



## **Statement of Corporate Governance and Code of Corporate Governance for the Commissioner and the Chief Constable of Dorset**

### **Introduction**

The purpose of this joint statement is to give clarity to the way the two Corporations sole, the Commissioner and Chief Constable of Dorset will govern both jointly and separately to ensure they are conducting business in the right way for the right reasons at the right time, in an open inclusive and accountable way.

It comprises the systems, processes, culture and values by which the affairs of Commissioners and Forces are directed and controlled, and through which they account to, engage with and, where appropriate, lead their communities. Good governance leads to good management, good performance, and good stewardship of public money, good public engagement and ultimately good outcomes for citizens and users.

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

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

This framework creates a public sector relationship, based upon the commissioner provider arrangement but with unique elements such as the single elected commissioner and corporation independence of the police service. This builds upon existing good governance principles and experience.

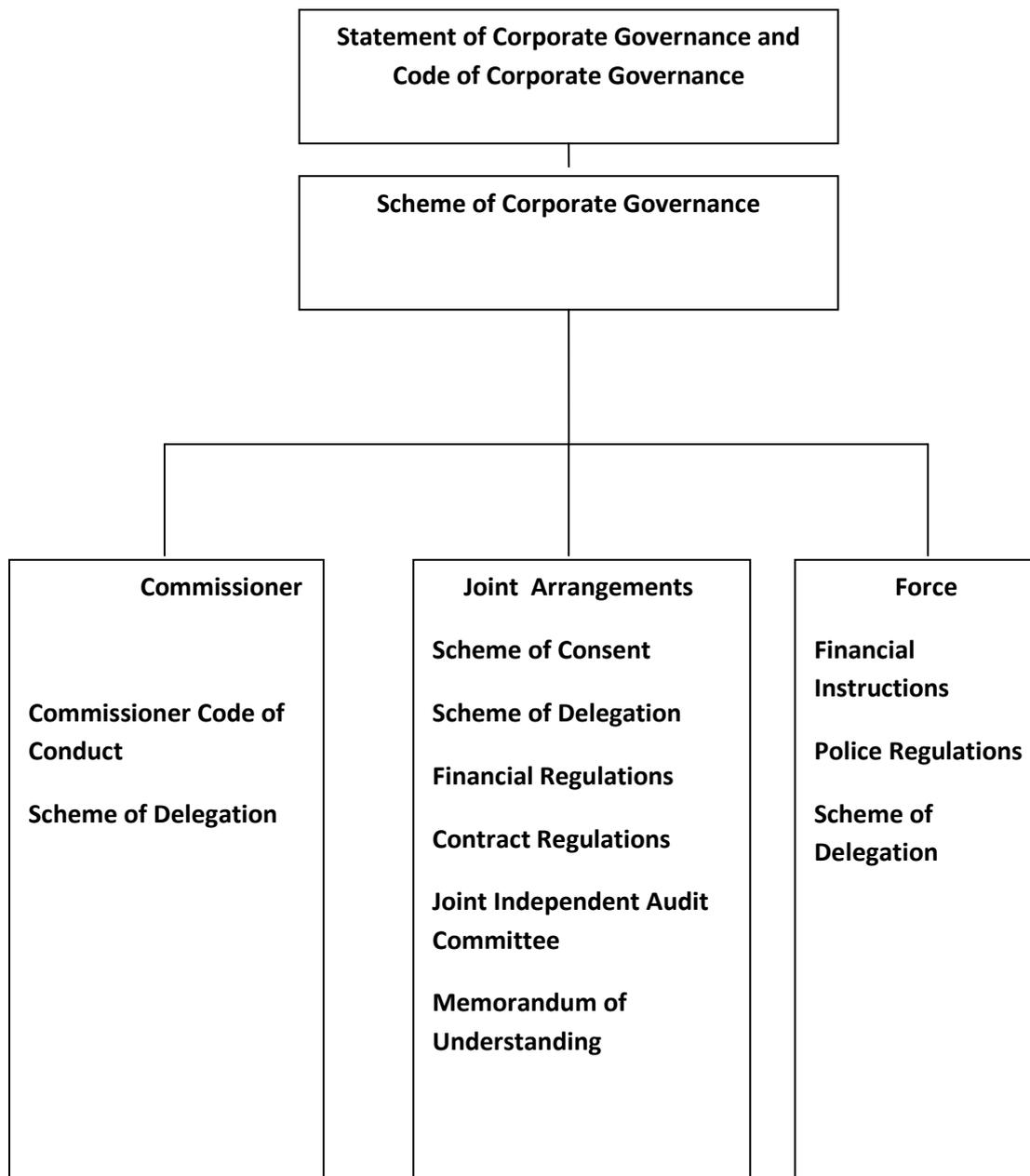
In accordance with the CIPFA/SOLACE framework on corporate governance the Commissioner and the Chief Constable are required to produce separate annual governance statements (AGS) to show how their respective organisations have complied with this joint code of governance.

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

Statement of Corporate Governance and Code of Corporate Governance – the statutory framework and how the core principles will be implemented.

Scheme of corporate governance – define the parameters within which the corporations' sole will conduct their business.

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



In discharging their governance responsibilities, the Police and Crime Commissioner and Chief Constable are jointly committed to upholding the six core principles<sup>1</sup> developed by the Independent Commission on Good Governance in Public Services which are the key enablers for ensuring good governance and accordingly these core principles lie at the heart of this Code of Corporate Governance. A framework has therefore been formulated locally which ensures that the six core principles<sup>2</sup> are fully integrated into the conduct our business which also includes the means to demonstrate compliance. This framework will involve an Annual Governance Review and the preparation and publication of individual Annual Governance Statements (AGS). The AGS forms part of the Annual Accounts and reports publicly on how our respective governance arrangements comply with our Code of Corporate Governance, how we have monitored their effectiveness and what changes are planned.

<sup>1</sup> Good governance standard for public services, 2005

<sup>2</sup> Good governance standard for public services, 2005

## Code of corporate governance

1. ***Focusing on the purpose of the Commissioner and the Dorset Police, and on outcomes for local people, and on creating a vision for the local area:***
  - 1.1 The Commissioner, in conjunction with the Chief Constable, will ensure that effective arrangements are in place for consulting victims, local communities and partners about policing and will consider when determining the Police and Crime Plan and local policing delivery plans, priorities and targets.
  - 1.2 The Commissioner and the Chief Constable will ensure that effective arrangements are in place to determine the policing priorities and that the Dorset Police possesses the capability to deliver them.
  - 1.3 In accordance with the Act<sup>3</sup>, the Police and Crime Commissioner will issue a Police and Crime Plan for one year beyond the term of his/her office which will outline the police and crime objectives (outcomes) and the strategic direction for policing. Effective communication of the Police and Crime Plan and Budget will be achieved, for example through the Commissioner's website, media coverage and the use of relevant information leaflets. Internally, the Commissioner and the Chief Constable will attend Police and Crime Plan launch events.
  - 1.4 The Police and Crime Plan will be developed in consultation with the Chief Constable and, in formulating the Plan, the Police and Crime Commissioner shall have regard to the priorities of the responsible authorities<sup>4</sup>. Tactical Delivery Plans will be developed by Dorset Police setting out how it will operate to support the achievement of these outcomes.
  - 1.5 The Commissioner will ensure that effective arrangements are in place for the oversight and scrutiny of performance and will provide information on performance to local communities in accordance with the Elected Policing Bodies (Specified Information) Order 2011 as amended.
  - 1.6 A Medium Term Financial Strategy will be jointly developed for the Commissioner's approval and thereafter reviewed quarterly which will underpin the budget planning and preparation arrangements and inform the council tax policing precept. Adherence to the Home Office Financial Management Code of Practice for the Police Service and our local Financial Regulations will ensure proper arrangements for financial management.
  - 1.7 A Commissioning Framework will be developed for the Commissioner's approval, which will incorporate commissioning intentions and priorities and set out the arrangements applicable to the award of grants.
  - 1.8 The Commissioner will adopt a strong partnership philosophy to secure arrangements for priorities and plans to be aligned to those of partner agencies and to collaborate with other police forces in the interests of efficiency, effectiveness and achieving required capability. Collaboration agreements will set out those areas of business to be undertaken jointly with other Forces and Local Policing Bodies. Relevant national, regional and local partnerships will be serviced in accordance with the Commissioner's partnership strategy, the Home Secretary's Strategic Policing

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<sup>3</sup> Police Reform and Social Responsibility Act 2011

<sup>4</sup> PRSR Act 2011, section xx

Requirement, and the agreed Regional Collaboration Strategy or any Strategic Alliance.

1.9 The key changes to the existing police complaints system resulting from the Act are aimed at streamlining and cutting out unnecessary bureaucracy and better focusing the system on putting right what a member of the public has complained about. This includes provision for the introduction of an in-house appeals process. Consistent with the aims of the Act, for the purposes of handling complaints, procedures and process maps have been developed to respond effectively to the breadth of concerns that may be raised by local people, whether these concern perceptions of individual or organizational failure or concern.

**2. *Leaders and officers and partners working together to achieve a common purpose with clearly defined functions and roles***

2.1 The Act<sup>5</sup> clearly sets out the functions of the Commissioner and Chief Constable and the Policing Protocol<sup>6</sup> sets out how these functions will be undertaken to achieve the outcomes of the Police and Crime Plan.

2.2 The Commissioner may appoint a Deputy who will be a member of his staff as highlighted in the Act<sup>7</sup>. In the event that the Commissioner elects to appoint a Deputy, the role description to be approved by the Commissioner will specify the functions that are delegated to the Deputy Commissioner which will be reflected in the Scheme of Delegation.

2.3 The Act requires the Commissioner to have a Chief Executive<sup>8</sup> and a Chief Financial Officer (Treasurer). The Chief Executive will be the head of paid service and will also undertake the responsibilities of Monitoring Officer<sup>9</sup>. The Act<sup>10</sup> requires the Chief Constable to appoint a Chief Finance Officer (Director of Finance) and the Home Office Financial Management Code of Practice and CIPFA Statement of Roles<sup>11</sup> sets out the responsibilities of both Chief Financial Officers.

2.4 The Scheme of Consent and Delegation sets out the parameters for key roles including delegations or consents from the Commissioner or Chief Constable and these roles are also referenced in the financial regulations and contract standing orders. Arrangements will be operated to approve and keep updated the Scheme of Delegation and to develop, maintain and regularly review policies, financial regulations and contract standing orders.

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<sup>5</sup> PRSR Act 2011, section 5 – 8,

<sup>6</sup> Policing Protocol Order 2011

<sup>7</sup> PRSR Act 2011, section 18 (1)

<sup>8</sup> PRSR Act, sch 1, 6 (1) a,

<sup>9</sup> Local Government and Housing Act, section 5,

<sup>10</sup> PRSR Act 2011, schedule 2 (4).

<sup>11</sup> Financial Management Code of Practice for the Police, section 4, & CIPFA statement on role of chief finance officers, 2011

- 2.5 Officers, police staff and staff of the Office of Police and Crime Commissioner will operate within:
- (a) the Commissioner and Force policy and procedures;
  - (b) corporate governance framework; and
  - (c) discipline regulations and relevant codes of conduct.
- 2.6 A Joint Independent Audit Committee will operate in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and within the guidance of the Home Office Financial Management Code of Practice<sup>12</sup>. The terms of reference of the Audit Committee will be subject to annual review.
- 2.7 Collaboration Agreements between Forces and Commissioners will set out key roles and responsibilities and a partnership register will be maintained to clearly define the legal status, decision making powers and terms of reference for all approved partnerships.
- 3. *Promoting the values for the Commissioner and Dorset Police and demonstrating the values of good governance through upholding high standards of conduct and behaviour***
- 3.1 The Policing Protocol 2011 requires all parties to abide by the seven Nolan principles<sup>13</sup> and these will be central to the conduct and behaviour of all. It also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust.
- 3.2 The Home Office Financial Management Code of Practice requires the Commissioner and Chief Constable to ensure that the good governance principles are embedded within the way the organisations operate.
- 3.3 The Commissioner and Chief Constable will show leadership in terms of the high standards of professional conduct that are required of all personnel. The values of good governance will be clearly set out in the Commissioner's Police and Crime Plan and relevant Force plans. In addition, the Commissioner and Chief Constable will jointly chair the Professional Standards Board which will play a key role in reporting and monitoring standards of conduct and behaviour, including complaints.
- 3.4 A register of business interests and a gifts and hospitality register will be maintained in accordance with the Gifts and Hospitality policy. More broadly, a series of policies and arrangements will be maintained, for example in respect of vetting, standards of dress/appearance, discipline, dignity at work and grievances, alcohol and substance misuse policy and data protection/computer standards, which further support and demonstrate the standards expected.
- 3.5 Key roles in respect of the maintenance of high standards of conduct on the part of officers, staff, and the Commissioner will be undertaken by the Professional Standards Department, Human Resources Department the Chief Executive who is also the Monitoring Officer, the Police and Crime Panel and the Independent Police Complaints Commission in accordance with relevant statutes.

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<sup>12</sup> Financial Management Code of Practice for the Police, section 11.1.3

<sup>13</sup> Standards in public life, 2005

3.6 The standards of Dorset Police are further supported by the adoption of College of Policing Code of Ethics for Policing.

**4. *Taking informed and transparent decisions, which are subject to scrutiny and managing risk***

4.1 The Scheme of Consent and Delegation highlights the parameters for decision making, including the delegations, consents, financial limits for specific matters and standing orders for contracts.

4.2 Corporate risk management arrangements are in place with a clearly defined Risk Management Policy, and clearly defined roles and responsibilities and scrutiny arrangements, for Dorset Police and the Commissioner. The Risk Management Policy will be subject to annual review and will also be reported to the Joint Independent Audit Committee. Ultimately the Chief Constable and the Commissioner are accountable for the management of risk, but everyone in the Office of the Commissioner and Dorset Police has a role to play in the continuous identification and management of risk and opportunity.

4.3 A communication and engagement strategy will demonstrate how the Commissioner and Chief Constable will seek to ensure that local people are involved in decision making. Furthermore a publication scheme will ensure that information relating to decisions will be made readily available to local people, save where operational or legal constraints apply. In terms of transparency of decision making, the Commissioner will seek to ensure through reports presented to the Police and Crime Panel, that the Panel is properly sighted on their decisions.

4.4 In accordance with the Equality Act, policies and business decisions of Dorset Police and the Office of the Commissioner will where appropriate, be informed by the views of stakeholders and people who will be affected by those policies or decisions, complemented by proportionate equality impact assessments.

4.5 In terms of the governance arrangements and meetings, clear procedural standards will be adopted for Board meetings in accordance with the Governance Policy. Subject to any necessary Government Protective Marking Scheme or Freedom of Information Act requirements, the Commissioner and the Chief Constable will seek to provide public access to, accurate and clear information on their decisions via the Commissioner or Force websites.

4.6 A clear structure of reporting will be adopted, and where possible the findings of internal and external audit, and other inspection reviews will be published.

4.7 The national decision making model<sup>14</sup> 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.

**5. *Developing the capacity and capability of the Commissioner, Officers of the Commissioner and Dorset Police to be effective in their roles***

5.1 The Office of the Commissioner and Dorset Police will operate robust competency based recruitment processes for the recruitment of all personnel, including volunteers and members of the Joint Independent Audit Committee. These processes are

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<sup>14</sup> Single National Decision Model (NDM) for the Police Service. ACPO July 2011

considered essential in order to attract high quality candidates for selection and to ensure they are effective in their roles when appointed.

- 5.2 The Force and Commissioner will also ensure effective induction procedures are in place for new personnel, linked to appropriate probation processes. Thereafter, the respective performance development review and appraisal processes for the Office of the Commissioner and Dorset Police will facilitate continued development of relevant personnel to support their professional development and the maintenance of key skills. Annual reviews will also apply to members of the Audit Committee.
- 5.3 Regular briefings will be provided to the Commissioner by the Chief Constable to support the Commissioner in the exercise of his/her functions.
- 5.4 The Commissioner and Chief Constable will ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout Dorset Police and Commissioner.

**6. *Engaging with local people and other stakeholders to ensure robust public accountability***

- 6.1 The Policing Protocol<sup>15</sup> highlights that the Commissioner is accountable to local people and that he/she draws on this mandate to set and shape the strategic objectives for the force area in consultation with the Chief Constable.
- 6.2 The Commissioner and the Chief Constable will develop and keep updated a community consultation and engagement policy and ensure that effective consultation and engagement arrangements consistent with that policy are in place.
- 6.3 In preparing the Police and Crime Plan, the Commissioner will have regard to the plans and priorities of key community safety and criminal justice partners as required by the Act. More generally, the Commissioner and Chief Constable are committed to inclusive approaches that engage local communities and people, including victims, and stakeholders. They will maintain arrangements for effective engagement with key stakeholders, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction.
- 6.4 The Commissioner and Chief Constable take their responsibilities under the Equality Act seriously and are committed to promoting equality and diversity both internally and in the provision of services. The Equality and Confidence Board, chaired by the Deputy Chief Constable provides strategic direction, leadership and oversight and provides an effective forum for scrutiny and performance monitoring in this area.
- 6.5 The Commissioner will develop and maintain a comprehensive programme of community engagement, consultation and partnership meetings and events, to be promoted and published on the Commissioner website and other means, to enable the Commissioner to hear first-hand about the issues and priorities that matter most to local people. This will complement Dorset Police's own community engagement activities, for example SNTs, PACT meetings, schools liaison activities etc.

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<sup>15</sup> Policing Protocol Order 2011, section 14

6.6 The Commissioner and Chief Constable are committed to engaging with minority and community groups and others that have a role in representing their views, through consultation groups, meetings and forums.

## **7. Arrangements for the Review of Governance**

7.1 A review of the Code of Corporate Governance and the wider Governance Framework will be carried out annually as part of the review work necessary for the production of the Annual Governance Statements.

7.2 The Annual Governance Work Group which comprise of members of Dorset Police and the Commissioner will be responsible for the review of the governance arrangements for both Dorset Police and the Commissioner.

7.3 The Chief Executive will produce the Annual Governance Statement which will be published with their Accounts. This will include an action plan to rectify any significant weakness in internal control and governance.

7.4 Under delegated authority from the Chief Constable the Director of Finance will produce the Annual Governance Statement for Dorset Police, which will also be published with the accounts. This will include an action plan to rectify any significant weaknesses in internal control and governance.

## **8. The Joint Independent Audit Committee**

8.1 The Committee's terms of reference include the following key requirements in respect of internal control:

- Consider the Commissioner/Force Financial Regulations, Standing Orders on Contracts and Scheme of Consent (including powers to enter into contracts and acquire or dispose of property)
- Keep under review the anti-fraud and anti-corruption arrangements, including 'whistle blowing'
- Keep under review the effectiveness of internal control systems and seek assurance regarding such systems
- Commission assurance work e.g. specialist advice or audit
- Consider and comment upon the assurance framework
- Review compliance with policies relating to declarations of interest, gifts and hospitality

## **9. Internal Audit**

9.1 The primary role of internal audit is to give an assurance to the Commissioner and Chief Constable, through the Treasurer and Director of Finance, on the effectiveness of the controls in place to manage risks. To this end the Internal Audit Manager delivers an annual opinion on the effectiveness of the controls reviewed by the Internal Audit Team.

9.2 The Internal Audit Manager provides regular update reports to the Joint Independent Audit Committee, including areas of concern.

9.3 Major control weaknesses are also reported to the Strategic Risk Management Board.

9.4 The review of the corporate governance and risk management arrangements periodically feature in the annual audit plan.

**10. External Audit**

10.1 The external auditor will audit the financial statements of the Commissioner and the Chief Constable, as well as the Group accounts and will also review the Annual Governance Statements.

10.2 External Audit plans and reports, including the Annual Audit Letter, are considered by the Joint Independent Audit Committee.

**11. Her Majesty's Inspectorate of Constabulary (HMIC)**

11.1 The role of the HMIC is to promote the economy, efficiency and effectiveness of the policing through inspection of police organisations and functions to ensure agreed standards are achieved and maintained; good practice is spread and performance improved. It also provides advice and support to the tripartite partners – Home Secretary, Commissioner and Forces.

11.2 HMIC reports are sent to the Chief Constable and the Commissioner for consideration and appropriate action. HMIC, working alongside external audit, will play a key role in informing the Commissioner and the public on the efficiency and effectiveness of their Force and, in so doing, will facilitate the accountability of the Commissioner to the public.



## **SCHEME OF CORPORATE GOVERNANCE 2014/15**

### **Definitions within this Scheme of Governance**

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

This scheme sets out the common understanding and agreement of the Commissioner and Chief Constable as to the ways in which certain functions will be governed and managed.

The scheme includes, but is not limited to, formal delegations by the Commissioner and the Chief Constable. It also includes activities where the Chief Constable acts in her own right and/or pursuant to the duty to exercise her power of direction and control in such a way as is reasonable to assist the Commissioner to exercise his functions (section 2(5) PRSR Act).

### **Delegation**

The Commissioner may not arrange for any constable or any person employed by the Chief Constable to exercise any of the Commissioner's functions (section 18 PRSRA). Under this scheme, there is no formal delegation of any function from the Commissioner to any constable or member of police staff. Where this scheme refers to a delegation, that is a reference to a delegation of a function or power:

- (a) By the Commissioner to the Deputy Commissioner or to a member of his own staff; or
- (b) By the Chief Constable to another police officer or member of police civilian staff

### **Chief Constable's Own Functions**

The statutory restriction on delegation does not prevent the Chief Constable carrying out functions in her own right. That is a wide-ranging power: in addition to broad functions of keeping the peace and enforcing the law, the Chief Constable also has the power "to do anything which is calculated to facilitate, or is conducive or incidental to, to the exercise of [her]

functions” (paragraph 7(1), Schedule 2 PRSR Act). This scheme also deals with the ways in which certain of the Chief Constable’s functions will be exercised in such a way as is reasonable to assist the Commissioner to exercise his functions. For the avoidance of doubt, these are not delegations from the Commissioner. Nothing in this scheme is intended to fetter the Chief Constable’s operational independence.

## **Consent**

There are certain statutory restrictions on the Chief Constable’s power to exercise certain functions in her own right: the Chief Constable may not acquire or dispose of land, and needs the consent of the Commissioner to enter into contracts and to acquire or dispose of property.

This scheme also sets out the conditions on which the Commissioner has given consent to the Chief Constable to enter into contracts and to acquire or dispose of property (other than land).

For the avoidance of doubt, this is not a delegation from the Commissioner – it is the Commissioner giving consent to the Chief Constable to exercise certain functions in her own right, subject to compliance with this Scheme.

## **Key Principles**

Officers and staff of the Chief Constable may be used to assist the Commissioner to exercise his functions; indeed the Chief Constable is under a statutory duty to exercise direction and control in such a way as is reasonable to give that assistance (section 2(5) PRSR Act). This scheme sets out some of the ways in which that assistance will be given. For the avoidance of doubt, these are not delegations from the Commissioner.

The statutory officers are responsible for ensuring that members of staff they supervise are aware of and comply with the provisions and obligations of the Scheme of Consent and Delegation

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

To enable the Commissioner to exercise the functions of his office effectively he will need reasonable access to information held by Dorset Police and police officers and staff employed by the Chief Constable. This access must not be unreasonably withheld or obstructed by the Chief Constable.

## **1. Introduction**

- 1.1 The Statement of Corporate Governance gives clarity to the way the two corporations sole (ie Commissioner and Chief Constable) will govern both jointly and separately to ensure they are conducting business in the right way, for the right reason at the right time.
- 1.2 The Code of Corporate Governance describes the strategies, arrangements, instruments and controls to ensure good governance in the two corporations sole.
- 1.3 This Scheme of Corporate Governance sets out the delegations from the Commissioner and the Chief Constable to their respective staff, and should be read alongside the aforementioned Statement and Code. In addition, it incorporates other instruments such as the financial regulations and standing orders relating to contracts.
- 1.4 This Scheme aims to clarify those powers which, for the benefit of good business practice, are given to the statutory officers. The Commissioner and Chief Constable may limit these powers and/or remove delegation.
- 1.5 This Scheme provides a framework which ensures business is carried out lawfully and efficiently, ensuring that decisions are not unnecessarily delayed and are taken at the appropriate level. It forms part of the overall corporate governance framework of the two corporations sole.
- 1.6 Powers are given to the Commissioner and Chief Constable by laws, orders, rules or regulations. Also, national conditions of employment give powers to the Commissioner and/or the Chief Constable or, as in the case of police regulations, the Secretary of State for the Home Department.
- 1.7 Any powers or duties placed on other statutory officers should be exercised lawfully in accordance with the Commissioner's and Chief Constable's respective delegations, standing orders and financial regulations, and also relevant policies, procedures, plans, strategies and budgets
- 1.8 This Scheme does not identify all the statutory duties which are contained in specific laws and regulations; however it provides the framework in which the various duties and powers are exercised.

## **2. General principles of delegation**

- 2.1 The persons appointed as the Commissioner's Chief Executive (who will also be the Monitoring Officer) and the Chief Finance Officer (Treasurer) (appointed under Schedule 1, paragraph 6(1)(b) of the PRSR Act 2011) have statutory powers and duties relating to their positions and therefore, do not rely on matters being delegated to them to carry out these specific powers and duties.
- 2.2 The Scheme of Delegation provides an officer with the legal authority to carry out appropriate duties of the Commissioner and/or Chief Constable. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including:

- The Police and Social Responsibility Act 2011 and other relevant legislation issued under this Act (eg policing Protocol Order).
  - Financial Regulations
  - Contract Regulations
  - Home Office Financial Management Code of Practice
  - CIPFA Statement on the role of the Chief Financial Officer of the Commissioner and the Chief Finance Officer of the Chief Constable.
  - The Commissioner and Chief Constable's joint governance framework.
  - The Commissioner's and Dorset Police policies and procedures.
  - The Data Protection Act 1998 and the Freedom of Information Act 2000.
  - Health and safety at work legislation and codes.
- 2.3 With the exception, of those matters listed in paragraph 2.2, any person to whom a power is delegated under this scheme may sub-delegate that power as they deem appropriate. The formal responsibility and accountability to the Commissioner or Chief Constable for the effective discharge of such sub-delegated powers remains in law with the person to whom the power was delegated by the Commissioner or Chief Constable.
- 2.4 The Commissioner and/or Chief Constable may ask that a specific matter be referred to them for a decision and not be dealt with under powers of delegation.
- 2.5 The scheme does not attempt to list all matters which form part of everyday management responsibilities.
- 2.6 Giving delegation to officers under this scheme does not prevent an officer from referring the matter to the Commissioner and/or Chief Constable for a decision if the officer thinks this is appropriate (for example, because of sensitive community and stakeholder issues or any matter which may have a significant operational or financial implications).
- 2.7 All decisions officers make under formal powers delegated to them by the Commissioner and/or Chief Constable must be recorded and be available for inspection.
- 2.8 The Commissioner and Chief Constable may set out their reporting arrangements on actions undertaken by their own staff in respect of the use of powers delegated to them.
- 2.9 All delegations should be reviewed at least annually.

### **3. Financial Regulations, including Contract Regulations**

- 3.1 Financial regulations explain the working financial relationship between the Commissioner, the Chief Constable and their respective chief finance officers, having regard also to the role played by the Chief Executive.
- 3.2 Financial Regulations ensure that financial dealings are conducted properly and in a way which incorporates recognised best practice and focuses on bringing operational and financial management together with timely and accurate financial information. They also include sufficient safeguards for both chief finance officers who are responsible for ensuring that the financial affairs of the Commissioner and Dorset Police are properly administered to discharge their statutory obligations.

3.3 Embedded within Financial Regulations are the Contract Regulations which is a single set of standing orders relating to contracts. These regulations explain the procedures to be followed for procurement, tenders and contracts, including tender thresholds and authorisation levels.

#### **4. Role of the Commissioner**

4.1 The role and primary responsibilities of the Commissioner includes:

- Providing a link between Dorset Police and the community, which involves obtaining and representing the views of local people, councils and other criminal justice organisations.
- Setting out the strategic policing and crime priorities and objectives through the publication of a Police and Crime Plan.
- Setting out Dorset Police's budget and community safety grants.
- Setting the policing and crime precept.
- Overseeing community safety, the reduction of crime and value for money in policing.
- Holding the Chief Constable to account for the performance of Dorset Police, including that of police officers and police staff under her direction and control.
- Appointing the Chief Constable (and dismissing them when necessary).
- Preparing and publishing an annual report on progress in the delivery of the Police and Crime Plan.

4.2 The Commissioner owns all land and buildings and will sign contracts in accordance with the requirements of financial regulations. In approving the annual treasury management strategy he approves borrowing limits for both his own office and Dorset Police.

4.3 The Commissioner will receive government grants and the council tax precept. Other sources of income received by Dorset Police will be paid into the police fund. How this funding is allocated to operational activities is for the Chief Constable to decide in consultation with the Commissioner, and in accordance with the priorities and objectives set out in the Police and Crime Plan, the Strategic Policing Requirement, or in accordance with any Government grant terms and conditions.

4.4 When exercising his duties and functions, the Commissioner must have regard to the following:

- The views of the people in Dorset, including victims of crime.
- Any report or recommendation made by the Police and Crime Panel in respect of the Police and Crime Plan, the proposed annual precept, and the annual report for the previous financial year.
- The Police and Crime Plan and any guidance issued by the Secretary of State, including specifically the Strategic Policing Requirement.

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

4.5 The Commissioner may arrange for any person (who is not the Deputy Police and Crime Commissioner) to exercise any of his functions, with the exception of those listed below:

- Determining the policing and crime objectives in the Police and Crime Plan.
  - Issuing the Police and Crime Plan.
  - Calculation of the budget requirement.
  - Appointing or suspending the Chief Constable, or calling upon the Chief Constable to retire or resign.
  - Attendance at the Police and Crime Panel in compliance with a requirement by the Panel to do so.
  - Attendance at, and presenting the annual report to, the Police and Crime Panel.
- 4.6 The Police and Crime Panel is a check and balance on the Commissioner through reviewing and/or scrutinizing his/her decisions and actions, but not those of the Chief Constable.
- 4.7 The Commissioner may appoint a deputy to exercise his/her functions, with the exception of those which cannot be delegated as defined by the Police Reform and Social Responsibility Act 2011, as listed below:
- Issuing the Police and Crime Plan.
  - Appointing or suspending the Chief Constable, or calling upon the Chief Constable to retire or resign.
  - Calculation of the budget requirement.
- 4.8 The Commissioner will be responsible for handling complaints and conduct matters in relation to the Chief Constable, monitoring the Chief Constable's handling and investigation of complaints against police officers and police staff, and complying with the requirements of the Independent Police Complaints Commission.
- 4.9 The Commissioner has wider community safety, crime reduction and criminal justice responsibilities than those solely relating to the responsibilities and activities of the Dorset Police and this is referred to in the Code of Corporate Governance.

## **5. Role of the Commissioner's Chief Executive**

### Introduction

- 5.1 The Commissioner must appoint a person to be the head of the Commissioner's staff (referred to as the Commissioner's 'chief executive') to act as the head of the body's paid service under Section 4 of the Local Government and Housing Act 1989.
- 5.2 The Code of Corporate Governance identifies the role of the Chief Executive as the head of the Commissioner's staff, and is also the Monitoring Officer for the Commissioner.
- 5.3 The formal delegations from the Commissioner to the Chief Executive, which are in effect at the time of the publication of this scheme, are set out in the Scheme of Delegation. Other key responsibilities are set out below.

## General

- 5.4 To prepare the police and crime plan, in consultation with the Chief Constable, for submission to the Commissioner, including:
- obtaining the views of the public.
  - identifying the strategic policing and crime priorities and objectives.
  - planning how resources will be used.
  - how services will be commissioned.
  - development and implementation of performance monitoring and reporting arrangements.
- 5.5 To prepare an annual report for submission to the Commissioner.
- 5.6 To provide information to the Police and Crime Panel, as reasonably required to enable the panel to carry out its functions.
- 5.7 To consider whether, in consultation with the Treasurer, to provide indemnity to the Commissioner (and Deputy Commissioner) in accordance with appropriate statutory provisions and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- 5.8 To consider and approve, in consultation with the Treasurer, provision of indemnity and/or insurance to individual staff of the Commissioner in accordance with appropriate statutory provisions.

## Financial

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

## Human Resources

- 5.11 To appoint, in consultation with the Commissioner, staff in the Office of the Commissioner (Commissioner)
- 5.12 To make recommendations to the Commissioner with regard to Commissioner staff terms and conditions of service, in consultation with the Treasurer as necessary.
- 5.13 To appoint Independent Custody Visitors and terminate appointments if necessary.

## Other

- 5.14 To affix the common seal of the Commissioner to all relevant contracts, agreements or transactions, where sealing is necessary.
- 5.15 To consider, with the Commissioner, and advise on any complaint made against the Chief Constable, and where appropriate, to make arrangements for appointing an officer to investigate the complaint.
- 5.16 To respond to consultations on proposals affecting the Commissioner, if necessary, after first taking the views of the Commissioner, the Treasurer and/or the Chief Constable, as necessary and appropriate.
- 5.17 To obtain legal or other expert advice and to appoint legal professionals whenever this is considered to be in the Commissioner's best interests and for his/her benefit in the exercise of his functions.
- 5.18 To make sure, in consultation with the Chief Constable, appropriate arrangements are made to gather the community's views on the policing of Dorset and preventing crime.

## **6. Role of the Commissioner's Chief Finance Officer – Treasurer**

- 6.1 The Commissioner must appoint a person to be responsible for the proper administration of the Commissioner's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
- 6.2 As the chief finance officer to the Commissioner, the Treasurer has a statutory responsibility to manage the Commissioner's financial affairs in accordance with sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).
- 6.3 The detailed financial management responsibilities of the Treasurer, which includes a number of delegated powers, are set out in the Financial Regulations.

## **7. Role of the Chief Constable**

- 7.1 The role of the Chief Constable is referred to in the Code of Corporate Governance but, essentially, the Chief Constable is responsible for maintaining the Queen's peace and for the direction and control of Dorset Police.
- 7.2 The Chief Constable is accountable to the law for the exercise of police powers, and to the Commissioner for the delivery of efficient and effective policing, and management of resources and expenditure by the police force, and duties consented by the Commissioner.
- 7.3 The list of delegations from the Chief Constable to key Force Personnel is shown in the Scheme of Consent and Delegation.

## **8. Role of the Director of Finance**

- 8.1 The Chief Constable must appoint a person to be responsible for the proper administration of Dorset Police's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
- 8.2 As the chief finance officer appointed by the Chief Constable there is a statutory responsibility for the Director of Finance to manage the Force's financial affairs, in accordance with sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).
- 8.3 The detailed financial management responsibilities of the Director of Finance, which includes a number of delegated powers, are set out in the Financial Regulations.
- 8.4 Specific delegations from the Chief Constable are set out in the Scheme of Consent and Delegation.

## **9. Urgency provisions**

### Commissioner

- 9.1 If any matter which would normally be referred to the Commissioner (or Deputy Commissioner) for a decision arises and cannot be delayed, the matter may be decided by the appropriate chief officer.
- 9.2 The appropriate chief officers authorised to decide urgent matters are:
- the Chief Executive (all issues);
  - the Treasurer (financial and related issues, and all issues in the absence of the Chief Executive in the post-holders capacity as the designated Deputy Chief Executive).
- 9.3 Urgent decisions taken must be reported to the Commissioner as soon as practicably possible.

### Police Force

- 9.4 If any matter which would normally be referred to the Chief Constable (or Deputy CC) for a decision arises and cannot be delayed, the matter may be decided by the appropriate chief officer (ie any member of the Chief Constable's Management Team)
- 9.5 Urgent decisions taken must be reported to the Chief Constable as soon as practicably possible.

**FINANCIAL REGULATIONS**

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## INTRODUCTION

### PURPOSE

1. The purpose of this document is to set out the Financial Regulations that apply to the Commissioner for Dorset , all staff in his/her office, the Chief Constable and police officers and police staff within the Dorset 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 Commissioner and the Chief Constable are conducted properly and in compliance with all necessary requirements. They also seek to reinforce the standards of conduct required of the Commissioner, the Chief Constable, police officers, police staff and staff within the Office of the Commissioner and, in particular, the need for openness, accountability and integrity.
3. These Financial Regulations are designed to establish financial responsibilities, to confer duties, rights and powers upon the Commissioner, 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. It is to be noted that the Commissioner may appoint a Deputy Commissioner who may exercise the functions of the Commissioner set out in the Scheme of Consent and Delegation.
4. The Regulations reflect the application of best practice and the requirements of legislation. In particular they seek to meet the criteria set out in the Home Office 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 Commissioner is the recipient of all funding, including the government grants, precept, and other sources of income, related to policing and crime reduction. The Commissioner 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 as required.
6. The Commissioner is required to appoint a Chief Executive and Monitoring Officer, and the Commissioner and the Chief Constable are both required to appoint a Chief Finance Officer (CFO), to be known as the Treasurer and Director of Finance respectively.

### CONTEXT

7. These Financial Regulations should not be seen in isolation, but rather as part of the overall legislative and regulatory framework and corporate governance framework that includes the Police Reform and Social Responsibility Act and pursuant Regulations and Codes of Practice and the local Statement and Code of Corporate Governance and the Scheme of Corporate Governance which includes the Scheme of Consent and Delegation and Contract Standing Orders.
8. The Commissioner, 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.

9. The Financial Regulations explain the working financial relationship between the Commissioner and the Chief Constable and their respective CFOs (the Treasurer and the Director of Finance), and the role performed by the Commissioner's Chief Executive.
10. The Commissioner and Chief Constable are jointly responsible for approving or amending Financial Regulations. In that regard, the Treasurer is responsible for maintaining and reviewing of Financial Regulations and submitting any additions or amendments to the Commissioner and Chief Constable, after consulting with the Director of Finance and the Chief Executive. Any such additions and amendments will also be reported to the Joint Independent Audit Committee. Copies will be available on the Commissioner's website and on Dorset Police Intranet.
11. A delegation in these Financial Regulations to a Chief Officer shall permit further delegation to other officers provided the terms of the delegation are clearly documented.
12. 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.
13. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the Treasurer and/or Director of Finance who shall determine, after consulting with the Chief Executive, whether the matter shall be reported to the Commissioner and/or Chief Constable.
14. The Commissioner and all officers and staff have a duty to abide by the highest standards of probity - (Code of Ethics for Policing and Corporate Values, which includes honesty, integrity and transparency) in dealing with financial issues.
15. The Financial Regulations shall only be suspended by a formal decision of the Commissioner, in consultation with the Treasurer, Director of Finance and the Chief Executive.
16. The Treasurer, having consulted with the Director of Finance and the Chief Executive, may amend the financial thresholds in these Financial Regulations and Contract Standing Orders from time to time reflecting changes in national price indices, statutory provisions or guidance from other bodies (e.g. Audit Commission, HMI etc). Any such change shall be reported for information to the Chief Executive and Commissioner. A full list of thresholds is provided in Section F for ease of reference.

## **THE FINANCIAL REGULATIONS**

17. 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 F. 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	Consents and Delegated Limits

18. More detailed Financial Instructions to supplement these Regulations, shall be issued by the Chief Constable after consultation with the Treasurer and Chief Executive, which will also be reported to the Joint Independent Audit Committee. Dorset Police Financial Instructions will be available on Intranet.

## **DEFINITIONS WITHIN THE REGULATIONS**

19. These Regulations refer to:

The Police and Crime Commissioner for Dorset (the Commissioner)  
The Office of the Commissioner (Chief Executive)  
The Chief Constable of Dorset  
The Statutory Officers  
The Dorset Police

20. The Statutory Officers are:

The Commissioner's Chief Finance Officer - the Treasurer  
The Chief Constable's Chief Finance Officer - the Director of Finance  
The Chief Executive who also fulfils the role of Monitoring Officer

21. The 'Dorset Police' 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 his /her direction and control.
22. For the purposes of these Financial Regulations, 'Chief Officers' when referred to as a generic term means the Chief Constable, Chief Executive, Treasurer and Director of Finance.
23. 'Employees' when referred to as a generic term refers to police officers, police staff and other members of the wider police family.
24. The expression 'authorised officer' refers to employees authorised by a Chief Officer.
25. 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 Commissioner, Dorset Police or their affiliated bodies.
26. The expression 'best value for money' shall mean the most cost effective means of meeting the need and takes account of whole life costs.
27. Within these Financial Regulations, most of the references have been made to the responsibilities of the Chief Constable which recognises that most of the day to day financial management is vested with that post. However, where resources are under the control of the Chief Executive or Treasurer, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Executive or Treasurer.
28. The terms Chief Constable, Chief Executive, Treasurer and Director of Finance include any member of staff, contractor or agent to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly and made to an appropriate level, and on the basis that the

member of staff, contractor or agent has been given sufficient authority, training, information and resources to undertake the duty in hand properly.

### **The Commissioner**

29. The Commissioner 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. In short, the Commissioner is the voice of the public in policing. The Commissioner is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. How this money is allocated is a matter for the Commissioner in consultation with the Chief Constable, or in accordance with any grant terms. The Statutory Officers of the Chief Constable and the Commissioner will provide professional advice and recommendations.
30. The Commissioner shall appoint a Chief Financial Officer (the Treasurer) to be responsible for the proper administration of the Commissioner's financial affairs. The Commissioner shall also appoint a Chief Executive who will also act as the Commissioner's Monitoring Officer and Head of Paid Service.
31. The Commissioner is responsible for approving the policy framework and budget, for monitoring financial outcomes and approving the Medium Term Financial Strategy 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:
  - (a) the Police and Crime Plan
  - (b) the Medium Term Financial Strategy including medium term financial forecasts(MTFS)
  - (c) the Annual Revenue Budget
  - (d) the Capital Programme
  - (e) the Treasury Management Strategy, including the annual investment strategy and minimum revenue provision (MRP) policy
  - (f) the Estate Strategy and Asset Management plans
  - (g) the Risk Management policy
  - (h) the Governance policies
32. The Commissioner is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
33. The Commissioner is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
34. The Commissioner shall provide the Treasurer with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed properly.
35. The Commissioner may appoint a Deputy Commissioner and arrange for the Deputy Commissioner to carry out appropriate functions of the Commissioner delegated to him/her. Any such delegations to the Deputy Commissioner shall be formally documented in the Scheme of delegation.

### **The Deputy Police and Crime Commissioner**

36. Any appointed Deputy Commissioner may exercise any of the functions conferred on him/her by the Commissioner to be detailed in the Scheme of Delegation.

### **The Chief Constable**

37. The Chief Constable is responsible for maintaining the Queen's Peace and has direction and control over the Force's officers and staff. The Chief Constable holds office under the Crown, but is appointed by the Commissioner. In short, the Chief Constable is the professional voice of policing.
38. The Chief Constable is accountable to the law for the exercise of police powers and to the Commissioner for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, his/her constables and staff, remain operationally independent in the service of the public.
39. To help ensure the effective delivery of policing services and to enable the Chief Constable to have impartial direction and control of all police officers and staff within their force, the Chief Constable has day to day responsibility for financial management of Dorset Police consistent with the agreed consent and delegations and within the framework of the agreed budget allocation and levels of authorisation issued by the Commissioner.
40. The Chief Constable must ensure that the financial management of his/her allocated budget remains consistent with the objectives and conditions set by the Commissioner.
41. When the Chief Constable intends to make significant change of policy or seeks to move significant sums of their budget then the approval of the Commissioner should be sought.
42. The Chief Constable shall appoint a Chief Finance Officer (Director of Finance) to lead Dorset Police on financial management and be responsible for the proper administration of the Chief Constable's financial affairs.
43. The Chief Constable is responsible for the day to day financial management of Dorset Police within the framework of the budget, rules of virement and reporting arrangements. In operating day to day financial management, the Chief Constable shall comply with the approved policies and framework of accountability.
44. 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 Independent Audit Committee**

45. The Home Office Financial Management Code of Practice states that the Commissioner and Chief Constable should establish a Joint Independent Audit Committee. This should be a combined body which will consider the internal and external audit reports of both the Commissioner and the Chief Constable. This Committee will advise the Commissioner 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 Commissioner 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.

46. The Audit Committee shall comprise five members who are independent of the Commissioner and the Force.
47. The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis
48. The Commissioner and Chief Constable shall be represented at all meetings of the Audit Committee.

## **THE ROLE OF THE STATUTORY AND KEY OFFICERS**

### **Treasurer**

1. The Treasurer has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
2. The Treasurer'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 Treasurer is the Commissioner professional adviser on financial matters and shall be responsible for:
  - a) ensuring that the financial affairs of the Commissioner 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 Commissioner, the Police and Crime Panel and to the external auditor:
    - any unlawful, or potentially unlawful, expenditure by the Commissioner or officers of the Commissioner;
    - when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure;
  - e) advising the Commissioner on the robustness of the estimates and the adequacy of financial reserves;
  - f) preparing the annual statement of accounts, in conjunction with the Director of Finance;
  - g) ensuring the provision of an effective internal audit service, in conjunction with the Director of Finance;
  - h) securing the treasury management function, including loans, banking 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 Commissioner on the application of value for money principles by Dorset Police to support the Commissioner in holding the Chief Constable to account for efficient and effective financial management.
4. The Treasurer, in consultation with the Chief Executive, Director of Finance and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of the Commissioner and Dorset Police.
5. The Treasurer has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Commissioner on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Commissioner's accounts, including group accounts.
6. To enable him/her to fulfil these duties and to ensure the Commissioner is provided with adequate financial advice the Treasurer:
  - a) must be a key member of the Commissioner Leadership Team, working closely with the Chief Executive and Monitoring Officer, helping the team to develop and implement strategy and to resource and deliver the Commissioner 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 Commissioner, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and alignment with the Commissioner financial strategy;
  - c) must lead the promotion and delivery by the Commissioner 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.

### **Director of Finance**

7. The Director of Finance has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer. The Director of Finance is responsible to the Chief Constable for all financial activities within Dorset Police or contracted out under the supervision of the Force.
8. The Director of Finance'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.
9. The Director of Finance is responsible for:
  - a) ensuring that the financial affairs of Dorset Police are properly administered and that these Financial Regulations are observed and kept up to date;
  - b) Reporting to the Chief Constable, the Commissioner, the Treasurer and to the external auditor:
    - any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable
    - when it appears that any expenditure of the Chief Constable is likely to exceed the resources available to it to meet that expenditure;

- 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 Commissioner on the soundness of the budget in relation to the force;
  - e) liaising with the external auditor; and
  - f) working with the Treasurer and his/her staff to produce the statement of accounts for the Chief Constable and to assist in the production of group accounts.
10. The Director of Finance has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Chief Constable on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Chief Constable's accounts. The Director of Finance will need to observe the locally agreed timetable for the compilation of the group accounts by the Treasurer
11. To enable him/her to fulfil these duties the Director of Finance:
- 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 Commissioner'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.
12. It must be recognised that Financial Regulations cannot foresee every eventuality. The Director of Finance, in consultation with the Treasurer, shall be responsible for interpreting these Regulations so as to ensure the efficient and effective operation of services.

### **The Chief Executive**

13. The Chief Executive is responsible for the leadership and general administration of the Commissioner's office.
14. The Chief Executive is also the Commissioner's designated monitoring officer, appointed under section 5(1) of the Local Government and Housing Act 1989.
15. As Monitoring Officer he/she is responsible for:
- ensuring the legality of the actions of the Commissioner and his officers;
  - ensuring that procedures for recording and reporting key decisions are operating effectively;
  - advising the Commissioner and officers about who has authority to take a particular decision;
  - advising the Commissioner about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework; and
  - advising the Commissioner on matters relating to standards of conduct.
16. The Chief Executive is authorised by the Commissioner to take such actions as are calculated to facilitate the effective discharge of any of the decisions or powers of the Commissioner, or of any delegations thereunder, that may from time to time be required, provided the taking of such actions or exercise of such powers by the

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Chief Executive is consistent with the terms of the Police Reform and Social Responsibility Act 2011 or other relevant enactments.

## **SECTION A**

### **FINANCIAL MANAGEMENT FRAMEWORK**

#### **A1 FINANCIAL MANAGEMENT STANDARDS**

##### Overview

1. The Commissioner, 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 supported by the Code of Ethics for Policing. 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 Commissioner shall receive updates on the financial performance of Dorset Police and the Office of the Commissioner by receiving regular budget monitoring and outturn reports, and also the Annual Audit Letter provided by the external auditor.

##### **Joint Responsibilities of the Treasurer and Director of Finance**

3. To ensure the proper administration of the financial affairs of the Commissioner and Dorset Police.
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 officers 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 Commissioner and Chief Constable will discharge their responsibility for stewardship of public resources. The Commissioner and Chief Constable have a statutory responsibility to prepare their own annual accounts to present a true and fair view of their financial position and operations during the year. These are subject to external audit. This audit provides assurance that the two sets of accounts have been 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 Treasurer and the Director of Finance**

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 Commissioner's, Dorset Police 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 Director of Finance**

7. To obtain the approval of the Treasurer 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 Treasurer, 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 Commissioner and Chief Constable have a statutory responsibility to prepare their accounts to present a true and fair view of their 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 Commissioner, Chief Constable as well as group accounts covering both entities.
2. The Commissioner and Chief Constable are responsible for approving their 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.

### **Joint Responsibilities of the Treasurer and Director of Finance**

4. To agree and publish the timetable for the final accounts preparation.
5. To select suitable accounting policies and apply them consistently.
6. To make judgements and estimates that are reasonable and prudent.
7. To comply with the Code of Practice on Local Authority Accounting.
8. To prepare and sign and date separate statement of accounts, stating that they present fairly the financial position of the Commissioner, Force and Group at the accounting date and their income and expenditure for the financial year just ended
9. To publish the approved and audited accounts each year in accordance with the statutory timetable.
10. To produce summary accounts for publication

### **Responsibilities of the Commissioner and Chief Constable**

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

### **Responsibilities of the Joint Independent Audit Committee**

12. Review the Annual Statement of Accounts and seek assurance that the appropriate accounting policies have been applied.

## **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 5 years. The process should include a more detailed annual plan, the budget, covering the forthcoming financial year. This allows the Commissioner and Dorset Police to plan, monitor and manage the way funds are allocated and spent during the financial year and over the medium term.
4. The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the virement rules operate. The annual budget will be supported by a detailed objective analysis of spending at Command 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.

##### **Financial Strategy**

6. The financial strategy explains how the Commissioner and Chief Constable will structure and manage their finances to support delivery of the aims and objectives of the service, as set out in the Commissioner's Police and Crime Plan, and to ensure sound financial management and good stewardship of public money.

##### **Responsibilities of the Treasurer and Director of Finance**

7. To review and update, on an annual basis, the financial strategy.

##### **Responsibility of the Commissioner**

8. To approve the annual financial strategy.

##### **Medium Term Financial Strategy**

9. The Commissioner 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 5 years together with a capital programme covering the same period.

### **Responsibilities of the Commissioner**

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

### **Joint Responsibilities of the Treasurer and Director of Finance**

11. To determine the format and timing of the Medium Term Financial Strategy to be presented to the Chief Constable and Commissioner. The format must comply with all legal requirements and with latest guidance issued by CIPFA.
12. To prepare a Medium Term Financial Forecast of proposed income and expenditure for submission to the Chief Constable and the Commissioner. When preparing the forecast, the Chief Constable shall have regard to:
  - the Police and Crime Plan
  - policy requirements approved by the Commissioner 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
13. 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.
14. To identify any gap between available resources and required resources. Requirements should therefore be prioritised by the Chief Constable to enable the Commissioner 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 Commissioner'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 Commissioner and the Force.
2. The Commissioner 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 Commissioner 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 Commissioner**

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 Treasurer**

7. To determine the format of the revenue budget to be presented to the Commissioner in consultation with the Chief Constable. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
8. To obtain timely and accurate information from billing authorities on the Council Tax Base and the latest surplus/deficit position on collection funds to inform budget deliberations.
9. To advise the Commissioner 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 Commissioner on (a) the robustness of the estimates and the adequacy of reserves and (b) 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 Commissioner.
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.

**Responsibilities of the Director of Finance**

13. To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the Treasurer.
14. To submit a summary of the detail, sufficient to provide assurance, in the agreed format to the Commissioner and Chief Constable 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 F).

## **B2 BUDGETARY CONTROL**

### Overview

1. Budget management ensures that once the Commissioner 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 Commissioner 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 Commissioner and the Chief Constable can identify changes in trends and resource requirements at the earliest opportunity. The Commissioner 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 Director of Finance, and the Treasurer are required to manage expenditure within their budget allocations, subject to the rules of virement.

### **Responsibilities of the Director of Finance**

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

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 Director of Finance.
7. To take any action necessary to avoid an adverse variation to their budget allocation and alert the Chief Constable and Treasurer 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 Director of Finance.
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 Commissioner 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 F.

#### **Joint Responsibilities of the Director of Finance and the Treasurer**

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

#### **Responsibility of the Treasurer**

12. To co-ordinate the provision of relevant financial information for presentation to the Police and Crime Panel, as necessary.

#### **Joint Responsibilities of the Chief Executive and Treasurer**

13. To manage the budget allocated for the Commissioner's Office.
14. To ensure that total spending for the Commissioner'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 Commissioner shall be alerted immediately together with proposals to remedy the situation as part of the regular reporting process to the Commissioner.

#### **Virements**

##### Overview

1. A virement is defined as a planned reallocation of resources between approved budgets or heads of expenditure. A budget head is a line in the approved budget report. The virement arrangements within these Financial Regulations are intended to enable Chief Officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the Commissioner and, therefore, to provide the opportunity to optimise the use of resources and meet emerging needs.

2. The Chief Constable is expected to exercise discretion in managing budgets responsibly and prudently and a reference back to the Commissioner is only required where a proposed virement is significant, or would incur a substantive change in policy, or might create a future year or continuing commitment. Significant is defined as 10% of a budget or £100,000 whichever is the lesser, at CIPFA subjective level. A substantive change in policy is defined as a departure from the policies agreed by the Commissioner (e.g. in the policing plan or in budget statements).
3. In project management reference will have to make back to the Commissioner and the Project Board where implementation involves changes to the approved financial model. Section F.
4. The Chief Constable shall still be held to account by the Commissioner for decisions made and the way in which resources are deployed. The virement rules allow some flexibility, but require detailed reports to the Commissioner when necessary. .
5. Key controls for the scheme of virement are:
  - a) it is administered by Chief Officers within delegated powers given by the Commissioner. Any variation from this scheme requires the approval of the Commissioner;
  - b) the overall budget is agreed by the Commissioner. 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 a virement is undertaken as necessary to maintain the accuracy of budget monitoring.

### **Responsibilities**

6. The limits to apply on virements between budget headings are defined in Section F.
7. The exceptions to the above framework are that:
  - a) 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 Dorset Police and the Commissioner; and
  - b) When the virement is between an income budget line and an expenditure budget line which is directly related, approval is sought from the Treasurer and/or Director of Finance and the income and expenditure budgets will be increased for budget monitoring purposes.
8. Budget lines will be cash limited and defined as part of the annual budget approval.
9. All requests for virement must be made in the format prescribed by the Treasurer and/or Director of Finance and information on the virements within the limits set out in Section F will be available to support budget monitoring report information.
10. The approval of the Commissioner shall be required if the virement is significant or involves a substantive change in policy or agreement of a Board on how the money was to be used; a significant addition to commitments in future years, or a proposed transfer of resources that 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 arrangements. Carry forwards are to be the subject of a report to the Commissioner as part of the year end outturn report. Budget Managers will be required to satisfy the Chief Constable that expenditure proposed against carry forward underspendings is in accordance with Police and Crime Plan priorities and is non recurrent in nature.
3. Overspent devolved budgets will be carried forward in full.

### **Joint Responsibilities of the Treasurer and the Director of Finance**

4. To ensure that Budget Managers report any overspend on their budgets in any financial year.
5. To consider reducing budgets for the following financial year where overspending has occurred or is expected to occur.
6. 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 F.
7. To refer all carry forwards that fall outside of the parameters stipulated in these Regulations to the Commissioner for approval.

### **Responsibilities of the Commissioner**

8. 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. The Chief Constable may not acquire or dispose of land and needs the consent of the Commissioner to enter into contracts and to acquire or dispose of property. (other than land).
3. 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 Commissioner will consider his/her spending plans.
4. The capital programme is linked to the Estates Strategy and other resource strategies involving proposals for significant investment in capital assets such as transport and IS which must be included within the approved Medium Term Financial Strategy.

### **Responsibilities of the Chief Constable**

5. To develop and implement approved Estate and asset management plans, in accordance with any Consent.

### **Joint Responsibilities of the Treasurer and Chief Constable**

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

### **Responsibilities of the Commissioner**

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

### **Joint Responsibilities of the Chief Constable and Director of Finance**

9. To prepare a 5-year rolling programme of proposed capital expenditure, in accordance with the agreed financial strategy for consideration and approval by the Chief Constable and Commissioner. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
10. To prepare project appraisals for all schemes to be included in the capital programme for submission to the Treasurer and Commissioner for consideration and scheme approval. This will include all additional revenue and capital costs and provide evidence of the scheme's viability for inclusion.
11. To ensure that each capital project has a named officer responsible for sponsoring the scheme, monitoring progress and ensuring completion of the scheme.
12. To identify, in consultation with the Treasurer, available sources of funding the capital programme, including the identification of potential capital receipts from disposal of property or other assets.

13. To prioritise requirements so that if a gap is identified between available resources and required capital investment the Commissioner can make informed judgements as to which schemes should be included in the capital programme, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.
14. Not to incur capital expenditure unless the scheme is approved by the Commissioner apart from professional fees (e.g. feasibility studies, planning fees).

#### **Responsibilities of the Treasurer**

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

#### **Responsibilities of the Commissioner**

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

#### **Annual Capital Programme**

##### **Responsibilities of the Commissioner**

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

##### **Responsibilities of the Chief Constable**

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

#### **Monitoring of Capital Expenditure**

##### **Responsibilities of the Chief Constable**

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

##### **Joint Responsibilities of the Chief Constable and the Treasurer**

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 Chief Constable and Commissioner 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 Treasurer.
23. To prepare and submit a business case for all new capital schemes (after the annual programme has been agreed) to the Commissioner 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 Treasurer and the Director of Finance**

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 Commissioner must decide the level of general reserves he/she wishes to retain before he/she 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 Treasurer**

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

### **Responsibilities for the Director of Finance**

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

### **Responsibilities of the Commissioner**

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

## **SECTION C**

### **MANAGEMENT OF RISK AND RESOURCES**

#### **C1 RISK MANAGEMENT AND BUSINESS CONTINUITY**

##### 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 Commissioner and Dorset Police and to ensure continued corporate and financial well being. In essence it is, therefore, an integral part of good business practice.

##### **Joint Responsibilities of the Commissioner and Chief Constable**

3. The Commissioner and Chief Constable are jointly responsible for approving the Risk Management Policy and for reviewing the effectiveness of risk management. The Risk Management Policy and proposed changes to that policy will also be reported to the Joint Independent Audit Committee.

##### **Responsibilities of Chief Officers**

4. To prepare a Risk Management Policy, to promote a culture of risk management awareness throughout Dorset Police and the office of the Commissioner, and to review 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 Treasurer and Director of Finance**

7. To advise the Commissioner and Chief Constable on the Risk Financing Strategy and on the 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 Chief Constable and Commissioner 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 Commissioner Treasurer, that appropriate insurance cover is provided, including where new risks are identified or circumstances affecting risks change.
10. To secure insurance and administer insurance matters including the settlement of liability claims.
11. To notify the Treasurer of any significant claims.
12. To ensure that claims made against insurance policies are made promptly.
13. To make all appropriate employees aware of their responsibilities for managing relevant risks.
14. To ensure that employees, or anyone covered by the 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.
15. 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.
16. To settle civil claims in accordance with the arrangements set out in Section F.

### **Responsibilities of the Joint Independent Audit Committee**

18. In terms of internal control the Terms of Reference will include the following key activities and responsibilities:

#### Corporate Risk Management

- Consider the effectiveness of the Commissioner/Dorset Police risk management policy and risk management arrangements
- Seek assurance that organisational risks are being managed effectively
- Comment on and monitor the insurance programme, insurance and broker appointment/renewal processes and the arrangements for risk financing
- Seek assurance as to the continuing effectiveness of the Commissioner's and Dorset Police business continuity arrangements

## **C2 INTERNAL CONTROLS**

### Overview

1. Internal control refers to the systems of control devised by management to help ensure objectives of the Commissioner 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 Commissioner 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 Commissioner 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 Treasurer and Director of Finance. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
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, separation of duties, authorisation and approval procedures and robust information systems.

### **Joint Responsibilities of the Chief Executive and Chief Constable**

7. To produce an Annual Governance Statement for the Commissioner and one for Dorset Police for consideration and approval of the Commissioner. Following approval, the Annual Governance Statements should be signed by the Chief Executive and the Commissioner and Chief Constable, for their respective set of accounts.

### **Responsibilities of the Joint Independent Audit Committee**

8. In terms of internal control the Terms of Reference will include the following key activities and responsibilities:

### Internal Control

- Consider the Financial Regulations, Standing Orders on Contracts and Scheme of Consent and Delegations (including powers to enter into contracts and acquire or dispose of property)
- Keep under review the anti-fraud and anti-corruption arrangements, including 'whistle blowing'
- Keep under review the effectiveness of internal control systems and seek assurance regarding such systems
- Commission assurance work e.g. specialist advice or audit
- Consider and comment upon the assurance framework
- Review compliance with policies relating to declarations of interest, gifts and hospitality

### **Responsibilities of the Commissioner and Chief Constable**

9. To recruit and appoint 3 – 5 members of the Committee. These members must be independent of both Dorset Police and Commissioner.
10. To establish the Committee Terms of Reference
11. To prepare and sign annual audits of representation and submit to the external auditor.
12. To receive and act upon the annual assurance statement from the Committee

## **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 Commissioner 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 Commissioner 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 Commissioner and the Chief Constable to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, internal audit is needed:
  - to satisfy the Commissioner 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 Independent Audit Committee**

5. In terms of internal audit the Terms of Reference will include the following key activities and responsibilities:

#### **Internal Audit**

- Comment on any proposals affecting the provision of the internal audit service
- Approve (but not direct) the annual Internal Audit Plan and monitor performance against the plan
- Receive and review internal audit reports and monitor the progress of implementing recommendations
- Consider the Annual Internal Audit Report
- Comment on any proposals affecting the provision of the internal audit service
- Keep under review the effectiveness of internal audit

- Seek assurance that there are effective working relationships between internal and external audit

### **Joint Responsibilities of the Commissioner, Chief Constable, Treasurer and Director of Finance.**

6. To ensure the provision of an adequate and effective internal audit service.
7. To ensure that internal auditors, having been security cleared, have the authority to:
  - access Dorset Police and Commissioner 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 Commissioner assets under their control; and
  - access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
8. To ensure that Internal Audit has direct access to all Chief Officers and employees, where necessary.

### **Responsibilities of the Head of Internal Audit**

9. To prepare, in consultation with the Commissioner, Chief Constable, Treasurer and Director of Finance, a joint annual audit plan that conforms to the CIPFA Code of Practice, for consideration by the Independent Audit Committee.
10. To attend meetings of the Independent Audit Committee and to present to each meeting a report on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.
11. To present an annual report to the Joint Independent Audit Committee, including an opinion on the effectiveness of the internal control environment in within Dorset Police and Commissioner.

### **Responsibilities of Chief Officers**

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

### **Responsibilities of the Director of Finance**

13. To ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the Treasurer and Internal Audit prior to implementation.

14. To notify the Treasurer immediately of any suspected fraud, theft, 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 Treasurer, the Director of Finance and the Head of Internal Audit referred to in the Anti Fraud and Corruption Strategy and Fraud Response Plan.

## **External Audit**

### **Overview**

1. The Audit Commission is responsible for appointing external auditors to local and other authorities and to police forces and elected policing bodies (Commissioners). The Code of Audit Practice prescribes the way in which auditors appointed by the Audit Commission carry out their functions under the Audit Commission Act 1998. The external auditor has rights of access to all documents and information necessary for audit purposes.
2. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires the Audit Commission to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditor's objectives to review and report upon:
  - the financial aspects of the audited body's corporate governance arrangements;
  - the audited body's financial statements; 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 Section 5 of the 1998 Act, that:
  - the accounts are prepared in accordance with the relevant regulations;
  - they comply with the requirements of all other statutory provisions applicable to the accounts;
  - proper practices have been observed in the compilation of the accounts; and
  - the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.
4. The 1998 Act sets out other specific responsibilities of the auditor, for example under section on financial reporting.

### **Responsibilities of the Joint Independent Audit Committee**

5. In terms of external audit the Terms of Reference will include the following key activities and responsibilities:

## External Audit

- Comment on any proposed appointment of external auditors
- Consider the proposed annual audit fee
- Approve the External Audit Plan and monitor performance against the plan
- Receive and review the external auditor's reports including the annual audit letter, audit opinion etc and monitor management action in response to any issues raised
- Keep under review the effectiveness of external audit
- Seek assurance that there are effective working relationships between external and internal audit

### **Joint Responsibilities of the Treasurer and Director of Finance**

5. To liaise with the external auditor and advise the Commissioner and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.
6. To provide the Home Office with a copy of the Annual Audit Letter.
7. 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.
8. To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.

### **Other Inspection Bodies**

#### Overview

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

### **Joint Responsibilities of the Commissioner and the Chief Constable**

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

## **C4 PREVENTING FRAUD AND CORRUPTION**

### Overview

1. The Commissioner and the Chief Constable will not tolerate fraud or corruption in the administration of their responsibilities, whether from inside or outside.
2. Expectations of propriety and accountability are that the Commissioner, Chief Constable and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices and the Code of Ethics for Policing.
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 Commissioner 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.
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 Commissioner, Chief Constable and all employees. A register of interests and a register of hospitality and gifts shall be maintained for the Commissioner, 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 made 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 and Monitoring Officer, Treasurer and Director of Finance.**

11. To prepare an effective Anti-Fraud and Corruption Strategy and Fraud Response Plan for approval by the Commissioner 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 Treasurer, the Director of Finance and the Head of Internal Audit and for these to be unrestricted in line with the agreed Anti-Fraud and Corruption Strategy and Fraud Response Plan.

## **C5 ASSETS**

### Overview

1. Assets are held in the form of land, property, vehicles, equipment, furniture and other items, which together are 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 Commissioner will own and fund all assets regardless of whether they are used by the Commissioner, by Dorset Police or by both.
3. The Commissioner has given consent to the Chief Constable to own, operate and dispose of all non-estate assets. (eg vehicles, plant and equipment)
4. The Commissioner should consult the Chief Constable in planning the budget and developing a Medium Term Financial Strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

### **Joint Responsibilities of the Commissioner and Chief Constable**

5. To ensure that:
  - a) An estates strategy is produce and presented to the Commissioner for approval.
  - b) An ICT strategy is produced and presented to the Commissioner for consideration and approval.
  - c) A fleet management strategy is produced and presented to the Commissioner for consideration and approval.
  - d) assets are only used for the purposes of Dorset Police and the Commissioner and are available for use when required and are properly accounted for;
  - e) 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;
  - f) 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;
  - g) lessees and other prospective occupiers of land owned by the Commissioner are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate;
  - h) title deeds to Commissioner property are held securely;
  - i) no Commissioner asset is subject to personal use by an employee without proper authority;

- j) valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to the Dorset Police for Commissioner;
- k) 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;
- l) assets no longer required are disposed of in accordance with the law and these financial regulations; and
- m) all employees are aware of their responsibilities with regard to safeguarding the security of Dorset Police and Commissioner ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

### **Responsibility of the Commissioner**

To approve an estates asset management plan, including disposals

### **Valuation**

#### **Responsibilities of the Director of Finance**

1. To maintain an asset register for all fixed assets with a value in excess of the limits shown, in a form approved by the Treasurer.
2. To ensure that assets are recorded when they are acquired by Dorset Police or the Commissioner 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 Treasurer.

### **Inventories**

#### **Responsibilities of the Director of Finance**

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

#### **Responsibilities of the Chief Executive**

2. To ensure that inventories are maintained for the Commissioner's office in a format approved by the Treasurer that record an adequate description of items with a value in excess of the amount shown in Section F. 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 Director of Finance**

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 Treasurer.

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. To write off any discrepancies between the actual level of stock and the book value of stock may be written-off, in consultation with the Treasurer.
4. To write-off obsolete stock, up to the limits shown in Section F. Amounts for write off above this value must be referred to the Treasurer for approval supported by a written report.

#### **Responsibilities of the Treasurer**

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 F.

#### **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 Commissioner and within the Commissioner may give rise to items that could be patented, for example, software development.
3. In the event that Dorset Police or Commissioner decides to become involved in the commercial exploitation of inventions, the matter should be reported to the Chief Executive and Monitoring Officer.

#### **Responsibilities of the Chief Constable**

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

#### **Responsibilities of the Chief Executive and Monitoring Officer**

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

#### **Joint Responsibilities of the Chief Constable and Commissioner**

6. To approve the Intellectual Property Policy.

#### **Asset Disposal**

1. Assets shall be disposed of when in the best interests of Dorset Police and the Commissioner and at the most advantageous price.

**Consent from the Commissioner**

2. The Commissioner has given consent to the Chief Constable to disposal of all non-estate assets (eg vehicles, plan and equipment) in accordance with the Financial Strategy
3. The Commissioner has also given consent to the chief constable to dispose of estate assets in accordance with the Financial Strategy and the Asset Management Plan, subject to the financial limits set out in Section F.

**Responsibilities of the Chief Constable**

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

**Joint Responsibilities of the Treasurer and Director of Finance**

7. 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 Commissioner and Dorset Police 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 Commissioner 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 MRP policy. An annual report and as a minimum a Mid Term Review report covering Treasury Management activities.

#### **Responsibilities of the Commissioner**

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 Treasurer**

6. To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance
7. To prepare reports on the Commissioner's treasury management policies, practices and activities, including, as a minimum, an annual TMSS, including annual investment strategy and MRP policy.
8. To execute and administer treasury management in accordance with the CIPFA Code and the Commissioner'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 Commissioner for Dorset.

#### **Responsibilities of the Audit Committee**

11. To consider any policy or strategy regarding loans, investments or borrowing.
12. Consider any policy or strategy regarding reserves.

### **Banking Arrangements**

13. 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. To minimise administration and costs the Commissioner and Chief Constable will share bank accounts.

### **Responsibilities of the Treasurer**

14. To have overall responsibility for the banking arrangements for the Commissioner.
15. To authorise the opening and closing of all Commissioner bank accounts. No other employee shall open a bank account unless they are performing a statutory function (e.g. Treasurer of a charitable body) in their own right
16. To arrange for bank reconciliations to be undertaken on a timely and accurate basis.
17. To determine signatories on all Commissioner bank accounts

### **Responsibilities to the Director of Finance**

18. To authorise the opening and closing of bank accounts for specific purposes, as agreed with the Treasurer
19. To determine signatories on these specific bank accounts

### **Imprest Accounts/Petty Cash**

20. Cash advances may in certain circumstances be made to an individual in order that relatively small incidental payments may be made quickly. A record of disbursements from the account should be maintained to control the account and so that the expenditure may be substantiated, accurately reflected in the Commissioner's accounts and correctly reimbursed to the account holder.

### **Responsibilities of the Chief Constable**

21. In certain circumstances to provide appropriate employees with cash, bank imprest or similar to meet minor expenditure on behalf of Dorset Police and Commissioner. 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.
22. To prepare detailed Financial Instructions and procedures, identifying appropriate employees and circumstances, for dealing with petty cash, to be agreed with the Treasurer, and these shall be issued to all appropriate employees.

### **Responsibilities of the Treasurer**

23. To provide appropriate employees with cash, bank imprests or pre-paid cash cards to meet minor expenditure on behalf of the Commissioner.
24. 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**

25. Dorset Police and Commissioner 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.
26. Cash deposits which are unusual or suspicious in nature in any currency in excess of £15,000 (or equivalent) should be reported to the National Crime Agency (NCA) by the Treasurer.
27. Internal control procedures will be monitored to ensure they are reliable and robust.

### **Responsibilities of the Treasurer**

28. To be the nominated Money Laundering Reporting Officer (MLRO).
29. To consider, in the light of all information, whether a disclosure gives rise to such knowledge or suspicion.
30. To disclose relevant information to the National Crime Agency (NCA).

### **Responsibilities of Chief Officers**

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

### **Responsibilities of employees**

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

## **C7 STAFFING**

### Overview

1. Staffing costs form the largest element of the annual policing budget. An appropriate Human Resources (HR) strategy must 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 Commissioner.

### **Responsibilities of the Chief Constable**

2. To ensure that employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies 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 Commissioner 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. See Section F
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 Treasurer and the Director of Finance, policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for police staff. See Section F
7. To refer decisions on Chief Officer remuneration to an independent pay review body in consultation with the Commissioner.

### **Responsibilities of the Chief Executive**

8. To have the same responsibilities as above for staff employed by the Commissioner and working within his/her office. See Section F

## **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 considers appropriate.
4. To ensure that appropriate reports using cost comparisons and activity analysis are prepared and presented to Chief Officers, Commanders and Departmental Heads and to the Commissioner as appropriate to assist Dorset Police and Commissioner in considering the most effective allocation of resources.

## **C9 VOLUNTARY FUNDS AND TRUSTS**

### Overview

1. Voluntary Funds shall be operated in accordance with instructions issued by the Director of Finance, the Treasurer and the Chief Constable. All such funds are to be properly audited.
2. Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them.
3. No employee shall open a trust fund or voluntary fund without the specific approval of the Chief Constable or the Commissioner.
4. A voluntary fund is defines as 'an account held either in the name of Dorset Police or a fund managed by a member of Dorset Police for the benefit of Dorset Police Force or employees' which is outside of the Police Budget allocation.
5. Our financial procedures and financial regulations should be viewed as best practice, which ought to be followed whenever practicable.

### **Responsibilities of Trustees**

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

## **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**

### Overview

1. In accordance with the Police Act 1996, the Commissioner 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 Commissioner's annual gross revenue budget of the Dorset Police and the Commissioner's office.

### **Responsibilities of the Commissioner**

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 F to the Commissioner for approval before they are accepted.

### **Joint Responsibilities of the Director of Finance and Treasurer**

8. To present an annual report to the Commissioner listing all gifts, loans and sponsorship.
9. To maintain a central register, in a format agreed by the Treasurer, of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The Treasurer, 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 & PROCEDURES**

#### **D1 GENERAL**

##### Overview

1. There are many systems and procedures relating to the control of Commissioner and Dorset Police assets, including purchasing, costing and management systems. Dorset Police and the Commissioner 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 Treasurer and Director of Finance 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 Treasurer and Director of Finance**

3. To make arrangements for the proper administration of the financial affairs, including to:
  - issue advice, guidance and procedures for officers and staff of Dorset Police and the Commissioner 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 Dorset Police and the Commissioner
  - 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 control 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 separate Schemes of Delegation, identifying staff authorised to act upon the Commissioner or 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. 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 Commissioner and Chief Constable should adopt the 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 Commissioner and Chief Constable 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 Commissioner and Chief Constable 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 Commissioner**

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.

### **Joint Responsibilities of the Director of Finance and Treasurer**

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

### **Responsibilities of the Director of Finance**

10. To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.
11. To operate effective debt collection and recovery procedures.
12. To initiate, in consultation with the Chief Executive and Monitoring Officer, appropriate debt recovery procedures, including legal action where necessary.
13. To approve the write-off of bad debts, in consultation with the Chief Executive or the Treasurer, up to the level shown in Section F. Amounts for write-off above this value must be referred to the Treasurer for approval, supported by a written report explaining the reason(s) for the write-off.
14. To prepare detailed Financial Instructions for dealing with income, to be agreed with the Treasurer, and to issue them to all appropriate employees.

### **D3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES**

#### Overview

1. The Commissioner 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 receive value for money. These procedures should be read in conjunction with the Standing Orders on Contracts in Section F.

#### **Responsibilities of the Director of Finance**

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 Dorset Police and Commissioner, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the Treasurer. Orders must be in a form approved by the Treasurer.
4. Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Dorset Police and Commissioner 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, in an appropriate time and are recorded properly, regardless of the method of payment.
8. To ensure that VAT is recovered where appropriate.
9. To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
10. To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, detailed in Section F.
11. To prepare, in consultation with the Treasurer, detailed Financial Instructions for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.

#### **Responsibilities of the Chief Officers**

12. To ensure that they and every employee of Dorset Police and Commissioner 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 Commissioner 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. 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 Director of Finance**

2. To ensure, in consultation with the Treasurer, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees.
3. To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.
4. To pay all valid travel and subsistence claims or financial loss allowance.
5. To pay salaries, wages, pensions and reimbursements by the most economical means.
6. To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
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 Treasurer, and these shall be issued to all appropriate employees.

## **D5 TAXATION**

### Overview

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

### **Responsibilities of the Treasurer**

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

### **Joint Responsibilities of the Treasurer and Director of Finance**

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 can provide an effective method of 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. Nevertheless, there is an expectation that efforts to reduce and minimise the number of issued cards will continue.

### **Responsibilities of the Director of Finance**

2. In conjunction with the Treasurer to provide Financial Instructions to all cardholders.
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 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 to a police officer for damage to personal property in the execution of duty or to a member of the public for providing assistance to a police officer in the execution of duty.

### **Responsibilities of the Chief Constable and Commissioner**

2. To make ex gratia payments, on a timely basis, to members of the public up to the level shown in Section F in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the Commissioner and Dorset Police . For payments above this limit or a case involving particular sensitivities the Chief Constable with the agreement of the Director of Finance and the Chief Executive will seek the agreement of the Commissioner.
3. To make ex gratia payments, on a timely basis to officers and members of staff for damage to personal property arising from the exigencies of duty. Each case is considered on its individual merit. Payments are made up to the levels shown in Section F. Payments above this limit or a case involving particular sensitivities will the Chief Constable with the agreement of the Director of Finance and the Chief Executive will seek the agreement of the Commissioner.
4. To maintain details of all ex gratia payments made.

## **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 Commissioner 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 ANPR, CCTV and PCSOs) and donations from third parties (e.g. towards capital expenditure).
3. Funding may also be received as a result of Sponsorship. Details of sponsorship arrangements are contained within the Sponsorship policy.

##### **Responsibilities of Chief Officers**

4. To pursue actively any opportunities for additional funding where this is considered to be in the interests of Dorset Police and Commissioner.

##### **Joint Responsibilities of the Chief Constable and the Commissioner**

5. 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 Treasurer and Director of Finance**

6. 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**

7. To ensure that funds are acquired only to meet policing needs and objectives.
8. 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.
9. To ensure that any conditions placed the Commissioner and Dorset Police in relation to external funding are in accordance with the approved policies. If there is a conflict, this needs to be taken to the Commissioner for resolution.

## **E2 WORKING FOR THIRD PARTIES**

### Overview

1. Dorset Police 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 Dorset Police or the Commissioner and that, where possible, payment is received in advance of the delivery of the service so that Dorset Police and the Commissioner 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 Dorset Police and the Commissioner.

### **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 such as partnerships or strategic alliances and regional 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 Dorset Police or the office of the Commissioner.
  - 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. All joint working arrangements of Dorset Police and the Commissioner must comply with these Financial Regulations

#### **Partnerships and strategic alliances**

##### 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 strategic alliance is a form of partnership working. A useful working definition of such a partnership is where the partners:
  - are otherwise independent bodies;
  - agree to co-operate to achieve a common goal; and
  - achieve it to create an organisational structure or process and agreed programme, and share information , risks and rewards.

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 core policing objectives. Eg Strategic alliance. They can either be force-wide or local.

#### Ad-hoc

6. These are typically locally based informal arrangements agreed by Commanders.

#### **Context**

7. As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the Commissioner, 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, Commissioners are free to pool funding as they and their local partners see fit. Commissioners can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies.
8. Where the Commissioner 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 Commissioner 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 Commissioner**

9. To have regard to relevant priorities of local partners when considering and setting the 5 year Police and Crime Plan and the annual delivery plan.
10. To make appropriate arrangements to commission services from either Dorset Police or external providers.

11. To make crime and disorder grants.

### **Responsibilities of Chief Officers**

12. To follow the Financial Instructions for local partnerships, as published on policing intranet.
13. To consult, as early as possible, the Director of Finance and the Treasurer 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 and Monitoring Officer.

### **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 Commissioner have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more police force or Commissioner. Any collaboration which relates to the functions of a police force must first be agreed with the Chief Constable of the force concerned.
2. A Regional Collaboration strategy for police forces in the South West was established by the five police authorities and Forces prior to Police and Crime Commissioners taking office. Working with the Chief Constable, the Commissioner will be responsible for working to develop this strategy in the future, and to explore and develop other collaborations which underpin the capacity and capability of the police service.
3. The Commissioner shall hold their own Chief Constable to account for any collaboration in which their force is involved.
4. Any such proposal must be discussed with the Treasurer, Director of Finance and the Chief Executive in the first instance.

### **Lead Body**

1. In all Partnership and Collaboration arrangements where Dorset Police is the Lead Body these financial regulations will be used.
2. Where there is a change in the Lead Body a section 23 Agreement will be prepared and approved by the Commissioner

**SECTION F**

**FINANCIAL REGULATIONS  
Consents and Delegations**

**Financial Values as at January 2014**

**Consent**

The Chief Constable can acquire property (other than land or buildings).

The Chief Constable is responsible for the daily administration of property and contracts.

**Delegations**

Delegations from the PCC to the Chief Constable and their management team are shown in the table below.

Area	Delegation	Financial Limit	Source
<b>Joint Responsibility of the Chief Constable and Director of Finance</b>			
<b>Annual Revenue Budget Preparation</b>	<b>To identify all proposed individual major revenue projects (a major revenue project shall be defined as one in excess of...)</b>	<b>£250,000</b>	<b>Financial Regulations Page 17 Point 15</b>
<b>Budgetary Control</b>	<b>To refer major revenue projects back to the Commissioner 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 of...</b>	<b>Varies by 10% or £100,000 whichever is the lesser</b>	<b>Financial Regulations Page 19 Point 10</b>

Area	Delegation	Financial Limit	Source
Virements	..to reference back to the Commissioner is only required where a proposed virement is <i>significant</i> , or would incur a <i>substantive</i> change in policy , or create a future year or continuing commitments. (Significant is determined as) (Substantive change in policy)	10% or £100,000 whichever is the lesser at CIPFA subjective level or a departure from the policies agreed by the Commissioner	Financial Regulations Page 20 Point 2
Virements	Project Management – reference back to the Commissioner where implementation involves changes to the approved plan and/or financial model	All changes to the approved plan/model	Financial Regulations Page 20 Point 3
Virements	The limits to apply on virements between budget headings are defined as...	No limit in place	Financial Regulations Page 20 Points 6
<b>Responsibility of the Director of Finance and Treasurer</b>			
Treatment of end of year balances	To consider requests from Budget managers who identify planned under spends in any financial year for budget provision to be carried forward to the following financial year, subject to the limits indicated..	1% of the devolved budget maximum.	Financial Regulations Page 21 Point 6
Money Laundering	Cash deposits which are unusual or suspicious in nature in any, currency in excess of £15,000 (or equivalent) should be reported to the National Crime Agency by the Treasurer.	Unusual or suspicious or in excess of £15,000	Financial Regulations Page 41 Point 26

Area	Delegation	Financial Limit	Source
Staffing	To adjust staffing number to meet the approved budget provision, and vary the provision within policy constraints...	To refer to the PCC all changes in lead authority – Section 23 Agreements for approval	Financial Regulations Page 42 Point 4
Staffing	To consider policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for police staff	Premature retirements on grounds of ill health where the total cost to the Force is £50,000 or above.  All redundancies  All retirements on the grounds of efficiency	Financial Regulations Page 42 Point 6
Income	To agree a charging policy for the supply of goods and services.... All charges shall be at full cost recovery except where regulations require otherwise or with the express approval of the Commissioner	At full cost recovery	Financial Regulations Page 46 Point 7
<b>Responsibility of the Chief Constable</b>			
Annual Capital Programme	To incur expenditure, providing the project appraisal has been approved and the costs of the scheme 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.	10%	Financial Regulations Page 23 Point 18

Area	Delegation	Financial Limit	Source
<p><b>Annual Capital Programme</b></p>	<p>To ensure that property leases, finance leases or other credit arrangements with the value or term above the limits set out in Section F are not entered into without the prior approval of the Director of Finance and Treasurer</p>	<p><b>£50,000</b></p>	<p><b>Financial Regulations Page 23 Point 19</b></p>
<p><b>Risk Management and Business Continuity – Civil Claims</b></p>	<p>To settle civil claims in accordance with the arrangements set out ...</p>	<p><b>Unlimited value (JIAC 5/9/13)</b></p>	<p><b>Financial Regulations Page 27 Point 16</b></p>
<p><b>Inventories</b></p>	<p>To ensure that inventories are maintained for the Force in a format approved by the Director of Finance and Treasurer that record adequate description of items with a value in excess of the amount shown... Other items of equipment should also be recorded if they are deemed to be both desirable and portable.</p>	<p><b>All Land and Buildings</b> <b>All Vehicles</b> <b>All Computers</b> <b>Plant and Equipment £100,000</b> <b>Desirable and Portable items £250</b></p>	<p><b>Financial Regulations Page 36 Point 1</b></p>
<p><b>Stocks and Stores</b></p>	<p>To write-off obsolete stock, up to the limits shown.... Amounts for write-off above this value must be referred to the Treasurer for approval supported by a written report.</p>	<p><b>£500 per single item or Multiples of the same item up to the value of £500</b></p>	<p><b>Financial Regulations Page 37 Point 4</b></p>
<p><b>Asset Disposal</b></p>	<p>Assets shall be disposed of when in the best interests of the Dorset Police and the Commissioner and at the most advantageous price.</p>	<p><b>Highest offer</b></p>	<p><b>Financial Regulations Page 37 Point 1</b></p>

Area	Delegation	Financial Limit	Source
Asset Disposal	The Commissioner has given consent to the Chief Constable to dispose of surplus land and buildings, vehicles and items of equipment <i>up to</i> the estimated value shown...	Land and Buildings – According to the Asset Management Plan  Equipment - All  Vehicles – All	Financial Regulations Page 38 Point 2
Asset Disposal	The Commissioner has given consent to the Chief Constable to dispose of items <i>above</i> the value in Section F by Public Auction or sealed bids after advertisement.	Land and Buildings – According to the Asset Management Plan  Equipment – All  Vehicles – All	Financial Regulations Page 38 Point 3
Ex-Gratia Payments	To make ex gratia payments, on a timely basis, to member so the public up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the PCC and the Force up to the limits set....  For payments above this limit or a case involving particular sensitivities the Chief Constable with the Agreement of Director of Finance and the Chief Executive will seek the agreement of the Commissioner	£3,000	Financial Regulations Page 54 Point 2

Area	Delegation	Financial Limit	Source
<p><b>Ex-Gratia Payments</b></p>	<p>To make ex gratia payments, on a timely basis to officers and members of staff for damage to personal property arising from the exigencies of duty. Each case will be considered on its merits. .. For payments above this limit or a case involving particular sensitivities the Chief Constable with the Agreement of Director of Finance and the Chief Executive will seek the agreement of the Commissioner</p>	<p><b>£3,000</b></p>	<p><b>Financial Regulations Page 54 Point 3</b></p>
<p><b>Land and Property</b></p>	<p>However, prior approval of the Commissioner will be required where the amount (<i>sale or purchase of land and property</i>) is anticipated to exceed..</p>	<p><b>£250,000</b></p>	<p><b>Standing Orders on Contracts Page 3 Para 8.2</b></p>
<p><b>Procedures for contracts exceeding £40,000</b></p>	<p>..the Relevant EU threshold Services and Supplies – as at January 2014</p>	<p><b>£172,514</b></p>	<p><b>Standing Orders on Contracts Page 3 Para 12.1</b></p>
<p><b>Procedures for contracts exceeding £40,000</b></p>	<p>..the Relevant EU threshold Works – as at January 2014</p>	<p><b>£4,332,012</b></p>	<p><b>Standing Orders on Contracts Page 3 Para 12.1</b></p>
<p><b>Procedures for contracts exceeding £40,000</b></p>	<p>Estimated value of a contract, wherever practicable at least three tenders shall be invited....</p>	<p><b>Exceeds £40,000</b></p>	<p><b>Standing Orders on Contracts Page 3 Para 12.2</b></p>

Area	Delegation	Financial Limit	Source
Procedures for contracts exceeding £40,000	Estimate value where at least six contractors are invited to submit tenders	£100,000	Standing Orders on Contracts Page 3 Para 12.3
Safeguard for due performance	Value where in appropriate circumstances will provide for liquidated damages to be paid by the contractor...	Exceeds £50,000	Standing Orders on Contracts Page 6 Para 21.1
<b>Responsibilities of the Director of Finance</b>			
Money Laundering	Cash deposits from a single source over £15,000 should be reported to the Treasurer.	Over £15,000	Financial Regulations Page 41 Point 33
Income	To approve the write-off of bad debts, in consultation with the Chief Executive or the Treasurer, up to the level shown... Amounts for write-off above this value must be referred to the Treasurer for approval, supported by a written report explaining the reason(s) for the write-off	£10,000	Financial Regulations Page 49 Point 13
Ordering and Paying for Work, Goods and Services	To ensure that all purchases made through e-procurement follow the rules, regulations and procedures detailed...	Valued at below £40,000 3 Quotes required at £15,000 and above	Financial Regulations Page 50 Point 10
<b>Responsibilities of the Chief Executive</b>			

Area	Delegation	Financial Limit	Source
Inventories	To ensure that inventories are maintained for the Commissioner in a format approved by the Treasurer that record adequate description of items with a value in excess of the amount shown... Other items of equipment should also be recorded if they are deemed to be both desirable and portable.	<p>All Land and Buildings</p> <p>All Vehicles</p> <p>All Computers</p> <p>Plant and Equipment £100,000</p> <p>Desirable and Portable items £250</p>	Financial Regulations Page 36 Point 2
Staffing	To adjust staffing number so meet the approved budget provision, and vary the provision within policy constraints...	To refer to the PCC all changes in lead authority – Section 23 Agreements for approval	Financial Regulations Page 42 Point 4
Staffing	To consider policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for police staff	<p>Premature retirements on grounds of ill health where the total cost to the Commissioner is £50,000 or above.</p> <p>All redundancies</p> <p>All retirements on the grounds of efficiency</p>	Financial Regulations Page 42 Point 6
<b>Joint Responsibilities of the Chief Constable and the Chief Executive</b>			
Gifts, Loans and Sponsorship	To refer all gifts, loans and sponsorship above the limit identified ...to the PCC for approval before they are accepted.	£,1000 (JIAC 5/9/13)	Financial Regulations Page 46 Point 7
<b>Joint Responsibilities of the Chief Constable and PCC</b>			
Income	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...at	ACPO national charging standard	Financial Regulations Page 48 Point 5

Area	Delegation	Financial Limit	Source
	<b>least annually</b>		
<b>Responsibility of the Treasurer</b>			
<b>Stocks and Stores</b>	<b>To consider and approve applications for write offs in excess of the limits set out..</b>	<b>£500 per single item or Multiples of the same item up to the value of £500</b>	<b>Financial Regulations Page 37 Point 6</b>
<b>Gifts, Loans and Sponsorship</b>	<b>The total value of gifts, loans and sponsorship accepted, should not exceed 1% of the Commissioner's annual gross revenue budget of the Dorset Police and the Commissioner</b>	<b>1% of the Commissioners annual gross revenue budget</b>	<b>Financial Regulations Page 46 Point 4</b>



MEMORANDUM OF UNDERSTANDING REGARDING  
SERVICE PROVISION

BETWEEN:

DORSET POLICE

AND

THE OFFICE OF THE POLICE AND CRIME  
COMMISSIONER FOR DORSET

Dated 16 July

2018

## **Aim and Purpose**

This Memorandum of Understanding has been produced as part of the wider Corporate Governance Framework of Dorset Police and the Office of the Police and Crime Commissioner.

It is intended to record the agreement between Dorset Police and the Office of the Police and Crime Commissioner for the provision of support and services designed to achieve the mutual aim of the successful delivery of the Police and Crime Plan for Dorset.

The agreement is intended to serve as a general guide to the co-operation between the Force and the Office of the Police and Crime Commissioner as two corporations sole.

The signatories to this agreement are:

The Chief Constable, Dorset Police  
The Police and Crime Commissioner (the Commissioner) for Dorset

## **Background**

The Commissioner and the Chief Constable have a duty to put in place proper arrangements to secure value for money in the use of resources and to ensure proper stewardship and governance, and regularly review the adequacy and effectiveness of them.

The Chief Constable is accountable to the law for the exercise of police powers, and the Commissioner for the delivery of efficient and effective policing, management of resources and expenditure by Dorset Police.

The Policing Protocol outlines the requirement for the Commissioner and Chief Constable to establish and maintain effective working relationships. It is expected that the principles of goodwill, professionalism, openness and trust will underpin the relationship between them and all parties will do their utmost to make the relationship work.

To enable the Commissioner to exercise the functions of their statutory office effectively they will need access to information and officers and staff within their force area. Such access to any information must not be unreasonably withheld or obstructed by the Chief Constable and/or fetter the Chief Constable's direction and control of the Force.

In addition the Chief Constable must exercise the power of direction and control in such a way as is reasonable to enable the Commissioner to have access to all necessary information and staff within Dorset Police.

There is nothing in this Memorandum of Understanding designed or intended to undermine the operational independence of the Chief Constable in the service of the community and the exercise of police powers.

## **Services and Support to be facilitated**

The Chief Constable will make the following services available to the Commissioner to enable the delivery of his statutory responsibilities:

- Provide a comprehensive Human Resources service for the staff of the Office of the Police and Crime Commissioner. Staff will enjoy the same terms and conditions of services as staff employed by the Chief Constable. Similarly all HR related force policies will equally apply. Specific details of this arrangement are subject to a separate Agreement attached at Appendix A.
- Media and Corporate Communications will be provided to support the Commissioner as and when required in accordance with the protocol between the Force Media Manager and the OPCC Communication Manager.
- A comprehensive financial service including: payroll, precepting, financial analyses, treasury management services, annual accounts preparation, and supporting the preparation of the budget and draft financial strategy (working closely with the Chief Finance Officer to the Commissioner). A supplementary financial services agreement is provided at Appendix B.
- Procurement and contract management via the services of Alliance Finance and Business Support Services Department and the South West Police Procurement Department.
- Complaints and Discipline service, provided in accordance with the standard produced and approved by the Transition Board in 2012. Keeping the Commissioner informed in such a way so as not to fetter the Commissioner in the delivery of their statutory obligations in relation to monitoring of all complaints.
- Corporate Development - Supporting the Commissioner in the development and delivery of the Police and Crime Plan, and the provision of statistical data to enable the Commissioner to scrutinise, support and challenge the Chief Constable regarding their contribution to the delivery of the priorities as set out in the plan.
- To ensure access to independent Legal advice, as required.
- A comprehensive asset management service, including the buildings that form the Commissioners estate. This will be managed in accordance with any consents and delegations and the approved estates strategy.
- Information Services advice and support, including information security and data protection advice.

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The Chief Executive will make the following services available to the Dorset Police:

- Committee support and administration for the Independent Audit Committee and the Ethics and Appeals Committee, and where relevant publication of documents.
- Provides independent scrutiny and assurance via the management of the Independent Custody Visiting Scheme.
- The recruitment of independent members to sit on Dorset Police misconduct hearing panels.
- Governance Services including day to day audit delivery and insurance services will be provided in support of the statutory responsibilities of the Chief Constable and the Chief Financial Officer. This is part of a wider Alliance delivered function by the Audit, Insurance and Strategic Risk Management Department.

All of the above services are provided free of charge on the basis of the adequacy of the funding available to resource them in the budget provided by the Commissioner to the Chief Constable or retained by the Commissioner.

Should the demands on the resources available to the Commissioner or the Chief Constable be such that effective service delivery cannot be maintained, then the matter will be referred back to the Commissioner via the Chief Executive or the Chief Constable (as appropriate) for reconsideration of the request or for more resources to be made available to enable the request to be fulfilled.

On a day to day basis any service issues will be managed by the Department Head in the normal course of their business, and where appropriate brought to the attention of the Chief Executive and the relevant Chief Officer. Issues that cannot be resolved in this way will be taken to the Joint Executive Board.

### **Review**

This memorandum of understanding will be subject to annual review as part of the wider annual review of all governance arrangements.

Signed James Vaughan

Chief Constable

Date 16/07/18

Signed Simon Bullock

Chief Executive to the Police and Crime Commissioner

Date 16/07/18

## **Supplementary Human Resources Agreement**

### Aim and Purpose

This agreement is intended to serve as a guide to the arrangements between the Office of the Police and Crime Commissioner and Dorset Police as two separate corporation soles for the human resource management of staff in the Office of the Police and Crime Commissioner (OPCC).

The Chief Constable will provide a comprehensive Human Resources service to the Chief Executive and all OPCC staff of the Office of the Commissioner.

### Services and Support to be facilitated

All OPCC staff will be covered by the Police Staff Council Pay and Conditions of Service Handbook and any associated local agreements. This includes any Job Evaluation Scheme operated by Dorset Police. They will also be covered by various related Human Resources policy and procedures. The Chief Constable may request that the Ethics and Appeals Committee reviews on appeal against dismissal cases and provides a view (not direction) as the final determination sits with the Chief Constable.

UNISON, as the recognised trade union, will represent its members in the application of these agreements, consider other conditions of service issues and, where possible, resolve any employment differences through local consultation and negotiation. UNISON representatives will be entitled to reasonable time off for trade union duties such as health and safety audits, representation, negotiation and consultation.

All employed staff will have access to the Local Government Pension Scheme. Pension contributions will be administered by the Payroll Section of Dorset Police in the same way as any other recognised salary deduction.

The People Department will prepare and issue all contractual and other employment documentation for OPCC staff and maintain related electronic personal files. This will also include support for any related recruitment needs or departmental restructures, as well as access to all internal job vacancies under a reciprocal agreement with the Chief Constable.

Full access and support will also be provided for training and development courses/opportunities, wellbeing support (Employee Assistance Programme), welfare and occupational health facilities.

All OPCC staff and supervisors will have access to Corporate IT systems such as e-sickness, +DPR and Working Time Recording. There will be times when the Chief Executive requires access to specialist HR skills employed by the Chief Constable. In such situations the Chief Executive will make a request for support via the Director of Human Resources or most appropriate professional lead, estimating the nature of support required and timeframes involved. Such requests will not be unreasonably refused.

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A 'work life journey' advice site is available in Sharepoint and key policy updates will be communicated to OPCC staff through established Force channels.

The following services will not be provided by the Chief Constable:

Staff appraisal systems and processes

Review

There will be no changes to this agreement without formal consultation between all relevant parties and final approval by the Joint Executive Board.

Signed James Vaughan

Chief Constable Date 16/07/18

Signed Simon Bullock

Chief Executive to the Police and Crime Commissioner Date 16/07/18

Signed Debi Potter

UNISON Date 09/08/18

## **Supplementary Financial Services Agreement**

The [Policing Protocol Order 2011](#) sets out the high level financial responsibilities of the Police and Crime Commissioner (Commissioner) and the Chief Constable. The Commissioner has overall responsibility for the police fund and is ultimately accountable to the public for managing the finances. The Commissioner and Chief Constable share a responsibility to provide effective management of the policing budget and to secure value for money on behalf of the public that they both serve.

The working financial relationship between the Commissioner and the Chief Constable is set out in the [Financial Management Code of Practice](#) issued from time to time by the Home Secretary under statute. This also sets out the respective roles of the Chief Finance Officers of the Commissioner and Chief Constable.

The Chief Finance Officer (CFO) of the Commissioner has certain statutory duties which cannot be delegated.

Under the current arrangements the Commissioner's CFO has no direct management of finance resources either staff or systems, and is therefore fully reliant on the provision of accurate, timely and comprehensive information by the Alliance Finance function through the Chief Constable's CFO.

In order for the Commissioner's CFO to fully and effectively perform the functions of the role, the Chief Constable will ensure that the Commissioner's CFO is provided with a finance service that fully meets all statutory requirements, with adequate access to staff and briefing on all relevant matters, and will receive reports in agreed formats, to pre-agreed timetables. If deemed necessary, a minimum specific allocation of staff time will be agreed annually.

The Commissioner's CFO is also required to ensure that the finance function is resourced to be fit for purpose. To fulfil this, an annual assessment of finance resourcing, performance review and training requirements will be prepared by the Chief Constable's CFO.

The Chief Constable's CFO will give early notification if circumstances arise that make it appear possible that he will have to consider a report, that it appears that expenditure of the Chief Constable is likely to exceed the resources available to meet that expenditure.

Annually, as part of the budget setting process, the Chief Constable's CFO will provide written assurance to the Commissioner on the soundness of the budget in relation to the force.

Signed James Vaughan

Chief Constable Date 16/07/18

Signed Simon Bullock

Chief Executive to the Police and Crime Commissioner Date 16/07/18