not impact adversely on the services provided by TVP
- 6.3.6 The submission of tenders for the supply of goods and/or services should be approved as follows:
- a) For tenders up to £500,000 by the Chief Constable
 - b) Between £500,000 and £1,000,000 by the Chief Constable in consultation with the Treasurer
 - c) Over £1,000,000 the prior approval of the PCC is required.

7 SUMMARY OF DELEGATED LIMITS

Virement

- 2.2.12 The Chief Constable may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC approval where the proposed transfer exceeds £250,000 and explaining the revenue consequences.
- 2.2.13 The Director of Finance can approve any virement where the additional costs are fully reimbursed by other bodies
- 2.2.14 For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels

Force Budget

Up to £1,000,000

Over £1,000,000

Director of Finance

PCC

PCC's own budget

Up to £250,000

Over £250,000

Treasurer

PCC

3.5 Asset valuation

- 3.5.7 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the Treasurer. Assets are to be recorded when they are acquired by TVP. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* and the requirements specified by the Treasurer

Land & Buildings

All values

Vehicles

All values

ICT hardware

All values

Plant & Equipment

£100,000

Inventories

Responsibilities of the Chief Constable

- 3.5.7 To ensure that inventories are maintained in a format approved by the Treasurer that record an adequate description of items with a value in excess of £1,000. Other items of equipment with should also be recorded if they are deemed to be both desirable and portable (e.g. laptops).

Asset Disposal

Responsibilities of the Chief Constable

- 3.5.20 In accordance with the Asset Management Strategy to dispose of:
- a) Non-estate assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the Chief Constable shall consult with the Treasurer.
 - b) Police houses with an estimated sale value of less than £500,000
 - c) Other surplus land and buildings with an estimated sale value of less than £500,000

Responsibilities of the PCC

- 3.5.21 To approve the disposal of police houses and other land and buildings with an estimated sale value of over £500,000

Interests in Land

Responsibilities of the Chief Executive and Constable

- 3.5.25 The Chief Executive, in consultation with the Chief Constable, shall:
- a) grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, up to an annual rental of £100,000;
 - b) take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms

Police Property Act Fund

Responsibilities of the Chief Constable and PCC

- 3.5.28 The Director of Finance shall determine those items of crime property which may be retained for police purposes subject to consulting with the PCC in respect of any single item estimated to be in the value of £5,000 or above

Money Laundering

- 3.6.21 Suspicious cash deposits in any currency in excess of €15,000 (or equivalent) should be reported to the Serious Organised Crime Agency (SOCA)
- 3.6.28 Large cash bankings from a single source over €15,000 should be reported to the Treasurer. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9).

Gifts, Loans and Sponsorship

- 3.10.8 To refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.

Income

- 4.2.13 To approve the write-off of bad debts, in consultation with the Chief Executive or the Treasurer, up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reasons for the write-off.

<i>Up to £20,000</i>	<i>Director of Finance and/or Treasurer</i>
<i>£20,000 to £50,000</i>	<i>Chief Constable in consultation with the Chief Executive or the Treasurer</i>
<i>Over £20,000</i>	<i>PCC</i>

Ex-gratia Payments

- 4.8.2 To make ex gratia payments, on a timely basis, 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 TVP

<i>Up to £20,000</i>	<i>Chief Constable</i>
<i>Over £20,000</i>	<i>PCC</i>

- 4.8.4 To make ex gratia payments, on a timely basis, up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

<i>Up to £10,000</i>	<i>Chief Constable</i>
<i>Over £10,000</i>	<i>PCC</i>

Contract Regulations

PURCHASING PROCEDURES AND THRESHOLDS

- 5.1.13 The procedure to be followed shall be determined by reference to the estimated value of the purchase as set out below (except for contracts for building construction contracts selected from the Approved List of Contractors for Small Construction Contracts - details are available from the Director of Finance and the Head of Property Services). Unless specified otherwise the value of the contract is the estimated whole life cost.

Less than £5,000 *Any contract may be placed with the supplier identified as providing the best value for money*

£5,000 - EU Threshold *For all contracts estimated to cost over £5,000 early consultation with the Procurement Department is required.*

At least three written quotations shall be invited and responses recorded. Where only two suppliers can be identified the prior approval of the Head of Procurement must be obtained before quotations are invited

Over EU Threshold

Public notice of tender shall be placed in one or more appropriate publications or other suitable media e.g. internet. At least ten days shall be allowed between the date of publication and the closing date for interest to be declared. At least four written tenders shall be invited, unless less than four declarations of interest are received.

Where the estimated value of purchase exceeds the threshold values set by the appropriate European Directives, a public notice shall be placed in the Official Journal of the European Union. The duration of notice and the information to be presented shall be in compliance with the appropriate European Directive. The minimum number of written tenders invited and the procedure for award and notification shall also be determined by the European Directive.

Placement of the public notice, preparation for tendering, assessment of offers and assembly of recommendation for award of such contracts shall be controlled only by staff nominated by the Force's Head of Procurement.

OPENING OF TENDERS

- 5.1.20 Only officers authorised by the Chief Executive shall be eligible to open tenders where the estimated value of the purchase exceeds the EU threshold.

ACCEPTANCE OF TENDERS

- 5.1.28 The following procedures shall be applied for the acceptance of a quotation or tender:

1. The PCC's terms and conditions shall apply unless otherwise agreed by the Chief Executive.
2. Acceptance shall be made in writing.
3. Where the lowest or the most economically advantageous quotation or tender, which meets the specification and the quality and technical standards required, is acceptable, then formal acceptance shall be by:
 - a) Up to the EU Threshold for Goods and Services - the appropriate chief officer.
 - b) From the EU Threshold for Goods and Services up to £1m - the appropriate chief officer from the PCC's office and the Force.
 - c) Over £1m - the PCC.

(The Public Supply Contract Regulations state: "The criteria which a contracting authority may use to determine that an offer is the most economically advantageous include delivery date, running costs, cost effectiveness, quality, aesthetic and functional characteristics, technical merit, after sales service, technical assistance and price").

4. In any other case acceptance shall be by:

- a) Up to the EU Threshold for Goods and Services - the appropriate chief officer from the PCC's office and the Force and a subsequent report to the PCC.
- b) Above the EU Threshold for Goods and Services - the PCC.

NEGOTIATED CONTRACT

5.1.46 Unless barred by statute, a chief officer may approve the award of a contract and a variation to a contract subject to the following requirements:

- 2) the chief officer must be satisfied (in the case of contract awards of £50,000 or more in consultation with his fellow chief officer) that the contract provides the best value for money. Where the contract exceeds £50,000 in value a subsequent report shall be presented to the Authority;

SINGLE QUOTATION / TENDER CONTRACT

5.1.49 Contracts in excess of £5,000 can only be awarded following consultation with the Procurement Department.

5.1.50 Where a contract exceeds £50,000 in value, the chief officer shall present a subsequent report to the Authority.

PROPRIETARY ARTICLE OR SERVICE

5.1.53 Contracts in excess of £5,000 can only be awarded following consultation with the Procurement Department.

5.1.54 Under these circumstances, where a contract exceeds £50,000 in value, the Chief Officer should present a subsequent report to the PCC.

CONTRACTS REGISTER

5.1.56 A record of all contracts let with a value in excess of £50,000 shall be maintained by the Head of Procurement.

CONTRACT MONITORING

5.1.58 Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the Chief Officer in consultation with the Head of Procurement where the amount involved is less than £50,000. Above this amount the Authority shall approve all such waivers.

6.3 WORK FOR EXTERNAL BODIES

6.3.6 The submission of tenders for the supply of goods and/or services should be approved as follows:

- a) For tenders up to £500,000 by the Chief Constable
- b) Between £500,000 and £1,000,000 by the Chief Constable in consultation with the Treasurer
- c) Over £1,000,000 the prior approval of the PCC is required.