



**POLICE & CRIME
COMMISSIONER**
for Leicestershire

Your voice in Leicester,
Leicestershire & Rutland

Corporate Governance Framework

(Incorporating the Scheme of Consent and Delegation)

(1st November 2020)

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1. Statement of Corporate Governance for the Police and Crime Commissioner and Chief Constable

1.1. Introduction

The purpose of this statement is to give clarity to the way the two corporations sole, Police and Crime Commissioner for Leicestershire and Chief Constable for Leicestershire, will govern both jointly and separately, to do business in the right way, for the right reason at the right time.

For the purposes of this document “Leicestershire” refers to the police area and hence includes Leicestershire, Leicester and Rutland.

1.2. Context

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

- *Police Reform and Social Responsibility Act 2011,*
- *Policing Protocol Order 2011,*
- *Home Office Financial Management Code of Practice,*
- *Home Office Strategic Policing Requirement.*
- *Police Act 1996*

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.

1.3. Principles

The core principles to be adopted by both corporations sole will be those highlighted by the *International Framework: Good Governance in the Public Sector*.

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- Ensuring openness and comprehensive stakeholder engagement;
- Defining outcomes in terms of sustainable economic, social and environmental benefits;
- Determining the interventions necessary to optimise the achievement of the intended outcomes;
- Developing capacity including the capability of leadership and the individuals within it;
- Managing risks and performance through internal control and strong public financials management;
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

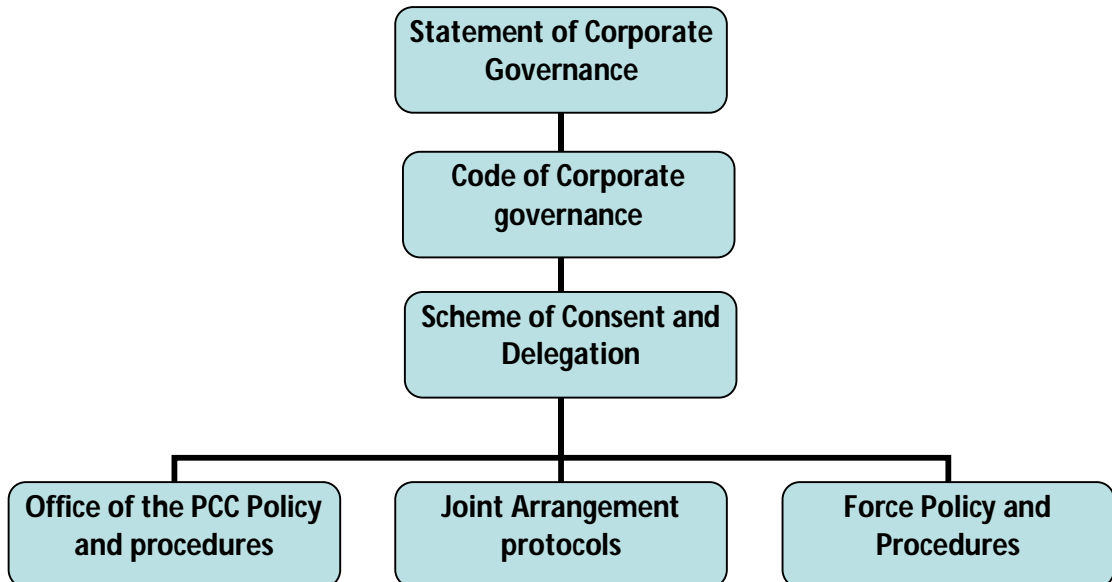
The operating principles to be observed by the PCC are further detailed at Appendix A.

1.4. Framework / Instruments of governance

The corporate governance framework within which both corporations sole 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,
- Separate policy and procedures for each corporation sole, with protocols where they operate jointly.



1.5 Leadership and Assurance

The Strategic Assurance Board will review the framework on an annual basis as a minimum and oversee its implementation on a regular basis. The membership and terms of reference of the Strategic Assurance Board are set out in Appendix B.

2. Code of Corporate Governance for the Police and Crime Commissioner and Chief Constable

2.1. Introduction

This code of corporate governance sets out how the Police and Crime Commissioner and Chief Constable will govern their organisations both jointly and separately in accordance with policy contained within statement of corporate governance. It will do this by highlighting the key enablers for ensuring good governance.

2.2. Context

This code will set out how the organisations will govern, using the good governance core principles¹ as the structure for setting out the statutory framework and local arrangements.

2.3. Code of corporate governance

2.3.1. *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law*

The Police and Crime Commissioner and the Chief Constable will:

- develop and maintain shared values, including leadership values, which will reflect public expectations about the conduct and behaviour of those within and those associated with the office of the Commissioner and Chief Constable;
- make use of those shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships;
- adopt formal codes of conduct defining the standards of personal behaviour;
- establish arrangements to ensure that personnel are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and to monitor the operation of these arrangements in practice.

The Policing Protocol 2011 requires all parties to abide by the seven principles of public life², first defined by the Nolan Committee and will be central to the conduct and behaviour of all. The Code of Ethics: A code of practice for the principles and standards of professional behaviour for the policing profession of England and Wales (College of Policing, July 2014) introduced a further two principles. These nine policing principles are:

- Selflessness - holders of public office should act solely in terms of public interest;
- Integrity - Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- Objectivity - holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without bias;
- Accountability - accountable to the public for their decisions and actions and should submit themselves to scrutiny to enable this;
- Openness - should act and take decisions in transparent manner;
- Honesty - holders of public office should be truthful;

¹ International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014)

² Standards in public Life: First Report of the Committee on Standards in Public Life (known as Nolan Principles)

- Leadership - holders of public office should actively promote and uphold and robustly support the above principles and be willing to challenge poor behaviour wherever it occurs;
- Fairness - treat people fairly;
- Respect - treat everyone with respect.

The Policing Protocol 2011 also highlights the expectation that all parties will establish and maintain effective working relationships and the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust.

The Financial Management Code of Practice requires the Police and Crime Commissioner and Chief Constable to ensure that the *good governance principles* are embedded within the way the organisations operate.

The Police and Crime Commissioner and Chief Constable will set out their values in the respective corporate and strategic plans.

2.3.2. Ensuring openness and comprehensive stakeholder engagement

The *protocol*³ highlights that the Police and Crime Commissioner is accountable to local people and that he draws on this mandate to set and shape the strategic objectives for the Force area in consultation with the Chief Constable.

The Police and Crime Plan will clearly set out what the strategic direction and priorities are to be and how they will be delivered.

To complement this the communication and engagement strategies will set out how local people will be involved with the Police and Crime Commissioner, particularly at the strategic level, and the Chief Constable, particularly at the neighbourhood level for the *Crime and Disorder Act 1998*, 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.

The Police and Crime Commissioner will provide clear reasoning and evidence for decisions and is clear about the criteria, rationale and considerations used. Decisions of the Police and Crime Commissioner which are deemed to be of significant public interest, will be set out in a decision record and will be published on the Police and Crime Commissioner's website. A decision is regarded as public interest in line with the public interest test under the Freedom of Information Act 2000.

Decisions of significant public interest include, but not limited to:

- Decisions leading to a requirement to publish information by The Elected Local Policing Bodies (Specified Information) Order 2011;
- Decisions which are deemed 'sensitive' as set out in the scheme of consent and delegation;
- Any decision which the PCC deems to be of significant public interest.

The Commissioner will also publish their scheme of consent and delegation.

The Police and Crime Commissioner and Chief Constable will develop arrangements for effective engagement with key stakeholders.

The Police and Crime Panel will also support and challenge the Police and Crime Commissioner in the effective exercise of his functions, acting as a critical friend.

⁹ Financial Management Code of Practice (Home Office, July 2018)

2.3.3. Defining outcomes in terms of sustainable economic, social and environmental benefits

The Police Reform and Social Responsibility Act 2011 requires the Police and Crime Commissioner to issue a police and crime plan for the period from the day on which the plan is issued or the qualifying day specified in the plan to be the effective date, (plan must be issued as soon as practicable after the PCC takes office and before 1st April following commissioner election) to the end of the financial year in which the next commissioner election is expected to take place. It will outline the police and crime objectives and desired outcomes and the strategic direction for policing in the area.

Each corporation sole must have regard to the plan and the Police and Crime Commissioner must have regard to the priorities of the responsible authorities⁴. Responsible authorities have a duty to co-operate in preventing crime and disorder to participate in the development of crime and disorder strategies.

Each organisation will have a corporate / strategic plan, which sets out how it will operate to support achievement of these outcomes.

Collaboration agreements will set out those areas of business to be undertaken jointly with other Forces and Local Policing Bodies, whether it be to reduce cost or increase capability to protect local people.

The Independent Office for Police Conduct (IPOC) statutory guidance on the police complaints system has been adopted which governs how the force deals with public complaints.

2.3.4. Determining the interventions necessary to optimise the achievement of the intended outcomes

A medium term financial strategy (MTFS) will be jointly developed by the two organisations and presented to the Strategic Assurance Board. Thereafter the financial strategy will be reviewed quarterly to support delivery of these plans. Section B of the Financial Regulations and Contract Standing Orders sets out the proper arrangements for financial management.

A commissioning and award of grants framework will be developed by the Police and Crime Commissioner, which will incorporate commissioning intentions and priorities. This will be reviewed subsequent to any reviews of the Police and Crime Plan and is attached at Appendix C.

2.3.5. Developing capacity, including the capability of its leadership and the individuals within it

The Act⁵ clearly sets out the functions of the Police and Crime Commissioner and Chief Constable and the protocol⁶ sets out how these functions will be undertaken to achieve the outcomes of the Police and Crime Plan.

The Police and Crime Commissioner may appoint a deputy who will be a member of his staff as highlighted in the Act. The role description approved by the Police and Crime Commissioner will incorporate functions delegated within the scheme of corporate governance.

The Act requires the Police and Crime Commissioner to have a Chief Executive⁷ and Chief Finance Officer⁷. The Chief Executive will be the head of paid service and undertake the responsibilities of monitoring officer⁸.

The Act⁵ requires the Chief Constable to appoint a Chief Finance Officer.

The *Financial Management Code of Practice*⁹ sets out the responsibilities of chief finance officers for both Police and Crime Commissioner and Chief Constable.

⁹ Financial Management Code of Practice (Home Office, July 2018)

The Scheme of Corporate Governance highlights the parameters for key roles in the corporations sole including delegations or consents from the Police and Crime Commissioner or Chief Constable, financial regulations and contract standing orders.

Officers, police support staff and staff of the Office of Police and Crime Commissioner will operate within:

- Office of Police and Crime Commissioner and Force policy and procedures,
- corporate governance framework,
- discipline regulations and codes of conduct.

The Office of the Police and Crime Commissioner will be adequately resourced to undertake an effective governance function in support of these roles.

The Police and Crime Commissioner and Chief Constable will:

- assess the skills required by personnel and make a commitment to enable those roles to be carried out effectively, this includes those roles with statutory responsibilities performed in the public interest;
- ensure that personnel have the resources and support necessary to perform effectively in their roles and that roles are understood;
- 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;
- ensure effective arrangements are in place for reviewing performance and addressing training and development needs. This will be achieved through training needs analysis, training delivery, effective resource planning, recruitment and professional development reviews.

Professional staff undertake continued professional development in line with the requirements of their professional bodies.

Independent Custody Visitors are supported through Induction and advanced training opportunities with specific training provided in identified areas.

2.3.6. *Managing risks and performance through robust internal control and strong public financial management*

The Commissioner will:

- Maintain effective arrangements to challenge and scrutinise the Police force's operations including performance and compliance with other requirements;
- Maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.

The Commissioner and Chief Constable will:

- maintain arrangements to safeguard personnel against conflicts of interest and to monitor these to ensure that they continue to operate in practice;
- have in place arrangements for confidential reporting ('whistleblowing') to which personnel and all those contracting with the Commissioner and/or Chief Constable have access;
- have in place a policy for Anti-fraud and Corruption and the management of sensitive and protectively marked information;
- maintain effective, open and accessible arrangements for dealing with complaints;
- maintain an effective audit arrangement;
- ensure that those making decisions are provided with information that is relevant, timely and gives clear explanations of the technical issues and their implications;
- ensure that professional advice on legal and/or financial matters is available, obtained and recorded well in advanced of decision making and used appropriately when decisions have significant legal and/or financial implications;
- ensure risk management is embedded into the culture of the organisation with personnel recognising that risk management is part of their role;
- actively recognise the limits of their lawful activity but strive to utilise their powers to the full benefit of the public across the force area;
- ensure that local people are involved in decision making.

Both corporate soles will be registered with the Information Commissioner as 'Data Controllers' and will ensure that all personal information is handled in accordance with the Data Protection Act 2018 and the General Data Protection Regulation (GDPR).

The Commissioner and Chief Constable will:

- ensure effective processes are in place for the safe collection, storage, use and sharing of data;
- maintain processes to safeguard personal data in line with the Data Protection Act 2018 and GDPR;
- implement an information sharing policy between the Commissioner and Chief Constable;
- appoint a Senior Information Risk Owner (SIRO) and Data Protection Officer (DPO).

The *national decision making model*¹⁰ 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.

The scheme of governance highlights the parameters for decision making, including the delegations, consents, financial limits for specific matters and standing orders for contracts.

The Strategic Assurance Board will undertake effective monitoring of the Chief Constable and his/her office to ensure they are achieving his/her priorities, and the overall governance regime will be overseen by the Joint Audit, Risk and Assurance Panel (JARAP – terms of reference attached at Appendix D).

The JARAP will operate in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and within the guidance of the *Financial Management Code of Practice*¹¹

2.3.7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The operating principles (Appendix A) set out the background to how decisions will be taken by the Police and Crime Commissioner and the standards to be adopted. 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 Police and Crime Commissioner and the Force integrated business management process. This will ensure proper governance by bringing together the right information at the right time e.g. needs assessments, costs, and budgets.

The forward plan of decisions combined with an open and transparent information scheme will enable the Police and Crime Panel to be properly sighted on the decisions of the Police and Crime Commissioner.

The Commissioner will undertake regular, at least annual, reviews of governance arrangements to ensure continuing compliance with best practice with a recognition that such reviews are reported externally within the Commissioner's published accounts. Where reviews identify gaps in effective governance action plans will be put in place. The Commissioner will prepare an Annual Governance Statement which will include the following information:

- An acknowledgment of responsibility for ensuring there is an effective system of governance, in particular the system of internal controls, including how this is applied;
- A summary of the key elements of the governance arrangements, including delegation responsibilities, compliance reporting and monitoring.

The Police and Crime Panel for Leicester, Leicestershire and Rutland, will publicly scrutinise the actions and decisions of the Police and Crime Commissioner in the context of relevant sections of the *Police Reform and Social Responsibility Act 2011*. The Panel is a joint committee of the district, unitary and county councils within the policing area and is administered by Leicestershire County Council.

Scheme of Consent and Delegation

Notes

- 1 Within this document there are references to significant financial implications. These are items of spending of £250,000 or more which have not been budgeted for.**

This document also refers to “sensitive” issues or where an item may be considered “sensitive”. Sensitive items or issues are any and all cases:

- which could be considered as novel, contentious or potentially repercussive in line with definitions contained within *HM Treasury Managing Public Money*.
 - unusual or exceptional circumstances have arisen and which should be deemed sensitive under the reasonable application of a risk assessment based on the PESTELO (Political, Economic, Social, Technological, Environmental, Legal, Organisational) method; and or
 - where an issue or item is reasonably likely to be of interest to the Police and Crime Commissioner because of public interest, media interest, profile in the region or impact on the reputation of the Police and Crime Commissioner or the Force or impact on key partners; and or
 - where an issue is of strategic or policy interest to the Police and Crime Commissioner such as outsourcing, shared services, collaboration, deviation from national trends, public-private arrangements, areas of significance in the Police and Crime Commissioner’s manifesto.
- 2 The Scheme of Governance has been updated to reflect the changes from the Stage 2 transition period and replaced by a Scheme of Consent and Delegation on 1st April 2014.**
 - 3 Section 18 (6) of the Police Reform and Social Responsibility Act 2011 prohibits delegation to certain persons, including a constable and a member of staff of a constable. The Scheme of Consent is incorporated within the Corporate Governance Framework and sets out those areas where the Chief Constable requires the authorisation of the Commissioner**

3.1. Introduction

3.1.1. The Revised Financial Management Code of Practice (FMCP) published by the Home Office in July 2018 lays out the purpose and content of a Scheme of Consent which should be prepared by the Police and Crime Commissioner (PCC) at the start of each financial year. This scheme applies to 2018/19 and will be reviewed as appropriate for future years.

3.1.2. According to the FMCP the purpose of the scheme includes to:

- set out how the Chief Constable will assist in the exercise of the PCC’s functions
- set out how the Chief Constable will exercise their power to carry out their own functions
- set out how the PCC will delegate to their own staff
- set out how the PCC expects the policing budget to be applied
- set out how the PCC will hold the Chief Constable to account for day to day budget management
- set out the PCC’s delegations to the Chief Constable to enter into contracts and acquire and dispose of property and fixed assets

3.1.3. The Scheme of consent also details the key roles of the Police and Crime Commissioner, the Chief Executive, the Chief Constable and the Chief Finance Officers.

3.1.4. The Code of Corporate Governance describes the strategies, arrangements, instruments and controls to ensure good governance in the two corporations sole.

- 3.1.5. This Scheme of Consent and Delegation provides a framework which ensures 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. It should be read in the context of the aforementioned statement and code.
- 3.1.6. In addition, this Scheme incorporates other instruments such as the financial regulations and standing orders relating to contracts.
- 3.1.7. This Scheme aims to clarify those powers which, for the benefit of good business practice, are given to the statutory officers. The Police and Crime Commissioner may limit these powers and/or remove delegation.
- 3.1.8. The Police and Crime Commissioner may set out reporting arrangements on any authorised powers.
- 3.1.9. Powers are given to the Chief Constable by laws, orders, rules or regulations. Also, national conditions of employment give powers to the Police and Crime Commissioner or the Chief Constable or, as in the case of police regulations, the Secretary of State for the Home Office.
- 3.1.10. The powers given to the statutory officers should be exercised in line with the Police and Crime Commissioner's delegation, the law, standing orders and financial regulations, and also policies, procedures, plans, strategies and budgets.
- 3.1.11. This Scheme does not identify all the statutory duties which are contained in specific laws and regulations.

3.2. Key Definitions

3.2.1. "Corporation Sole"

A "*Corporation Sole*" is a single legal entity consisting of a "sole" incorporated office, occupied by a sole man or woman. It means that the office has its own legal personality, distinct from the office holder. It allows the "corporation" to pass vertically in time from one office holder to the next successor in office.

Schedule 1, paragraph 15(1) of the Police Reform and Social Responsibility Act 2011 (PRSR Act 2011) protects a PCC from personal liability for any act or omission done in the exercise of the PCC's functions unless it has been shown to have been done otherwise than in good faith. Schedule 1 paragraph 15(2) of the PRSR Act 2011, similarly protects a member of staff of a PCC from personal liability for any act or omission done in carrying out the duties as a member of staff of the PCC unless the act or omission has been done otherwise than in good faith.

3.2.2. "Consent"

This is not defined in statute. The definition used in this scheme is from the National Police Chiefs Council. "Consent" refers to the provision of approval or agreement, particularly and especially after due and full consideration. Transactions entered into following "consent" by the Commissioner to the Chief Constable, will be in the name of the Chief Constable as a separate legal entity.

3.3. General principles of Consent and Delegation

- 3.3.1. The scheme provides sufficient Consent and Delegation to officers to ensure that decisions are not unnecessarily delayed, whilst ensuring that individuals are properly protected from the risks associated with being the individual held to account.
- 3.3.2. Giving consent or delegation to officers under this scheme does not prevent an officer or the Chief Constable from bringing to the attention of the Office of Police and Crime Commissioner

any issue which is likely to be regarded by the Commissioner as sensitive, novel, contentious or potentially repercussive, while taking account of political restrictions.

- 3.3.3. In addition, the Commissioner is ultimately accountable for the Police Fund. Before any financial liability affecting the Police Fund that the Commissioner might reasonably regard as sensitive, novel, contentious or potentially repercussive is incurred; prior written approval must be obtained from the Commissioner's office.
- 3.3.4. The process for such approvals are set out in this scheme. The Police and Crime Commissioner may ask that a specific matter is referred to him/her for a decision and not dealt with under powers of consent or delegation.
- 3.3.5. The scheme does not attempt to list all matters which form part of everyday management responsibility.
- 3.3.6. 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.
- 3.3.7. All decisions statutory officers make under powers given to them by the Commissioner must be recorded and be available for inspection.
- 3.3.8. The Police and Crime Commissioner should be involved in any projects/areas of work which may have a significant impact on the people of Leicestershire and/or are sensitive, novel, contentious or potentially repercussive. He/she must be involved in the scope, tendering process and evaluation of any such proposal.
- 3.3.9. In this document, references made to the statutory officers includes officers authorised by them to act on their behalf. The scheme allows any person to whom power has been delegated to sub delegate that power to a member of staff. This applies to staff within the remit of the OPCC and the CC.
- 3.3.10. The statutory officers are responsible for making sure that members of staff they supervise know about the provisions and obligations of this Scheme.
- 3.3.11. The person appointed as the Chief Executive (who will also be the Monitoring Officer) and the Chief Finance Officer have statutory powers and duties relating to their positions, and therefore do not rely on matters being delegated to them to carry these out.
- 3.3.12. The Scheme of Consent and Delegation provides an officer with the legal power to carry out duties of the Police and Crime Commissioner. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including, but not limited to:
 - *Police and Social Responsibility Act 2011 and other relevant legislation issued under this Act.*
 - *Policing Protocol Order 2011,*
 - *Financial Regulations*
 - *Home Office Financial Management Code of Practice*
 - *CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable*
 - *Contract Regulations*
 - *The Commissioner's Corporate Governance framework*
 - *Employment Law, policies and procedures*
 - *The Commissioner's and Force employment policies and procedures.*
 - *The Data Protection Act 1998 and the Freedom of Information Act 2000*
 - *Health and safety at work legislation and codes.*

3.3.13. When carrying out any duties, the Police and Crime Commissioner and his/her staff under direction and control must have regard to the following:

- The views of the people in Leicestershire
- Any report or recommendation made by the Police and Crime Panel
- The Police and Crime Plan and any guidance issued by the Secretary of State.

(this list is a summary and is not exhaustive)

3.3.14. The Police and Crime Commissioner may appoint any officer, other than those listed at section 18(6) of the *Police and Social Responsibility Act 2011*, to carry out any function, within the boundaries of political restriction, 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
- Appointing or suspending the Chief Constable, or asking him or her to resign or retire
- Attendance at the Police and Crime Panel in compliance with a requirement by the Panel to do so for specified duties

3.3.15. The Police and Crime Commissioner may give additional delegation to his/her officers under section 18 of the Act.

3.3.16. Should the Police and Crime Commissioner be either incapacitated or suspended then section 62(1) of the *Police and Social Responsibility Act 2011* will apply and the Police and Crime Panel will be required to appoint a member of the Police and Crime Commissioner's staff to act as Police and Crime Commissioner during such period of incapacitation or suspension.

3.3.17. This Scheme is a record of the formal consent and delegations in accordance with the Act. The Police and Crime Commissioner's corporate governance framework, including this Scheme of Governance will be reviewed annually. With the exception, of those matters listed in paragraph 3.3.14, the scheme allows any person, with appropriate authority, to delegate that power further. A record must be kept of such delegations for future inspection.

3.3.18. The Police and Crime Commissioner must not restrict the operational independence of the Force and the Chief Constable who leads it.

3.3.19. To enable the Police and Crime Commissioner to exercise the functions of the office effectively they will need access to information, and officers and civilian staff within the 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.

3.3.20. The Police and Crime Commissioner has a wider responsibility than those functions solely relating to the Force and this is referred to in the Code of Corporate Governance.

3.4. Key Roles of the Police and Crime Commissioner

3.4.1. The key roles of the Police and Crime Commissioner are to:

- secure an efficient and effective police service for the area;
- hold the Chief Constable to account on behalf of the people of Leicestershire, for the exercise of the functions of a chief constable and for the exercise of the functions of persons under his/her direction and control;
- set the strategic direction and objectives of the Leicestershire Police service through the Police and Crime Plan following consultation with the Strategic Assurance Board and the Police and Crime Panel;
- monitoring the performance of the Force against the agreed priorities;

- set a medium term financial strategy and plan that supports the achievement of the Police and Crime Plan following consultation with the Strategic Assurance Board;
- considering commissioning police and crime services and making grants to organisations aside from the Force (including but not limited to community safety partnerships, local authority partners, youth offending, drug and alcohol offending programs, victims' organisations, other crime prevention organisations);
- set the revenue budget including setting the totality of the Force budget, and the precept (charges to be paid by the collecting authorities in the Leicestershire Police area) and allocate funds to the Chief Constable up to the amount set in the Force budget;
- set the capital budget and medium term capital programme including, but not limited to, approving an ICT/IS strategy, an Estates strategy and a Fleet strategy for the next four years;
- approve the people and learning and development strategies and health and safety strategy for the Force;
- appoint the Chief Constable and when necessary suspend or call upon the Chief Constable to resign or retire;
- appoint a Deputy Police and Crime Commissioner if required;
- receive and review a regular information pack containing all key performance and financial and management data as may be required by the Police and Crime Commissioner to monitor the outcomes and performance and financial stewardship of the Chief Constable;
- scrutinise, support and challenge overall performance of the police service based on appropriate access to performance data logged by the Force;
- produce an annual report;
- have regard to statutory responsibilities i.e. Freedom of Information Act 2000, and all human rights and equality laws;
- ensure the maintenance of an effective 'independent custody visiting scheme' for monitoring facilities for people being held in custody by the Chief Constable;
- provide the local link between the police and communities, working to translate the legitimate desires and aspirations of the public into action at a strategic level;
- approve scheme of consent, financial regulations and standing orders;
- approve the hiring of officers or staff via the annual budget;
- approve annual Treasury Management Strategy for the Office of Police and Crime Commissioner;
- approve joint annual audit strategy and programme;
- approve annual insurance strategy;
- approve any requests for financial assistance to officers in legal proceedings;
- approve any and all business cases to acquire or dispose of any interests in land and property;
- approve other business cases as required by this scheme and the financial regulations.

In doing so, the Commissioner must ensure that:

- Good value for money is obtained in exercising those functions;
- The Chief Constable has regard to the Police and Crime Plan and the Strategic Policing Requirement;
- The Chief Constable in exercising duties has regard to Codes of Practice issued by the Secretary of State.

3.4.2. The Police and Crime Commissioner is the legal contracting body who owns all the assets and liabilities, with the responsibility for the financial administration of his/her office and the Force, including all borrowing limits.

3.4.3. The Police and Crime Commissioner will receive all funding, including the government grant and precept, and all other sources of income, related to policing and crime reduction. All funding for the Force will come via the Police and Crime Commissioner. How this money is allocated is for the Police and Crime Commissioner to decide in consultation with the Chief Constable, or in accordance with any grant terms.

3.4.4. The Police and Crime Commissioner has a wider responsibility than those solely relating to the Police force, namely:

- the delivery of community safety and crime reduction;
- the ability to bring together Community Safety Partnerships at a force level;
- a duty to ensure that all collaboration agreements with other local policing bodies and forces deliver better value for money and enhance the effectiveness of policing capabilities and resilience;
- the enhancement of the delivery of criminal justice in their area.

The Police and Crime Commissioner can make Crime and Disorder grants and award funding in line with the Commissioning Framework.

3.4.5. The Police and Crime Commissioner will be responsible for handling complaints and conduct matters in relation to the Chief Constable, monitoring complaints against officers and staff, handling reviews into the outcome of complaints resolved by the Professional Standards department and complying with the requirements of the Independent Police Complaints Commission.

3.4.6. The Police and Crime Panel is a check and balance on the Police and Crime Commissioner through reviewing or scrutinising his/her decisions, but not those of the Chief Constable.

3.4.7. The Police and Crime Commissioner may appoint a deputy to exercise his/her functions, with the exception of those functions listed at Section 18(7) of the *Police Reform and Social Responsibility Act 2011* which cannot be delegated.

3.4.8. The Police and Crime Commissioner must not restrict the operational independence of the police force and the Chief Constable.

3.5. Commissioning

3.5.1. The Police and Crime Commissioner will decide what services are commissioned from which organisations as part of a commissioning and grants award framework for Leicestershire. The Police and Crime Commissioner will also hold the Chief Constable and others from whom services are commissioned to account for delivery against key performance indicators in order to achieve the outcomes set out in the Police and Crime Plan.

3.5.2. The Police and Crime Commissioner may commission policing services from other organisations as well as the Force in order to achieve the best outcomes at best value for the people of Leicestershire.

3.5.3. The Police and Crime Commissioner will decide what services are commissioned from which organisations as part of a commissioning and grants award framework for Leicestershire. The Police and Crime Commissioner will also hold the Chief Constable and others from whom services are commissioned to account for delivery against key performance indicators in order to achieve the outcomes set out in the Police and Crime Plan.

3.6. Functions delegated to the Deputy Police and Crime Commissioner (Deputy PCC) if appointed

Introduction

3.6.1. Section 18 of the *Police Reform and Social Responsibility Act 2011* provides the power for the Police and Crime Commissioner to appoint a Deputy Police and Crime Commissioner and arrange for him / her to exercise any function apart from those functions listed in section 18(7) (a), (e) or (f). These exceptions are:

- issuing a Police and Crime Plan;
- appointing the Chief Constable;

- suspending the Chief Constable or calling upon the Chief Constable to retire or resign;
- calculate a budget requirement.

3.6.2. In his/her absence the Deputy PCC may delegate to the Chief Executive to carry out any of his/her functions (with the exception of those listed in Section 18(7) of the *PRSR Act 2011*), within the boundaries of political restriction.

3.7. Functions delegated to the Chief Executive, Office of the Police and Crime Commissioner

Introduction

3.7.1. The Code of Corporate Governance identifies the role of the Chief Executive as the head of the Police and Crime Commissioner's staff, and the Monitoring Officer (as defined by section 5(1) of the *Local Government and Housing Act 1989*). In this role, the Chief Executive will exercise the statutory powers of the Police and Crime Commissioner for professional standards, pensions forfeiture, declarations of personal or business interest and police appeal tribunals 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.

3.7.2. Where no Deputy PCC is appointed the PCC may delegate to the Chief Executive to carry out any of his/her functions (with the exception of those listed in Section 18(7) of the *PRSR Act 2011*), within the boundaries of political restriction.

3.7.3. 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

3.7.4. Prepare the Police and Crime Plan in consultation with Leicestershire Police and other stakeholders for submission to the Commissioner.

3.7.5. Prepare a draft annual report for submission to the Commissioner, in preparation for reporting to the Police and Crime Panel.

3.7.6. Prepare an annual report on the activity of the Office of the Police and Crime Commissioner for each financial year.

3.7.7. Provide information to the Police and Crime Panel, as is reasonably required to enable the Panel to carry out its functions.

3.7.8. To sign all contracts on behalf of the Police and Crime Commissioner (and Deputy PCC if appointed) in accordance with any decisions either has made.

3.7.9. To consider whether, in consultation with the Chief Finance Officer, to provide indemnity to the Police and Crime Commissioner (and Deputy PCC if appointed) in accordance with the *Local Authorities (Indemnities for Members and Officers) Order 2004* and to deal with or make provision to deal with other matters arising from any proceedings relating to them.

3.7.10. To consider and approve, in consultation with the Chief Finance Officer, provision of indemnity and/or insurance to individual staff of the Commissioner in accordance with the *Local Authorities (Indemnities for Members and Officers) Order 2004*.

3.7.11. Specific financial delegations to the Chief Executive include:

- Approve exceptional cases in the provision of police advice and assistance to international agencies because the full cost is £4,000 or more (including air flights, accommodation and salary costs of the police officer or member of staff) or it is a sensitive case involving travel

to a politically sensitive country.

- Fix fees for copies of documents and extracts of documents members of the public ask for under the *Local Government (Access to Information) Act 1985*, the *Freedom of Information Act 2000*, or the *Data Protection Act 1998*.

3.7.12. In the absence of the Chief Executive, unless a formal deputy has been appointed, the Executive Director will deputise as the Monitoring Officer and as the Chief Executive. This includes signing contracts on behalf of the Police and Crime Commissioner.

Financial

3.7.13. The financial management responsibilities of the Chief Executive are set out in the financial regulations.

3.7.14. To manage the budget of the Police and Crime Commissioner's office, along with the Chief Finance Officer, particularly to:

- order goods and services for 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

3.7.15. To appoint and dismiss, in consultation with the Police and Crime Commissioner, staff who are not under the direction and control of the Chief Constable.

3.7.16. To make recommendations to the Police and Crime Commissioner with regard to staff terms and conditions of service, in consultation with the Chief Finance Officer.

3.7.17. To undertake the management of staffing resources for all staff (excluding any Deputy PCC) employed by the Police and Crime Commissioner (and not under the direction and control of the Chief Constable) in line with agreed policies and procedures.

3.7.18. Settlement of employment tribunal cases and grievances of staff under his/her direction and control will remain with the Chief Constable with the exception of those cases felt to be Sensitive because:

- they involve a high profile claimant
- there is a particular public interest in the case
- there is a real risk that the Police and Crime Commissioner or Leicestershire Police will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed.

3.7.19. 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*.

3.7.20. To appoint and terminate appointments of Independent Custody Visitors (ICV's) and carry out all other activities in order to run an effective ICV scheme and any other volunteer programmes put in place. To approve the payment of any allowances to VCU's and other volunteers.

Other

3.7.21. To affix the common seal of the Police and Crime Commissioner to all contracts, agreements or transactions;

- in respect of which there is no consideration;

- that relate to the provision of goods and services by the Police and Crime Commissioner to another body and which are £B or above in value over the life of the contract;
- for the provision of goods and services that are £B or above in value over the life of the contract;
- which grant or convey an interest in land or property;
- which are grants that are £50,000 or above;
- when it is determined by the Police and Crime Commissioner (or Deputy PCC if appointed) there is a particular need for the seal to be attached.

- 3.7.22.** To authorise people to make, defend, withdraw or settle any claims or legal proceedings on the Police and Crime Commissioner's behalf, in consultation with the Legal Advisor (or Chief Finance Officer if there are significant financial implications), subject to a suitable division of responsibilities, especially where the Chief Executive has brought the case.
- 3.7.23.** To consider, with the Police and Crime Commissioner, any complaint made against the Chief Constable, and where appropriate, to make arrangements for appointing an officer to investigate the complaint.
- 3.7.24.** Within the boundaries of political restriction, to respond to consultations on proposals affecting the Police and Crime Commissioner, if necessary, after first taking the views of the Commissioner, the Chief Finance Officer or the Chief Constable, as appropriate.
- 3.7.25.** To obtain legal or other expert advice and to appoint legal professionals whenever this is considered to be in the Police and Crime Commissioner's best interests and for his/her benefit.
- 3.7.26.** To make arrangements to institute, defend or participate in any legal proceedings in any case where such action is necessary.
- 3.7.27.** Settlement of potential claims or ex-gratia payments which although within officers delegated powers could potentially be precedent setting, novel, contentious or be potentially repercussive.
- 3.7.28.** To make sure, in consultation with the Chief Constable, appropriate (in the PCC's opinion) arrangements are made to gather the community's views on the policing of Leicestershire, preventing crime in the area and on service delivery.
- 3.7.29.** To exercise the statutory powers of the Police and Crime Commissioner for professional standards, as delegated to them on a temporary or permanent basis and such delegations to be documented with this scheme.
- 3.7.30.** To review complaints of maladministration against the Commissioner and to approve the provision of any remedy, financial or otherwise.
- 3.7.31.** To discharge functions and responsibilities in respect of Police Appeal Tribunals, on behalf of the Commissioner, including the appointment of members of the Tribunals.
- 3.7.32.** In relation to the Commissioner's land and property, to serve notices to quit and notices to terminate its use or occupation, and to institute court proceedings to recover arrears of rent and other payments or to recover possession from occupiers and users.
- 3.7.33.** To deal with Freedom of Information Act Requests and to prepare and issue Publication Schemes under the Freedom of Information Act 2000.
- 3.7.34.** To act as the 'Data Controller' on behalf of the Commissioner and ensure compliance with the Data protection Act 2018 and EU General Data Protection Regulations (GDPR)

- 3.7.35. In relation to a grievance against the Chief Constable, to take the appropriate action to investigate the grievance, applying as appropriate the grievance procedure, and reporting the outcome to the Commissioner to enable appropriate action to be taken to resolve the grievance.
- 3.7.36. To discharge the Commissioner's statutory duty for health and safety matters.
- 3.7.37. To arrange for the provision of professional services as required by the Commissioner.
- 3.7.38. The Chief Executive/Monitoring Officer has a statutory duty in respect of the lawfulness of decision making. In the absence of the Chief Executive, this duty can only be undertaken by the Deputy Monitoring Officer.
- 3.7.39. Ensure arrangements are in place for the management of risk and where appropriate secure that arrangements are made to insure against risks. This includes arrangements for holding to account the Chief Constable for the management of risk within the force.
- 3.7.40. Ensure that arrangements are in place for the management and security of assets in accordance with the requirements of financial regulations.

3.8. Functions delegated to the Chief Finance Officer, Office of the Police and Crime Commissioner

Introduction

- 3.8.1. The Police and Crime Commissioner's Chief Finance Officer ("CFO") is the financial adviser to the Commissioner and has statutory responsibility to manage his/her financial affairs as set out in S.114 of the *Local Government Finance Act 1988 (LGFA 1988)*, and the *Accounts and Audit Regulations 2015*. S.113 of *LGFA 1988* requires the responsible officer to be a member of a specified accountancy body.
- 3.8.2. The Chief Finance Officer must ensure that the financial affairs of the Commissioner and the Force are properly administered having regard to their probity, legality and appropriate standards.
- 3.8.3. The Deputy Section 151 Officer (if such a role is appointed) is authorised to undertake the functions of the Chief Finance Officer in his/her absence.
- 3.8.4. The formal delegations, listed below, are those given to the Chief Finance Officer, which are in effect at the time of the publication of this scheme.
- 3.8.5. To ensure that the financial affairs of the Office of the Police and Crime Commissioner are properly administered having regard to probity, legality and appropriate standards.
- 3.8.6. To approve, in consultation with the PCC, the arrangements for the treasury management function, including the day to day management, the production of the treasury management strategy, and supporting policies and procedures.
- 3.8.7. To approve the arrangements for securing and preparing the Police and Crime Commissioner's accounts, and seek assurances that there are appropriate arrangements in place for the preparation of the Force's accounts.
- 3.8.8. To seek assurances that there are appropriate arrangements in place within the Force for its financial management.
- 3.8.9. To be responsible for the approval of all banking arrangements, including the arrangements for creating, closing or authorising all bank accounts.

- 3.8.10.** To undertake the day to day financial management of the Police and Crime Commissioner's budget.
- 3.8.11.** To commit expenditure within the approved budget to meet the policies and objectives agreed with the Police and Crime Commissioner and reflected in the Policing Plan provided this may also be carried out by the Chief Executive.
- 3.8.12.** To manage administration of grants awarded by the Police and Crime Commissioner (or Deputy PCC if appointed) in line with the Commissioning Framework and administration of any services commissioned.
- 3.8.13.** To be responsible for implementing suitable arrangements for investing and borrowing money, as necessary, in line with the treasury management strategy.
- 3.8.14.** To authorise payments, without having to obtain approval and regardless of whether or not provision has been made in the revenue budget in relation to:
- payments required to be made by law
 - payments ordered by a court
 - payments due under any agreement entered into by the Police and Crime Commissioner.
- 3.8.15.** To act as 'Money Laundering Reporting Officer' under the *Proceeds of Crime Act 2002* and *Money Laundering Regulations 2003*.
- 3.8.16.** Sign cheques on behalf of the Police and Crime Commissioner (or Deputy PCC, if appointed) provided this may also be carried out by the Chief Executive.
- 3.8.17.** To prepare and annually review financial regulations and standing orders with the Force, for approval by the Police and Crime Commissioner, (or Deputy PCC, if appointed).
- 3.8.18.** To prepare and annually review draft expenses and benefits framework of the Police and Crime Commissioner, their deputy and the staff and senior officers in the office of the Commissioner for approval by the Commissioner.
- 3.8.19.** To determine, in consultation with the PCC, when all other goods directly utilised by the Office of the Police and Crime Commissioner are surplus to requirements or obsolete and arrange for disposal in line with financial regulations.
- 3.8.20.** Provide for an adequate and effective internal audit service, in conjunction with the Chief Constable's Chief Finance Officer.
- 3.8.21.** Provide for a continuous improvement function in conjunction with the Force.
- 3.8.22.** To report to the Police and Crime Commissioner and the external auditor any unlawful or potentially unlawful spending by his/her, or the Force's officers (the latter being in conjunction with the Chief Constable's Chief Finance Officer).
- 3.8.23.** To make arrangements on behalf of the Chief Executive for insurance and to seek assurance that appropriate arrangements are made for insurance within the force.
- 3.8.24.** To determine and issue the precept on behalf of the PCC.
- 3.8.25.** To prepare annual Statement of Accounts in conjunction with the CCCFO.

Consents

This section relates to the functions of the Chief Constable and the consents, where appropriate, given to him for exercising by officers and staff under his direction and control.

3.9. The Role and responsibilities of the Chief Constable

- 3.9.1.** The Chief Constable is responsible for maintaining the Queen's peace and has direction and control over the Force's officers and staff.
- 3.9.2.** Under the *Police Reform and Social Responsibility Act 2011* the Chief Constable is a Corporation Sole. The Chief Constable is accountable for the exercise of police powers, and to the Police and Crime Commissioner for the delivery of efficient and effective policing, and management of resources and expenditure by the Force.
- 3.9.3.** The Chief Constable must comply with the Scheme of Publication of the Police and Crime Commissioner and in so doing must have regard to the additional requirements relating to the Government's *Transparency Agenda* and *Winsor Reviews*.
- 3.9.4.** The Commissioner will agree a Force budget with the Chief Constable and these formal consents and financial and other limits on consent are those given to the Chief Constable as a condition of the transfer of funds from the Commissioner to the Chief Constable to enable the Chief Constable to direct and control sufficient resources necessary to deliver the outcomes agreed in the Police and Crime Plan.
- 3.9.5.** The Chief Constable is responsible for ensuring that the staff and officers under their direction and control are fully aware of all the provisions and obligations of this scheme.
- 3.9.6.** The Police and Crime Commissioner and the Chief Constable will work together to ensure the best use of resources and the Chief Constable will deliver services and functions in line with an agreed Memorandum of Understanding which will be supported by Service Level Agreements. This is attached at Appendix E.
- 3.9.7.** For the sake of clarity, as determined by the *Police Reform and Social Responsibility Act 2011*, Section 18, paragraphs (3c), (6a) and (6h), the Police and Crime Commissioner may not delegate Police and Crime Commissioner's functions to a constable or a member of staff of a constable. This Scheme does not provide any delegations to the Chief Constable but makes clarification of requirements in relation to specific activities. This section is also not intended to set out the delegations that the Chief Constable may make to officers or staff acting under his/her direction and control.
- 3.9.8.** To lead the Force in a way that is consistent with the attestation made by all constables on appointment and ensuring that it acts impartially.
- 3.9.9.** To support the Police and Crime Commissioner in the delivery of the strategy and objectives set out in the Police and Crime Plan.
- 3.9.10.** To provide the Police and Crime Commissioner with access to information, officers and staff as required and where permitted by law.
- 3.9.11.** To exercise the power of direction and control in such a way that the Commissioner will be able to access all necessary information and staff within the Force.
- 3.9.12.** To enter into a communication protocol with the Police and Crime Commissioner setting out clearly agreed roles in relation to communications with the public, the media, officers, staff, suppliers and partners. No communications may be made that are not compliant with the communications protocol.
- 3.9.13.** To have regard to the Strategic Policing Requirement when exercising and planning the policing functions in respect of the Force's national and international policing responsibilities.
- 3.9.14.** To notify and brief the Police and Crime Commissioner of any matter or investigation on which he/she may need to provide public assurance either alone or with the Commissioner (all Police

and Crime Commissioners will be designated as Crown Servants under the *Official Secrets Act 1989(a)* making them subject to the same provisions in relation to sensitive material as Government Ministers).

- 3.9.15. To be the operational voice of policing in Leicestershire, and regularly explaining to the public the operational actions of officers and staff under their command.
- 3.9.16. To enter into collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency or effectiveness of Leicestershire Police and policing in general, and with the agreement of the Police and Crime Commissioner.
- 3.9.17. To remain politically independent of the Police and Crime Commissioner.
- 3.9.18. To ensure compliance with the Data Protection Act 2018 and the EU General Data Protection Regulations (GDPR) as “Data Controller” and ensure appropriate training and policies are in place.

3.10. Consents to the Chief Constable

Introduction

- 3.10.1. This section relates to the functions of the Chief Constable and the consents, where appropriate, given to him for exercising by officers and staff under his direction and control.
- 3.10.2. The Consents agreed by the PCC are to have effect from 1st April 2014. They may be varied by the PCC in consultation with the Chief Constable at any time and variations will be published as soon as practicable.
- 3.10.3. Any reference to the Chief Constable shall refer to any staff delegated under his/her authority.

3.10.4. Complaints

- a) To manage all complaints against the Force, its officers and staff, except in relation to the Chief Constable, and to ensure that the Police and Crime Commissioner is kept informed to enable him/her to discharge their statutory obligations in relation to complaints in a regular, meaningful and timely fashion. Serious complaints and conduct matters must be passed to the Independent Police Complaints Commission.

3.10.5. Commissioning

- a) The Chief Constable and the officers and staff under the Chief Constable’s direction and control may not commission or jointly commission any services or make arrangements for outcomes from any other partners, agencies, public bodies, community safety organisations or other organisations dealing with community safety, victims, offenders, drugs, youth offending, criminal justice or other areas unless agreed in writing and in advance by the Police and Crime Commissioner. This does not include the commissioning of work or existing force staffing resources.
- b) The Police and Crime Commissioner may authorise the Chief Constable to commission services from partners but only after approval of prior submitted business cases and business plans.
- c) The Force including Basic Command Unit Commanders may not issue any funds to third party partners or other entities without the prior written approval of the Police and Crime Commissioner. The Police and Crime Commissioner may approve an annual plan of funding by the Force for partners (by district) that is consistent with the Commissioner’s Police and Crime Plan and where there is a clear business case for any such spend with measurable outcomes.

- d) If the Police and Crime Commissioner does delegate and approve any funding of third parties to be administered by the Force then the Force will produce regular reports of what money has been issued to which third parties and what outcomes have been achieved from this activity. For the avoidance of doubt, any grants to and any funding provided to any third parties outside of the Force is always considered as Sensitive.

3.10.6. Financial

- a) The Chief Constable will ensure that the financial affairs of Leicestershire Police are properly administered having regard to value for money, probity, legality, and appropriate standards, with particular reference to the Police and Crime Commissioner's Financial Regulations.

3.10.7. Budgets

- a) The Chief Constable will agree with the Police and Crime Commissioner the Force's annual revenue (at departmental and directorate level) and capital budgets. These set out an upper limit of approved revenue and capital expenditure for the Force over a given budget period and are the basis for monitoring and any variations. The Force may not spend over these budget limits without the prior written approval of the Commissioner.

3.10.8. Debt Write Offs

- a) The Police and Crime Commissioner must approve in writing all debt write offs (including salary write offs) above the sum identified in Section G of the Financial Regulations.

3.10.9. Contract and Assets

- a) The Chief Constable may not acquire any freeholds or leaseholds or interests in land whatsoever and may not grant any property lease or land lease or grant any interest in land whatsoever without the clear, prior written approval and seal as required of the Police and Crime Commissioner.
- b) The Chief Constable may not dispose of property or interests in land or property without the clear, prior written consent of the Police and Crime Commissioner. Prior consent may be via the Commissioner's prior approval of an annual schedule of disposals agreed by the Commissioner at the beginning of each financial year. The Commissioner must be notified of subsequent disposals in writing.
- c) The PCC will hold all fixed assets and consents to the Chief Constable free and unfettered access to, and full operational use of, all non-current assets, as to enable him/her to meet the responsibilities set out above and any others agreed with the PCC. All income due from the disposal of non-current assets will be due to the PCC.
- d) The PCC will approve an annual capital programme and all capital expenditure incurred during the year must be in line with the approved capital programme unless otherwise agreed with the PCC.
- e) All contracts shall be in the name of the PCC. The PCC consents to the signing of contracts in line with the Financial Regulations.
- f) The PCC consents to the Chief Constable permission for the day to day financial management of the Capital programme within the authorised limits set out in the Financial Regulations.
- g) The PCC consents permission to the Chief Constable for the daily management and operation of all contracts within the limits set out in the Financial Regulations. This consent includes permission to undertake all steps necessary to prepare contracts up to the approval stage, sign the contract when it is within the agreed limits, pass to the PCC for approval when

limits are exceeded and to utilise the contract once entered into.

3.10.10. Personnel, HR, Payroll and Pensions

- a) manage, as far as is allowed by government directives, the numbers, locations, ranks and grading of police staff and police officers within the overall workforce budget approved by the Police and Crime Commissioner and in accordance with an overall workforce and development strategy approved by the Commissioner. However, posts at chief-officer level require the Commissioner to be consulted on a case by case basis and the Commissioner must give prior approval for any for Sensitive or strategic matters including but not limited to: the use of A19, redundancy programs, recruitment policy all of which would require the prior agreement by the Police and Crime Commissioner based on a business case to support their usage;
- b) authorise, in line with police staff conditions of service, the suspension or dismissal of any staff not appointed by the Police and Crime Commissioner;
- c) approve the retirement, in the interests of the efficiency of the service, of employees and will report to the Police and Crime Commissioner on this issue each year;
- d) approve payments under any bonus or performance-related payment schemes approved by the Police and Crime Commissioner, honoraria payments made for taking on extra duties and responsibilities, or similar special payments. However, all payments relating to the Chief Constable's Review/Bonus Scheme can only be approved by the Police and Crime Commissioner;
- e) approve the retirement of police officers and police staff up to and including the rank of Chief Superintendent on the grounds of ill health, and the payment of ordinary and ill-health pensions and other payments, as appropriate, following advice from the Force Medical Examiner or a medical practitioner. However, the Police and Crime Commissioner must be consulted on the retirement of the Deputy Chief Constable and Assistant Chief Constables. All ill-health retirements must be reported to the Police and Crime Commissioner via appropriate workforce performance reports to the Strategic Assurance Board, at least quarterly.
- f) May second his staff as he sees fit.
- g) May make staff redundant but must comply with the law including the *Employment Rights Act 1996* and the *Equality Act 2010*. However, if he intends to make an enhanced redundancy payment this must be done in consultation with the PCC, Chief Executive and the two Chief Finance Officers.

Working Agreements

- a) The PCC and Chief Constable have agreed to work together in co-operation to ensure the effective and efficient delivery of policing services. Notwithstanding their separate legal entities as Corporations Sole it is acknowledged that they have such interdependence as to require the sharing of significant areas of business support. Indeed, Section 2(5) of the *PRSR Act 2011* provides:
- b) "A Chief Constable must exercise the power of direction and control in such a way as is reasonable to assist the relevant Police and Crime Commissioner to exercise the Commissioner's functions."
- c) The sharing of business support for example Finance/Payroll, HR, ICT, Performance, Procurement etc. is not regarded as the provision of services by one to the other but rather a co-operative arrangement for the effective delivery of business support essential to the operation of both Corporation Sole. At all times, both Corporation Sole will operate to the

general principle of reasonableness, providing shared services where appropriate. The provision of business support by the Chief Constable to the PCC is to be funded from the budget provided by the PCC to the Chief Constable rather than under any separate arrangement.

- d) There is no intention on either part to create enforceable private law rights or liabilities in relation to the provision of such business support, however, the PCC and the Chief Constable will agree a Memorandum of Understanding which captures these arrangements and put in place Service level Agreements for these shared services to agree service level and manage expectations and workloads for both parties.

3.10.11. Other

- a) The Chief Constable will make necessary arrangements to involve and work with communities and partner organisations in order to solve local policing problems in accordance with the Police and Crime Plan and commissioning framework set by the Police and Crime Commissioner from time to time.
- b) The Chief Constable may not use funds provided by the Police and Crime Commissioner or insurances paid for by the Commissioner to bring any legal actions against any public body without the prior written permission of the Police and Crime Commissioner.
- c) The PCC consents to the publication of force performance data by the Chief Constable.

3.11. Urgent Matters

- a) If any matter which would normally be referred to the Police and Crime Commissioner (or Deputy PCC if appointed) for a decision arises and cannot be delayed, the matter may be decided by the appropriate chief officer as defined below.
- b) The appropriate chief officers authorised to decide urgent matters are:
- the Chief Executive (all issues other than operational matters);
 - the Chief Finance Officer (financial and related issues);
 - the Chief Constable (operational and financial issues affecting Leicestershire Police).
- c) Urgent decisions taken must be reported to the Police and Crime Commissioner as soon as practicably possible.

3.12. Key Role of the Chief Finance Officer of the Chief Constable

3.12.1. Introduction

- a) The Chief Constable's Chief Finance Officer ("CCCFO") is the financial adviser for the Force and has statutory responsibility to carry out the functions of the CCCFO as set out in the *Police Reform and Social Responsibility Act 2011* and Section 114 of the *Local Government Act 1988*.
- b) The CCCFO must ensure that the financial affairs of the Chief Constable and the Force are properly administered having regard to their probity, legality and appropriate standards.

3.12.2. Financial

- a) The CCCFO will undertake the day to day management of the budgets consented to the Chief Constable by the Police and Crime Commissioner always in accordance with these terms of consent and Financial Regulations and making regular, timely and relevant reports of out-turn against the annual budget explaining any and all material variances (being 5% of the

department's budget or £25,000 whichever is the greater).

- b) To commit revenue expenditure up to the approved annual budget levels to meet policies and objectives agreed with the Police and Crime Commissioner and as reflected in the Police and Crime Plan.
- c) To keep the Police and Crime Commissioner regularly informed of how the approved capital programme is put into effect setting out actual and forecast capital spend against planned spend in the capital programme.
- d) The CCCFO may only commit capital expenditure that has been subject to prior approval in the capital plan and following approval of a business case by the Commissioner if so required by its value or nature as set out in the section below.
- e) Within the revenue budget agreed between the Police and Crime Commissioner and the Chief Constable, the CCCFO may move budgets (vire) between departments and directorates or between subjective headings in accordance with Financial Regulations and subject to:
 - Proposed virements above £50,000 will be reported in the next available monitoring report to the Strategic Assurance Board and may be subject to review by the Police and Crime Commissioner.
 - Proposed virements above £100,000 and all permanent virements will be requested in the next available monitoring report to the Strategic Assurance Board and will only proceed with the express permission of the Police and Crime Commissioner (or Deputy PCC if appointed).
 - All virements being focused on delivering the outcomes described within the Police and Crime Plan and being within other relevant policies and strategies.
- f) All proposed capital budget requirements will be requested through the next available monitoring report to the Strategic Assurance Board and will only proceed with the express permission of the Police and Crime Commissioner (or Deputy PCC if appointed).

3.12.3. Policing Services to external organisations - income

- a) The approval of all Sensitive agreements or agreements with a total lifetime income value above £250,000 for the provision of policing or other services to organisations external to the Force requires the prior agreement of the Police and Crime Commissioner. (This does not apply to the provision of mutual aid by the Chief Constable to another Force under section 24 of the *Police Act 1996*, or the provision of advice or assistance to international organisations under the *Police Act 1996*, which are operational matters. However, these are subject to consultation with the Commissioner). The CCCFO will approve all non-Sensitive agreements or agreements with a total lifetime income value below £250,000.
- b) The Police and Crime Commissioner will consider non Sensitive or exceptional cases in the provision of police advice and assistance to international agencies as set out earlier.
- c) To provide all necessary information and records to the PCCCFO to allow him/her to carry out their statutory role.

3.12.4. Insurance

- a) Undertake the day to day management of the insurance function in line with the strategic approach to insurance approved by the Police and Crime Commissioner on an annual basis.

3.12.5. Procurement

- a) Any procurement process, contract or agreement may only be entered into in accordance

with this scheme of consent and where required with the express, prior, written agreement of the Commissioner to a final business case.

- b) Undertake the day to day management of the procurement function in accordance with the contract regulations. All contracts let will be in the name of the Police and Crime Commissioner.
- c) The approval of Sensitive contract exemptions or exemptions above the relevant EU tender limit in total lifetime value require the prior written agreement of the Police and Crime Commissioner.
- d) The Police and Crime Commissioner must be offered the opportunity to be involved (or nominate a representative) in the strategic evaluation stage for all Sensitive contract lets, renewals in excess of 12 months or those in excess of £B. The CCCFO will inform the Commissioner on a regular basis (at least quarterly) of forthcoming new contract lets and renewals focusing on Sensitive contracts and those above £B
- e) All electronic tenders received via the e-tendering system must be opened by a designated officer, who has been issued a login and password and has been set up as a verifier on the e-Tendering system. The Procurement Department will electronically verify tenders below the E.U. threshold. All electronic tenders received via the e-tendering system over the current E.U. thresholds will be electronically verified by the Office of the Police and Crime Commissioner.
- f) Where the electronic system is not used, tenders may be opened by trusted persons delegated by the Chief Constable who will maintain a record of tender opening, the bids received (who, value), the date, any conditions and who witnessed the process for inspection by the Police and Crime Commissioner from time to time.
- g) Late responses for both hard copy and electronic tenders, can only be considered if the 'on time' tenders have not been opened (for electronic tenders, once the verification process has started no further tender responses can be uploaded).

3.12.6. Signature and Common Seal

- a) The Police and Crime Commissioner is always required to sign for the approval of any award of any Sensitive contracts or the award of any contracts above £B (per Standing Orders on Contracts) in total value over the life of the contract or when considered in aggregate when a series of contracts may reasonably be aggregated. In addition, the common seal of the Commissioner is required as set out in 3.7.21. The CCCFO may approve any award of any non-Sensitive contracts or the award of any contracts below £B (per Standing Orders on Contracts)

3.12.7. Capital Approvals

- a) All capital approvals in a capital budget or programme are still subject to the requirements for individual scheme business case approval as below.

3.12.8. Business Cases

- a) This business case consent term will apply for any of the following:
 - any Sensitive proposed new capital expenditure
 - any Sensitive revenue expenditure (including but not limited to: unplanned recruitment, redundancy, outsourcing, shared services, collaboration with other Forces, public/private partnership)
 - any capital expenditure that is above £100,000 in total value over the life of an investment or contract

- any new revenue contract or service that is above £B in total value over the life of a contract.

Renewal of contracts is covered below.

- The CCCFO will present a full business case to the Commissioner with options analysis in sufficient time to consider the options (including alternatives and “do nothing”) and if required have time to amend any plans before any procurement is started or any commitment to a course of action is made.
- A business case must set out: the planned expenditure, the outcomes planned from the expenditure, how those outcomes will be measured, any cashable or non-cashable savings; timescales for implementation and delivery of outcomes and risks.
- When business cases with options are required to be considered by the Commissioner this must be before entering into a procurement process for such expenditure and before entering into any contract or agreement for such expenditure.

3.12.9. Variations and Extensions

- The approval of all variations and extensions of contracts that are Sensitive, extended for more than 12 months and/or with an original value of £B or more in total require the prior written agreement of the Police and Crime Commissioner. The CCCFO will approve all variations and extensions of contracts that are non-Sensitive, extended for less than 12 months and with an original value of below £B.

3.12.10. Termination

- The approval of the early termination of Sensitive contracts and/or those of £B or more in value in total require the prior written agreement of the Police and Crime Commissioner. The CCCFO will approve the early termination of non-Sensitive contracts below £B.

3.12.11. Land and Property

- The CCCFO will undertake the day to day management of the estates function subject to these provisions and subject to the provisions of the financial regulations.
- The CCCFO will keep a register of all property and major assets owned by the Police and Crime Commissioner or leased by him/her showing costs and the annual valuations and have this available for inspection at reasonable notice by the Commissioner or by the Commissioner’s Chief Executive Officer or Chief Finance Officer.
- The CCCFO may determine when all other goods are surplus to requirements or obsolete and arrange for their disposal in line with financial regulations.
- Subject always to the consent limits set out above, the CCCFO may buy or lease in the name of the Police and Crime Commissioner the vehicles, machinery, equipment and services needed to deliver the Police & Crime Plan outcomes and to make arrangements for them to be used, disposed of, returned and replaced as appropriate.
- The CCCFO may exercise the powers and duties of the *Police (Property) Regulations 1997* by:
 - authorising, where appropriate, requests to donate unclaimed lost property to charity; and
 - approve the keeping of unclaimed lost property if it can be put to good use for police purposes.

3.13. Key Role of the Head of Legal Services

3.13.1. The financial settlement of all claims or requests for compensation require the prior approval of the Police and Crime Commissioner except for those that are non-Sensitive because:

- The compensation to be paid is £25,000 or less (to include multiple or linked claims/claimants) except in the case of accident claims where the threshold will be £50,000 or less and for ex gratia payments for damage caused by officers and staff where the threshold will be £10,000 or less.
- there is no particular public interest in the case
- there is no risk that the Police and Crime Commissioner or the Force will be exposed to serious public criticism, or that serious weaknesses in the organisation or policies and procedures will be revealed.
- it is not in the nature of a test case.

3.13.2. All such financial settlements must be recorded and reported quarterly to the Strategic Assurance Board.

3.13.3. The Police and Crime Commissioner must approve all requests for financial assistance to officers and staff involved in legal proceedings.

3.13.4. The Head of Legal may :

- institute, defend or participate in legal actions to protect the interests of the Force;
- provide advice, institute and defend legal proceedings on behalf of the Police and Crime Commissioner when requested to do so;

3.13.5. All such settlements must be recorded and reported quarterly to the Strategic Assurance Board.

3.14. Key role of the Assistant Chief Officer (Human Resources)

3.14.1. The ACO of HR will:

- a) be responsible for managing the staff (payroll and pensions managed by the Director of Finance), strategic advice on pensions and general employment affairs for the police officers and staff who are under the direction and control of the Chief Constable and, by agreement, for the staff of the Office of the Police and Crime Commissioner;
- b) appoint Leicestershire civilian staff (after consultation with the Police and Crime Commissioner on posts above the civilian staff equivalent of the rank of Chief Superintendent);
- c) approve the appointment or secondment of police officers for central services or overseas duty in consultation with the Police and Crime Commissioner;
- d) grant leave with pay, and the payment of appropriate fees and charges, for police officers chosen to take degree courses at university, in line with the terms of any approval given by the Secretary of State;
- e) bring national agreements (until such time as local agreements are negotiated) on salaries, wages and conditions into effect on the clear understanding that any issues which are Sensitive or have major financial implications will be referred to the Police and Crime Commissioner for a decision;
- f) negotiate with, and reach agreements with, recognised trade unions and staff associations on any matters that can be decided locally. All agreements reached must be reported back to the

Police and Crime Commissioner and require the Police and Crime Commissioner's prior approval for all such agreements that are Sensitive;

- g) grant car-user allowances subject to consultation on the policy with the Police and Crime Commissioner;
- h) make awards under any staff-suggestion scheme;
- i) subject to the prior approval of the Chief Executive, issue certificates to staff who have asked to be made exempt from political restrictions under the correct legal provisions (recognising that current drafting of legislation implies that no one under the direction and control of the Chief Constable is politically restricted);

3.14.2. The Assistant Chief Officer of HR may:

- a) settle employment tribunal cases and grievances of staff under the direction and control of the Chief Constable with the exception of those cases felt to be Sensitive, novel, contentious or potentially repercussive and/or those cases where:
 - they involve a high profile claimant
 - there is a particular public interest in the case
 - there is a real risk that the Police and Crime Commissioner or the Constabulary will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed.

FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS

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Section F – Contract Standing Orders

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Section H – Guidance Notes on Breaches of Standing Orders or Financial Regulations

Section I – Anti Fraud and Corruption Strategy and Fraud Response Plan

INTRODUCTION

PURPOSE

1. The purpose of this document is to set out the Financial Regulations that apply to the Police and Crime Commissioner for Leicestershire (PCC), all staff in his/her office, the Chief Constable and police officers and police staff within the Leicestershire Police Force having due regard to the overall regulatory framework of their approach to financial management.
2. To conduct business effectively, sound financial management policies are essential and they must be strictly adhered to. Part of this process is to adopt and implement Financial Regulations. These Regulations have been drawn up in such a way as to ensure that the financial affairs of the PCC and the Chief Constable are conducted properly and in compliance with all necessary requirements. They also seek to reinforce the standards of conduct in public life required by the PCC, the Chief Constable, police officers, police staff and staff within the Office of the PCC and in particular the need for openness, accountability and integrity.
3. The Regulations are designed to establish financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their officers and staff and to provide clarity about the financial accountabilities of groups or individuals and anyone acting on their behalf.
4. They reflect the application of best practice and the requirements of legislation. In particular they seek to meet the criteria set out in the *Financial Management Code of Practice* issued by the Home Office under Section 17 of the *Police Reform and Social Responsibility Act 2011* and Section 39 of the *Police Act 1996* which permits the Secretary of State to issue codes of practice to all police and crime commissioners and chief constables.
5. The PCC and the Chief Constable are established in law as corporations sole within the *Police Reform and Social Responsibility Act 2011*. 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.
6. The public accountability for the delivery and performance of Leicestershire Police rests with the PCC on behalf of the electorate. The PCC has an electoral mandate to set the strategic direction of the Force in consultation with the Chief Constable. The Chief Constable is accountable to the PCC. The Police and Crime Panel provides the check and balance by holding the PCC to account.
7. The PCC may appoint a Deputy PCC who may exercise the functions of the PCC set out in the Scheme of Governance.
8. The PCC is the recipient of all funding, including the government grants, precept and other sources of income, related to policing and crime reduction and all funding for the Force must come via the PCC. The PCC is responsible for allocating this funding in consultation with the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.
9. The PCC is required to appoint a Chief Executive and Monitoring Officer and he/she and the Chief Constable are each required to appoint a Chief Finance Officer (CFO).

STATUS

10. These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and corporate governance framework that includes the *Policing Protocol*, codes of conduct, the scheme of governance, within which are described levels of delegation and Standing Orders Relating to Contracts.
11. The PCC, Chief Constable and all officers and staff have a general duty to take reasonable

action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.

12. Financial Regulations explain the working financial relationship between the PCC and the Chief Constable and their respective CFOs, and to the role played by the PCC's Chief Executive and Monitoring Officer.
13. The PCC is responsible for approving or amending Financial Regulations in consultation with the Chief Constable. The PCC's CFO is responsible for maintaining and reviewing of Financial Regulations and submitting any additions or amendments to the PCC, for consultation with the Chief Constable, after consulting with the Chief Constable's CFO and the Chief Executive. Copies will be available on the PCC's website and on the Force Intranet.
14. A delegation in these Financial Regulations to a Chief Officer shall permit further delegation to other officers provided that the terms of the delegation are clearly documented.
15. More detailed Financial Instructions to supplement these Regulations, shall be issued by the Chief Constable after consultation with the PCC's CFO 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 PCC's CFO and/or Chief Constable's CFO who shall determine, after consulting with the Monitoring Officer, whether the matter shall be reported to the PCC and/or Chief Constable. Further guidance is set out in Section H.
18. The PCC and all officers and staff have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.
19. The Financial Regulations shall only be suspended by a formal decision of the PCC.

THE FINANCIAL REGULATIONS

20. The Financial Regulations are divided into a number of sections. References are made in the individual sections to delegated limits of authority with the actual value of each limit is set out in Section G. Changes to delegated limits can then be made without reviewing the whole document.
 - Section A - Financial Management Framework
 - Section B - Financial Planning and Control
 - Section C - Management of Risk and Resources
 - Section D - Systems and Procedures
 - Section E - External Arrangements
 - Section F - Contract Standing Orders
 - Section G - Delegated Limits
 - Section H - Guidance Notes on Breaches of Standing Orders or Financial Regulations
 - Section I - Anti Fraud and Corruption Strategy and Fraud Response Plan
21. The Regulations will be supplemented by more detailed Financial Instructions issued by the Chief Constable after consultation with the PCC's CFO and the Chief Executive. The Financial Instructions will be available on the Force Intranet.

DEFINITIONS WITHIN THE REGULATIONS

22. These Regulations refer to:

- The Police and Crime Commissioner for Leicestershire (the PCC)
- The Office of the PCC (OPCC)
- The Chief Constable of Leicestershire Police
- The Statutory Officers
- The Force (being Leicestershire Police)

23. The Statutory Officers are:

- The PCC's Chief Finance Officer (PCCCFO)
- The Chief Constable's Chief Finance Officer (CCCFO)
- The Chief Executive who also fulfils the role of Monitoring Officer

24. The 'Force' refers to the Chief Constable, police officers, police staff, police community support officers (PCSOs), special constabulary, volunteers and other members of the wider police family under the Chief Constable's direction and control.

25. "Chief Officers" when referred to as a generic term means the Chief Constable, Chief Executive, PCCCFO and CCCFO.

26. 'Employees' when referred to as a generic term refers 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. 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 PCCCFO, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Executive or PCCCFO.

31. The terms Chief Constable, Chief Executive, PCCCFO and CCCFO 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.

The Police and Crime Commissioner (PCC)

32. The PCC has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the Chief Constable to account on behalf of the public. The PCC is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. 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 governance. 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.

33. The PCC shall appoint a Chief Financial Officer (the PCCCFO) to be responsible for the proper administration of the Commissioner's financial affairs. The PCC shall also appoint a Chief Executive who will also act as the PCC's Monitoring Officer and Head of Paid Service.
34. 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/she is responsible for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes:
 - the Police and Crime Plan
 - the Medium Term Financial Strategy including medium term financial forecasts (MTFS)
 - the Annual Revenue Budget
 - the Capital Programme
 - the Treasury Management Strategy, including the annual investment strategy and minimum revenue provision (MRP) policy
 - the Estate Strategy and Asset Management plans
 - the People and Learning and Development strategies
 - the IT Strategy
 - the Risk Management Strategy
 - the Governance policies
35. The PCC is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
36. The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
37. The PCC shall provide the PCCCFO with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed.
38. The PCC may appoint a Deputy PCC (DPCC) and arrange for the DPCC to carry out appropriate functions of the PCC delegated to him/her.

The Deputy Police and Crime Commissioner (DPCC)

39. The DPCC may exercise any of the functions conferred on him by the PCC as detailed in the Scheme of Governance.

The Chief Constable

40. The role of the Chief Constable and relationship with the Police and Crime Commissioner is set out in the scheme of delegation under the heading "The Key Role of the Chief Constable".
41. The Chief Constable shall prepare Financial Instructions to supplement the Financial Regulations and provide detailed advice on the operation of the specific financial processes delegated to him/her. He/she 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 Joint Audit, Risk and Assurance Panel

42. 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 the Chief Constable shall have regard to *CIPFA Guidance on Audit Committees* and principles of good practice set out in the *HM Treasury Audit Committee Handbook*.

43. The Police and Crime Commissioner for Leicestershire has decided to undertake the function of the Audit Committee through the Joint Audit, Risk and Assurance Panel (JARAP). The JARAP comprise of five members who are independent of the PCC and the Force.
44. The JARAP shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis.
45. The PCC and Chief Constable shall be represented at all meetings of the JARAP.

THE ROLE OF THE STATUTORY AND KEY OFFICERS

The Police and Crime Commissioner's Chief Finance Officer (PCCCFO)

1. The PCCCFO has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
2. The PCCCFO's statutory responsibilities are set out in:
 - a) Paragraph 6 of Schedule 1 to the *Police Reform and Social Responsibility Act 2011*;
 - b) Section 114 *Local Government Finance Act 1988* (formal powers to safeguard lawfulness and propriety in expenditure); and
 - c) *The Accounts and Audit Regulations 2011*.
3. The PCCCFO is the PCC's professional adviser on financial matters and shall be responsible for:
 - a) ensuring that the financial affairs of the PCC are properly administered and that Financial Regulations are observed and kept up to date;
 - b) ensuring regularity, propriety and Value for Money (VfM) in the use of public funds;
 - c) ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges;
 - d) 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;
 - e) advising the PCC on the robustness of the estimates and the adequacy of financial reserves;
 - f) preparing the annual statement of accounts, in conjunction with the CCCFO;
 - g) ensuring the provision of an effective internal audit service, in conjunction with the CCCFO;
 - h) securing the treasury management function, including loans and investments;
 - i) advising, in consultation with the Chief Executive on the safeguarding of assets, including risk management and insurance;
 - j) arranging for the determination and issue of the precept;
 - k) liaising with the external auditor; and
 - l) advising the PCC on the application of value for money principles by the Force to support the PCC in holding the Chief Constable to account for efficient and effective financial management.
4. The PCCCFO, in consultation with the Chief Executive, CCCFO and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of the OPCC and the Force.

5. The PCCCFO 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.
6. To enable him/her to fulfil these duties and to ensure the PCC is provided with adequate financial advice the PCCCFO:
 - a) 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;
 - b) 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;
 - c) 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
 - d) must ensure that the finance function is resourced to be fit for purpose.

The Chief Constable's Chief Finance Officer (CCCFO)

7. The CCCFO has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
8. The CCCFO is responsible to the Chief Constable for all financial activities within the Force or contracted out under the supervision of the Force.
9. The CCCFO's responsibilities are set out in:
 - a) Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the *Police Reform and Social Responsibility Act 2011*;
 - b) Section 114 *Local Government Finance Act 1988* (formal powers to safeguard lawfulness and propriety in expenditure); and
 - c) The *Accounts and Audit Regulations 2011*.
10. The CCCFO is responsible for:
 - a) ensuring that the financial affairs of the Force are properly administered and that these Financial Regulations are observed and kept up to date;
 - b) Reporting to the Chief Constable, the PCC, the PCCCFO 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;
 - c) advising the Chief Constable on value for money in relation to all aspects of the Force's expenditure;
 - d) advising the Chief Constable and the PCC on the soundness of the budget in relation to the Force;
 - e) liaising with the external auditor;
 - f) working with the PCCCFO and his/her staff to produce the statement of accounts for the Chief Constable and to assist in the production of group accounts.
11. The CCCFO 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 CCCFO will need to observe the locally agreed timetable for the compilation of

the group accounts by the PCCCFO.

12. To enable him/her to fulfil these duties the CCCFO:

- a) 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;
- b) 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;
- c) 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
- d) must ensure that the finance function is resourced to be fit for purpose.

13. It must be recognised that Financial Regulations cannot foresee every eventuality. The CCCFO, in consultation with the PCCCFO, shall be responsible for interpreting these Regulations so as to ensure the efficient and effective operation of services.

The Chief Executive and Monitoring Officer

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

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

16. As Monitoring Officer he/she is responsible for:

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

SECTION A

FINANCIAL MANAGEMENT FRAMEWORK

A1 FINANCIAL MANAGEMENT STANDARDS

Overview

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

Joint Responsibilities of the PCCCFO and CCCFO

3. To ensure the proper administration of the financial affairs of the OPCC and the Force.
4. To ensure that proper practices are adhered to.
5. To advise on the key strategic controls necessary to secure sound financial management.
6. To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons based on national and local financial performance indicators.
7. To ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
8. To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.

Responsibilities of the Chief Constable

9. The Chief Constable shall ensure that specific duties and responsibilities in financial matters are made clear to individual employees and that these are properly recorded.

A2 ACCOUNTING SYSTEMS, RECORDS AND RETURNS

Overview

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

Joint Responsibilities of the PCCCFO and CCCFO

2. To determine the accounting policies and procedures to be adopted, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the Chief Constable. All employees shall operate within the required accounting policies and published timetables.
3. To make proper arrangements for the audit of the PCC's, Force's and group accounts in accordance with the *Accounts and Audit Regulations 2011*.
4. To ensure that all claims for funds including grants are made by the due date.
5. To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis.
6. To prepare and publish the audited accounts in accordance with the statutory timetable.

Joint Responsibilities of the Chief Constable and CCCFO

7. To obtain the approval of the PCCCFO before making any fundamental changes to accounting records and procedures or accounting systems.
8. To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
9. To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.
10. To ensure that prime documents are retained in accordance with legislative and internal requirements. The format of such documents shall satisfy the requirements of internal and external audit. The PCCCFO, the Chief Executive and the Chief Constable shall be responsible for providing a detailed schedule of requirements and making this available to all appropriate officers.

A3 THE ANNUAL STATEMENT OF ACCOUNTS

Overview

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

Responsibilities of the PCCCFO

4. To draw up the timetable for final accounts preparation, in consultation with the CCCFO and external auditor.
5. To prepare (or secure the preparation of), sign and date the statement of accounts, stating that it presents a true and fair view of the financial position of the OPCC and the Force at the accounting date and its income and expenditure for the financial year just ended.
6. To publish the approved and audited accounts each year, in accordance with the statutory timetable.

Joint Responsibilities of the PCCCFO and CCCFO

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

Responsibilities of the CCCFO

10. To produce the statement of accounts for the Chief Constable in compliance with accounting guidance agreed with the PCCCFO and to supply him with appropriate information upon request within a reasonable timescale.

Responsibilities of the PCC

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

SECTION B

FINANCIAL PLANNING AND CONTROL

B1 FINANCIAL PLANNING

Overview

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

Medium Term Financial Strategy

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

Responsibilities of the PCC

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

Joint Responsibilities of the PCCCFO and Chief Constable

8. To determine the format and timing of the medium term financial strategy to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
9. To prepare a 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 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
10. To ensure that the medium term financial forecast includes options for the use of general balances, reserves and provisions, assumptions about future levels of Government funding and demonstrates potential implications for local taxation.
11. A gap may be identified between available resources and required resources. Requirements should therefore be prioritised by the Chief Constable to enable the PCC to make informed judgements as to future funding levels and planning the use of resources.

Annual Revenue Budget Preparation

Overview

1. The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCC's strategic policies. It provides 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. 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 and the PCC against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Local Government Act 2003) and be completed in accordance with the statutory timeframe.
3. The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium term financial strategy should be clearly identified.

Responsibilities of the PCC

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

Responsibilities of the PCCCFO

7. To determine the format of the revenue budget to be presented to the PCC in consultation with the Chief Constable. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
8. To obtain timely and accurate information from billing authorities on the council taxbase and the latest surplus/deficit position on collection funds to inform budget deliberations.
9. To advise the PCC on appropriations from/to and/or the appropriate level of general balances,

earmarked reserves or provisions to be held.

10. To submit a report to the PCC on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities. These indicators shall be consistent with the annual revenue budget and capital programme approved by the PCC.
11. Upon approval of the annual budget, to submit the council tax requirement return to Central Government and precept requests to appropriate bodies in accordance with the legal requirement.
12. To produce and issue information required by the billing authorities to explain how the precept will be used to pay for the cost of policing, in accordance with statutory requirements.

Joint Responsibilities of the Chief Constable and CCCFO

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

B2 BUDGETARY CONTROL

Overview

1. Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling both the Chief Constable and PCC to review and adjust their budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
2. The key controls for managing and controlling the revenue budget are that:
 - 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 Budget Monitoring

Overview

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

Joint Responsibilities of the Chief Constable and CCCFO

2. To provide appropriate financial information to enable budgets to be monitored effectively.
3. To ensure that each element of income or expenditure has a nominated budget manager to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits expenditure.
4. To ensure that total spending for operational policing remains within the overall allocation of resources and take 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 PCCCFO and PCC shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the PCC.
5. To submit a monthly budget monitoring report to the PCC through the Strategic Assurance Board throughout the year, containing the most recently available financial information. The reports shall be in a format agreed with the PCC and PCCCFO and shall include forecasts of outturn and consequent impacts on balances and reserves.
6. To ensure that budget holders manage income and expenditure within their area, monitor performance and report variances within their own areas to the Chief Constable and CCCFO.
7. To take any action necessary to avoid an adverse variation to their budget allocation and alert the Chief Constable and PCCCFO to any problems.
8. To require detailed budget monitoring to be undertaken by budget holders on a monthly basis and for this to be reported to the CCCFO.
9. To ensure that budget holders receive sufficient financial support to enable them to undertake

their budgetary control responsibilities.

10. To refer major revenue projects back to the PCC for further approval where, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown in Section G.

Joint Responsibilities of the Chief Constable and the PCCCFO

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

Responsibility of the PCCCFO

12. To co-ordinate a joint budget monitoring report for presentation to the PCC through the Strategic Assurance Board and to the Police and Crime Panel, as necessary, containing the most recently available financial information.

Joint Responsibilities of the Chief Executive and PCCCFO

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

Revenue Virement

Overview

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

Responsibilities

5. The limits that apply on virements between budget headings are defined in Section G.
6. The exceptions to the above framework are that:

Virement is not permitted in relation to financing items such as asset charges or where a proposal would adversely affect long term revenue commitments of the Force and the PCC.

7. Budget lines will be cash limited and defined each year as part of the budget approval.
8. All requests for virement must be made in the format prescribed by the PCCCFO and/or CCCFO and information on the virements within the limits set out in section G will be available to support budget monitoring report information.
9. The approval of the PCC shall be required if the virement involves:
 - a) a substantial change in
 - 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.

Treatment of Year End Balances

Overview

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

Joint Responsibilities of the PCCCFO and the CCCFO

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

Responsibilities of the PCC

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

B3 CAPITAL PROGRAMME

Overview

1. Capital expenditure involves acquiring or enhancing fixed assets with a long-term value, 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. Capital investment can be undertaken providing the spending plans are affordable, prudent and sustainable. CIPFA's Prudential Code sets out the framework under which the PCC will consider his/her spending plans.
3. The capital programme is linked to the Estates Strategy and other strategies involving proposals for significant investment in capital assets which must be included within the approved Medium Term Financial Strategy.

Responsibilities of the Chief Constable

4. To develop and implement approved Estate strategy and asset management, ICT and other such plans.

Joint Responsibilities of the PCCCFO and Chief Constable

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

Responsibilities of the PCC

6. To approve the Estate Strategy and asset management plans together with other strategies involving proposals for significant investment in capital assets.
7. To approve the capital programme.

Joint Responsibilities of the Chief Constable and CCCFO

8. To prepare a rolling programme of proposed capital expenditure for a similar period to the Police and Crime Plan, for consideration and approval by the PCCCFO and PCC. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
9. To prepare business cases for all schemes that are for Sensitive expenditure or for projects exceeding £100,000 in total value over the life of an investment or contract. These will be presented to the PCCCFO and PCC for consideration and scheme approval. This will include all additional revenue and capital costs and provide evidence of the scheme's viability for inclusion.
10. To ensure that each capital project has a named officer responsible for sponsoring the scheme, monitoring progress and ensuring completion of the scheme.
11. To identify, in consultation with the PCCCFO, available sources of funding the capital programme, including the identification of potential capital receipts from disposal of property or other assets.
12. To prioritise requirements so that if a gap is identified between available resources and required capital investment the PCC can make informed judgements as to which schemes should be included in the capital programme, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.

13. Not to incur capital expenditure unless the scheme is approved by the PCC apart from professional fees (e.g. feasibility studies, planning fees).

Responsibilities of the PCCCFO

14. 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

15. To approve a fully funded medium term capital programme.

Annual Capital Programme

Responsibilities of the PCC

16. To agree the annual capital programme, including in-year adjustments, and how it is to be financed, including assuring alignment with the Treasury Management Strategy

Responsibilities of the Chief Constable

17. To incur expenditure, providing the project appraisal has been approved and on the costs of the schemes is included within the approved capital programme and provided cost variations do not exceed the sum contained in the approved programme by more than the amounts identified in Section G.
18. To ensure that property leases, finance leases or other credit arrangements with the value or term above the limits set out in Section G are not entered into without the prior approval of the PCCCFO.

Monitoring of Capital Expenditure

Responsibilities of the Chief Constable

19. To ensure that adequate records are maintained for all capital contracts.
20. To ensure, as far as is reasonably possible, that schemes are delivered on time, on budget and to the standard required.

Joint Responsibilities of the Chief Constable and the PCCCFO

21. To monitor progress of the capital programme and expenditure throughout the year against the approved programme.
22. To submit capital monitoring reports to the PCC on a regular basis throughout the year. 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 PCCCFO.
23. 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.
24. To demonstrate how any amendments to the programme increasing the overall costs are to be funded.

Joint Responsibilities of the PCCCFO and the CCCFO

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

B4 MAINTENANCE OF BALANCES AND RESERVES

Overview

1. The PCC must decide the level of general reserves he wishes to retain before he can decide the level of council tax precept. 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 PCCCFO

2. To advise the PCC on reasonable levels of balances and reserves.
3. To report to the PCC on the adequacy of balances and reserves before he/she approves the annual budget and precept.
4. To receive a monthly update on the appropriations to and from each earmarked reserve and to approve all appropriations to and from the Budget Equalisation Reserve and the General Reserve and all those above £50,000. These will be separately identified in the Annual Statement of Accounts.

Responsibilities of the Chief Constable

5. To ensure that foreseeable operational needs are met within the annual revenue budget without having to request additional approval.
6. To present a business case to the PCCCFO and PCC for one-off expenditure items to be funded from earmarked and/or general reserves.
7. To meet operational requirements on a monthly basis to approve appropriations to and from earmarked reserves (for example insurance) up to a limit of £50,000, with the exception of the Budget Equalisation Reserve and the General Reserve.

Responsibilities of the PCC

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

SECTION C

MANAGEMENT OF RISK AND RESOURCES

C1 RISK MANAGEMENT AND BUSINESS CONTINUITY

Overview

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

Joint Responsibilities of the PCC and Chief Constable

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

Responsibilities of Chief Officers / Chief Executive

4. To prepare a risk management policy statement and for promoting a culture of risk management awareness throughout the Force and OPCC and reviewing risk as an ongoing process.
5. To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.
6. To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis

Responsibilities of the PCCCFO

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.
8. To arrange for regular reviews to be undertaken of self-insurance arrangements and, following these reviews, to recommend to the PCC a course of action to ensure that, over the medium term, funds are available to meet all known liabilities.

Responsibilities of the Chief Constable

9. To ensure, in consultation with the PCCCFO, that appropriate insurance cover is provided, including where new risks are identified or circumstances affecting risks change.
10. To administer insurance matters including the settlement of liability claims.

11. To notify the PCCCFO of any significant claims.
12. To notify the Chief Executive of any terms of indemnity that are requested.
13. To ensure that claims made against insurance policies are made promptly.
14. To make all appropriate employees aware of their responsibilities for managing relevant risks
15. To ensure that employees, or anyone covered by the Force and OPCC 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.
16. To ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk.
17. To settle civil claims in accordance with the arrangements set out in Section G.

Responsibilities of the Chief Executive

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

C2 INTERNAL CONTROLS

Overview

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

Responsibilities of Chief Officers

4. To implement effective systems of internal control, in accordance with advice from the PCCCFO and CCCFO. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
5. To ensure that effective key controls exist and are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.
6. To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.

Joint Responsibilities of the Chief Executive and Chief Constable

7. To produce individual Annual Governance Statements for the OPCC and Force for consideration and approval by the PCC and Chief Constable respectively. The PCCCFO and CCCFO will be responsible for identifying and rectifying any inconsistencies between the two Statements. Following approval, the Annual Governance Statements should be signed by the Chief Executive and PCC, and the Chief Constable and CCCFO respectively.

C3 AUDIT REQUIREMENTS

Internal Audit

Overview

1. Internal audit is an assurance function that provides an independent and objective opinion to an organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
2. The requirement for an internal audit function for local authorities is either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their financial affairs". 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. In fulfilling this requirement the PCC and Chief Constable should have regard to the Code of Practice for Internal Audit in Local Government in the United Kingdom issued by CIPFA. The Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.
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 Joint Audit, Risk and Assurance Panel (JARAP)

5. To approve the terms of reference within which internal audit operates. In terms of internal audit the Terms of Reference 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;
 - Endorsing the annual internal audit plan;
 - Overseeing and giving assurance to the PCC and Chief Constable on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk;
 - Considering the Head of Internal Audit's Annual Report and annual opinion on the internal control environment for the PCC and Force; ensuring appropriate action is taken to address any areas for improvement; and
 - Reviewing and monitoring the effectiveness of policies on fraud, irregularity and corruption.
 - To receive and respond to the respective reports giving opinions on risk management governance and controls for the Force and the OPCC.
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 Statements;
- how Internal Audit's work will identify and address significant local and national issues and risks;
- how the service will be provided, i.e. internally, externally, or a mix of the two; and what resources and skills are required for the delivery of the strategy; and
- the resources and skills required to deliver the strategy.

Joint Responsibilities of the PCC and Chief Constable

7. To ensure the provision of an adequate and effective internal audit service which the JARAP will oversee in order to provide assurance to the PCC and Chief Constable.

Joint Responsibilities of the PCC, Chief Constable, PCCCFO and CCCFO

8. To ensure that internal auditors, having been security cleared, have the authority to:
 - access police and OPCC premises at reasonable times;
 - access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance;
 - receive any information and explanation considered necessary concerning any matter under consideration;
 - require any employee to account for cash, stores or any other police and PCC assets under their control; and
 - access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
9. To ensure that Internal Audit has direct access to all Chief Officers and employees, where necessary.

Responsibilities of the Head of Internal Audit

10. To prepare, in consultation with the PCC, Chief Constable, PCCCFO and CCCFO, an annual audit plan that conforms to the CIPFA Code of Practice, for consideration by the JARAP.
11. To attend meetings of the JARAP and to present periodically a report on the progress in delivering the annual plan and the matters arising from audits. Annual reports are produced on the extent to which agreed actions in response to issues raised in the audit reports have been delivered on a sample basis.
12. To present an annual report to the JARAP, including an opinion on the effectiveness of the internal control environment in within the Force and OPCC.

Responsibilities of Chief Officers

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 CCCFO

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 PCCCFO and

Internal Audit prior to implementation, with any comments taken into consideration.

15. To notify the PCCCFO immediately of any suspected fraud, theft, bribery, irregularity, improper use or misappropriation of police 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 Chief Constable's Head of Professional Standards, the PCCCFO, the CCCFO and the Head of Internal Audit referred to in the Anti-Fraud and Corruption Strategy and Fraud Response Plan set out in Section I.

External Audit

Overview

1. Public Sector Audit Appointments Ltd (PSAA) is responsible for appointing external auditors to local and other authorities and to police Forces and elected policing bodies (PCCs). The Statement of responsibilities of auditors and audited body: Principal Local Authorities and Police Bodies prescribes the way in which auditors appointed by PSAA carry out their functions under the Local Audit and Accountability Act 2014. The external auditor has rights of access to all documents and information necessary for audit purposes.
2. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, the Local Audit and Accountability Act 2014 and the Local Government Act 1999. The statement of responsibilities sets out the auditor's objectives to review and report upon:
 - the financial aspects of the audited body's corporate governance arrangements;
 - the audited body's financial statements; and
 - aspects of the audited body's arrangements to secure Value for Money.
3. In auditing the annual accounts the external auditor must satisfy themselves, in accordance with Part 5 of the 2014 Act, that:
 - the accounts comply with the relevant regulations;
 - proper practices have been observed in the preparation of the statement of accounts, and that the statement presents a true and fair view; and
 - the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.
4. The 2014 Act sets out other specific responsibilities of the auditor, for example under schedule 7 reports and recommendations.

Responsibilities of the JARAP

5. To act, under the Auditing Practices Board's International Auditing Standard 260 (IAS260), as the body "charged with governance", to whom the auditors report any significant findings before giving the audit opinion.
6. To endorse the annual audit plan and fee
7. To receive and respond to all annual governance reports including ISA260, Annual Audit

Letters, interim audit reports etc.

Joint Responsibilities of the PCCCFO and CCCFO

8. 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.
9. To provide the Home Office with a copy of the Annual Audit Letter.

Joint Responsibilities of the Chief Constable and PCCCFO

10. To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
11. To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.

Other Inspection Bodies

Overview

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

Joint Responsibilities of the PCC and the Chief Constable

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

C4 PREVENTING FRAUD AND CORRUPTION

Overview

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

Joint Responsibilities of the PCC and Chief Constable

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

Joint Responsibilities of the Chief Executive, PCCCFO and Chief Constable

11. To prepare an effective Anti-Fraud and Corruption Strategy and Fraud Response Plan for approval by the PCC and Chief Constable.
12. To adhere to appropriate legislation, e.g. the Public Disclosure for 1998.
13. To arrange for any suspected incidents of fraud or corruption to be reported in line with the protocol agreed between the Chief Constable's Head of Professional Standards, the PCCCFO, the CCCFO and the Head of Audit and for these to be unrestricted in line with the agreed Anti-Fraud and Corruption Strategy and Fraud Response Plan.
14. To ensure that support is given to the National Fraud Initiative (NFI) through the timely supply of appropriate data.

C5 ASSETS

Overview

1. Assets are held in the form of land, property, vehicles, equipment and other items, together worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, that there are arrangements for the security of both assets and information required for service operations and that proper arrangements exist for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management which provides information about assets so that they are:
 - Accurately recorded and classified;
 - Safeguarded against loss;
 - Used efficiently and effectively;
 - Adequately maintained; and
 - Valued in accordance with statutory and management requirements.

Context

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, the Chief Constable can acquire property (other than land or buildings) in the name of the PCC and as set out in the Scheme of Governance.
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.
4. The PCC should consult the Chief Constable in planning the budget and developing a medium term financial strategy. Both of these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

Joint Responsibilities of the PCC and Chief Constable

5. To ensure that:
 - a) assets are only used for the purposes of the Force and the OPCC and are available for use when required and are properly accounted for;
 - b) an asset register is maintained that provides information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements;
 - 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 land owned by the PCC are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate;
 - e) title deeds to PCC property are held securely;
 - f) no PCC asset is subject to personal use by an employee without proper authority;
 - g) valuable and portable items such as computers, cameras and DVD recorders are identified with security markings as belonging to the Force or OPCC;
 - h) all employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of the Data Protection Act and software copyright legislation;
 - i) assets no longer required are disposed of in accordance with the law and these financial regulations; and
 - j) all employees are aware of their responsibilities with regard to safeguarding the security of Force and OPCC ICT systems, including maintaining restricted access to the information

held on them and compliance with the information and security policies.

Valuation

Responsibilities of the Chief Constable

1. To ensure that an asset register is maintained for all fixed assets with a value in excess of the limits shown, in a form approved by the PCCCFO.
2. To ensure that assets are recorded when they are acquired by the Force or the PCC shall remain on the asset register until disposal and valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* and the requirements specified by the PCCCFO.

Inventories

Responsibilities of the Chief Constable

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

Responsibilities of the PCC

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

Stocks and Stores

Responsibilities of the Chief Constable

1. To make arrangements for the care, custody and control of the stocks and stores of and maintain detailed stores accounts in a form approved by the PCCCFO.
2. 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. Discrepancies between the actual level of stock and the book value of stock may be written-off, in consultation with the PCCCFO.
4. To write-off obsolete stock, up to the limits shown in Section G. Amounts for write off above this value must be referred to the PCCCFO for approval supported by a written report.

Responsibilities of the PCCCFO

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

Intellectual Property

Overview

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

Responsibilities of the Chief Constable

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

Responsibilities of the Chief Executive

5. To prepare guidance on intellectual property procedures and ensuring that employees are aware of these procedures.

Joint Responsibilities of the Chief Constable and PCC

6. To approve the intellectual property policy.

Asset Disposal

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

Responsibilities of the Chief Constable

2. To dispose of surplus land and buildings, vehicles and items of equipment up to the estimated value shown in Section G.
3. To dispose of items above the value in Section G by public auction or sealed bids after advertisement.
4. To record all asset disposals in the asset register or inventory as appropriate.

Joint Responsibilities of the PCCCFO and CCCFO

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

C6 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Treasury Management

Overview

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

Responsibilities of the PCC

3. To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice.
4. To approve the annual TMSS including the annual investment strategy and MRP policy.
5. To receive and approve an annual report on treasury management activity and as a minimum a Mid Term Review report.

Responsibilities of the PCCCFO

6. To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance
7. To prepare reports for the Strategic Assurance Board (or arrange for report to be prepared) on the PCCs treasury management policies, practices and activities, including, as a minimum, an annual TMSS, including annual investment strategy and MRP policy.
8. To arrange for the secure execution and administration of treasury management in accordance with the CIPFA Code and the PCC's policy.
9. To arrange borrowing and investments, in compliance with the CIPFA Code.
10. To ensure that all investments and borrowings are made in the name of the PCC.
11. To ensure that there are secure arrangements for holding on account such monies as those arising from seizures under the Proceeds of Crime Act.

Banking Arrangements

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

Responsibilities of the PCCCFO

2. To have overall responsibility for the banking arrangements for the PCC.
3. To produce a policy on the establishment and maintenance of bank accounts, in consultation with the CCCFO.
4. To authorise the opening and closing of all PCC bank accounts. No other employee shall open a bank account unless they are performing a statutory function (e.g. PCCCFO of a charitable body) in their own right
5. To ensure that appropriate arrangements are in place for bank reconciliations to be undertaken on a timely and accurate basis.
6. To determine signatories on all PCC bank accounts

Imprest Accounts/Petty Cash

1. 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 PCC's accounts and correctly reimbursed to the account holder.

Responsibilities of the Chief Constable

2. To provide appropriate employees with cash, bank imprests or pre-paid cash cards to meet minor expenditure on behalf of the Force and OPCC. 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. To prepare detailed Financial Instructions for dealing with petty cash, to be agreed with the PCCCFO, and these shall be issued to all appropriate employees.

Responsibilities of the PCCCFO

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

Money Laundering

1. The Force and OPCC are alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.
2. Suspicious cash deposits in any currency in excess of €10,000 (or equivalent) should be reported to the National Crime Agency (NCA)
3. Internal control procedures will be monitored to ensure they are reliable and robust.

Responsibilities of the PCCCFO

4. To be the nominated Money Laundering Reporting Officer (MLRO).

5. To consider, in the light of all information, whether a disclosure gives rise to such knowledge or suspicion.
6. To disclose relevant information to the Serious Organised Crime Agency (SOCA).

Responsibilities of Chief Officers

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

Responsibilities of employees

8. To notify the PCCCFO 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.
9. Cash bankings from a single source over €10,000 should be reported to the PCCCFO. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act.

C7 STAFFING

Overview

1. Staffing costs form the largest element of the annual policing budget. An appropriate Human Resources (HR) and/or People and Learning and Development strategies 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

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

Responsibilities of the Chief Executive

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

C8 POLICE OBJECTIVE ANALYSIS/ACTIVITY ANALYSIS

Overview

1. CIPFA have introduced the Police Objective Analysis (POA) to enable Forces to compare costs in relation to specific categories of policing. Whilst no longer a requirement, this can be supplemented by activity analysis which can be used as an important aid to measuring and costing the time officers spend on various tasks. The results of these comparisons and analysis can be used to help ensure activities and resources are aligned with local police and crime plan priorities.

Responsibilities of the Chief Constable

2. To analyse costs on the basis of the POA in accordance with CIPFA requirements.
3. To carry out activity analysis studies as he/she considers appropriate.
4. To ensure that appropriate reports using cost comparisons and activity analysis are prepared and presented to Chief Officers, Chief Superintendents and Departmental Heads and to the PCC as appropriate to assist the Force and PCC in considering the most effective allocation of resources.

C9 TRUST FUNDS

Overview

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. For the avoidance of doubt, this requirement applies to the Chief Constable's Charity Fund.
2. These financial procedures and financial regulations should be viewed as best practice, to be followed whenever practicable.
3. No employee shall open a trust fund without the specific approval of the Chief Constable and PCCCFO.

Responsibilities of Trustees

4. 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 PCCCFO and/or CCCFO shall be entitled to verify that this has been done.

C10 EVIDENTIAL AND NON-EVIDENTIAL PROPERTY

Overview

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

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

Responsibilities of all employees

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

C11 GIFTS, LOANS AND SPONSORSHIP

(NB This does not include the receipt of hospitality and gifts)

Overview

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

Context

2. Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.
3. Gifts, loans and sponsorship can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.
4. The total value of gifts, loans and sponsorship accepted, should not exceed 1% of the PCC's annual gross revenue budget of the Force and OPCC.

Responsibilities of the PCC

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

Joint Responsibilities of the Chief Constable and Chief Executive

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

Joint Responsibilities of the CCCFO and PCCCFO

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

SECTION D

SYSTEMS AND PROCEDURES

D1 GENERAL

Overview

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

Joint Responsibilities of the PCCCFO and CCCFO

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

D2 INCOME

Overview

1. Income is vital and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly in the name of the PCC. The responsibility for cash collection should be separated from that for identifying the amount due and for reconciling the amount due to the amount received.

Context

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

Joint Responsibilities of the Chief Constable and PCC

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

Responsibilities of the Chief Constable

6. To approve the write-off of bad debts, in consultation with the Chief Executive or the PCCCFO, up to the level shown in Section G. Amounts for write-off above this value must be referred to the PCCCFO for approval, supported by a written report explaining the reason(s) for the write-off.

Joint Responsibilities of the CCCFO and PCCCFO

7. To make arrangements for the collection of all income due and approve the procedures, systems and documentation for its collection, including the correct charging of VAT.
8. 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.
9. To ensure that all income is paid fully and promptly into the designated Income Bank Account in the name of the PCC. Appropriate details should be recorded onto paying-in slips to provide an audit trail and money collected and deposited reconciled on a monthly basis.
10. To ensure income is not used to cash personal cheques or make other payments.

Responsibilities of the CCCFO

11. To order and supply to appropriate employees all receipt forms, books or tickets and similar

items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.

12. To operate effective debt collection procedures.
13. To initiate, in consultation with the Chief Executive, appropriate debt recovery procedures, including legal action where necessary.
14. To prepare detailed Financial Instructions for dealing with income, to be agreed with the PCCCFO, and to issue them to all appropriate employees.

D3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Overview

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

Responsibilities of the CCCFO

2. To maintain a procurement policy covering the principles to be followed for the purchase of goods and services and that all payments are made in accordance with this policy.
3. To issue official orders for all work, goods or services to be supplied to the Force and OPCC, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases, partnership arrangements, contributions towards nationally managed initiatives or other exceptions approved by the PCCCFO. Orders must be in a form approved by the PCCCFO.
4. Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of the Force and PCC contracts.
5. Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations.
6. Payments are not to be made unless goods and services have been received at the correct price, quantity and quality in accordance with any official order.
7. To ensure that payments are made to the correct person, for the correct amount, on time (i.e. with 28 days) and are recorded properly, regardless of the method of payment.
8. To ensure that VAT is recovered where appropriate.
9. To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
10. To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, detailed in Section F.
11. To prepare, in consultation with the PCCCFO, 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

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

D4 PAYMENTS TO EMPLOYEES

Overview

1. Employee costs are the largest item of expenditure for most policing bodies. 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

2. To ensure, in consultation with the PCCCFO, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees.
3. To ensure that tax, pension and other deductions are made correctly and paid over at the right time to the relevant body.
4. To pay all valid travel and subsistence claims or financial loss allowance.
5. To pay salaries, wages, pensions and reimbursements by the most economical means.
6. To ensure that payroll transactions are processed 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 and Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
7. To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
8. To prepare detailed Financial Instructions for dealing with payments to employees, to be agreed with the PCCCFO, and these shall be issued to all appropriate employees.
9. To approve the write-off of salary overpayments, in consultation with the Chief Executive or the PCCCFO, up to the level shown in Section G. Amounts for write-off above this value must be referred to the PCCCFO for approval, supported by a written report explaining the reason(s) for the write-off

D5 TAXATION

Overview

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

Responsibilities of the PCCCFO

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

Joint Responsibilities of the PCCCFO and CCCFO

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

D6 CORPORATE CREDIT CARDS

Overview

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.

Responsibilities of the Chief Constable

2. In conjunction with the PCCCFO to provide Financial Instructions to all cardholders.

Responsibilities of the CCCFO

3. To authorise and maintain control over the issue of cards.

Responsibilities of Credit Card Holders

4. To ensure that purchases are in accordance with approved policies e.g. catering, hospitality.
5. 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.

D7 PURCHASING CARDS

Overview

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

2. To provide detailed financial instructions to card holders.

Responsibilities of the CCCFO

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

Responsibilities of Purchasing Card Holders

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

D8 EX GRATIA PAYMENTS

Overview

1. An ex gratia payment is a payment made where no legal obligation has been established. An example may be recompense for damage or loss to property incurred as a result of police action.

Responsibilities of the Chief Constable

2. To make ex gratia payments, on a timely basis, to members of the public, or recompense to a police officer, up to the level shown in section G in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the PCC and the Force.
3. To maintain details of ex gratia payments through the financial ledger system.

SECTION E

EXTERNAL ARRANGEMENTS

E1 EXTERNAL FUNDING

Overview

1. External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the PCC and Chief Constable. Funds from external agencies provide additional resources to enable policing objectives to be delivered. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Police and Crime Plan.
2. The main sources of such funding will tend to be specific Government grants, additional contributions from local authorities (e.g. for automatic number plate recognition (ANPR), closed circuit television (CCTV) and police community support officers (PCSOs)) and donations from third parties (e.g. towards capital expenditure).

Responsibilities of Chief Officers

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

Joint Responsibilities of the Chief Constable and the PCC

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

Joint Responsibilities of the PCCCFO and CCCFO

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

Responsibilities of the Chief Constable

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

E2 WORKING FOR THIRD PARTIES

Overview

1. The Force 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

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

E3 JOINT WORKING ARRANGEMENTS

1. Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private service providers.
2. Joint working arrangements can take a number of different forms, each with its own governance arrangements. These can be grouped under the following headings:
 - Partnerships
 - Consortia
 - Regional Working
 - Collaboration.
3. Partners engaged in joint working arrangements have common responsibilities:
 - to act in good faith at all times and in the best interests of the partnership's aims and objectives
 - to be willing to take on a role in the broader programme, appropriate to the skills and resources of the contributing organisation
 - to be open about any conflicts that might arise
 - to encourage joint working and promote the sharing of information, resources and skills
 - to keep secure any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
 - to promote the project.
4. In all joint working arrangements the following key principles must apply:
 - before entering into the agreement, a risk assessment has been prepared
 - such agreements do not impact adversely upon the services provided by the Force and OPCC and do contribute to achievement of the Police and Crime Plan objectives.
 - project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise
 - all arrangements are properly documented
 - regular communication is held with other partners throughout the project in order to achieve the most successful outcome
 - audit and control requirements are satisfied
 - accounting and taxation requirements, particularly VAT, are understood fully and complied with
 - an appropriate exit strategy has been produced.
5. The Force and OPCC element of all joint working arrangements must comply with these Financial Regulations.

Partnerships

Overview

1. 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
 - to create an organisational structure or process and agreed programme, and share information, risks and rewards.

2. The number of partnerships, both locally and nationally, is expanding in response to Central Government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:
 - comply with statutory requirements
 - deliver strategic objectives; in new and better ways
 - improve service quality and cost effectiveness
 - ensure the best use of scarce resources; and access new resources
 - deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need
 - forge new relationships
 - find new ways to share risk.
3. Partnerships typically fall into three main categories i.e. statutory based, strategic, and ad-hoc.

Statutory based

4. These are partnerships that are governed by statute. They include, for example, Community Safety Partnerships (CSPs) and Local Strategic Partnerships (LSPs).

Strategic

5. These are partnerships set up to deliver Police and Crime Plan objectives. They can either be force-wide or local.

Ad-hoc

6. These are typically locally based informal arrangements agreed by Chief Superintendents.

Context

7. 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.
8. When the PCC acts as a commissioner of services, he/she 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

9. To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan and the annual delivery plan.
10. To make appropriate arrangements to commission services from either the Force or external providers, taking account of the Commissioning and Grants Framework.
11. To make crime and disorder grants.

Responsibilities of Chief Officers

12. To follow the Financial Instructions for local partnerships, as published on the Force policing intranet.
13. To consult, as early as possible, the CCCFO and the PCCCFO to ensure the correct treatment of taxation and other accounting arrangements.
14. 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

Overview

1. 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

2. To contact the Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework.
3. To consult, as early as possible, the CCCFO and the PCCCFO to ensure the correct treatment of taxation and other accounting arrangements.
4. To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
5. 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. To approve the Force and OPCC participation in the consortium arrangement.

Regional Working

Overview

1. Leicestershire Police's contribution towards working with the other Forces in the East Midlands region will be contained in the annual budget and medium term financial strategies.
2. The Regional Programme Director will be required to provide regular financial and performance monitoring information for Regional Working. Once a contribution has been made to a regional project, in terms of application of the resources, it will be assumed it will be in line with those of the Lead Force for that activity. Leicestershire Police will have the right to audit all expenditure in relation to all regional projects.

Joint Responsibilities of the PCC and the Chief Constable

3. To approve Force participation in Regional Working.

Joint Responsibilities of the PCCCFO and the CCCFO

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

5. To consider requests for virements in excess of £75,000 [*amount to be confirmed/aligned with regional colleagues*] in consultation with the Regional Collaboration Board.

Collaboration

Overview

1. 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.
2. The PCCs shall jointly hold their Chief Constables to account for any collaboration in which their Force is involved
3. Any such proposal must be discussed with the PCCCFO and CCCFO in the first instance.

SECTION F

CONTRACT STANDING ORDERS

PREFACE

A. Introduction

This preface is intended to assist persons who are either regularly purchasing goods or services on behalf of the Force or the PCC, or might more occasionally wish to purchase goods or services of substantial value.

B. Context

Contract Standing Orders are quite simply rules to ensure that the Force or PCC gets good value for money. It therefore sets out a procedure that encourages a fraud free environment for making the relevant purchase. The rules are only rules and if a different method of achieving the end is justified then this can be done, but will need express permission of the PCC (or possibly the Chief Constable -if within his delegated powers). In most situations, however, you will find the Contract Standing Orders will be sufficiently broad to cater for your particular purchase.

C. Which Route To Choose?

Different procedures apply according to the value of the proposed transactions. These can be summarised as follows. Note that the value of a contract includes all the estimated costs involved including the cost of maintenance or support provision. Hence a contract providing for payments of £4k per annum for 3 years is a contract with a value of £12k.

Purchase of goods or services under the value of £A

- The official order form approved by the PCCCFO and CCCFO should normally be used Although you are not obliged to obtain 3 quotations, you must ensure the Force and PCC obtain good value for money
- Such agreements to purchase the goods or services should normally be in writing
- It is unlikely that contracts to this value would have any implication regarding EU Procurement Directives
- You should make sure that the purchase is within the powers delegated to you by the PCC or Constable and the funding is contained within your budget.

Transactions valued at more than £A but less than £B

- For these transactions the Procurement Department must manage the procurement process
- Such contracts must be in writing
- The format for drafting and issuing contractual documentations must be agreed with the Procurement Department
- Suitable conditions of contract specific to the contract will be applicable
- It may be that a contract between the values of £A and £B could have EU Procurement Directive implications
- Ensure that you have authority of the PCC or Chief Constable to conclude the transaction in relation to this matter, which must include an agreed business case and confirmation of budget availability.
- Transactions that fall within these values require three prior written quotations from suitable contractors.

Transactions of the value of £B or above

- The Procurement Department must manage the Procurement process for transactions of this value.
- These transactions may well have EU Procurement Directive implications – see the Annex to the Standing Orders.
- The provisions of EU Procurement Directives are mandatory.
- The contract for this transaction must be in the name of and sealed by the PCC
- Check that you know the budget amount for this particular transaction. The budget amount will have been fixed either specifically by the PCC or by the Chief Constable using his delegated powers.
- Transactions of this value must follow a tendering process. Tenders will be invited from at least 3 proposed contractors.
- The tendering process is quite formal and is detailed in later sections.
- Should it not be possible to obtain three quotations and either two or only one supplier exists to provide a quotation then a dispensation must be agreed by the PCC prior to any contract award. The Procurement Department will assist in obtaining this dispensation should this be an appropriate method of procurement.
- These processes are designed to reduce the likelihood of fraud, and ensure the Force and PCC obtains the best deal possible.

D. Collaboration

Where a contract is let by one of the East Midlands Forces or PCC's on behalf of one or more of the constituent authorities, the Contract Standing Orders adopted by that PCC shall apply.

Where a contract is let by any other UK PCC, Emergency Service or other Collaborative Agency then the Contract Standing Orders adopted by that PCC, Emergency Service or Collaborative Agency shall apply.

E. Web Based Tendering

The Procurement department uses the national Police e-Tendering system, Bluelight Procontract, at www.bluelight.gov.uk to invite quotations for all Procurement work.

Bluelight Procontract enables quotations, formal tenders and Official Journal of the European Union (OJEU) tenders to be undertaken electronically, with suppliers and contractors uploading their responses to the site EU contract notices and award notices are electronically submitted to OJEU from Bluelight Procontract, ensuring compliance with EU Procurement Directives.

Suppliers register on Bluelight Procontract, free of charge and are notified of any contracts that are advertised under the category codes that they have registered against.

All quotations and tenders (including EU tenders) are retained on Bluelight Procontract for 12 years, complying with the Force's Retention of Documents policy.

F. Equalities Duties Legislation

The equalities duties legislation ensures that public authorities, when carrying out their duties, need to have due regard to comply with the *Equality Act 2010*.

Under the equalities duties, a contractor carrying out functions of a public nature, for the duration of the contract, would itself be a public authority and have a duty to comply with the equalities duties when carrying out those functions.

All Procurement activity within Force and OPCC must include the equalities duties for all stages of the procurement process. This includes the advertisement, specification, selection of contractors, evaluation of contractors and managing the contract.

An equality impact assessment is completed for all contracts and where the impact assessment rating is medium or high, equality policies are assessed by the Force or OPCC.

G. Contacts

If you have any questions concerning the Standing Orders please contact the CCCFO on extension 2244, the PCCCFO on extension 8984 or the Procurement Department on extension 2111.

CONTRACT STANDING ORDERS

1. Miscellaneous

1.1. Where appropriate in these Standing Orders:

- 1) the term “contract” means a legally binding agreement for works or for the supply of goods, materials or services;
- 2) the term “Chief Constable” includes an employee authorised to act on his/her behalf for the purpose specified (e.g. as mentioned in the Financial Procedure Manual);
- 3) the term “consultant” includes anyone employed to supervise and manage a contract on behalf of the PCC and who is not an officer of the OPCC or Leicestershire Police.

1.2. Every contract made or tendering procedure adopted by the local policing body must comply with:

- 1) All aspects of EU Procurement Directives currently in force;
- 2) these Standing Orders, so far as no exceptions have been made under Standing Order 2; and
- 3) UK Law.

1.3. A reference to the EU Procurement Directives is contained in the Annex hereto.

1.4. A consultant must comply with these Standing Orders as if he or she were the PCC or Chief Constable and the service contract must state this obligation.

1.5. It is essential that before any procurement activity is considered, appropriate budget provisions have been secured from the Chief Constable or PCC, and business cases prepared as required in the consent section of the Scheme of Delegation.

1.6. The Force and OPCC require all procurement activity to be undertaken in a transparent, fair and consistent manner, ensuring the highest standards of probity and accountability. All procurement undertaken on behalf of the Force and OPCC will operate under robust principles and procedures to ensure best value.

1.7. Every employee of the Force and OPCC shall comply with the Standing Orders; any failure to do so may result in disciplinary action.

1.8. The use of central contracts that have been set up by the Force, the OPCC, regional Forces or national arrangements for certain works, goods and services is mandatory.

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

1.10. Evaluation models shall generally be weighted such that the overall percentage score allocated to cost is not less than 50%. In exceptional circumstances the PCCCFO or CCCFO or his/her deputy may agree a different cost/quality ratio.

1.11. Estimated value is deemed to be aggregate cost that is reasonably anticipated over the lifetime of the provision. If the lifetime is unknown, then the aggregate cost should be based on 48 months.

1.12. Requirements must not be disaggregated in order to avoid competition procurement under any circumstances.

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

1.14. The amounts £A and £B in these Standing Orders have the values given in Standing Order 1.15 below. By agreement with the PCCCFO the CCCFO may adjust any such values.

1.15. Subject to any alterations made by the Finance Director in accordance with Standing Order 1.13:

£A = £5,000 (Estates Department = £10,000)

£B = £189,330

2. Exceptions

2.1. Exceptions to Standing Order 3.1 may be made in accordance with Financial Regulations.

2.2. Exceptions to Standing Order 3.1 onwards may be made:

- 1) by the PCCCFO in consultation with the PCC.
- 2) if the tender is invited on behalf of a partnership to which the PCC is a member and the tender is being invited in accordance with the method prescribed by that partnership.

3. Inviting Quotations and Tenders

3.1. Where the estimated value of a proposed contract is more than £A, written quotations must be invited from at least three suitable contractors. This process must be managed by the Procurement Department. The PCCCFO may authorise that only two, or exceptionally one, quotation(s) be sought if he/she is satisfied, on reasonable grounds, that three quotes cannot be obtained. The PCCCFO will record such reasons.

4. Selective Tendering from List of Approved Contractors for Estates Procurement

4.1. The list of Approved Contractors used by the Estates Department is kept and compiled by Procurement on behalf of the Estates Department, in accordance with the requirements of the PCC.

4.2. Lists must show the type and value of work for which each contractor is approved.

4.3. The lists must be reviewed at least every five years. Where a list is being reviewed, those already on the list must be asked if they wish to stay on it subject to satisfactory past performance and financial standing.

4.4. An approved contractor considered by the CCCFO to be unsatisfactory may be removed or suspended from any list.

4.5. All contractors on the relevant list capable of undertaking such works must be invited to tender for a contract, subject to the Chief Constable or PCCCFO being satisfied as to their capability, having regard to their performance and other commitments. Where the past performance or current financial standing of a contractor appears unsatisfactory to the Chief Constable or PCCCFO, he/she shall exclude that contractor from tendering for a particular contract.

5. Submitting Tenders

5.1. Leicestershire use the Bluelight EU-Supply Tendering portal where suitable for the procurement process. This portal allows suppliers to upload their tender responses until the deadline date and time. Late tenders can be uploaded only when a specific I.T. issue resulted that prevented a supplier uploading a tender and can evidence this. There is no obligation on the Force or PCC to open or consider late tenders. The portal has password protection to ensure only a designated

officer may release the tenders after the deadline.

- 5.2. The Chief Constable or PCCCFO may allow a tender, that does not comply with these Standing Orders, to be considered provided he is satisfied that the breach was due to inadvertence and that no advantage to the tenderer or detriment to any other person has occurred as a result. The Chief Constable or PCCCFO, will record such reasons.

6. Exceptions to Normal Procedures/Single Tender Action (known as Single Source Dispensations (SSD's))

6.1. Exceptions

- 6.1.1. Exceptions to normal procedures must be approved by the PCCCFO.

6.2. Single Source Dispensations (SSD)

- 6.2.1. SSD should only be used in very exceptional circumstances. The Chief Constable or PCCCFO or their delegated authorities will consider requests for exceptions to normal procedures under the following circumstances;

- a) Where it can be evidenced that only one supplier is able to carry out the work or service or to supply goods for technical reasons or because of exclusive rights;
- b) Extensions to existing contracts where there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience;
- c) The contract has been classified as secret by a Chief Officer making essential the use of a particular contractor or a limited competition to a select list of contractors and the avoidance of advertising requirements in the public domain;
- d) The contract is required so urgently that competition is impracticable. For example a genuine unforeseeable operational need arises. However failure to take action within appropriate timescales does not constitute grounds for an urgency exception.

- 6.2.2. Any SSD up to £10,000 and within the Chief Constable's remit shall be authorised by the CCCFO and shall be recorded. If within the PCC's remit then the SSD will be authorised by the PCCCFO and shall be recorded.

- 6.2.3. Any SSD over £10,000 shall be requested via the PCCCFO to the Chief Executive.

- 6.2.4. A register of all SSD's will be maintained by the Chief Constable and available for review by the PCC on request.

7. Form of Contracts

- 7.1. All contracts must be in writing.

- 7.2. Leicestershire Police terms and conditions of contract for either the supply of goods or the provision of services will be applicable to any contract placed. However, there may be exceptional circumstances where other terms and conditions of contract are proposed. The Procurement Department must be consulted in such circumstances for advice and support. East Midlands Regional Forces' terms and conditions of contract will be applicable where any East Midlands Police collaborative contract has been agreed.

- 7.3. All contracts above £B must be sealed by the PCC. All contracts between £50,000 and £B must be authorised by a member of the Chief Officer Team. All contracts between £A and £50,000 must be authorised by the Head of the Department.

- 7.4. All contracts must state the:

- 1) work to be done or the goods, materials or services to be supplied;

- 2) price and any deductions;
- 3) time within which the contract is to be carried out; and
- 4) Terms and Conditions of contract applicable.

ANNEX TO CONTRACT STANDING ORDERS

The OPCC for Leicestershire is subject to the requirements of European Community Services Directive 92/50/EEC (as enacted into UK law by Statutory Instrument), for certain of its contracts for services and 93/36/EEC for certain of its contracts for the supply of goods.

The OPCC must comply with the requirements of EU procurement legislation in the process of awarding all relevant contracts for which it is responsible.

The legislation applies to contracts with an estimated value above the following thresholds (net of VAT):

- £189,330 for supplies and service contracts
- £4,733,252 for works contracts

Where there are a series of contracts, for similar requirements, to be awarded to the same market segment within each 12 month period, the value of all those requirements must be aggregated together to determine whether the value threshold is reached. If it is, then all those contracts will be subject to the Directives. As this will be difficult to do in practice, anything regularly purchased should have the Directives applied to it.

Should employees be unsure if the Directives are applicable then they should contact the CCCFO who will advise accordingly.

Failure to comply with the requirements of EU procurement legislation may result in the OPCC being taken to court for a breach of the law and subsequently required to pay damages and compensation to disadvantaged parties. Such action may disrupt or delay the process of awarding contracts, or cause the cancellation or suspension of contracts already in place.

SECTION G

DELEGATED LIMITS

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

SECTION B

B1 Financial Planning

1. The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined as one in excess of the estimated value shown below:

£150,000

B2 Budgetary Control

2. Major projects need not be referred back to the PCC for further approval unless, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown below:

Cost of project varies from approved estimate by lesser of 10% or £150,000.

Virements

3. The levels of authorisation for revenue virements are:
 - a. Virement to be approved

Limit	Chief Constable	PCC	Notes
Up to £50,000	✓ (Budget Manager)		
£50,000 to £100,000	✓ (CCCFO)		
£100,000 to £250,000	✓	✓ (PCCCFO)	Report to Strategic Assurance Board – for information
£250,000 and all permanent virements		✓	Report to Strategic Assurance Board – for approval

- b. For virements between £100,000 and £250,000 the Chief Constable shall consult and agree proposals with the PCCCFO for discussion and agreement with the PCC. For amounts over £250,000 approval from the PCC is required. Virements to a specific budget line approved within these limits, but with a cumulative value exceeding £100,000, also requires approval of the PCC.

Year End Balances

4. Devolved budget holders who underspend their budget in any financial year may carry forward planned underspends declared before 31 March to the following financial year, subject to the limits indicated below:
 - Carry forward underspends should have a business case and be agreed by the PCC.
 - Budget holders who overspend their budget in any financial year may have their budget reduced for the following year subject to the determination of the Chief Constable and the PCC after consultation with the PCCCFO and CCCFO.

B3 Capital Programme

5. The Chief Constable shall notify the PCCCFO of all proposed property leases or renewals before any agreement is made. Any lease with a value in excess of the limit shown below shall be subject to the PCC's approval:

£50,000 pa or any lease over 5 years in duration

6. Detailed estimates for each scheme in the approved capital programme shall be prepared by the responsible officer before tenders are sought or commitments made. Schemes need not be referred back to the PCC for further approval unless the cost of the scheme exceeds the limits shown below:

£100,000 in total value over the life of an investment or contract.

SECTION C

C1 Risk Management

7. The Chief Constable shall be authorised to settle civil claims up to the value shown below:

*£25,000 (excluding legal cost)
£50,000 for accident claims (excluding legal Costs)*

- a. Claims in excess of this amount must be approved by the PCC.

C5 Assets

8. The Chief Constable shall maintain an asset register for all fixed assets with a value in excess of the limits shown below:

*Land & Buildings -All values
Vehicles -All values
Computer equipment -All values
Plant & Equipment -£10,000*

9. The Chief Constable and Chief Executive shall maintain inventories that record an adequate description of portable and desirable items such as, but not limited to, computers, monitors, printers, facsimile machines, mobile phones, DVD recorders, satellite navigation equipment and photographic equipment above the value shown below:

£250

10. Discrepancies between the actual level of stock and the book value of stock may be written off by the Chief Constable up to the level shown below. Amounts for write off above this value must be referred to the PCCCFO for approval.

*Individual items £15,000
Overall annual limit on all stock £15,000*

11. Obsolete stock, or equipment and materials surplus to requirements may be written off by the Chief Constable up to the level shown below. Amounts for write off above this value must be referred to the PCCCFO for approval.

*Individual items £15,000
Overall annual limit on all stock £15,000*

12. The Chief Constable may dispose of surplus land, buildings, vehicles and items of equipment up to the estimated value shown below. Disposals above this value are to be reported to the PCC for prior approval.

*Land & Buildings £0
Equipment £10,000
Vehicles £10,000*

13. Items above the estimated value shown below shall be disposed of by public auction or sealed bids after advertisement.

*Land & Buildings £250,000
Equipment £15,000*

C11 Gifts, Loans and Sponsorship

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

£15,000

15. Sponsorship arrangements above this value are to be reported to the PCCCFO for prior approval.

SECTION D

D2 Income

16. Individual amounts may be written off by the Chief Constable or PCCCFO up to the level shown below. Amounts for write off above this value must be referred to the PCCCFO for approval.

£10,000

17. All cases where write off action results from theft or fraud shall be referred to the PCCCFO and the CCCFO for approval up to a maximum of £10,000 and to the PCC for approval of amounts in excess of that sum.

D4 Payments to Employees

18. Individual amounts may be written off by the Chief Constable or PCCCFO up to the level shown below. Amounts for write off above this value must be referred to the PCCCFO for approval.

£10,000

D8 Ex Gratia Payments

19. The Chief Constable may make ex gratia payments to members of the public, or recompense to a police officer, up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the Force. Any amounts greater than those specified must be referred to the PCC for approval. The circumstances of the proposed payment must not have the effect of circumventing other pay and allowances, policies, rates and rules. Any ex gratia payment above this limit will require the approval of the PCC.

Up to £10,000 in consultation with the PCCCFO

SECTION E

E1 External Funding

20. The Chief Constable will report to the PCC where the Force has identified and pursued external funding in excess of the amount below:

£250,000

SECTION H

GUIDANCE NOTES ON BREACH OF STANDING ORDERS OR FINANCIAL REGULATIONS

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

SECTION I

ANTI FRAUD AND CORRUPTION STRATEGY

1. INTRODUCTION

This statement has been prepared in response to the CIPFA code of practice on managing the risk of fraud and corruption.

- a) In administering its responsibilities in relation to fraud and corruption, whether it is attempted on the OPCC and/or the Force or from within, the PCC and Chief Constable are committed to:
 - Acknowledge responsibility for countering fraud and corruption;
 - Identify the fraud and corruption risks;
 - Develop an appropriate counter fraud and corruption strategy;
 - Provide resources to implement the strategy; and
 - Take action in response to fraud and corruption.
- b) The expectations regarding propriety and accountability is that the PCC, the Chief Constable and staff at all levels will lead by example in ensuring adherence to rules, and that all procedures and practices are above reproach.
- c) The PCC and the Chief Constable also demand that individuals and organisations that they come into contact with will act towards them with integrity and without thought or actions involving fraud or corruption.
- d) This Anti-Fraud and Corruption Strategy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. These cover:
 - Culture (Section 2);
 - Prevention (Section 3);
 - Detection and Investigation (Section 4); and
 - Training (Section 5)
- e) The PCC and the Chief Constable are also aware of the high degree of external scrutiny of its affairs by a variety of bodies including:
 - 1.1.1. Her Majesty's Inspector of Constabulary
 - 1.1.2. Internal Audit
 - 1.1.3. HM Customs and Excise
 - 1.1.4. Inland Revenue
 - 1.1.5. The General Public

2. CULTURE

- a) The PCC and the Chief Constable are determined that the culture and tone of their organisations are ones of honesty and opposition to fraud and corruption.
- b) There is an expectation and requirement that all individuals and organisations associated in whatever way with the Force and the OPCC will act with integrity, and that PCC and the Chief Constable and staff at all levels will lead by example in these matters.
- c) The PCC, the Chief Constable and their staff are important in the stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with the activities of the Force and the OPCC. Concerns may be about something that:
 - Is unlawful
 - Is against the PCC's Standing Orders, Financial Regulations or policies

- Falls below established standards or practices
 - Results in waste or loss to the PCC
 - Amounts to improper conduct
- d) Staff can do this in the knowledge that such concerns will be treated in confidence, properly investigated and without fear of reprisal and victimisation. If necessary, a route other than their normal line manager may be used to raise such issues. Examples of such routes are:
- Chief Constable's Direct Line (0116 248 2013)
 - The PCCCFO (0116 229 8984)
 - The CCCFO (0116 248 2244)
 - Audit Manager (0121 230 1124)
 - Bad Apple Messenger on the Force Intranet
 - The PCC (0116 229 8980)
 - National Audit Office "Whistleblowing" Hotline (020 7798 7999)
- e) The Public Interest Disclosure Act 1988 protects employees, who report suspected fraud or corruption activities, from any reprisals as long as they meet the rules set out in the Act.

In simple terms the rules for making a protected disclosure are:

- The information disclosed is made in good faith.
- The person making the disclosure must believe it to be substantially true.
- The person making the disclosure must not act maliciously or make false allegations.
- The person making the allegation must not be seeking any personal gain.

The designated officer required under the Act to receive disclosures is the PCCCFO.

- f) Members of the public are also encouraged to report concerns through any of the above avenues.
- g) Allegations/concerns can be made anonymously, however it should be noted that such cases can be more difficult to investigate. The likelihood of action will depend on:
- The seriousness of issues raised
 - Credibility of the concern
 - Likelihood of confirming the allegation from attributable sources.
- h) Senior management are responsible for following up any allegation of fraud and corruption received and will do so by:
- dealing promptly with the matter;
 - recording all evidence received;
 - ensuring that evidence is sound and adequately supported;
 - ensuring security of all evidence collected;
 - notifying the PCCCFO, and implementing disciplinary procedures where appropriate.
- i) The PCC and the Chief Constable can be expected to deal swiftly and thoroughly with any member of staff who attempts to defraud the Force or the OPCC or who are corrupt. The PCC and the Chief Constable should be considered as robust in dealing with financial malpractice.

3. PREVENTION

- a) The PCC and the Chief Constable recognise that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff in terms of their propriety and integrity. Staff recruitment is therefore required to be in accordance with procedures laid down by the

Chief Executive and Chief Constable and in particular to obtain written references regarding known honesty and integrity of potential staff before employment offers are made.

- b) All employees are expected to follow any Code of Conduct related to their personal professional qualifications and also to abide by the published Rules of Conduct. This Code and the role that appropriate staff are expected to play in the Corporate Governance framework and systems of internal control will be featured in staff induction procedures.
- c) The PCC and DPCC are required to adhere to the Code of Conduct relating to the declarations of interests. Staff are also required to declare pecuniary interests.
- d) The PCC, Chief Constable and all staff are required to declare in a public register any offers of gifts or hospitality which are in any way related to the performance of their duties.
- e) Significant emphasis has been placed on the thorough documentation of financial systems, and every effort is made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls. The adequacy and appropriateness of the Force and the OPCC's financial systems is independently monitored by both Internal Audit and External Audit. Senior management place great weight on being responsive to audit recommendations.
- f) The JARAP provides an independent and objective view of internal control by receiving and considering audit plans, reports and management letters and reports as appropriate to the PCC.
- g) As part of the prevention approach the PCC and the Chief Constable will participate in National Fraud Initiatives organised by the National Audit Office. The National Audit Office and External Audit will also assist in prevention with the issue of warning bulletins and outcomes from surveys on fraud and corruption.

4. DETECTION AND INVESTIGATION

- a) The array of preventative systems, particularly internal control systems within the Force and the OPCC, have been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud.
- b) It is often the alertness of staff and the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.
- c) Despite the best efforts of financial managers and auditors, many frauds are discovered by chance or 'tip off', and arrangements are in place to enable such information to be properly dealt with.
- d) Depending on the nature and anticipated extent of the allegations, the Internal Audit will normally work closely with management and other agencies such as the police to ensure that all allegations and evidence is properly investigated and reported upon.
- e) The Force and the OPCC's Disciplinary Procedures will be used where the outcome of the Audit Investigation indicates improper behaviours.
- f) The PCC and the Chief Constable will normally wish the police to prepare a case for the Crown Prosecution Service (CPS) regarding the prosecution of offenders where financial impropriety is discovered.

5. TRAINING

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

6. CONCLUSION

- a) The PCC and the Chief Constable have in place clear networks of systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation.
- b) To this end, a continuous overview of such arrangements, in particular, by the PCCCFO, through the Head of Audit and External Auditor and in Force via the Finance Unit and Professional Standards.

FRAUD RESPONSE PLAN

All instances of fraud and corruption will be investigated in accordance with this plan.

Fraud and corruption may be reported through a range of channels including direct to a line manager, by another manager, through the Chief Constable's Direct Line, with the "Bad Apple" or by means of external reports. The means of reporting fraud will be publicised within the Force and the OPCC and will be made known to partners and those individuals and organisations that we come into contact with.

The arrangements for detection and investigation are set out in the Anti-Fraud and Corruption Strategy. A protocol between the PCCCFO, the CCCFO, the Internal Audit and the Head of Professional Standards has been agreed to ensure that loss and potential fraud is fully investigated and dealt with correctly.

The protocol requires the Professional Standards Branch to liaise with the Head of Audit, after the matter has been investigated. This will enable the Head of Audit to identify any weaknesses in internal control that allowed the irregularity to occur and to ensure that corrective action is taken in order to minimise the risk of any reoccurrence within the Force or the OPCC. Issues considered will be reported to the Professional Standards Board.

Disciplinary procedures are likely to be invoked where the outcome of any investigation indicates misconduct. Proven cases of gross misconduct may result in dismissal of the employee. Misconduct includes fraud committed by a member of staff against the organisation.

Where financial impropriety is discovered the presumption of the PCC and the Chief Constable is that these arrangements will be made where appropriate for the prosecution of offenders by the CPS.

In instances where the misconduct takes another form, such as the misuse of systems and equipment that does not result in financial loss, then the outcomes will be monitored by the PCC and the Chief Constable through the processes in place to oversee Human Resources issues

The PCC and the Chief Constable will seek to ensure that it learns lessons from any mistakes made that allowed any instances of fraud or corruptions to be perpetrated or to have gone unnoticed. This will be achieved by ensuring that system weaknesses or other contributory factors are identified and addressed. This will normally be achieved through an Internal Audit investigation, report and action plan to ensure that audit recommendations are implemented.

The PCCCFO and the CCCFO will determine if a matter needs to be brought to the attention of the Chief Executive, PCC and the Chief Constable.

In the event that the PCC or the Chief Constable is involved the matter will be brought to the attention of the Monitoring Officer.

OPERATING PRINCIPLES FOR THE POLICE AND CRIME COMMISSIONER

The key roles of the Police and Crime Commissioner (PCC) are to:

- Listen to and Serve the Public.
- Provide Accountability -Monitor the performance of the Force and hold the Chief Constable to account.
- Provide Value for Money -Ensure an effective and efficient police Force and criminal justice system.
- Work with Partners -ensuring effective consultation and the commissioning of joint community safety activity.
- Deal with Regional and National responsibilities -Have regard to the contribution of Force resources to regional and national capabilities as outlined in the Strategic Policing Requirement (SPR).

Whilst fulfilling the above role the PCC will observe the following operating principles:

1. Work with the Force to provide scrutiny and accountability.
2. Work with the Force and partners to drive towards greater efficiency and effectiveness.
3. Remain objective and impartial at all times.
4. Listen to partners, stakeholders and the public and then, using appropriate evidence, develop a strategy that is articulated through the Police and Crime Plan.
5. Work jointly with all relevant stakeholders to ensure the highest degree of transparency and openness.
6. Aim to understand and deliver the public's agenda.
7. Ensure continuous improvement in policing through appropriate monitoring, scrutiny and challenge.
8. Conduct all activities in a professional and responsible manner.
9. Develop the public's confidence in Policing across the entire Police area.
10. Show appropriate respect to the Force and partner organisations, building and maintaining strong, positive and productive relationships.
11. Recognise and appropriately support the Force's commitments to the Strategic Policing Requirement.
12. Ensure due diligence in the strategic application of the policing budget to the delivery of the Police and Crime plan priorities.

STRATEGIC ASSURANCE BOARD

TERMS OF REFERENCE

Purpose

Matters of strategic significance for the Force and other issues of interest to the PCC will be discussed through this Board.

Working Arrangements

It is intended that ideas, strategies and other developments will be undertaken through this Board. There will be a meeting solely focused on strategy once each quarter.

The format of the meeting will encourage debate, discussion and challenge. To enable a robust and full discussion of all issues, there must be less reliance on formal reports and more use of briefings and presentations in order to provoke debate, challenge and to foster a strong working relationship between OPCC and the OCC.

The Board will review key documents (including but not limited to HMIC reports, collaboration proposals, and external/internal audit reports) prior to formal decisions being taken by the Commissioner. Respective officers of the Board under whose area of responsibility the report lies will present to the Board on the report findings and the Force response.

The Board will review key performance (including finance) information aimed at tracking progress towards the achievement of the priorities and targets set out in the Police and Crime Plan

Feedback and issues arising from the private meetings of the Commissioner and the Chief Constable will also form part of the agenda.

The Board will meet monthly, in private. A programme of meetings will be set for eighteen months ahead. An extraordinary meeting of the Board may be called to address a specific issue.

The agenda for the meeting will be drafted 5 weeks prior to the meeting date and any reports will be provided to the Office of Police and Crime Commissioner 6 working days prior to the meeting date. Meeting logs will be produced following each meeting within 5 working days. Each agenda item must make clear whether it relates to a report/briefing/presentation/discussion or PCC/CC 121 issue.

Membership of the Board will comprise:

- Police and Crime Commissioner
- Chief Executive – Office of Police and Crime Commissioner
- Chief Finance Officer – Office of Police and Crime Commissioner
- Executive Director – Office of the Police and Crime Commissioner
- Chief Constable
- Deputy Chief Constable
- Assistant Chief Constable
- Chief Finance Officer – Office of the Chief Constable
- Human Resources Director – Office of the Chief Constable
- Director of Communications and Engagement – Office of the Chief Constable

Other officers from the OPCC or the OCC may be requested to attend as required.

Decisions and Actions will be published through the website of the Police and Crime Commissioner. Decisions made relating to confidential matters will be subject to Part 5A and Schedule 12A to the Local Government Act 1972 and the Local Government (Access to Information) (Variation) Order 2006.

Themes of Assurance

The themes of assurance to be addressed by the Board are as follows:

1. Setting the direction for Leicestershire Police including, but not limited to:
 - Reviewing the strategic direction of the Police and Crime Plan, with reference to the Strategic Policing Requirement, including the monitoring of performance against associated targets.
 - Formulating and agreeing the Medium Term Financial Plan.
 - Formulating an approach to crime, justice and community safety partnerships and the wider partnership landscape, complementary to the work of the Strategic Partnership Board.
 - Overseeing the organisational change agenda to ensure that Leicestershire Police can deliver its priorities within the resources available.
2. Scrutinising and driving the performance of Leicestershire Police by:
 - Reviewing and challenging performance against the strategic priorities set in the Police and Crime Plan.
 - Adjusting strategic resource allocation to address any performance issues arising.
 - Monitoring and adjusting the revenue and capital budgets.
 - Reviewing the performance of partnership arrangements as they contribute to Police and Crime Plan priorities.
 - Improving value for money through research, understanding and ensuring we deliver our services in the most efficient and effective way we can.
3. Scrutinise and challenge collaborative arrangements by:
 - Ensuring that collaborative arrangements support the objectives set out in the Police and Crime Plan, the Strategic Policing Requirement and provides value for money.
4. Scrutinise strategic risk registers for both Office of Police and Crime Commissioner and the Chief Constable including:
 - Ensuring the strategic risk registers are comprehensive and realistically assessed.
 - Quarterly monitoring to review and update the registers
 - Direction of mitigating actions as required.
 - Considering issues arising from the Joint Audit, risk and Assurance Panel.
5. Monitor statistics relating to complaints received from members of the public and scrutinise Force performance against the processes and procedures in place to resolve such complaints by:
 - Scrutinising quarterly complaint statistics.
 - Considering force performance for resolving complaints against the procedures and processes in place.
 - Considering the outcome of dip sampling of complaint files undertaken by the Ethics, Integrity and Complaints Committee.
6. Discuss the threats and opportunities arising from strategic documents produced by external agencies, including but not limited to:

- Her Majesty's Inspector of Constabulary;
- The Home Office
- The College of Policing
- National government departments
- Association of Chief Police Officers

Where the PCC has commented upon reports from Her Majesty's Inspector of Constabulary, those comments will be published and provided to the Home Secretary as per Section 55(6) of the 1996 Police Act

7. To consider and scrutinise the Independent Custody Visiting Scheme by:

- Considering quarterly reports on the Scheme.
- Scrutinising performance against the objective contained within the Police and Crime Plan.
- Scrutinising and challenging issues identified from custody visits and the Force response.

8. Scrutinise and monitor Force performance against the Force Equality Scheme by:

- Receiving quarterly reports on progress of the Scheme.
- Monitoring performance against the objectives contained within the Scheme.
- Scrutinising areas where performance impacts upon the delivery of the Police and Crime Plan.

COMMISSIONING FRAMEWORK

1. The Police and Crime Commissioner (PCC) sets the strategic direction for policing in Leicester, Leicestershire and Rutland (LLR) through the Police and Crime Plan which covers the whole of each PCC's period in office. The PCC is responsible for understanding the dynamic relationship between policing and local partner activity in support of the Police and Crime Plan priorities and strategies.
2. Commissioning is deciding how to use the total resource available in order to improve outcomes in the most efficient, effective and sustainable way.
3. The PCC, from time to time and in line with the Police and Crime Plan, publishes a Commissioning Framework to set out the intended contractual spend for future year(s) ensuring that there is always an active Commissioning Framework in place. The Commissioning Framework also sets out the intended commissioning projects that are to be undertaken that will themselves further adjust future spend and activity and in doing so acts in part as a "market position statement" to help in preparing the market for future procurements.
4. It is the nature of commissioning that some of the detailed spending plans will emerge throughout the period of the Commissioning Framework (for example a grants programme will award grants throughout or at specific points of any given year). Where an organisation is identified to receive amounts not specified in the Commissioning Framework then in the interests of transparency this will be taken and published as a separate decision of the PCC.
5. The active and past commissioning frameworks are published on the OPCC website.

Appendix D

TERMS OF REFERENCE FOR JOINT AUDIT, RISK & ASSURANCE PANEL POLICE & CRIME COMMISSIONER AND CHIEF CONSTABLE

1. INTRODUCTION

- 1.1. In line with the principles of good governance as laid down by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Financial Management Code of Practice for the Police Service of England and Wales, this independent Joint Audit, Risk & Assurance Panel (JARAP) has been established, covering the separate roles and offices of both the Police & Crime Commissioner (PCC) and the Chief Constable.
- 1.2. The Office of PCC and Chief Constable are intrinsically linked by the priorities of the Police & Crime Plan and therefore it is in the best interests of the public, value for money and probity that a Joint Audit, Risk & Assurance Panel (JARAP) is established.
- 1.3. The purpose of the JARAP as an independent body is to seek assurance over the adequacy of the following:
 - The risk management and the internal control framework operated by the PCC and Chief Constable.
 - The effectiveness of their respective governance arrangements.
 - The appointment, support and quality of the work of internal and external auditors as they provide assurance on risk management, internal controls and the annual accounts through their work.
 - Financial and non-financial performance to the extent that it affects the PCC and Chief Constable's exposure to risk, weakens the control environment and undermines their ability to provide good value for money.
 - The financial reporting process.
- 1.4. The JARAP is a non-executive Panel and has no executive powers, other than those specifically delegated in these Terms of Reference.
- 1.5. The JARAP will establish effective communication with the PCC and Chief Constable, their nominated representatives, their respective Chief Finance Officers, Monitoring Officer, Head of Internal Audit, the External Auditor and other relevant stakeholders, including the Police and Crime Panel, for the purpose of fulfilling these terms of reference. A working protocol will be established to ensure that this is achieved by all parties.

2. MEMBERSHIP

- 2.1. The JARAP will have a Chair, a vice-chair and three other members, all of whom must be independent of the PCC, the Chief Constable and the Police and Crime Panel.
- 2.2. The role of the chairman and panel member is set out in their role specification which is available upon request.
- 2.3. Members of the JARAP shall be recruited by the Police and Crime Commissioner and Chief Constable or their representatives in conjunction with the JARAP Chair (or a nominated representative) on application and through open competition. They shall be recruited to ensure that the JARAP has all the necessary skills and experience to fulfil its terms of reference, in accordance with the job description for JARAP members. To ensure the independence of the

JARAP, members shall not be:

- A standing or ex-PCC or Chief Constable.
- A member or ex-member of a Police and Crime Panel.
- Serving police officers or have served as a police officer within the last 8 years.
- Currently serving staff of Leicestershire Police or Office of the Police and Crime Commissioner.
- Elected or ex-local government councillors or those active in local or national politics.
- Currently serving officers of any county, city, borough or district councils within the force area.
- Individuals who have significant business or personal dealings with the Office of the Police and Crime Commissioner or Force.
- Individuals who have close relationships with any of the above including immediate family members and as such may not have the requisite level of independence required for JARAP membership.
- Individuals removed from a trusteeship of a charity.
- Individuals under a disqualification order under the Company Directors Disqualification Act.
- A person who has been adjudged a bankrupt, or made a composition or arrangement with his creditors.
- Convicted in the UK, Channel Islands or the Isle of Man of any offence and has had passed on a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine, within the last five years prior to their appointment.

- 2.4. The Chair of the JARAP will be jointly recruited by the PCC and the Chief Constable and will serve for a maximum of two terms, each being a maximum of 4 years.
- 2.5. All JARAP Members will serve for two terms, each term being a maximum of 4 years unless they choose to resign from the role. If a panel member becomes the chairman this is deemed to be a new role and the two term period re-commences from the date of this appointment
- 2.6. If a panel member wishes to continue after the initial two term period then they will be permitted to re-apply for the role but will have to go through the same selection process as other applicants. Each four year term will commence when the member takes up their role. This will guard against all members finishing their period on the panel at the same time and allows for phased replacement of panel members.
- 2.7. The process for appointment of a second term for the Chair and Members is as follows:
 - 2.7.1. Prior to six months before the end of their second term the CFO on behalf of the PCC and CC will seek the views of the Chair (for Member second term appointments), Members (for Chair second term appointments) and will provide this information to the PCC and CC and/or their representatives who will decide if a second term should be offered.
 - 2.7.2. The CFO on behalf of the PCC and CC will write to the JARAP member or Chair to offer a second term or to confirm that a second term will not be offered. This will happen six months prior to the end of the current term.
 - 2.7.3. Within one month of this letter, the JARAP member or chair must advise the CFO of their intention whether to accept a second term.
 - 2.7.4. If it becomes evident that a number of panel members are likely to end their term on, or around, the same time then the CFO can recommend to the PCC and CC an extension to their term for up to 12 months in order for there to be a phased replacement of members rather than all members leaving their role at the same time.
 - 2.7.5. In relation to the offering of a second term and the extension by up to 12 months of a term in

office the PCC and CC decision is final and there is no appeal mechanism.

- 2.8. Members of the JARAP will be vetted to the Recruitment Vetting (RV) level which is consistent with the vetting levels now used for staff and Non Police Personnel vetting Level 2 (NPPV2).
- 2.9. Vetting arrangements will be undertaken for JARAP Chair and Members prior to commencement of the role and at the period with a further review at the appointment of the second term on the panel.
- 2.10. The vice-chair is selected by members of the JARAP and the role is rotated annually. The vice-chair will act as Chair at meetings in the absence of the Chair. If the Chair can no longer continue in this role, the vice-chair will act as the Chair until the formal appointment of a new Chair. The vice-chair will not automatically become the new Chair, although may apply for the post of Chair as part of the recruitment and replacement process run by the PCC and Chief Constable.
- 2.11. All members of the JARAP will be subject to an independent annual appraisal. The outcomes will inform the member development programme. See Paragraph 9.4 of these terms of reference.
- 2.12. On joining the JARAP, each member must attend an induction training course to help them understand the roles of the PCC and the Chief Constable, the Police and Crime Panel and the organisations pertaining to the PCC and Chief Constable. Further training on specific relevant topics will be provided as necessary, according to the members' own relevant experience and emerging business needs of the JARAP. Members of the JARAP will be expected to attend all such training and to develop their skills as part of a member development programme. Training needs will be considered during the annual appraisal process and a training & development programme established both for the JARAP and its individual members as appropriate.
- 2.13. In accordance with the JARAP member's code of conduct, each member will be required to record any conflicts of interest in the register of pecuniary and non-pecuniary interests. In addition, JARAP members will be required to disclose any such interests at the commencement of any meeting where there is a need to do so due to the nature of the JARAP agenda, or immediately if they arise unexpectedly in discussion.

3. RIGHTS

- 3.1. Only members of the JARAP have the right to vote on matters.
- 3.2. The members of the JARAP will be remunerated and reimbursed for all expenses incurred in the fulfilment of their JARAP duties, roles and responsibilities in accordance with the schedule of allowances and expenses agreed by the PCC and Chief Constable.

4. SUPPORT

- 4.1. The Chair, in conjunction with the PCC and Chief Constable has particular responsibility for ensuring that the work of the JARAP is appropriately resourced, including appropriate secretariat support and any other specialist support necessary to ensure its members are effective in their role. The JARAP Chair has a duty to report any shortfall in the level of support to the PCC and Chief Constable in the first instance and in a public report if this is not remedied.
- 4.2. The allocation of secretariat support to the JARAP and its funding will be agreed between the PCC and Chief Constable. This will include ensuring that best practice as contained in relevant good governance codes and protocols are upheld so that the JARAP is effective and the members' independence is maintained.
- 4.3. The JARAP may with reasonable justification and with joint approval by the respective Chief Finance Officers of the PCC and Chief Constable procure specialist ad-hoc advice e.g. legal, to

obtain additional skills, knowledge and experience at the expense of the PCC and Chief Constable to support the JARAP in the achievement of its terms of reference. This will be considered appropriate where specialist advice is not available within the existing JARAP support arrangements or it is not considered appropriate to use this support.

5. FREQUENCY AND NOTICE OF MEETINGS

- 5.1. The JARAP will meet approximately four times a year. The calendar of meetings shall be agreed at the start of each year. Scrutiny and pre-approval of the statement of accounts of the PCC and Chief Constable will take place either at a JARAP meeting or by the Statement of Accounts being shared with a nominated member or members before submission to external audit.
- 5.2. Further meetings outside of the normal cycle of the JARAP can be convened at the request of the JARAP Chair or any of its members, subject to agreement by the Chair.
- 5.3. The PCC and or CC may ask the JARAP to convene further meetings to discuss particular issues on which they want the JARAP's advice.
- 5.4. Meetings can be requested by the external or internal auditors where this is considered necessary and on agreement of the JARAP Chair.
- 5.5. Unless otherwise agreed, formal notice of each meeting confirming the venue, time and date together with the agenda of items to be discussed, will be forwarded to each member of the JARAP, any other person required to attend and all other appropriate persons determined by the Chair, no later than five working days before the date of the meeting.
- 5.6. Any meetings held outside the normal cycle of meetings should be convened with a minimum notice of five working days. Extraordinary or urgent meetings may be held with less notice but should be for exceptional matters only, subject to the Chair's agreement and quorum requirements. In this case the agenda and any supporting papers will be sent to the JARAP members and to other attendees at the same time as the meeting notice is sent out, recognising that if the matter is so urgent that there may only be an oral report. If this is the case then this will be identified on the agenda.
- 5.7. 5.7 The agreement of the Chair is required to cancel, postpone or amend meeting arrangements with a minimum notice of five working days. If the Chair is unavailable, agreement of the vice-chair will be required.
- 5.8. If meetings are cancelled, it is anticipated that updates to members on non-standing reports will still be circulated unless otherwise agreed with the Chair.

6. ATTENDANCE AT MEETINGS

- 6.1. Members of the JARAP are expected to attend all meetings. If two or more meetings are missed in a year, this will be discussed as part of the annual appraisal, see 9.4. Regular non-attendance of JARAP members will lead to their removal as a member of the JARAP on agreement by the Chair.
- 6.2. The PCC and Chief Constable, will attend all meetings of the JARAP, or ensure that they are suitably and appropriately represented, therefore ensuring that the purpose of the JARAP is not compromised and that the members are able to appropriately fulfil their responsibilities. In addition, the Police Reform and Social Responsibility Act 2011, Section 114 of the Local Government Finance Act 1988 and the Audit and Accounts Regulations 2011 assign a number of statutory responsibilities to each of the Chief Finance Officers of the PCC and Chief Constable. Given the nature of these responsibilities it is expected that both the Chief Finance Officers of the PCC and the Chief Constable will attend all meetings of the JARAP, or where this is not possible then their nominated representatives.

- 6.3. The Head of Internal Audit and representatives of the external auditor will be invited to attend meetings on a regular basis. The JARAP should meet with the Head of Internal Audit and representatives of the external auditor separately and privately at least once a year.
- 6.4. A minimum of three members of the JARAP must be present for the meeting to be deemed quorate, one of whom must be either the Chair or vice-chair.
- 6.5. JARAP meetings will be held in public with the matters discussed being placed in the public domain. Where items are considered commercially sensitive or contain issues which are deemed confidential or relate to a member of staff the JARAP may sit privately, that is, excluding members of the public or press, and will record their reasons for this decision in the public domain.
- 6.6. The JARAP may hold private informal meetings e.g. for briefing and training purposes without any non-members present if they so decide. Formal decisions cannot be taken at such meetings.
- 6.7. Expenses for the JARAP will be reimbursed on the basis of receipts and in line with the prevailing policies, rates and allowances of the Force and OPCC.

7. ACCESS

- 7.1. The Chief Finance Officers, the Monitoring Officer, Head of Internal Audit and the representative of external auditor of the PCC and Chief Constable will have free and confidential access to the Chair of the JARAP.

8. MINUTES OF MEETINGS

- 8.1. The secretary of the JARAP will record the names of those present at the meeting, write minutes, including the key points and decisions of all JARAP meetings, along with any actions stemming from discussion that need to be taken before the next meeting. The minutes of the previous meeting must be approved by the JARAP and signed by the chair as a true record at each meeting.
- 8.2. The secretary of the JARAP will establish, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly, see also paragraph 2.11 of these terms of reference.
- 8.3. The unsigned and unapproved minutes of the most recent JARAP meeting will be circulated promptly and no later than ten working days after the meeting to all members of the JARAP, to the PCC and the Chief Constable along with their nominated representative at the JARAP, the Chief Finance Officers of the PCC and Chief Constable and to the internal and external auditors, once they have been considered by the Chair or deputy Chair in the Chair's absence.
- 8.4. The minutes of the JARAP will be placed in the public domain as soon as these have been approved and signed by the Chair, with exclusion to any matter deemed private and confidential, as per paragraph 6.5 of these terms of reference.

9. REPORTING

- 9.1. To ensure relevant and timely reporting throughout the year to the JARAP a reporting time table will be prepared by the PCC and Chief Constable and agreed with the JARAP. This will be designed to enable the JARAP to fulfil its responsibilities and receive the assurances required. The annual plan or timetable will be reviewed regularly by the Chair, the ACO (Finance and Resources) and the OPCC Chief Finance Officer.
- 9.2. The Chair of the JARAP will provide the PCC and Chief Constable with an Annual Report in the name of the JARAP, timed to support finalisation of the accounts and the Annual Governance

Statement, summarising its conclusions from the work it has done during the year and drawing attention to any significant or emerging issues as appropriate. This report will be placed in the public domain following its discussion with the PCC and Chief Constable along with their responses to the Chair's Annual Report. The Chair will be responsible for dealing with any public or media questions relating to that report.

- 9.3. The JARAP will, having regard to best governance practice, review these terms of reference annually and make any changes deemed necessary in consultation with the PCC and Chief Constable.
- 9.4. The JARAP will annually review its own performance to ensure it is fulfilling its terms of reference and operating effectively. In doing so it will make any recommendations for change to the PCC and Chief Constable. This annual review of performance will include an individual appraisal of all members of the JARAP, including the Chair. The performance review of the JARAP and its members will be commissioned and undertaken independently.

10. RESPONSIBILITIES

10.1. Risk Management, Governance and internal control responsibilities

The JARAP will seek assurance in connection with the following:

- 10.1.1. The establishment and maintenance of an effective system of risk management, integrated governance and internal control, across the whole of the PCC and Chief Constable activities that supports the achievement of the objectives of the Police and Crime plan, ensuring probity, value for money and good governance.
- 10.1.2. The timely implementation of any actions necessary to ensure compliance with all internal standards and best practice, both financial and non- financial operated by the PCC and Chief Constable.
- 10.1.3. The adequacy of relevant disclosure statements, in particular the Annual Governance Statement, together with any accompanying Head of Internal Audit report, external audit opinion, risk register or other appropriate independent assurances.
- 10.1.4. The adequacy of arrangements for ensuring compliance with relevant regulatory, legal and code of conduct requirements and fraud and corruption as set out in Secretary of State Directives and other relevant bodies or professional standards.
- 10.1.5. Notwithstanding the specific responsibilities of the JARAP in connection with both internal and external audit, consider the adequacy of response by the PCC and / or the Chief Constable to recommendations contained within any external inspection report that has been received for the purposes of assurance.

10.2. Internal audit responsibilities

It is anticipated that the PCC and Chief Constable will engage the same internal auditors. The role of the JARAP in relation to internal audit will include advising the PCC and Chief Constable on the following:

- 10.2.1. Consider and make recommendations on the provision of internal auditors, including appointment, assessment of performance and dismissal.
- 10.2.2. Approving but not directing on the internal audit strategy and annual internal audit plan, ensuring that this :
 - is consistent with professional standards;
 - meets the audit needs of PCC and Chief Constable; and

- provides the JARAP with adequate coverage for the purpose of obtaining appropriate levels of assurance over the adequacy of the risk management, governance and internal control environment of both the PCC and Chief Constable.

- 10.2.3. Consider the Head of Internal Audit's annual report and opinion, and a summary of audit activity (actual and proposed) and the level of assurance it gives over the risk management, internal controls and governance arrangements of the PCC and Chief Constable.
- 10.2.4. Consider the findings of internal audit reports (or their summaries), the assurance provided and the adequacy of the response by the PCC and / or Chief Constable.
- 10.2.5. Commissioning additional work from the internal auditor, having regard to any actual or potential conflicts of interest.
- 10.2.6. Ensuring co-ordination between the internal and external auditors to optimise audit resources.
- 10.2.7. Annually review the effectiveness of internal audit.
- 10.2.8. Where the JARAP considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the JARAP wishes to raise, the Chair of the JARAP must initially take advice from the Monitoring Officer before raising the matter with the PCC and Chief Constable. Where appropriate the JARAP may then seek independent legal advice. Exceptionally, the matter may need to be referred directly to the external auditor, HMIC and / or the Home Office e.g. fraud suspicion directly involving the PCC or Chief Constable.

10.3. External audit responsibilities

It is anticipated that the PCC and Chief Constable will engage the same external auditors. The role of the JARAP in relation to external audit will include advising the PCC and Chief Constable on the following:

- 10.3.1. Consider and make recommendations on the provision of external auditors, including appointment and dismissal in conjunction with the Public Sector Audit Appointments Ltd PSAA who are currently responsible for the appointment of external auditors in England to bodies subject to audit under the Local Audit and Accountability 2014.
- 10.3.2. Review, advise on and endorse the external audit strategy and annual audit plan, ensuring that this is consistent with professional standards and the External Audit Code of Audit Practice.
- 10.3.3. Consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- 10.3.4. Consider specific reports as agreed with the external auditor.
- 10.3.5. Commissioning work from the external auditor, having regard to any actual or potential conflicts of interest.
- 10.3.6. Consider major findings of external audit work and the adequacy of response of the PCC and / or Chief Constable
- 10.3.7. Ensuring co-ordination between the internal and external auditors to optimise audit resources.
- 10.3.8. Annually review the effectiveness of external audit.
- 10.4. Annual Accounts of the PCC and Chief Constable

The JARAP will:

10.4.1. Review, scrutinise and recommend for signature the annual statement of accounts prior to their external audit. Specifically, it will seek assurances whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements.

10.4.2. Consider the external auditor's report to those charged with governance on issues arising from the audit of accounts.

11. INFORMATION REQUIREMENT

11.1. For each meeting the JARAP will normally be provided with the following:

- A report summarising any significant changes to the PCC and Chief Constable risk and controls profile and any action planned in response.
- A report on any governance matters arising or a note that no governance matters have arisen since the last meeting and any action planned in response.
- A progress report from the head of internal audit summarising:
 - o Work performed and a comparison with work planned
 - o Key issues emerging from internal audit work
 - o Management response to audit recommendations
 - o Changes to the periodic plan
- Any resourcing issues affecting the delivery of internal audit objectives
- A progress report from the external audit representative summarising work done and emerging findings.
- A summary report of actions being tracked and progress made in connection with their implementation on significant risk, governance and
- Internal controls matters. Thereby providing for an on-going process of follow-up.
- Fraud and Corruption will be included as a standing agenda item

11.2. A protocol between the JARAP and Ethics, Integrity and Complaints Committee has been developed and annual meetings will take place between the Ethics Chair and the lead member for the JARAP.

11.3. A lead member has been appointed to consider collaboration developments in more depth and they, together with information from the Chair in respect of regional meetings will update the JARAP on regional and collaboration arrangements as deemed appropriate.

Updated March 2019

MEMORANDUM OF UNDERSTANDING

To be completed – August 2020