



Part 1

Summary of

Code of

Corporate Governance

Part 1 Summary of Code of Corporate Governance

Code of Corporate Governance

- 1.1 The Code of Corporate Governance has been developed to provide an agreed system of governance for the two corporations sole of the Police and Crime Commissioner and the Chief Constable for Dorset.
- 1.2 The Code of Governance is comprised of the following parts:
- **Part 1** – Summary of the Code of Corporate Governance
 - **Part 2** – Statement of Corporate Governance
 - **Part 3** – Scheme of Corporate Governance:
 - **Part 3A** – Schedule of Roles and Responsibilities
 - **Part 3B** – Scheme of Delegation and consent
 - **Part 3C** – The Financial Regulations
 - **Part 3D** – Contract Standing Orders
 - **Part 3E** – Meeting Structure
- 1.3 This **Summary (Part 1)** of the Code of Corporate Governance aims to give a brief overview of Parts 2 and 3 of the Code, an explanation of their functions and, in the case of Part 3, consideration of the functions of 3A to 3E.
- 1.4 The Code of Governance incorporates the following definitions:

Definitions

- a. The Police and Crime Commissioner may be referred to as the PCC.
- b. The Police and Crime Commissioners' Chief Finance Officer is referred to as the Treasurer.
- c. The Chief Constable's Chief Finance Officer is referred to as the Chief Finance Officer (CFO).
- d. The Chief Constable of Dorset and all those under their direction and control are referred to as Dorset Police.
- e. The term "the Force" refers to Dorset Police.
- f. The term "the OPCC" is a reference to the Office of the Police and Crime Commissioner for Dorset.
- g. Unless the context otherwise requires a reference to one gender shall include a reference to other genders.

- h. The term “statutory officers” refers to the Chief Executive of the OPCC, Treasurer and the CFO.
 - i. The term ‘chief officers’ refers to other non-statutory posts within the executive team of the Force.
 - j. The Police Reform and Social Responsibility Act 2011 will be referred to as PRSRA.
- 1.5 Police staff is the term used to refer to all personnel who are not police officers. In the PRSRA they are referred to as ‘civilian employees’ and will have the same meaning as that in legislation.

The Statement of Corporate Governance – Part 2

- 1.6 The Statement of Corporate Governance expresses the commitment of the two corporations sole to conduct business in an open, inclusive and accountable way. The Statement records:
- The principles which underpin the governance structure.
 - The aims of the overall Code of Corporate Governance
 - The arrangements and structures in place to facilitate good governance
- 1.7 The Statement of Corporate Governance lists the Principles of the Code of Corporate Governance.
- 1.8 The Statement reflects the commitment of the two corporations sole to the values of fairness and respect and thus reflects the Police Code of Ethics and the Nolan Principles of Public Life.
- 1.9 The Statement of Corporate Governance also includes the aims of the Code of Governance at Section 3. It is not intended that the listed aims will be exhaustive but that they may be amended from time to time as part of governance reviews and as required.
- 1.10 The Statement of Corporate Governance also highlights the structures and organisations which are in place to reinforce and scrutinise the practise of sound governance; namely:
- Review and scrutiny framework and other arrangements
 - Independent audit committee
 - Internal audit arrangements
 - External auditors
 - Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS)
 - Police and Crime Panel (PCP) for scrutiny of the PCC.

The Scheme of Corporate Governance – Part 3

- 1.11 The Scheme of Corporate Governance sets out the strategies, arrangements, instruments and controls described in the Statement of Corporate Governance. They are:
- a. The Schedule of Roles & Responsibilities of those exercising leadership functions within the Code of Corporate Governance (Part 3A).
 - b. Scheme of Delegation from the PCC and the Chief Constable (Part 3B).
 - c. The Financial Regulations (Part 3C).
- 1.12 Part 3A referred to in paragraph 1.11 above details the Roles and Responsibilities of the PCC, the Chief Constable and their respective deputies. It also describes the role of the statutory officers.
- 1.13 Part 3B (the Scheme of Delegation and Consent) aims to clarify those powers which the PCC and/or the Chief Constable delegate to statutory and chief officers for the benefit of good business practice. The scheme ensures business decisions can be carried out lawfully and efficiently and are not subject to unnecessary delay and are taken at the appropriate level.
- 1.14 Part 3C (the Financial Regulations) sets out the rules, regulations and guidelines and how financial management is to be undertaken in the OPCC and the Force. It sets out the delegated financial limits to each of the statutory financial officers. The regulations are an integral part of the Code of Governance and expand on the role and responsibilities of the PCC, the Chief Constable, and the statutory officers in relation to financial management matters. Appendices to the Financial Regulations record the financial limits and budget-setting practice.
- 1.15 Part 3D (Contract Standing Orders) govern the procedures for tenders and contracts and the relative responsibilities of the PCC and Chief Constable.
- 1.16 Part 3E (Meeting Governance) this section describes the strategic meetings structure and how they are managed. A diagram showing how this fits into the wider sources of assurance for good governance is shown in section E.

Scott Chilton
Chief Constable

David Sidwick
Police & Crime Commissioner



Part 2

Statement of

Corporate Governance

Part 2 Statement of Corporate Governance

For the Police and Crime Commissioner and the Chief Constable of Dorset Police

The Statement of Corporate Governance is the second part of the governance framework for Police and Crime Commissioner (PCC) and the Chief Constable of Dorset Police and its purpose is to give clarity to the approach to governance of the two corporations sole.

The Statement is comprised of four sections:

- a. An introduction.
- b. The principles of Code of Corporate Governance.
- c. Aims of the Code of Corporate Governance.
- d. The arrangements & structures in place to facilitate good governance.

Introduction

- 2.1 The purpose of this statement is to give clarity to the way the two corporations sole, the PCC and the Chief Constable of Dorset govern to ensure they are conducting business in an open, transparent, inclusive and accountable way.
- 2.2 It comprises the systems, processes and values by which the business of the PCC and the Force are directed and controlled, and through which they account to and engage with 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.
- 2.3 This statement should be read in conjunction with paragraph 1.4 of the summary of the Code of Corporate Governance definitions section.
- 2.4 The principle framework within which the corporations sole operate includes those listed below and subsequent updates:
 - PRSRA
 - Home Office Financial Management Code of Practice for the Police Service 2012
 - The Strategic Policing Requirement
 - The Elected Local Policing Bodies (Specified Information) Order 2011
 - The Code of Ethics – College of Policing
 - The Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the role of the Chief Finance Officer of the PCC and the Chief Constable.
 - Data Protection Act 2018

- Equality Act 2010
 - Human Rights Act 1998
 - Freedom of Information Act and subordinate legislation
- 2.5 This framework creates a public sector relationship, with unique elements such as the single elected commissioner and corporate independence of the police service. This builds upon existing good governance principles and experience.
- 2.6 In accordance with the CIPFA international framework on corporate governance the PCC and the Chief Constable each produce an annual governance statement (AGS) to show how their respective organisations have complied with this code of governance and the seven principles of standards in public life (see paragraph 2.9) upon which it is based.
- 2.7 The AGS forms part of the annual accounts and reports publicly compliance with the Code of Corporate Governance, how the two corporations sole have monitored their effectiveness and what changes are planned.
- 2.8 The corporate governance framework within which the PCC and the Chief Constable govern, both jointly and separately is known as **the Code of Corporate Governance** and consists of:
- a. A summary document of the Code of Corporate Governance.
 - b. This Statement of Corporate Governance which confirms how the seven core principles are implemented.
 - c. A Scheme of Corporate Governance which defines the parameters within which the corporations' sole conduct their business and is comprised of four elements:
 - i) Roles and responsibilities
 - ii) Scheme of delegation and consent
 - iii) Financial regulations, and
 - iv) Board, meeting structure and terms of references.
 - d. Separate policy and procedures for each corporation sole, with protocols and other governance documents where appropriate.

Principles of the Code of Corporate Governance

- 2.9 The Code of Corporate Governance reflects the seven principles of good governance as stated in the CIPFA Guidance Notes on delivering good governance for Policing Bodies in England and Wales (2016). The two corporations sole are committed to supporting and embedding these values. They are as follows:
- A behaving with integrity, demonstrating strong commitment to ethical values and, respecting the rule of law

- B ensuring openness and comprehensive stakeholder engagement
- C defining outcomes in terms of sustainable economic, social and environmental benefits
- D determining the interventions necessary to optimise the achievement of the intended outcomes
- E developing the entity's capacity, including the capability of its leadership and the individuals within it
- F managing risk and performance through robust internal control and strong public financial management
- G implementing good practices in transparency, reporting and audit to deliver effective accountability

2.10 In addition the two corporations sole are committed to the values of fairness and respect and, as such, the principles within the Code of Corporate Governance embed and reflect the nine key values of the national policing Code of Ethics and the Nolan Principles of public life

Aims of the Code of Corporate Governance

2.11 To focus the purpose of the PCC and the Force on outcomes for local people and on creating a vision for the local areas:

- a. The PCC ensures appropriate arrangements are in place for engaging with and seeking the views of victims, local communities and partners about policing and the outcome of that engagement is considered when determining the Police and Crime Plan and local policing delivery plans, priorities and targets for the Force.
- b. The PCC and the Chief Constable ensure effective arrangements are in place to determine the policing priorities and that Dorset Police possess the capability to deliver them.
- c. In accordance with Section 5 PRSRA, the PCC will issue a Police and Crime Plan for one year beyond the terms of their office outlining the police and crime objectives (outcomes) and the strategic direction for policing. Effective communication of the Police and Crime Plans and medium-term financial strategy is achieved, for example through the PCC's website, media coverage and the use of information leaflets.
- d. The Police and Crime Plan is developed by the PCC and, in formulating the plan, the PCC has regard to the priorities of the responsible authorities in accordance with PRSRA.

- e. The PCC ensures effective arrangements are in place for the oversight and scrutiny of performance through their own governance arrangements and provides information on performance to local communities in accordance with the Elected Policing Bodies (Specified Information) Order 2011 as amended.
- f. Medium Term Financial Strategies are developed by the Force and presented for the approval of the PCC, underpinning the budget planning and preparation arrangements and informing the council tax policing precept. Following approval each strategy is published. Adherence to the Home Office Financial Management Code of Practice for the Police Service and local Financial Regulations ensures proper arrangements for financial management.
- g. A Commissioning Framework has been developed by the OPCC for the approval of the PCC, incorporating commissioning intentions and priorities and setting out the arrangements applicable to the award of grants.
- h. The PCC and Chief Constable recognise their duty to collaborate. Collaboration agreements set out those areas of business undertaken jointly with other Forces and local policing bodies. Relevant national, regional and local partnerships are serviced in accordance with the PCC's partnership strategies, the Home Secretary's Strategic Policing Requirement, and other formally agreed collaboration strategies.
- i. The PCC is scrutinised by the Police and Crime Panel.

2.12 Leaders and officers and partners working together to achieve a common purpose with clearly defined functions and roles:

- a. The PRSRA [Sections 5-8] clearly sets out the functions of the PCC and Chief Constable and the Policing Protocol [Policing Protocol Order 2011] sets out how these functions are to be undertaken to achieve the outcomes of the Police and Crime Plan.
- b. The PCC may appoint a Deputy Police and Crime Commissioner (DPCC) [Section 18 PRSRA] who will be a member of their staff as highlighted in the Act. In the event that the PCC appoints a DPCC, the role description to be approved by the PCC will specify the functions to be delegated to the DPCC which in turn will be reflected in the Scheme of Delegation.
- c. The PRSRA requires the PCC to have a Chief Executive [Schedule 1, 6(1)a PRSRA 2011] and a CCAB (Consultative Committee of Accountancy Bodies) qualified Chief Finance Officer (Treasurer). For the Office of the Police and Crime Commissioner, the Chief Executive will be the head of paid service and will also undertake the responsibilities of Monitoring Officer under Section 5 of the Local Government and Housing Act. The PRSRA [Schedule 2(4)] requires

the Chief Constable to appoint a CCAB qualified Chief Finance Officer (CFO). The Home Office Financial Management Code of Practice and CIPFA Statement of Roles [Financial Management Code of Practice for the Police 2012, Section 4 & CIPFA statement on Role of Chief Finance Officers 2011] set out the responsibilities of the CFO and Treasurer.

- d. The Scheme of Corporate Governance sets out the parameters for key roles and includes delegations or consents from the PCC or Chief Constable and these roles are also referenced in the financial regulations and contractual standing orders. Arrangements are in place to approve and keep updated the Scheme of Delegation and to develop, maintain and regularly review policies, financial regulations and contract standing orders.
- e. Officers, police staff and staff of the Office of the PCC operate within legislation and:
 - i) the policies and procedures of the relevant Office of the Police and Crime Commissioner or Force
 - ii) this corporate governance framework; and
 - iii) discipline regulations, policies and relevant codes of conduct.
- f. An Independent Audit Committee (IAC) for the Force and OPCC operates in line with CIPFA guidance and within the guidance of the Home Office Financial Management Code of Practice [Section 11.1.3]. The terms of reference of the IAC are subject to annual review.
- g. Collaboration agreements between Forces and PCCs set out key roles and responsibilities and are maintained by the PCC, to clearly define the legal status, decision making powers and terms of reference. These are documented appropriately. This does not include 'day to day' operational working.

2.13 To promote the values of the PCC and the Force and demonstrate the values of good governance through upholding high standards of conduct and behaviour:

- a. The Policing Protocol requires all parties to abide by the seven principles for standards in public life (the Nolan principles) [Standards in Public Life 2005] and these are central to the conduct and behaviour of all. It also highlights the expectation that the relationship between all parties should be based on the principles of goodwill, professionalism, openness and trust.
- b. The Home Office Financial Management Code of Practice requires the PCC and the Chief Constable to ensure that the good governance principles are embedded within the way the organisations operate.

- c. The PCC and Chief Constable show leadership in terms of the high standards of professional conduct required of all personnel. The values of good governance are clearly set out in the PCC's and Chief Constable's Annual Governance Statement.
- d. Registers of business interests and gifts and hospitality are maintained by the OPCC and Force in accordance with the gifts and hospitality policy. More broadly, a series of policies and arrangements are maintained, for example in respect of vetting, standards of dress/appearance, discipline, dignity at work, grievances, alcohol and substance misuse and data protection/computer standards, which further support and demonstrate the standards expected.
- e. Key roles in respect of the maintenance of high standards of conduct on the part of officers, staff, and the PCC are undertaken by the Professional Standards Department, Human Resources Department the Chief Executive, the Police and Crime Panel and the Independent Office for Police Conduct (IOPC) in accordance with relevant statutes.
- f. The standards of Dorset Police are further supported by the adoption of College of Policing Code of Ethics for Policing.

2.14 To take informed and transparent decisions which are subject to scrutiny and managing risk:

- a. The Scheme of Corporate Governance highlights the parameters for decision making, including the delegations, consents, financial limits for specific matters and standing orders for contracts.
- b. Corporate risk management arrangements ensure clearly defined risk management policies, and clearly defined roles and responsibilities and scrutiny arrangements, for the Force and the PCC. The risk management policy is subject to annual review and is reviewed by the IAC.
- c. In accordance with the Equality Act, policies and business decisions of Dorset Police and the OPCC take into account the impact on stakeholders and people who are affected by those policies or decisions, complemented by proportionate equality impact assessments.
- d. In terms of the governance arrangements and meetings, clear procedural standards are adopted for boards and meetings in accordance with the Governance Policy. The PCC and the Chief Constable publish, accurate and clear information on their decisions, subject to the Government Security Classification Scheme, Freedom of Information Act requirements and, in the case of the PCC, as detailed in paragraph 5 of the Elected Local Policing Bodies (Specified Information) Order 2011.

- e. A clear structure of reporting has been adopted, and where appropriate the findings of internal and external audit, and other inspection reviews will be published.

2.15 In order to develop the capacity and capability of the PCC, the staff of the PCC and Devon and Cornwall Police to be effective in their roles:

- a. The OPCC and Force ensures there is a robust workforce plan, encompassing all relevant human resources legislative requirements.
- b. The PCC and Chief Constable ensure their statutory officers and Chief Officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Force and the OPCC.

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

- a. The Policing Protocol [Section 14 Policing Protocol Order 2011] highlights that the PCC is accountable to local people within their Force area and that they draw on this mandate to set and shape the strategic objectives for the Force area in consultation with the Chief Constable.
- b. The PCC and the Chief Constable each have and keep updated a community consultation and engagement policy and ensure effective consultation and engagement arrangements consistent with that policy are in place.
- c. In preparing the Police and Crime Plan, the PCC has regard to the plans and priorities of key community safety and criminal justice partners as required by the Act.
- d. The PCC provides a link between the police and the community.

Arrangements & Structures in Place to Facilitate Good Governance

2.17 There are a range of structures and bodies in place to facilitate good governance. These will include:

- Effective internal meeting structures
- Review and Scrutiny arrangements
- Independent Audit Committee
- Internal audit arrangements
- External auditors
- Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) or their successive bodies
- Risk Management

2.18 Arrangements for Review

- a. A review of the Code of Corporate Governance and the wider Governance Framework will be carried out annually by the PCC in liaison with the Chief Constable as part of the production of their respective Annual Governance Statements.
- b. There shall be no variation of the Code of Corporate Governance and wider Governance Framework without the agreement of the PCC and the Chief Constable.
- c. The Chief Executive and Treasurer are responsible for the Annual Governance Statement for the PCC, published with the statement of accounts. This will include an action plan to rectify any significant weakness in internal control and governance.
- d. The CFO is responsible for the Chief Constable's Annual Governance Statement, published with the statement of accounts. This will include an action plan to rectify any significant weaknesses in internal control and governance.

2.19 Independent Audit Committee (IAC)

- a. The Chief Constable and the PCC are jointly advised by the IAC. The committee is made up of members who are independent of the corporations sole.
- b. The terms of reference for the IAC are subject to annual review.

2.20 Internal Audit

- a. The primary role of Internal Audit is to give an assurance to the PCC and Chief Constable, through the Treasurer and the CFO on the effectiveness of the controls in place to manage risks.
- b. The internal audit service is contracted to undertake audit work and deliver an opinion on the effectiveness of internal controls.
- c. The audit provider reports to the Treasurer and the CFO, with direct reporting lines to each corporation sole when they consider it appropriate.
- d. The review of the corporate governance and risk management arrangements periodically feature in the Annual Audit Plan.

2.21 External Audit

- a. The external auditor audits the financial statements of the PCC and the Chief Constable, as well as the group accounts and reviews the Annual Governance Statement.

- b. External Audit plans and reports, including the Annual Audit Letter, are considered by the IAC.
- c. External audit may be appointed by Public Sector Audit Appointments Ltd (PSAA) <http://www.psa.co.uk>.

2.22 Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS)

- a. The role of the HMICFRS is to independently inspect, monitor and report on the effectiveness and efficiency of police forces and fire and rescue services, with the aim of encouraging improvement.
- b. HMICFRS reports are sent to the Chief Constable and the PCC for consideration and appropriate action. HMICFRS, working alongside external audit on value for money assessments, play a key role in informing the PCC and the public on the efficiency and effectiveness of the Force and, in so doing, facilitate the accountability of the PCC to the public.

2.23 Risk Management and Assurance

- a. A risk management framework is in place across the Force and OPCC.
- b. This is a structured process to identify potential risks for the organisations and define potential strategies to mitigate those risks.



Part 3

Scheme of

Corporate Governance

Part 3 Scheme of Corporate Governance

Introduction

- 3.1 The Scheme of Corporate Governance is the third part of the Code of Governance. It sets out the common understanding and agreement as to the way in which functions between the Office of the Police and Crime Commissioner (OPCC) and the Chief Constable for Dorset will be governed and managed.
- 3.2 This Scheme of Corporate Governance sets out the strategies, arrangements, instruments and controls described in the Statement of Corporate Governance. The Scheme includes, but is not limited to, formal delegations by the Police and Crime Commissioner (PCC) and Chief Constable and the Financial Regulations for the Force. It also includes activities where the Chief Constable acts in their own right pursuant to the duty to exercise their power of direction and control. The Scheme is divided into five sub-parts 3A to 3E as follows:
- **Part 3A – Schedule of Roles & Responsibilities** of those exercising leadership functions within the Code of Corporate Governance
 - **Part 3B – The Scheme of Delegation and Consent** from the PCC and the Chief Constable
 - **Part 3C – Financial Regulations**
 - **Part 3D – Contract Standing Orders**
 - **Part 3E – Meeting Governance**

Key Principles of the Scheme of Corporate Governance

- 3.3 All officers, and staff under the direction and control of the Chief Constable may assist the PCC to exercise their function; 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. This scheme sets out some ways in which that assistance will be given. For the avoidance of doubt these are not delegations from the PCC. These would be prohibited under Section 18 of the Police and Social Responsibility Act 2011.
- 3.4 The statutory officers are responsible for ensuring that the Force and OPCC are aware of and comply with the provisions and obligations of the Code of Governance.
- 3.5 The PCC must not restrict the operational independence of the police force and the Chief Constable who leads it. In particular the Chief Constable must be allowed to deliver on the legal requirements set out in the Policing Protocol.

- 3.6 To enable the PCC to exercise the function of their office effectively they need reasonable access to information held by the Force and police officers and police staff employed by the Chief Constable. This access must not be unreasonably withheld or obstructed by the Chief Constable or any employees.

Key Principles of Delegation and Consent

- 3.7 The Scheme of Governance of the PCC and the Chief Constable set out arrangements for responsibility for functions including delegations and consent.
- 3.8 **“Consent”** refers to the provision of approval or agreement after due and thoughtful consideration. Transactions entered into following “consent” by the PCC to the Chief Constable, will be in the Chief Constable’s own name as a separate legal entity, as opposed to the name of the PCC.
- 3.9 **“Delegation”** is the assignment of authority and responsibility to another person to carry out specific activities. However the person who delegated the work remains accountable for the outcome of the delegated work.
- 3.10 The following should be noted:
- a. There are certain statutory restrictions on the Chief Constable’s power to exercise certain functions in their own right: the Chief Constable may not acquire or dispose of land, or borrow money, and needs the consent of their PCC to enter into contracts and to retain ownership of specified assets, in accordance with the Schedule of Assets agreed with the Chief Constable.
 - b. The Scheme of Corporate Governance sets out the conditions on which the PCC has given consent to the Chief Constable to enter into contracts and to retain ownership of specified assets (Part 3B).
 - c. For the avoidance of doubt, this is not a delegation from the PCC, it is a PCC giving consent to the Chief Constable to exercise certain functions in his/her own right, subject to compliance with this Scheme.

Key Principles of Parts 3A and 3B (Responsibility for Functions)

- 3.11 The key principles of the Responsibility for Functions for the two organisations are detailed in Part 3A Schedule of Roles and Responsibilities and Part 3B Scheme of Delegation and Consent. They have been prepared with consideration of the requirements set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) and Home Office Financial Management Code of Practice for the Police Service.
- 3.12 The Chief Constable has unfettered access to all assets held for policing Dorset irrespective of whether those assets are held by the Chief Constable or the PCC.

- 3.13 The purpose of the Schedule of Roles and Responsibilities and the Scheme of Delegation and Consent is to ensure that decisions are taken and recorded correctly.
- 3.14 The PCC, the Chief Constable and any person exercising authority delegated by them adopt a transparent approach in the exercise of functions.
- 3.15 The Chief Finance Officer (CFO) and Treasurer operate in line with the Home Office Financial Management Code of Practice, as well relevant financial legislation.
- 3.16 The statutory framework of Section 36 of the PRSRA, the Elected Local Policing Bodies (Specified Information) Order 2011, the Freedom of Information Act 2000 and the Data Protection Act 2018 set minimum standards for publication.
- 3.17 Any action taken under delegated authority must where reasonable be recorded by those holding the delegation, including recording that relevant legal, financial and other considerations and consultations have been properly carried out and recorded prior to a decision being taken.
- 3.18 Each of the statutory officers and Chief Officers whom the PCC and the Chief Constable appoint co-operate with each other in the exercise of their functions.
- 3.19 The Schedule of Roles & Responsibilities and the Scheme of Delegation and Consent will be reviewed bi-annually with the other parts of the Scheme of Governance of the PCC. There shall be no variation to the Scheme of Governance of these delegations and consents without the agreement of all parties.

Part 3C Financial Regulations

- 3.20 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 the Treasurer and CFO.

Part 3D Contract Standing Orders

- 3.21 Embedded within the Financial Regulations are the Contract Regulations which is a single set of standing orders relating to contracts.

Part 3E Meeting Governance

- 3.22 The meeting structure outlines the framework for key decision making within the Force and OPCC and demonstrates how they work individually and together to support good governance.



Part 3A

Schedule of

Roles and

Responsibilities

Part 3A Schedule of Roles and Responsibilities

- **Part 3A – Schedule of Roles and Responsibilities**
- Part 3B – Scheme of Delegation and Consent
- Part 3C – Financial Regulations
- Part 3D – Contract Standing Orders
- Part 3E – Committee Governance

Introduction

3A.1 In recognition of the role of the Police and Crime Commissioner (PCC) for Dorset in holding the Chief Constable of Dorset Police to account the PCC and the Chief Constable agree that the PCC may request a briefing on any issues which relate to operational matters or any other matter. This will ordinarily take place through agreed governance arrangements. The PCC agrees not to use this right to interfere with the operational independence of the Chief Constable. The PCC and Chief Constable recognise there may be circumstances when, for reasons of urgency, these matters cannot be raised through the agreed governance arrangements and, in those circumstances, matters will need to be raised as a priority outside of this meeting structure.

The Police and Crime Commissioner

3A.2 The PCC has the following responsibilities set out in the PRSRA:

- a. To secure the maintenance of the police Force for that area, and secure that the police Force is efficient and effective [Section 1(6)].
- b. To hold the Chief Constable to account for the exercise of the functions of the Chief Constable, and the functions of persons under the direction and control of the Chief Constable [Section 1(7)].
- c. In particular to hold the Chief Constable to account for:
 - i) the exercise of the duty under Section 8(2) of the PRSRA (duty to have regard to Police and Crime Plan);
 - ii) the exercise of the duty under Section 37A(2) of the PRSRA (duty to have regard to strategic policing requirement);
 - iii) the effectiveness and efficiency of the Chief Constable's arrangements for co-operating with other persons in the exercise of the Chief Constable's functions (whether under section 22A of the Police Act 1996 or otherwise);

- iv) the effectiveness and efficiency of the Chief Constable's arrangements under Section 34 of the PRSRA (engagement with local people);
- v) the extent to which the Chief Constable has complied with Section 35 PRSRA (value for money);
- vi) the exercise of duties relating to equality and diversity that are imposed on the Chief Constable by any enactment;
- vii) the exercise of duties in relation to the safeguarding of children and the promotion of child welfare that are imposed on the Chief Constable by Sections 10 and 11 of the Children Act 2004 [Section 1(8) of the PRSRA].

3A.3 Particular responsibilities of the Police and Crime Commissioner include:

- a. Issuing a Police and Crime Plan [Section 5].
- b. Determining police and crime objectives [Section 7].
- c. Setting a precept [Section 40 of the Local Government Finance Act 1992].
- d. Setting a budget.
- e. Awarding grants for crime and disorder reduction [Section 9].
- f. Approving an annual report [Section 12].
- g. Appointing the Chief Constable [Section 38].
- h. Suspending or requiring the resignation or retirement of the Chief Constable [Section 38].
- i. Appointing, suspending and dismissing the Chief Executive to the PCC [Schedule 1].
- j. Appointing, suspending and dismissing the Treasurer to the PCC [Schedule 1].
- k. Appointing and dismissing a Deputy Police and Crime Commissioner [Section 18].
- l. Attending meetings of the Police and Crime Panel.

3A.4 The PCC also has responsibility for the following functions:

- a. Within the terms of the Policing Protocol, to be consulted on any strategies which in the opinion of the PCC affect the resourcing of the Police and Crime Plan. This includes but is not limited to strategies for: estates, procurement, human resources, treasury management, equality and diversity and information and communications technology (ICT), value for money and income, provided that such a process does not interfere with the Chief Constable's operational independence.
- b. Taking and implementing decisions on procurement of services, supplies and works in accordance with procurement processes set out in the standing orders of the PCC and the Chief Constable and to meet requirements of public procurement legislation. This does not apply to the procurement of services, supplies and works for the Chief Constable and the Force but the PCC shall have the right to be informed of contract requirements identified by the Chief Constable and to have periodic updates through the governance arrangements of the relevant management boards on procurement activity identified as necessary.
- c. Commissioning of services supplies and works in accordance with standing orders.
- d. Subject to consultation with the Joint Leadership Board, the commissioning of and agreement to alternative service delivery arrangements; the PCC may request the Chief Constable to evaluate the risks and benefits of proposed alternative service delivery arrangements before the PCC takes a decision about them.
- f. To ensure their decisions and/or the decisions of the Chief Constable to enter into arrangements involving working with other persons shall be formalised by appropriate mechanisms.
- g. Ownership of specified assets for the use of the Chief Constable and taking decisions on the acquisition and disposal of those assets, subject to consultation with the Chief Constable. This includes any land or property, including the lease or rental of such land or property (except for covert operational reasons). When taking a decision to acquire or dispose of assets held by the PCC for the use of the Chief Constable, the PCC shall comply with the requirements of the Financial Regulations. As the owner of all land and buildings the PCC will indemnify the Chief Constable against any claims linked to the ownership and maintenance of land and property, subject to the activities carried out within the estate being compliant with the Chief Constable's obligations as an employer.
- h. Ownership of specified assets held by the PCC for the use of the PCC and taking decisions on the acquisition and disposal of those assets. When taking a decision to acquire or dispose of any such asset the PCC shall comply with the requirements of the Financial Regulations.

- i. Management of contracts relating to assets including Public Finance Initiatives (PFIs) arrangements.
- j. Dealing with civil claims directly against the office of PCC or his/her staff.
- k. Considering the risk registers of the Chief Constable and ensuring any mitigating actions are being pursued. Ensuring adequate insurance cover is arranged in liaison with the Chief Finance Officer (CFO).
- l. Employment of staff that report to the Chief Executive of the OPCC.
- m. Providing the Medium Term Financial Strategy, covering the financial scenario for at least the following four years and annual draft revenue and capital budgets, with associated savings plans to meet the scenario
- n. Following consultation with the Chief Constable, the Treasurer and the Chief Financial Officer, allocation of a budget to the Chief Constable divided between revenue and capital. The revenue budget will be divided between staff costs and non-staff costs.
- o. Increasing the budget allocation to the Chief Constable to allow the Chief Constable to manage one-off emergency situations.
- p. Receipt of all income eg. precepts and grants and all other income as detailed in financial regulations.
- q. In consultation with the Chief Constable and taking account of advice from the statutory officers of the PCC and the Chief Constable, allocating income received, including income received for special police services provided under section 25 of the Police Act 1996.
- r. Management of debtors
- s. Agreement of the treasury management strategy and the consequent management of investments and loans
- t. Agreement of the reserves strategy, covering all reserves, and contingencies within the budget, including the use of reserves.
- u. To appoint external auditors, as advised by the Treasurer.

- v. The granting of indemnities or guarantees to third parties.
- w. To provide a link between the police and community; obtaining and representing the views of local people, councils and other criminal justice organisations.
- x. Ensuring arrangements are in place for delivering victims care.
- y. Handling of complaints and conduct matters in relation to the Chief Constable and monitoring the Chief Constable's handling and investigation of complaints against police officers and police staff, undertaking reviews as determined by the appropriate authority and complying with the requirements of the Independent Office for Police Conduct (IOPC).
- z. To address the PCC's wider community safety, crime reduction and criminal justice responsibilities as described in Section 10.

3A.5 The PCC has power to delegate functions [Section 18] but this is subject to restrictions.

- a. The PCC may not delegate the following functions to any person other than his/her deputy: determining police and crime objectives; attendance at a meeting of a Police and Crime Panel in compliance with a requirement by the Panel to do so; preparing an annual report to a Police and Crime Panel [Section 18].
- b. The PCC may not delegate the following functions to any person: issuing a Police and Crime Plan; appointing the Chief Constable, suspending the Chief Constable, or calling upon the Chief Constable to retire or resign; calculating a budget requirement [Section 18(3)(b)].
- c. The PCC may not appoint any of the following as his deputy: (a) a constable; (b) a PCC; (c) the Mayor's Office for Policing and Crime; (d) the Deputy Mayor for Policing and Crime appointed by the Mayor's Office for Policing and Crime; (e) the Mayor of London; (f) the Common Council of the City of London; (g) any other person or body which maintains a police Force; (h) a member of the staff of a person falling within any of paragraphs (a) to (g) [Section 18(3)(a)].
- d. The PCC must approve statutory borrowing limits, which must be included in the annual treasury management strategy, therefore approval of the strategy cannot be delegated.

3A.6 When exercising their function and duties the PCC must have regard to the following:

- a. The views of the people in Dorset.
- b. 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.
- c. The Police and Crime Plan and any guidance issued by the Secretary of State including specifically the Strategic Policing Requirement.

Deputy Police and Crime Commissioner (DPCC)

3A.7 Should the PCC choose to appoint a DPCC, they shall be appointed by the PCC under Section 18(1) of the PRSRA.

- a. The DPCC may be authorised by their PCC to exercise any functions of that PCC except for the following: issuing a Police and Crime Plan; appointing the Chief Constable, suspending the Chief Constable, or calling upon the Chief Constable to retire or resign; and calculating a budget requirement [Section 18(3)(b) of the PRSRA].
- b. The DPCC may delegate to other persons only those functions which have been delegated to him/her but this is subject to restrictions.
 - i) The DPCC may not delegate the following functions: determining police and crime objectives; attendance at a meeting of a Police and Crime Panel in compliance with a requirement by the Panel to do so; preparing an annual report to a Police and Crime Panel [Section 18(5)(b)].
 - ii) The DPCC may not delegate functions to the following persons: (a) a constable; (b) a PCC; (c) the Mayor's Office for Policing and Crime; (d) the Deputy Mayor for Policing and Crime appointed by the Mayor's Office for Policing and Crime; (e) the Mayor of London; (f) the Common Council of the City of London; (g) any other person or body which maintains a police Force; (h) a member of the staff of a person falling within any of paragraphs (a) to (g) [Section 18(5)(a)].

Chief Executive of the Police and Crime Commissioner

3A.8 The Chief Executive is appointed by the PCC under paragraph 6(1) of Schedule 1 to the PRSRA as the head of the staff of the PCC.

- a. The Chief Executive is the PCC's Monitoring Officer [Section 1(C) of the Local Government and Housing Act 1989] and in that role has a duty to prepare a report for the PCC if it at any time it appears to the Chief Executive that any proposal, decision or omission by the PCC, by any committee, or sub-committee of the PCC, by any person holding any office or employment under the PCC or by any joint committee on which the PCC is represented constitutes, has given rise to or is likely

to or would give rise to: (a) a contravention of any enactment or rule of law or any code of practice made or approved under any enactment; or any such maladministration or failure as is mentioned in Part 3 of the Local Government Act 1974.

- b. The Chief Executive has responsibility for the day to day management and running of the PCC's office.
- c. The Chief Executive is responsible for advising the PCC upon policy and strategy.
- d. The Chief Executive shall submit a report on governance in order to complete the Annual Governance Statement and this will be reviewed once a year by the Independent Audit Committee (IAC).
- e. The Chief Executive may make recommendations to the PCC with regard to staff terms and conditions of service, in relation to those staff who are not under the direction and control of the Chief Constable.
- f. The PCC may arrange for the discharge of any of the PCC's functions by the Chief Executive other than those functions specified at paragraphs 3A.5(a) and 3A.5(b) in respect of which it is prohibited.
- g. The Chief Executive also has the following general duties:
 - i) To oversee the development and implementation of performance monitoring and reporting arrangements.
 - ii) To consider whether, in consultation with the Treasurer, to provide indemnity to the PCC (and DPCC) in accordance with appropriate statutory provisions and to deal with or make financial provision to deal with matters arising from any proceedings.
 - iii) To consider and approve, in consultation with the Treasurer, provision of indemnity and/or insurance to individual staff of the PCC in accordance with appropriate statutory provisions and Home Office guidance [currently Home Office circular 10 of 2017].
 - iv) The financial management responsibilities of the Chief Executive as set out in the Financial Regulations.
 - v) To appoint, in consultation with the PCC, staff in the OPCC.
 - vi) To affix the common seal of the PCC to all relevant contracts, agreements or transactions, where sealing is necessary.
 - vii) To respond to formal consultations (eg. by central government) on proposals affecting their PCC, if necessary, after first taking

the views of the PCC, the Treasurer and/or their Chief Constable, as necessary and appropriate.

- viii) To obtain legal or other expert advice and to appoint legal professionals either internally or externally whenever this is considered to be in the PCC's best interests in the exercise of his/her functions.
- ix) To determine any reimbursement of exceptional expenses of the PCC in accordance with regulations.

Treasurer of the Police and Crime Commissioner

3A.9 The Treasurer is appointed by the PCC as the CFO of the PCC under paragraph 6(1)(b).

- a. As the Treasurer to the PCC the post-holder has a statutory responsibility to manage the PCC's financial affairs in accordance with Sections 112 and 114 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015 (as amended).
- b. The Treasurer is the PCC's professional adviser on financial matters and has the general duties to:
 - i) Provide financial advice to the PCC on all aspects of its activity including the strategic planning and policy making process.
 - ii) Assist the PCC in seeking to obtain the best value for money.
 - iii) Advise the PCC on financial probity.
 - iv) Ensure accurate, complete and timely financial management information is provided to the PCC, and the Chief Constable upon request.
 - v) Give assistance in providing safe and efficient financial arrangements.
 - vi) Advise, as appropriate, in consultation with the Chief Executive the CFO on the safeguarding of assets, including risk management and insurance.
 - vii) Advise on budgetary matters including any consequential long term implications.
- c. The Treasurer is responsible for the proper administration of the PCC's financial affairs.

- d. The Treasurer has statutory duties to:
- i) Make a report and send it to the PCC, each member of the Police and Crime Panel and the external auditor if it appears to the Treasurer that the PCC, a person holding any office or employment under the PCC or a joint committee on which the PCC is represented has made or is about to make a decision which involves or would involve the PCC incurring expenditure which is unlawful; or has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the PCC or is about to enter an item of account the entry of which is unlawful.
 - ii) Make a report and send it to the PCC, each member of the Police and Crime Panel and the auditor if it appears to the Treasurer that the expenditure of the PCC incurred (including expenditure he/she proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to the PCC to meet that expenditure.
 - iii) Prior to the report being sent it is expected the Treasurer will consult the CIPFA guidance.
- e. The Treasurer also has responsibility for the following:
- i) Ensuring the financial affairs of the PCC are properly administered and financial regulations are observed and kept up to date.
 - ii) Ensuring regularity, propriety and value for money in the use of public funds.
 - iii) Ensuring the funding required to finance agreed programmes is available from central government, precept, other contributions and recharges.
 - iv) Advising the PCC on the robustness of the budget and adequacy of financial reserves.
 - v) Ensuring production of the statements of account of the PCC.
 - vi) Ensuring receipt and scrutiny of the statements of account of the Chief Constable and ensuring production of the group accounts.
 - vii) Advising on the appointment of an External Auditor in consultation with the CFO.
 - viii) Advising the PCC on the application of value for money principles by the Force to support the PCC in holding the Chief

- Constable to account for efficient and effective financial management.
- ix) Ensure a Reserves Strategy is produced and approved before the start of each financial year.
 - x) Ensure a Treasury Management Strategy is produced and approved before the start of each financial year supported by a mid-year report and annual report at year end.
 - xi) Ensure a Capital Strategy is produced and approved before each financial year
 - xii) To adhere to the Financial Management Code of Practice.
- f. Further financial management responsibilities of the Treasurer can be found in the Financial Regulations (Part 3C) of the Code of Corporate Governance.

Chief Constable

3A.10 The Chief Constable is appointed under Section 38 of the PRSRA and is responsible for maintaining the Queen's Peace. The Chief Constable is accountable for the exercise of police powers and is operationally independent of the PCC. The Chief Constable is accountable to the PCC for the delivery of efficient and effective policing, and the management of resources and expenditure by the police Force.

- a. The Chief Constable has the following responsibilities set out in the PRSRA:
 - i) To exercise direction and control over the police Force in such a way as is reasonable to assist the PCC to exercise the PCC's functions.
- b. The Chief Constable also has responsibility for the following functions:
 - i) Having ownership of specified assets held by the Chief Constable for the use of the Chief Constable and the Force and taking decisions on the acquisition and disposal of those assets.
 - ii) Monitoring of arrangements for insurance of assets used by the PCC and the Chief Constable.
 - iii) Managing the budget allocated to the Chief Constable by the PCC.
 - iv) Dealing with claims made directly against the office of Chief Constable or his/her officers and staff.

- v) To enter into contracts on behalf of services, suppliers and works for the Chief Constable and the Force. All such contracts will be compliant with standing orders and procurement legislation for services
- vi) Preparing and approving risk management arrangements for the Force.
- vii) Maintaining the Force corporate risk register.
- viii) Maintaining the Force business area risk registers.
- ix) Ensuring the administration of the pension schemes for police officers and police staff.
- x) Ensuring that a Police Pension Board is established and maintained.
- xi) Appointing officers and determining ranks. The Chief Constable must consult the PCC before appointing a person as an Assistant Chief Constable or a Deputy Chief Constable.
- xii) Dismissing and suspending police officers and discharging probationers.
- xiii) Determining remuneration, allowances, redundancies and gratuities for staff.
- xiv) Approving the Retirement of police officers and police staff on grounds of ill health or in the interests of the service.
- xv) Approving the secondment of police officers and police staff.
- xvi) Approval of police officer and police staff visits to countries outside the United Kingdom in duty time.
- xvii) Managing service contracts relating to the service budget of the Chief Constable.
- xviii) On request to the Chief Constable providing support services to the PCC.
- xix) Employment of police staff.
- xxi) The Chief Constable shall on request by the PCC produce a report providing details of the condition of the assets used by the PCC and the Chief Constable and the arrangements for insurance of them.

The Chief Constable's Chief Finance Officer (CFO)

3A.11 The Chief Constable must appoint a CFO under paragraph 6(1)(b) of Schedule 1 to the PRSRA.

- a. The CFO is appointed by the Chief Constable 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 2015.
- b. The CFO is responsible for the proper administration of the Chief Constable's financial affairs.
- c. The CFO has statutory duties to:
 - i) Make a report and send it to the Chief Constable and the PCC and the external auditor if it appears to the CFO that the Chief Constable, a committee of the Chief Constable, a person holding any office or employment under the Chief Constable, or a joint committee on which the Chief Constable is represented has made or is about to make a decision which involves or would involve the relevant Chief Constable incurring expenditure which is unlawful; has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Chief Constable; or is about to enter an item of account the entry of which is unlawful.
 - ii) Make a report and send it to the Chief Constable and the PCC and the external auditor if it appears to the CFO that the expenditure of the Chief Constable incurred (including expenditure he proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to the Chief Constable to meet that expenditure.
 - iii) Prior to the report being sent it is expected the CFO will consult the CIPFA guidance.
- d. The CFO also has the following responsibilities:
 - i) Ensuring the financial affairs of the police Force are properly administered and the Financial Regulations are observed and kept up to date.
 - ii) Advising the Chief Constable on value for money in respect of all aspects of the relevant police Force's expenditure.
 - iii) Advising the Chief Constable on the soundness of the budget in relation to the Force.

- iv) Liaising with the external auditor.
 - v) Ensuring adequate insurance cover is arranged in liaison with the Treasurer.
 - vi) Producing statements of accounts for the Chief Constable.
 - vii) Providing information to the Treasurer as required to enable production of group accounts.
 - viii) To manage the joint financial IT system on behalf of the OPCC and the Chief Constable in consultation with the Treasurer and to be responsible for the integrity of the computerised records and ensuring that all accounting records are maintained in accordance with legislation.
 - ix) To adhere to the Financial Management Code of Practice.
- e. Further financial management responsibilities of the CFO can be found in the Financial Regulations (Part 3C) of the Code of Corporate Governance.

Asset Schedule

Assets held by the Police and Crime Commissioner for the use of the Chief Constable

- Land and Buildings including:
 - Freehold buildings
 - Enhancements to leasehold buildings

Assets held by the Police and Crime Commissioner for the use of the Police and Crime Commissioner

Furniture, ICT equipment, stocks and any other short life assets required for the operation of the Office of the Police and Crime Commissioner

Assets held by the Chief Constable for the use of the Chief Constable

- Vehicles
- Boats
- Bicycles
- IT Infrastructure including:
 - Desk tops
 - Servers, storage and all related hardware
 - Capitalised software
- IT personal usage (mobiles/Blackberries/laptops)
- Body worn video
- Firearms and ammunition
- Drones
- Cameras
- Uniforms
- Airwave handsets and related software
- Stock including:
 - Vehicle parts
 - Fuel included in bunkers and in vehicles
- Scientific equipment
- Personal protective equipment, for example, body armour, tasers etc.
- Furniture and fittings
- Gym equipment
- Reprographics equipment
- Advertising and promotional boards
- Canteen equipment
- Stores equipment
- Estates equipment
- Storage containers
- Custody attack/cell call system
- Interview recording equipment
- Road scanners for accident investigation

- Operational equipment
- ANPR equipment
- Trailers



Part 3B

Scheme of Delegation and Consent

Part 3B Scheme of Delegation and Consent

- Part 3A – Schedule of Roles and Responsibilities
- **Part 3B – Scheme of Delegation and Consent**
- Part 3C – Financial Regulations
- Part 3D – Contract Standing Orders
- Part 3E – Meeting Governance

Introduction

3B.1 This Scheme of Delegation and Consent sets out delegation of functions of the Police and Crime Commissioner (PCC) and the Chief Constable to enable the PCC and the Chief Constable to discharge their statutory functions. It sets out significant functions, which are delegated to the Chief Officers and statutory Officers. It does not affect the power of the Chief Constable and the PCC to make additional specific delegations from time to time.

3B.2 This Scheme of Delegation and Consent incorporates the following definitions which are laid out at paragraphs 3.8 and 3.9 within Part 3 (Scheme of Governance) which details the overarching Scheme of Corporate Governance.

“Consent” refers to the provision of approval or agreement, particularly and especially after due and thoughtful consideration. Transactions entered into following “consent” by the PCC to the Chief Constable, will be in the Chief Constable’s own name as a separate legal entity, as opposed to the name of the PCC.

“Delegation” is the assignment of authority and responsibility to another person to carry out specific activities. However, the person who delegated the work remains accountable for the outcome of the delegated work. Delegation therefore empowers another person to make decisions.

This Scheme of Delegation and Consent includes one consent between the PCC for Dorset to the Chief Constable of Dorset at paragraph 3B.58 of this document in relation to entering into contracts.

3B.3 Any person who exercises delegated authority under this scheme of delegation and consent must bring to the attention of the PCC or the Chief Constable as applicable any matter relating to the exercise of that delegated authority where the circumstances would be likely to be regarded by the PCC or Chief Constable as novel, contentious or sensitive.

3B.4 Any person who exercises authority under this Scheme of Delegation and Consent must comply with all statutory and regulatory requirements and all guidance. This includes but is not limited to:

- a. PRSRA and subordinate legislation.
- b. Policing Protocol Order 2011.
- c. Home Office Financial Management Code of Practice.
- d. CIPFA Statement on the role of the Chief Finance Officer (CFO) in public service organisations.
- e. Accounts and Audit Regulations.
- f. Data Protection Act 2018.
- g. Freedom of Information Act and subordinate legislation.
- h. Health and safety at work Act 1974 and subordinate legislations and codes.
- i. Equality Act 2010.
- j. Human Rights Act 1998
- k. The Code of Governance of the PCC and any other policies and procedures of the PCC.

3B.5 Any person who exercises authority under this Scheme of Delegation must have regard to the requirements of the Police and Crime Plan.

3B.6 With the exception of those matters reserved for decision by the PCC or the Chief Constable the scheme allows any person to whom a power has been consented or delegated to sub-consent/sub delegate that power further to staff so long as this is not prohibited by statute, regulation or statutory guidance nor is it specifically prohibited by the PCC Any such sub-consent/sub delegation does not relieve the person who has sub-consented or sub-delegated a power from due responsibility for any decision taken by a person they have authorised to act on their behalf.

3B.7 Giving consent/delegation to officers under this scheme does not prevent an officer from referring the matter to the PCC or the Chief Constable for a decision if the officer thinks this is appropriate (for example, because of sensitive issues or any matter which may have a consequential financial or reputational implication).

3B.8 Any action taken under delegated authority must where reasonable be recorded by those officers holding the delegation, including recording that legal, financial and other considerations and consultations have been recorded and considered prior to a decision being taken.

- 3B.9 The PCC is responsible for ensuring the provisions and obligations of this scheme are properly drawn to the attention of all their staff and the Chief Constable is responsible for ensuring the provisions and obligations of this scheme are properly drawn to the attention of all officers and staff under his/her responsibility or employment.
- 3B.10 Notwithstanding any specific requirements in this scheme, the PCC shall be consulted in relation to any programmes and projects which may have a significant impact on the community of Dorset.
- 3B.11 The person appointed as the Chief Executive (who will also be the Monitoring Officer) and the Treasurer have statutory powers and duties relating to their position, and therefore do not rely on a specific delegation to carry out these powers. Similar considerations apply to the CFO of Dorset Police.
- 3B.12 All delegations within this document or elsewhere are subject to the individual exercising the delegation, where required, in consultation with the Treasurer or CFO to ensure suitable budgetary provision exists to meet the immediate and any future liabilities arising from the decision.

Functions delegated from the Police and Crime Commissioner to the Police and Crime Commissioner's Chief Executive

- 3B.13 In the absence of the PCC the PCC delegates decisions in relation to the exercise of their statutory functions to their Chief Executive to carry out in their absence.
- 3B.14 The PCC delegates the following functions to the Chief Executive:
- a. To prepare and co-ordinate the production of the Police and Crime Plan.
 - b. To produce an annual report.
 - c. Subject to the views of the Chief Constable when appropriate to publish information on behalf of the PCC as required by the Elected Local Policing Bodies (Specified Information) Order.
 - d. To provide information to the Police and Crime Panel to enable it to carry out its functions.
 - e. To make arrangements to institute defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the PCC or in any case in which the Chief Executive considers that such action is necessary to protect the PCC's interests.
 - f. To consider with the PCC any complaint made against the Chief Constable and where appropriate to make arrangements for appointing an officer to investigate the complaint.

- g. To ensure in consultation with the Chief Constable that appropriate arrangements are made to gather the community's views and the views of victims of crime on the policing of Dorset.
- h. Such matters that are referred for decision by the Chief Executive in the Financial Regulations and Contract Standing Orders.
- i. To appoint and suspend and dismiss in consultation with the PCC the staff of the PCC who are not under the direction and control of the Chief Constable.
- j. Having taken the appropriate legal or other expert advice in accordance with the sub paragraph (k) above to settle Employment Tribunal claims and civil claims brought against the PCC subject to the memorandum of understanding agreed with the Force in relation to the provision of instructions in legal proceedings.
- l. To appoint and if necessary terminate the appointment of Independent Custody Visitors in accordance with Section 51 Police Reform Act 2002 and OPCC staff.
- m. To place orders for goods, services and work within budget provision, up to the value at which the European Procurement Directives apply subject to: compliance with Financial Regulations and Contract Standing Orders and a report being submitted to the PCC for information.
- n. To make appointments to Police Appeals Tribunal in consultation with the PCC.
- o. To deal with routine matters of urgency.
- p. To apply for planning permission on behalf of the PCC.
- q. To consult, as appropriate, with the Treasurer and the CFO and the Director of Legal, Reputation and Risk to identify areas where the probity of the PCC and the Chief Constable could be better protected.
- r. To prepare the PCC's risk management policies.
- s. To maintain the risk register of the PCC and if requested to have sight of the risk register of the Chief Constable. This may be a joint risk register or a sole organisation risk register.
- t. To be responsible for the budget for the Office of the Police and Crime Commissioner (OPCC).
- u. To approve ex gratia payments up to the limit set out in the Financial Regulations.

Functions delegated from the Police and Crime Commissioner to their Police and Crime Commissioner's Treasurer

- 3B.15 To implement and monitor the Treasury Management Policy Statement.
- 3B.16 To be responsible for the investment of the PCC's funds and the borrowing of funds as necessary in accordance with the Treasury Management Strategy including authority to make investment decisions. The Treasurer may arrange for the CFO to undertake day to day cash management activities or may procure these activities from an appropriate source.
- 3B.17 In extremis, to make the payments where prior approval by the PCC is not possible to authorise such payments, irrespective of whether or not provision has been made in the revenue budget but within the bounds of Section 114 of the Local Government and Finance Act 1988. Any decisions taken under this provision must be reported as soon as possible to the PCC and the CFO.
- 3B.18 To be responsible for all banking arrangements together with the creation, closure or authorisations of any account.
- 3B.19 To decide having taken appropriate advice in consultation with the Chief Executive any enhancements or applications of discretion within the Local Government Pension Scheme.
- 3B.20 To ensure the joint internal audit function is effective for the use of the PCC and to report all matters of concern arising from internal audit activity to the PCC and the Independent Audit Committee (IAC) as appropriate.
- 3B.21 To prepare draft financial regulations and rules relating to contracts in consultation with the CFO.
- 3B.22 To approve contract award, contract variations and contract extensions for any specified contracts in the name of the PCC up to the limits set out in the Financial Regulations (Part 3C of the Code of Corporate Governance).
- 3B.23 To approve the waiving of standing orders and procurement regulations for any contract in the name of the PCC up to the limits set out in the Financial Regulations (Part 3C of Code of Corporate Governance).
- 3B.24 To approve the disposals of assets in the ownership of the PCC for the use of the PCC and assets in the ownership of the PCC for the use of the Chief Constable up to the limits set out in the Financial Regulations (Part 3C of Code of Corporate Governance).
- 3B.25 To approve the write off of income due to the PCC up to the limits set out in the Financial Regulations (Part 3C of Code of Corporate Governance).

3B.26 To approve individual retirement or redundancy sums for staff of the OPCC up to the limits set out in the Financial Regulations (Part 3C of Code of Corporate Governance).

3B.27 Any other such matters that are referred for decision by the Treasurer in the Financial Regulations and Contract Standing Orders.

Functions delegated by the Police and Crime Commissioner to the Head of Estates

3B.28 Dorset estates staff are employed by the Chief Constable but work under the delegation of the Dorset PCC.

3B.29 In Dorset the following are delegated to the Head of Estates:

- a. To appoint technical consultants as and when required to progress the capital and revenue programmes.
- b. To add or delete firms from the PCC's approved list of building contracts and architectural services consultants, in accordance with approved criteria.
- c. To negotiate and appoint a consultant selected from the approved list of architectural services consultants in accordance with the criteria submitted where they consider it to be in the best interests of the PCC and where the fee (inclusive of expenses) is within budgetary provision and is estimated to be less than the value at which the European Procurement Directives apply.
- d. To authorise persons to enter and survey land pursuant to Section 15 Local Government (Miscellaneous Provisions) Act 1976 and Section 324(6) Town & Country Planning Act 1990.
- e. To grant licences and fees for radio installations/masts and aerials which conform to approved standards and to report such approvals retrospectively to the PCC for information.
- f. To let surplus empty properties, which are not intended for disposal, ensuring they are managed in-house and let at market rents after being advertised on the open market, subject to retrospective reporting to the PCC
- g. To arrange for the service of notices to quit in order to obtain possession of land for a purpose already approved by the PCC or to enable a variation to be made in the terms upon which a tenancy of land is held.
- h. To acquire and/or dispose of surplus property, as confirmed by the PCC, at its open market value as certified by a qualified valuer, the capital value of which does not exceed £500,000 and which is included

in the strategy outlined for the year in the Police and Crime Plan such transactions to be reported retrospectively to the PCC

- i. To make application to the highways authority for the grant of licences for operators over, in and under streets required for the PCC's development.

3B.30 For projects where the final business case has been approved by the primary governance board and following the express approval of the PCC's Chief Executive to apply for planning permission on behalf of the PCC.

Functions delegated by the Chief Constable to their Chief Finance Officer

3B.31 To assist the PCC in planning the budget for Dorset Police.

3B.32 To undertake the day to day management of the budget for Dorset Police.

3B.33 To approve contract award, contract variations and contract extensions for any contract in the name of the Chief Constable up to the limits set out in the Financial Regulations (Part 3C of the Scheme of Corporate Governance).

3B.34 To approve the waiving of standing orders and procurement regulations for any contract in the name of the Chief Constable up to the limits set out in the Financial Regulations (Part 3C of the Scheme of Corporate Governance).

3B.35 To approve the disposals of assets in the ownership of the Chief Constable for the use of the Chief Constable and assets in the ownership of the PCC for the use of the Chief Constable up to the limits set out in the Financial Regulations (Part 3C of the Scheme of Corporate Governance).

3B.36 To approve the write off of income due to the PCC up to the limits set out in the Financial Regulations (Part 3C of the Scheme of Corporate Governance).

3B.37 To approve individual retirement or redundancy sums for staff of the Chief Constable up to the limits set out in the Financial Regulations.

3B.38 To approve the write off stocks in the ownership of the Chief Constable up to the limits set out in the Financial Regulations (Part 3C of Scheme of Corporate Governance).

3B.39 To approve ex gratia payments to staff of the Chief Constable up to the limits set out in the Financial Regulations (Part 3C of the Scheme of Corporate Governance).

3B.40 Any other such matters that are referred for decision by the Chief Finance Officer in the Financial Regulations and Contract Standing Orders.

3B.41 To be responsible for managing the accounts systems of the Chief Constable.

3B.42 Undertake day to day management of the assets held by the Chief Constable.

3B.43 To represent the Chief Constable at the Police Pensions Board, in accordance with the Police Pensions Board terms of Reference.

Delegations from the Chief Constable to Non-Statutory Posts

Functions delegated by the Chief Constable to the Chief Constable's Director of Legal, Reputation and Risk

3B.44 To provide legal advice to the PCC and the Chief Constable on their powers and ability to take decisions and actions in specific situations.

3B.45 To institute prosecute defend or participate in legal or other proceedings on behalf of the Chief Constable and the PCC where such action is necessary to give effect to the decisions and policies of the Chief Constable and the PCC or where the Director of Legal, Reputation and Risk advises that such action is necessary to protect the interests of the Chief Constable or the PCC.

3B.46 To appear on behalf of the Chief Constable and the PCC in proceedings at any appropriate court, tribunal or inquiry and to take any action in connection with such proceedings.

3B.47 Having taken instructions from the Chief Constable and the PCC in accordance with the agreed protocol to settle or compromise any legal proceedings where the Director of Legal, Reputation and Risk advises that such action is necessary to protect the interests of the Chief Constable and/or the PCC:

- a. The powers set out above in paragraphs 3B.47 to 3B.49 may be exercised on behalf of the Director of Legal, Reputation and Risk by any qualified lawyer. Working within the Joint Legal Services Department or in circumstances where external lawyers are instructed in accordance with paragraph 3B.14(k) above.

Financial Delegations to the Chief Constable's Lead for Human Resources

3B.48 To adjust the police staff establishment both in numbers and gradings within the overall workforce budget approved by the PCC.

3B.49 To determine all employee matters relating to police pensions in consultation with the CFO(including widows pensions).

3B.50 To determine the following matters in relation to injury awards:

- a. Decide to refer the process to the Selected Medical Practitioner (SMP).

- b. Decide to retain an officer where the SMP confirms the officer is not permanently disabled and both the management and the officer agree the retention period is appropriate.
- c. Decide the appropriate review period for injury awards.
- d. Decide whether there is a cognisant reason why an injury award should not be reduced to the lowest band upon the pensioner reaching statutory retirement age.

3B.51 To publish and maintain a policy of employer discretions under the Local Government Pensions Scheme and Public Service Pensions Acts (PSPA), including the Police Pension Scheme 2015, in consultation with the CFO and Treasurer as appropriate.

3B.52 Any decisions with regard to the enhancements or applications of discretion listed above will be referred to the Treasurer and the CFO.

3B.53 To accept notices from police officers of an intention to retire from the service.

3B.54 To receive and accept notices from probationer officers who express an intention to retire during their probationary period.

3B.55 To consult the PCC's Treasurer and the CFO in order to ensure that adequate financial provision is in place for proposed redundancies of the Chief Constable's staff.

Consent from the Police and Crime Commissioner to the Chief Constable

3B.56 The PCC for Dorset gives consent to the Chief Constable to enter into contracts and to acquire or dispose of property, other than land, subject to the requirements of Financial Regulations, including Contract Regulations.



Part 3C

Financial

Regulations

Part 3C Financial Regulations

- Part 3A – Schedule of Roles and Responsibilities
- Part 3B – Scheme of Delegation and Consent
- **Part 3C – Financial Regulations**
- Part 3D – Contract Standing Orders
- Part 3E – Committee Governance

Introduction

- 3C.1 These Financial Regulations are for the use of the two corporations sole which form Dorset –that is the Force itself and the Police and Crime Commissioner (PCC) for Dorset. The PCC and Chief Constable are established in law as corporations sole within the Police Reform and Social Responsibility Act 2011.
- 3C.2 This document is Part 3C of the overarching Code of Corporate Governance for the two corporations sole and should be read in conjunction with the Code and in particular with the definitions found at paragraph 1.5 of document Part 1 Summary of the Code of Corporate Governance.
- 3C.3 The PCC and Chief Constable are jointly responsible for approving or amending Financial Regulations. In that regard, the Treasurer is responsible for maintaining and reviewing the Financial Regulations and submitting any additions or amendments to the PCC and Chief Constable, after consulting with the Chief Finance Officer (CFO) and the Chief Executive; who is also the Monitoring Officer. Any such additions and amendments will also be reported to the Independent Audit Committee (IAC). Copies will be available on-line for staff and public.

Statutory and Regulatory Background

- 3C.4 These regulations are designed to comply with:
- Police Reform and Social Responsibility Act;
 - Policing Protocol;
 - Financial Management Code of Practice for the Police Service in England and Wales;
 - CIPFA Prudential Code;
 - CIPFA Treasury Management Code of Practice;
 - CIPFA Code of Practice for Internal Audit;
 - CIPFA Practical Guidance for Independent Audit Committees;
 - CIPFA LAAP Bulletin 77 – Local Authority Reserves and Balances;
 - CIPFA Statement on the Role of the CFO of the PCC and the CFO of the Chief Constable;

- Police and Crime Panel (Precepts and Chief Constable Appointments) Regulations
- Accounts and Audit Regulations.

3C.5 For the purposes of these regulations the following definitions apply:

- a. Budget – a plan expressed in financial terms.
- b. Contracts – a voluntary arrangement between two or more parties that is enforceable by law as a binding legal agreement.
- c. Major project – an individual or collaborative enterprise, possibly involving research or design that is carefully planned, usually by a project team to achieve a particular aim.
- d. Treasurer – Chief Finance Officer for the PCC.
- e. Chief Finance Officer – Chief Finance Officer for the Chief Constable.
- f. PCC – Police and Crime Commissioner.

Financial Accountabilities

Accounting Policies

3C.6 The Treasurer and CFO are jointly responsible for selecting suitable accounting policies for the Accounts, in accordance with recognised accounting practices and ensuring they are applied consistently.

Accounting Records and Returns

3C.7 The Treasurer is responsible for the proper administration of the financial affairs of the PCC and ensuring effective systems of internal control within the Office of the Police and Crime Commissioner (OPCC). The CFO is responsible for the proper administration of the financial affairs of the Force and ensuring effective systems of internal control within the Force. It is through these mechanisms that the Treasurer and the CFO will determine the standards for accounting records and returns.

3C.8 Ensuring proper accounting records are maintained is one of the ways in which the PCC and Chief Constable discharge their responsibilities for stewardship of public resources.

3C.9 The financial system is managed and operated by the Force's Finance Department on behalf of the PCC and the Chief Constable. The CFO has the responsibility for the integrity of the computerised financial records and for ensuring that all accounting records are maintained in accordance with legislation and with these regulations. They will report annually to the IAC on the operation of key controls in relation to the computerised financial systems.

3C.10 The Treasurer and the CFO work in accordance with the financial management code of practice, other such codes and any detailed agreements between them.

The Annual Statement of Accounts

Responsibilities

3C.11 It is the responsibility of the Treasurer to:

- a. Ensure production of the statement of accounts for the PCC on a timely basis.
- b. Ensure receipt and scrutiny of the statement of accounts of the Chief Constable.
- c. Ensure production of the group accounts for their PCC and the Force.
- d. To certify that the PCC's accounts and the group accounts give a true and fair view of the financial position and income and expenditure during the year.

3C.12 It is responsibility of the CFO to:

- a. Produce a statement of the Chief Constable's accounts on a timely basis.
- b. Certifying that the Chief Constable's accounts give a true and fair view of the financial position and income and expenditure during the year.
- c. Provide information to the Treasurer as required to enable production of the group accounts for their PCC and the Force.

3C.13 It is the role of the IAC to review the draft Statements of Accounts.

3C.14 All accounts will be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

3C.15 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 they provide a true and fair view of the financial position.

3C.16 The PCC and Chief Constable are responsible for approving the relevant annual accounts for publication.

Accountabilities to the Police and Crime Panel

- 3C.17 The Police and Crime Panel review the performance of the PCC and scrutinises the exercise of their statutory functions. In particular the Police and Crime Panel has the power to review the draft Police and Crime Plan and the related precept requirements.
- 3C.18 The Police and Crime Panel has the power to request the PCC to supply reports and information in their possession (except those that are operationally sensitive).
- 3C.19 The PCC is responsible for determining what financial information should be provided to the Police and Crime Panel.
- 3C.20 The Treasurer is responsible for ensuring that all relevant financial information as determined by the PCC is provided to the Police and Crime Panel.

Value for Money (VFM)

- 3C.21 The Chief Constable has a statutory duty to ensure that they and the persons under their direction and control secure VFM in exercising their functions.
- 3C.22 The PCC holds the Chief Constable to account for compliance with their duty to provide VFM.
- 3C.23 The Treasurer is responsible for advising the PCC on VFM in relation to all aspects of PCC's income and expenditure.
- 3C.24 The CFO is responsible for advising the Chief Constable on VFM in relation to all aspects of Force's income and expenditure.
- 3C.25 The PCC and the Force should be able to satisfy the following principles:
- a. The process for allocating resources against desired outcomes is transparent and based on clear, quantified evidence.
 - b. Risks to performance, improving processes and productivity are assessed. This is used to target improvement activity or develop contingency plans.
 - c. Services and support functions are tested against appropriate benchmarks to identify and tackle excessive costs or weak performance.
 - d. Public demand for services is understood and quantified, and informs deployment of staff.

- e. Staff are used efficiently and programmes to increase employee engagement are in place.
 - f. Programmes to minimise waste are in place.
 - g. End-to-end operational processes are focused on delivering for the public, with data used to demonstrate this. Processes are streamlined, reduce undue bureaucracy and are efficient.
 - h. Goods and services and supply contracts are managed in a way that maximises value, including taking advantage of central or collaborative procurement where appropriate.
 - i. Data is fit for its intended purpose and is used and published routinely, providing clear line of sight between consumption of resources, production of outputs and realisation of outcomes.
 - j. Nationally mandated procurement rules are followed.
 - k. Where funding is provided to third parties, mechanisms are in place for demonstrating VFM.
- 3C.26 The External Auditor will review the arrangements in place for securing value for money on an annual basis and issue an opinion with the annual accounts audit. HMICFRS will also assess VFM as part of regular inspections.

Financial Planning

Principle Responsibilities

- 3C.27 The PCC is responsible for determining the budget for the Force, allocating assets and funds to the Chief Constable and setting the precept for the policing area.
- 3C.28 The Chief Constable is responsible for assisting the PCC in planning the Force budget.
- 3C.29 The budget delegated to the Chief Constable by the PCC shall be set on an annual basis.
- 3C.30 The detail of the budget will be in a format agreed by the CFO in consultation with the Treasurer.
- 3C.31 Further delegation of the budget by the Chief Constable will be formally detailed by the CFO, and budget holders individually notified of the budget and the nature of the expenditure it is agreed for, together with any virement rules applicable to their area of responsibility.

3C.32 The Scheme of Delegation and Consent (Part 3B of the Code of Corporate Governance) deals with overall delegation managing major budget headings, in detail these are as follows:

Major Budget Heading	Responsibility
Force's Operational Expenditure and Force's Operational Income (the transferred budget)	Chief Constable
Office of the Police and Crime Commissioner	Chief Executive
Commissioning Budgets of the OPCC	Chief Executive
Interest Receipts, External Borrowing Costs and Minimum Revenue Provision for the Repayment of Debt	Treasurer
Contributions to / from Reserves	Treasurer
Formula Grants	Treasurer
Precept Incomes	Treasurer
Capital Expenditure	Chief Constable
Capital Financing	Treasurer

Financial Planning

3C.33 These Financial Regulations incorporate the following:

- Planning and Resource Allocation Policies
- The Police and Crime Plan
- Medium Term Financial Strategy (MTFS)
- Annual Revenue Budget
- Capital Programme
- Treasury Management Strategy
- Estates Strategy
- Value for Money Strategy
- Information and Communications Technology Strategy
- Commissioning Strategy
- Risk Management Strategy
- Capital Strategy.

3C.34 The financial planning policies of the PCC are contained within the:

- a. Police and Crime Plans prepared by the PCC for the Force and reviewed by the Police and Crime Panel.
- b. Medium Term Financial Strategy for the Force which includes the Capital Programme and the Treasury Management Strategy for the Force.

Medium Term Financial Strategy (MTFS)

3C.35 The PCC and the Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term for the

Force. They achieve this by preparing a medium term financial strategy for the period that covers at least 4 years.

3C.36 The MTFS must include the following information:

- Revenue Funding
- Revenue Spending
- Capital Funding
- Capital Spending
- Information on the use of Balances, Fund and Reserves
- Four years data or matching the Police and Crime Plan if longer.

3C.37 The following factors must be taken into account when producing the MTFS:

- a. Alignment with the Police and Crime Plan.
- b. Policy requirements approved by the PCC as part of the policy framework.
- c. Proposed service developments and plans which reflect public consultation.
- d. The threat/risk/harm impact of changing funding priorities.
- e. Unavoidable future commitments, including legislative requirements and initiatives already underway
- f. Reasonable workforce assumptions.
- g. Capital Programme and asset management strategy.
- h. Interdependency of the revenue budget and capital investments.
- i. The role of reserves in supporting the strategy and the consideration of risks.
- j. The need to secure the long term financial health of the organisation.
- k. Affordability.
- l. The need to deliver value for money through efficiency and/or productivity savings.
- m. CIPFA Prudential Code on capital expenditure and borrowing.

Responsibilities

3C.38 The Treasurer is responsible for the format and timetable of the Medium Term Financial Strategy to be presented to the PCC.

- 3C.39 The CFO and Treasurer are responsible for preparing medium term forecasts of income and expenditure for their respective budget headings in a format specified by the Treasurer.
- 3C.40 The Chief Constable is responsible for ensuring that the Force's operational plans are aligned with the Police and Crime Plans.
- 3C.41 The CFO is responsible for ensuring that medium term forecasts of income and expenditure for the Force are aligned with the Chief Constable's operational plans as set out in their Budget Reports.
- 3C.42 The Treasurer and CFO are responsible for preparing a joint report on the options for the Medium Term Financial Strategy and related budgets of the PCC and Force for the consideration of the PCC.
- 3C.43 The PCC is responsible for approving, in consultation with the Chief Constable, the MTFS.

Maintenance of Reserves and Balances

- 3C.44 The PCC holds all reserves and balances.
- 3C.45 The Treasurer is responsible for creating a reserves strategy in consultation with the CFO.
- 3C.46 The Treasurer is responsible for advising the PCC about the level of reserves that the PCC holds and for ensuring there are clear protocols for their establishment and use. For each earmarked reserve held by the PCC there should be a clear protocol setting out:
- a. The reason for/purpose of the reserve.
 - b. How and when the reserve can be used.
 - c. Procedures for the reserve's management and control.
 - d. A process and timescale for review of the reserve to ensure continuing relevance and adequacy.
- 3C.47 The Treasurer and the CFO will keep any legal or constructive obligations (liabilities) under review throughout the year. Any changes to the provisions or reserves required in relation to such liabilities will be reflected in the regular budget monitoring reports to the Resource Control Board.
- 3C.48 In addition to the regular review outlined above the Director of Legal, Reputation and Risk will report formally to the appropriate governance board on the level of the outstanding liabilities and potential liabilities of the PCC and the Chief Constable as at 30 September and 31 March of any given financial year.

- 3C.49 The Treasurer and CFO have a duty to report on the robustness of estimates and the adequacy of reserves and provisions when the PCC is considering the budget. In particular the Treasurer must assess the adequacy of unallocated general reserves taking into account the strategic, operational and financial risks facing the PCC. In coming to this view the Treasurer must seek the advice of the CFO and of the Chief Constable on major policing risks facing the Force.
- 3C.50 The PCC shall approve the creation of reserves and appropriations to and from general balances and reserves. To enable the PCC to reach their decision the Treasurer shall report the factors that influenced their judgement, and ensure the advice given is recorded formally.

Annual Budgets

- 3C.51 The revenue budget provides an estimate of the annual income and expenditure requirements of the Force and sets out the financial implications of the PCC's strategic policies. It provides the delegated budget holders with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the Force.
- 3C.52 The PCC must consult with the Chief Constable and should consult with other partners and stakeholders in planning the overall annual budget.
- 3C.53 The Annual Budget to deliver the Police and Crime Plan forms part of the MTFs for the Force and it must include as a minimum the following information:
- a. Revenue budget
 - i) Overall annual budget
 - ii) Separate budgets for the major budget headings
 - iii) The Council Tax Requirement.
 - b. Capital budget.
 - c. The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and MTFs.
- 3C.54 The following factors must be taken into account by the Treasurer when producing the Annual Budgets:
- a. Funding available.
 - b. The requirement to balance the need of the policing service against the level of local taxation.

- c. The statutory requirement to produce a balanced budget [Section 25 Local Government Act 2003].
- 3C.55 Inclusion of an item within the revenue budget confers upon the budget holder authority to spend whereas inclusion of an item within the capital budget does not confer authority to spend.

Responsibilities

- 3C.56 The PCC is responsible for obtaining the views of the local community on the proposed revenue and capital expenditure in the financial year ahead.
- 3C.57 The Treasurer is responsible for the format and timetable of the annual budget to be presented to the PCC.
- 3C.58 The CFO and Treasurer are responsible for preparing detailed budget estimates for their respective budgets in the specified format.
- 3C.59 The Chief Constable is responsible for ensuring that the Force budget estimates are aligned with the objectives set out in the Police and Crime Plan.
- 3C.60 The Treasurer is responsible for obtaining 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.
- 3C.61 The Chief Executive shall ensure that the PCC formally considers the budget proposals and the PCC acts in accordance with any legal requirements in respect of budget resolutions and the timely setting of the budget.
- 3C.62 The PCC is responsible for presenting the proposed budget and police precept recommendations to the Police and Crime Panel for approval. The procedures and timetable for setting the Precept is set out in the Police and Crime Panel (Precepts and Chief Constable Appointments) Regulations 2012.
- 3C.63 Upon approval of the annual budget, the Treasurer is responsible for submitting the council tax requirement returns to central government and precept requests to appropriate bodies in accordance with the legal requirements for the Force. In addition the Treasurer is responsible for meeting the statutory requirements in relation to the council tax information to be available to the public for the Force.

Budget Monitoring and Control

- 3C.64 Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose and are properly

accounted for. Budgetary control is a continuous process, enabling detailed budget headings to be reviewed and adjusted during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

- 3C.65 Once the budget is set the Chief Constable will only be required to refer back to the PCC when a decision to move budget would incur substantive changes of policy or involve any novel, contentious or repercussive expenditure.

Responsibilities

- 3C.66 It is the responsibility of the CFO, Chief Executive and Treasurer to monitor and control their respective income, expenditure and operational performance, taking action necessary to avoid exceeding their budget. When doing this they will ensure that they rely on accurate and timely budget monitoring information.
- 3C.67 The CFO, Chief Executive and Treasurer will prepare monthly budget monitoring reports and submit them to the relevant governance board. This board membership should include the Chief Constable and PCC.
- 3C.68 The format of the reports shall ensure that the PCC is appraised of developments in key non-financial indicators such as actual and projected staffing numbers, progress on ICT developments and other major projects, partnerships, performance and other requirements the PCC may consider necessary.
- 3C.69 The CFO has responsibility for ensuring that appropriate arrangements are in place to co-ordinate the financial information and provide a comprehensive and timely budget monitoring report to the PCC via the Resource Control Board.
- 3C.70 The CFO has responsibility to determine when a financial decision or commitment in relation to the Force's budget involves any novel contentious or repercussive expenditure.
- 3C.71 The CFO, and Treasurer have responsibility to report to the PCC when expenditure on the major budget headings is likely to exceed the overall budget. Where this becomes apparent outside of the normal reporting periods the appropriate officer will (after consultation with the Chief Constable when the overspend relates to a Force budget) submit an urgent report to the PCC, with recommendations for corrective action.

Management of Budgets

- 3C.72 The CFO, and Treasurer will ensure that each element of income and expenditure has a nominated budget holder to take responsibility for that

part of the budget. They will also ensure that each budget holder has sufficient financial information and support to allow them to effectively monitor and manage their budget.

- 3C.73 Budget responsibility should be aligned as closely as possible to the decision making process that commits expenditure.
- 3C.74 Budget holders shall accept accountability for the budgets under their management and the level of service to be delivered and understand their financial responsibility. Management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures.

Virement

- 3C.75 Virement is a planned reallocation of resources between approved budgets or heads of income and expenditure. Virement is intended to enable the budget holders to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore to provide the opportunity to optimise the use of resources for emerging needs.
- 3C.76 Virement Rules:
- a. No virement in excess of the limits set out in 3C.273 shall be permitted between the major budget headings (as set out paragraph 3C.32 above) without the prior approval of the PCC.
 - b. Virement decisions must not lead to additional spending, ongoing commitments or substantive changes in policy without the prior approval of the PCC.
 - c. All virement decisions made by the PCC that reallocate resources between the major budget headings will be made after consultation with the Chief Constable to establish the impact on the policing service and the delivery of the Police and Crime Plans. In addition all such virements will be the subject of a formal decision.
 - d. Self-financing virements from within the sum agreed for the Force Operational Budgets that do not create ongoing commitments in future financial years will not require the approval of the PCC.
 - e. All virements between budget lines will be recorded and available for review.

Externally Funded Projects

- 3C.77 Approval of the PCC is required, prior to the submission of the application, for externally funded projects where:

- a. There is a total one-off requirement for matched funding (that is, a call on the revenue or capital resources of the PCC over an agreed limit).
- b. There is a total ongoing call on the revenue resources of more than the agreed limit.

3C.78 When determining the value of a contract the calculation should include the total contractual liabilities that could arise from the contract over its expected life. This will include the initial contract price, annual support and licensing over the expected life of the contract.

Comparison of Outturn Against Budgets

3C.79 As part of the closure of accounts the CFO, Chief Executive and Treasurer, shall compare final income and expenditure on budget headings against the budget and explain any significant variations. The CFO shall ensure that appropriate arrangements are in place to co-ordinate the financial information and provide a comprehensive and timely out-turn report to the Chief Constable, the PCC and any relevant governance board.

3C.80 In addition the CFO, Chief Executive and Treasurer shall retrospectively compare income and expenditure forecasts throughout the year with the final outturn to measure the reliability of forecasts. Any subsequent action that may result from this exercise shall be agreed between the Chief Constable and Treasurer and reported to the PCC.

Treatment of Year End Balances

3C.81 A year-end balance is the amount by which actual income and expenditure varies from the final budget, normally identified to devolved budget holder level. Arrangements are necessary for the transfer of resources between accounting years, i.e. a carry forward. This may increase the resources available to budget holders in the following financial year, dependent upon the direction of the budget variation.

3C.82 Carry Forwards may be requested but are not an automatic right. The level of underspend to be carried forward in any one year will be determined by the PCC in the light of the overall financial position in consultation with the Treasurer and CFO as appropriate.

Capital Planning

3C.83 Whilst capital assets are owned by the PCC, most capital assets are used and managed by the Chief Constable.

3C.84 It is a requirement for the Treasurer to publish an annual Capital Strategy in consultation with the CFO.

3C.85 When making any decision to acquire or dispose of assets the PCC must have regard to the right of the Chief Constable to have unfettered access to operational assets.

Responsibilities

3C.86 The Chief Constable is responsible for developing proposed asset management plans or strategies for the following asset groups:

- Estates
- Vehicles
- ICT Infrastructure
- ICT assets issued for personal usage
- Other equipment.

3C.87 The asset management plans will include investment and disposal strategies as follows:

- Asset Management Strategy
- Vehicle Replacement Programme
- ICT replacement programme
- Personal issue ICT and equipment replacement plan
- PRISM Programme
- Other capital equipment

3C.88 In addition, the Chief Constable is responsible for identifying and proposing the capital expenditure required to take forward the Force's development priorities.

3C.89 The Chief Constable is responsible for ensuring that the projects within each strategy are prioritised to enable the PCC to make the best informed judgements as to the use of the capital funding available.

3C.90 The Chief Constable is responsible for ensuring that projects and programmes included in the proposed investment plans are appropriately supported by a business case, approved by an appropriate governance board.

3C.91 The PCC is responsible for approving the asset management and investment strategies. Asset management plans may be delegated to the Chief Constable.

Capital Project Approval

3C.92 All projects within the capital programme will have a two-stage approval process. Each project will have an indicative planning cost which will

facilitate overall programme planning, an approved project cost and the wider reference of an approved capital strategy.

- 3C.93 All projects within the capital programme will have a formal approval process and oversight through the appropriate governance board. Projects will have approved budgets.

Medium Term Capital Programme

- 3C.94 The Chief Constable will prepare a minimum of a four year programme of proposed capital expenditure for approval by the PCC. This programme will be based on the approved investment and disposal strategies plus the addition of approved one-off projects.
- 3C.95 Projects that have not yet been approved will be included in the four year capital programme at estimated cost and identified as such. Approved projects will be included in the four year capital programme at the value set out in the approved business case or the latest estimated cost.
- 3C.96 The Treasurer in consultation with the CFO will identify available sources of funding for the medium term capital programmes including the identification of potential capital receipts from the disposal of property.
- 3C.97 The Medium Term Capital Programme will form an integral part of the overall MTFs. The PCC will apply the principles set out in the CIPFA Prudential code to test the affordability of the Medium Term Capital Programme.

Capital Programme Management and Monitoring

- 3C.98 The annual capital programme will consist of the first year of the four year capital programme.
- 3C.99 Approval of business cases for projects included in the annual programme at estimated cost will lead to variations in the programme if the cost in the business case is different from the estimated cost. Any changes that increase the overall cost of the programme will only be approved if additional capital financing resources are identified and approved by the PCC to fund the additional cost.
- 3C.100 The capital programme may not be used to fund development costs for projects that have not yet been approved (without specific approval for spending in advance).
- 3C.101 All project overspends above the value set out in 3C.277 must be reported to enable a review of the project to be undertaken and appropriate funding identified.

3C.102 Virements between projects may be agreed under delegated approval as set out in 3C.276. Any increase to the total value of an individual programme should be reported to RCB.

3C.103 Any new projects considered during the year must be considered by Joint Leadership Board and funding approved by the PCC.

3C.104 Capital expenditure will be monitored by the Capital Strategy Group and reported to the RCB quarterly.

Capital Financing Resources including Capital Receipts

3C.105 The Treasurer will monitor the availability of capital financing resources including capital receipts and report any variations quarterly alongside the capital expenditure monitoring report.

3C.106 All disposals of land and buildings will require the prior approval of the PCC as set out in 3C.282 of these regulations.

Management of Risk and Resources

Introduction

3C.107 Risk management is the planned and systematic approach to the identification, evaluation and control of risks and threats to the achievement of the organisation's aims and objectives.

3C.108 The objectives of risk management are to secure the assets of the organisation and to ensure the continued corporate and financial well-being of the organisation.

3C.109 It is important that risk management is embedded throughout the governance arrangements of both organisations, whether operating jointly or separately.

Risk Management

Responsibilities

3C.110 The Chief Constable is responsible for the Force Risk Register and the PCC for the OPCC Risk Register.

3C.111 The Chief Executive is responsible for:

- a. Preparing the Risk Management Policy for the PCC.
- b. Overseeing a corporate approach to risk management for the PCC which is aligned with the PCC strategic objectives.
- c. Maintaining the PCC's Strategic Risk Registers.

- d. Reviewing and where appropriate proposing changes to the PCC's risk management policies.
- e. Ensuring staff and members of the Independent Audit Committee have access to appropriate training and development opportunities to understand risk management.
- f. Promoting a culture of risk awareness within the OPCC and reviewing risk as an ongoing process.
- g. Monitoring the Force's risk management arrangements and producing a report to the PCC and IAC when appropriate, but at least annually.

3C.112 The Chief Constable is responsible for:

- a. Preparing the Risk Management Policy for the Force.
- b. Overseeing a corporate approach to risk management for the Force which is aligned with the PCC's strategic objectives.
- c. Maintaining the Force's Corporate Risk Register.
- d. Maintaining the Force's tactical risk registers.
- e. Reviewing and where appropriate proposing changes to the Force's risk management policy.
- f. Ensuring police staff and officers have access to appropriate training and development opportunities to understand risk management.
- g. Promoting a culture of risk awareness throughout the Force and reviewing risk as an ongoing process.

3C.113 The Chief Executive and Chief Constable will be jointly responsible for ensuring that the risk management policies are aligned in such a way that the risks to the achievement of the PCC's aims and objectives are clear and are managed coherently.

3C.114 The role of the Independent Audit Committee is to review the effectiveness of risk management arrangements and the control environment within both the OPCC and the Force.

Business Continuity

Responsibilities:

3C.115 The Chief Executive is responsible for ensuring that appropriate business continuity plans are developed, implemented and tested on a regular basis

for the PCC. The Chief Constable is responsible for ensuring that similar arrangements are in place for the Force.

Insurance

Responsibilities

- 3C.116 The PCC is responsible for ensuring that adequate insurance cover is arranged where appropriate. This cover should take the form of a joint insurance policy for the PCC and the Chief Constable. Liabilities may be self-insured where this is judged to be the most cost effective option. All liabilities will be the responsibility of the PCC who will establish a provision as at 31 March of any given year to meet the estimated cost of such liabilities.
- 3C.117 The CFO in consultation with the Chief Constable is responsible for advising the PCC on insurance arrangements.
- 3C.118 The Director of Legal, Reputation and Risk shall be authorised to settle liability claims up to the value shown in 3C.288. Beyond this value, claims must be referred to the Treasurer and Chief Executive who will make a decision in consultation with the senior Force representatives and the CFO. Subject always to processes which exist for taking instructions in liability claims.
- 3C.119 The Director of Legal, Reputation and Risk is responsible for providing the information needed to undertake a regular review of self-insured claims and to estimate the outstanding liabilities. This will be reported to relevant governance board on 30 September and 31 March each year.
- 3C.120 The Director of Legal, Reputation and Risk is responsible for ensuring claims made against insurance policies are made promptly.
- 3C.121 The Chief Executive and the Chief Constable are responsible for ensuring that employees, or anyone covered by the Force and the PCC insurance, are not enabled to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- 3C.122 The Director of Legal, Reputation and Risk shall present a quarterly written report to the appropriate governance board detailing claims experience and significant claims, in terms of financial and reputational risk.

Indemnities

- 3C.123 The Chief Executive shall evaluate and authorise any terms of indemnity that the PCC are requested to give by external parties.

Internal Control

3C.124 Internal control refers to the systems of control devised by management to help ensure that objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the PCC assets and interests are safeguarded.

Responsibilities

3C.125 The PCC must produce an Annual Governance Statement for review by the IAC which includes a formal statement on the operation of internal controls.

3C.126 The Treasurer is responsible for the proper administration of the financial affairs of the PCC and ensuring effective systems of internal control. This involves reviewing the internal control framework maintained by the Chief Executive and making recommendations for improvement where appropriate. Any significant weakness in the internal control framework will be brought to the attention of the Independent Audit Committee and included in the Annual Governance Statement.

3C.127 The Chief Constable must produce an Annual Governance Statement for review by the Independent Audit Committee which includes a formal statement on the operation of internal controls.

3C.128 The CFO is responsible for the proper administration of the financial affairs of the Force and ensuring effective systems of internal control. This involves reviewing the internal control framework maintained by the Chief Constable and making recommendations for improvement where appropriate. Any significant weakness in the internal control framework will be brought to the attention of the Independent Audit Committee and included in the Annual Governance Statement.

Internal Control Frameworks

Responsibilities

3C.129 It is the responsibility of the Chief Executive and the Chief Constable to ensure that effective key controls exist within the OPCC and the Force respectively.

3C.130 Key controls should be embedded within the managerial control systems. They should ensure that:

- a. Roles and responsibilities are clearly defined.
- b. Policies are clearly defined and regularly reviewed.
- c. Objectives and plans are clearly articulated.

- d. Financial monitoring and other performance information is collected and analysed.
- e. Appropriate anticipatory and remedial action is taken where necessary.

3C.131 The arrangements established need to ensure compliance with all applicable statutes and regulations, and other statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, effectively and in accordance with the statutory and other authorities that govern their use.

3C.132 The main controls operated by the PCC are set out in the Code of Corporate Governance. In addition to these controls the Chief Executive and the Chief Constable will maintain internal control frameworks as set out below.

3C.133 To ensure adequate financial controls are in place the Chief Constable and the Chief Executive will maintain a combined internal control framework for which will comprise:

- Planning frameworks
- Policy documents (including financial policy documents)
- Risk registers
- Key Controls
- Assurance Matrix
- Staff Codes of Conduct
- Standard Operating Procedures (SOPs)

3C.134 These frameworks will at all times comply with Financial Regulations.

Audit Requirements

Internal Audit

3C.135 The PCC and the Chief Constable are required by the Accounts and Audit (England) Regulations 2015 to maintain effective internal audit of their affairs. In fulfilling this requirement the PCC and Chief Constable should have regard to the Public Sector Internal Audit Standards and CIPFA guidance on the role of the Head of Internal Audit in Public Service Organisations.

3C.136 In addition to fulfilling the statutory requirements it is important that Internal Audit is able to:

- a. Satisfy the PCC and the Chief Constable that effective internal control systems are in place; and
- b. Satisfy the external auditor that financial systems and internal controls are effective and that the police funds are managed so as to secure value for money.

Independent Audit Committee

- 3C.137 The role of the Independent Audit Committee is set out in its terms of reference. The approval powers of the committee are as follows:
- a. To recommend approval of the Annual Governance Statements for inclusion in the Statement of Accounts.
 - b. To recommend approval of any Code of Corporate Governance for the PCC and the Force.
 - c. To recommend approval of (but not direct) the Internal Audit Strategy and Plan.

Responsibilities

- 3C.138 The Treasurer and CFO shall ensure the provision of an effective joint internal audit service.
- 3C.139 A risk based annual audit plan will be produced in conjunction with the internal audit provider for consideration by the IAC ahead of approval by the Treasurer and CFO.
- 3C.140 The Chief Executive and the Chief Constable will ensure that Internal Audit has unrestricted access to records, systems and data for auditing purposes.
- 3C.141 The Chief Constable or PCC shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner.
- 3C.142 The CFO shall ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the Treasurer and Internal Audit prior to implementation.

External Audit

Responsibilities

- 3C.143 The basic duties of the external auditor are governed by the Local Audit and Accountability Act 2014, the Local Government Act 2003 and Accounts and Audit Regulations 2015.
- 3C.144 The Treasurer and the CFO should work closely with the external auditor in developing the external audit plan.
- 3C.145 The Independent Audit Committee has responsibility to:
- a. Consider and comment upon the annual audit plans and fees;

- b. Receive and review the annual governance reports;
- c. Receive and review the Annual Audit Letter(s).

3C.146 The PCC should use the reports of both the internal and external auditors to aid in their monitoring role and to ensure that all agreed policies are being implemented by the PCC and the Force.

3C.147 The PCC may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

Preventing Fraud and Corruption

Anti-Fraud and Corruption Policy

3C.148 The PCC and the Chief Constable will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside their organisations.

3C.149 Expectations of propriety and accountability are that the PCC, Chief Constable and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

3C.150 It is expected that all individuals and organisations (eg. 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.

Responsibilities

3C.151 The PCC and the Chief Constable are responsible for fostering a culture that will not tolerate fraud and corruption.

3C.152 The Treasurer and Chief Finance Officer, together with the Chief Executive and Chief Constable are responsible for preparing an effective anti-fraud and anti-corruption policy. Any policy should be approved by the PCC following advice from the IAC.

Business Interests

3C.153 In order to maintain transparency, business interests of all employees and office holders of the PCC and the Force will be recorded in a register of business interests. Some business interests may conflict with the role of the employee or office holder. The Business Interests policy will set out the action to be taken in these circumstances.

3C.154 Any member of a governance board who has a disclosable interest, business or personal, in a contract shall withdraw from the meeting when

that contract is discussed unless there is a dispensation from the Chief Executive.

Responsibilities

3C.155 The Chief Constable is responsible for maintaining a policy on the business interests of the staff and office holders of the PCC and of the staff of the Force and also for maintaining a register of these business interests.

Gifts and Hospitality

3C.156 All employees and office holders are subject to standards of professional behaviour which includes the expectation to be honest, act with integrity and not to compromise or abuse their position. Personal gifts or gratuities should never be accepted that could compromise their impartiality. Detailed policies will be maintained by the Chief Executive and Chief Constable on gifts and hospitality.

3C.157 Offers of gifts, loans or sponsorship for the benefit of the Force or the PCC are dealt with in 3C.299 of these regulations.

Responsibilities

3C.158 The Chief Executive is responsible for maintaining a register on gifts and hospitality in relation to the staff and office holders of the PCC.

3C.159 The Chief Constable is responsible for maintaining a policy on gifts and hospitality in relation to the staff and office holders of the PCC and to the staff of the Force and also for maintaining a register of such gifts and hospitality.

3C.160 All staff are responsible for making themselves aware of the gifts and hospitality policy and complying with the policy.

Reporting of Suspected Irregularities

3C.161 The PCC and the Force will maintain a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence and without recrimination. Procedures shall ensure:

- a. That allegations are investigated robustly as to their validity;
- b. That they are not malicious;
- c. That appropriate action is taken to address any concerns identified.

3C.162 Appropriate legislation, including Public Interest Disclosure Act 1998, shall be adhered to.

3C.163 All unlawful expenditure or potentially unlawful expenditure must be reported to the PCC, and the external auditor.

Responsibilities

3C.164 The Chief Executive and the Chief Constable are responsible for ensuring that all employees, the general public and contractors are made aware of the confidential reporting (whistle blowing) facilities.

3C.165 The Treasurer is responsible for reporting any unlawful expenditure or potentially unlawful expenditure by the PCC or the OPCC to the Monitoring Officer, PCC, the Police and Crime Panel and to the external auditor.

3C.166 It is the responsibility of the Chief Executive to ensure that the Treasurer receives information on any unlawful expenditure or potentially unlawful expenditure.

3C.167 The CFO is responsible for reporting any unlawful expenditure or potentially unlawful expenditure by the Chief Constable or the officers of the Chief Constable to the PCC, Monitoring Officer and to the external auditor.

3C.168 It is the responsibility of the Chief Constable to ensure that the CFO receives information on any unlawful expenditure or potentially unlawful expenditure.

3C.169 In addition to the above requirements, the CFO and Treasurer will ensure each other and the Chief Executive are aware of any unlawful or potentially unlawful expenditure.

Assets

Responsibilities

3C.170 The PCC and the Chief Constable must ensure that:

- a. Assets are only used for the purposes of the Force and the PCC and are available for use when required and are properly accounted for.
- b. An asset register is maintained that provides information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements.
- c. Assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

- d. Lessees and other prospective occupiers of land owned by the PCC are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate.
- e. Title deeds to PCC property are held securely.
- f. No PCC or Chief Constable asset is subject to personal use by an employee without proper authority.
- g. Valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to the Force or PCC.

3C.171 For all operational assets used by the Force the above responsibilities will lie with the Chief Constable's CFO. For assets operated by the PCC the responsibilities will lie with the Treasurer.

Valuation

3C.172 The Chief Constable shall maintain an asset register for all fixed assets with a value in excess of the limits shown in 3C.279, in a form approved by the Treasurer. Assets are to be recorded when they are acquired by the PCC or the Chief Constable and this record updated as changes occur with respect to location, condition and ownership. Assets are to be valued:

- a. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice in accordance with the requirements specified by the Treasurer.
- b. For insurance purposes.

Inventories

Responsibilities

3C.173 The Chief Executive and the Chief Constable shall ensure that inventories are maintained that record an adequate description of portable and desirable items (with a value in excess of the amount shown in 3C.286).

3C.174 There shall be at least an annual check of all items on the inventory in order to verify location, review condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. The annual check is to be undertaken by the responsible budget holder and must be independently reviewed.

Stocks and Stores

3C.175 The Chief Constable shall make arrangements for the care, custody and control of the stocks and stores and maintain detailed stores accounts in a

form approved by the CFO. Stocks are to be maintained at reasonable levels so as to balance the need for availability and the risk of obsolescence.

- 3C.176 Discrepancies between the actual level of stock and the book value of stock may be written off by the CFO up to the level shown in 3C.287. Amounts for write off above this value must be referred to the relevant governance board for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.
- 3C.177 Obsolete stock may be written off by the CFO up to the level shown in 3C.287. Amounts for write off above this value must be referred to the Resource Control Board for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.

Intellectual Property

- 3C.178 The Director of Legal, Reputation and Risk, in conjunction with the Chief Executive and the Chief Constable, are jointly responsible for preparing guidance on intellectual property procedures and ensuring that staff are aware of these procedures. Any such policies should be approved by the PCC.

Asset Disposal

- 3C.179 All disposals of surplus land and buildings must be approved by the PCC.
- 3C.180 When making any decision to dispose of assets the PCC must have regard to the right of the Chief Constable to have unfettered access to operational assets. The PCC shall consult the appropriate governance board and notify the Chief Constable. The PCC will have regard to the views expressed by the governance board and the Chief Constable but the final decisions will be a matter for the PCC, this will include the disposal of land and buildings.
- 3C.181 The CFO may approve the disposal of vehicles and items of equipment up to the estimated value shown in 3C.284. Disposals above this value are to be referred to the authority as set out in that section.
- 3C.182 Assets shall be disposed of when in the best interests of the PCC and in the most economically advantageous way. Where this is not the highest offer, the CFO shall prepare a report for the Treasurer and the relevant reference committee or board, if appropriate, outlining the reasons and seeking approval for disposal at the lower value.
- 3C.183 Items above the estimated value shown in 3C.285 shall be disposed of by public auction or sealed bids after advertisement.
- 3C.184 Assets shall not be sold to serving officers, staff, volunteers or contractors except in the following circumstances:
- a. Items disposed of in an open and competitive process.

- b. Disposal of police houses to serving officers who are the existing tenant following independent valuation of the property.
- c. Where a competitive process is not possible the value should be established by an external and independent third party.

Disposal Method – Not Land or Buildings

3C.185 When identified as surplus, assets shall be disposed of by one of the following methods:

- a. Public auction, including online auction sites where appropriate.
- b. Sealed bid following public advert.
- c. Through third party organisation appointed through a competitive procurement process.

Disposal Method – Land or Buildings

Police Houses

3C.186 Police houses will be disposed of:

- a. Either to serving officers who are the existing tenant on the basis of independent valuation undertaken by the District Valuation Officer or other external independent third party, or
- b. By public marketing at a price advised by the District Valuation Officer.

3C.187 Acceptance of a lower price will be subject to report and approval by the OPCC Treasurer.

Other Land and Buildings

3C.188 All other land and buildings identified as surplus will be reported to the relevant governance board who will be asked to recommend the method of valuation and disposal strategy.

Disposal of Assets to Charitable Organisations

3C.189 Disposal of assets to a registered charity or voluntary (not for profit) organisation will be subject to the approval of the PCC advised by the Treasurer.

Other Disposal Options

3C.190 Any variation to the disposal of assets outlined above will require the approval of the PCC, if appropriate. If disposal for financial gain is not possible, and there is no demand for the asset from other organisations (3C.189) then all options for recycling should be considered prior to disposal via landfill.

Treasury Management and Banking Arrangements

3C.191 The PCC has adopted CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).

Responsibilities

3C.192 The PCC is responsible for approving the Treasury Management Policy and the Annual Treasury Management Strategy.

3C.193 The Treasurer shall prepare regular reports for the PCC on treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year report and an annual report after its close, in the form prescribed in its Treasury Management Practices.

3C.194 The PCC delegates responsibility for the execution and administration of treasury management decisions to the Treasurer, who will act in accordance with the policy statement and Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

3C.195 The Treasurer shall have overall responsibility for banking arrangements. The Treasurer, in consultation with the CFO, shall determine a policy for the secure operation of bank accounts. All bank accounts shall be in the name of the PCC unless authorised by the Treasurer and Chief Executive.

3C.196 The opening of covert bank accounts must be approved by the Treasurer in consultation with the CFO.

Petty Cash and Imprest Accounts

3C.197 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 must be maintained to control the account and so that the expenditure may be substantiated, accurately reflected in the accounts and correctly reimbursed to the account holder.

Responsibilities

3C.198 The CFO is responsible for providing appropriate employees with petty cash or imprest accounts. 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.

3C.199 The CFO will 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.

Money Laundering

3C.200 The PCC and the Force are alert to the possibility that they may become the subject of an attempt to involve them in a transaction involving the laundering of money.

3C.201 Suspicious cash deposits in any currency in excess of the agreed limit set out in 3C.291 should be reported to the Treasurer. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act.

3C.202 Internal control procedures will be monitored to ensure they are reliable and robust in terms of the prevention of money laundering.

Responsibilities

3C.203 The Treasurer will be the nominated Money Laundering Reporting Officer (MLROs) for the PCC and the Force.

3C.204 All employees have a responsibility to notify the Treasurer as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting of money laundering, fraud or use of the proceeds of crime through police funds and accounts.

Staffing

3C.205 Police officers are crown servants, the staff of the PCC are employees of the PCC and police staff of the Chief Constable are employees of the Chief Constable. Delegated responsibilities with regard to staffing, redundancy and pensions matters are set out in Part 3B of the Code of Corporate Governance – the Scheme of Delegation and Consent.

3C.206 The Chief Executive is responsible for:

- a. Providing overall management of staff within the OPCC and ensuring that there is proper use of the evaluation, or other agreed system, for determining the remuneration of a job;
- b. Ensuring that the staffing budget of the PCC provides an accurate forecast of staffing levels that accords with the approved staffing policies of the PCC.

- c. Advising the PCC on the budget provision necessary to cover estimated staffing levels;
- d. Ensuring that employees are appointed and employed in accordance with the agreed personnel policies of the PCC and that service records are properly maintained.

3C.207 The Chief Constable is responsible for:

- a. Providing overall management of staff within the Force and ensuring that there is proper use of the evaluation, or other agreed systems, for determining the remuneration of a job;
- b. Ensuring that the staffing budget of the Force provides an accurate forecast of staffing levels, that accords with the approved staffing policies of the Chief Constable;
- c. Advising the PCC on the budget provision necessary to cover estimated staffing levels;
- d. Ensuring that employees are appointed and employed in accordance with the agreed personnel policies of the Chief Constable and that service records are properly maintained;
- e. Ensuring the Police Pensions Scheme is appropriately managed and administered.

3C.208 Decisions with regard to the application of those discretions provided within Local Government Pensions Scheme and Public Service Pension Act will be subject to delegated limits as set out in 3C.293.

3C.209 Redundancy of police staff where the consequential redundancy payments exceed the limits set out in 3C.294 will be approved by the PCC.

3C.210 Decisions in relation to Police Pensions are set out in Section 3B of the Scheme of Governance.

Custody of Unofficial Funds and Private Property

3C.211 The Chief Constable must ensure that suitable policies are developed for the safe custodianship of unofficial funds. This should include a central register of such funds and annual confirmation from the management bodies of funds that accounts have been audited and accepted as such. Processes and procedures should also be in place to ensure that staff responsible for such funds are aware and comply with their obligations.

Evidential and Non Evidential Property

3C.212 Police activities may involve the seizure of cash, drugs, guns and other assets. The Chief Constable is required to exercise a duty of care and safeguard found or seized property pending decisions on its ownership, or private property of an individual e.g. a suspect in custody. This should include the development of policies and procedures for the safekeeping of private property of a person, other than a member of staff, under his or her guardianship or supervision or found or seized property. He/she must ensure that in the event of any loss of such property, consequential costs arising from any loss, restoration of intrinsic value, or liability claims which result in disbursements from police fund and considered significant by the statutory CFO, are reported to the Resource Control Board.

Systems and Procedures

General

3C.213 The Treasurer and the CFO, are responsible for determining the accounting systems, procedures, form of accounts and the supporting financial records for the PCC and the Forces respectively as set out in Section 3 of these regulations.

3C.214 The Treasurer is responsible for the proper operation of the financial processes in the OPCC and should ensure that sufficient guidance, procedures and training is provided to employees acting on the PCC's behalf.

3C.215 The CFO is responsible for the proper operation of the financial processes in the Force and should ensure that sufficient guidance, procedures and training is provided to employees acting on their behalf.

3C.216 The Chief Executive and the Chief Constable are responsible for ensuring that computer and other systems are compliant in accordance with data protection legislation and that staff are aware of their responsibilities under freedom of information and data protection legislation.

3C.217 The Chief Executive and Chief Constable should ensure that levels of authority have been established within the OPCC and Force and are operating effectively. These levels of authority should identify staff authorised to act on the Chief Constable's behalf, in respect of payments, income collection and placing orders, together with the limits of their authority. These will be found within the Scheme of Governance and Financial Regulations.

3C.218 As set out in relevant paragraphs below the Chief Constable is responsible for providing some financial and administrative support services to the PCC. In addition to the requirements set out in the regulations below any relevant clauses included in the Service Level Agreement for the Provision of Support Services will also apply to the operation of those services on behalf of the PCC.

Income

Responsibilities

3C.219 The Treasurer and CFO shall make arrangements for the collection of all income due to the PCC including the appropriate and correct charging of VAT.

3C.220 The Treasurer and CFO shall ensure that all income is paid fully and promptly into the designated bank account. Appropriate details should be recorded on to paying-in slips to provide an audit trail.

Fees and Charges

3C.221 The Force's policy with regard to fees and charges will be approved by the appropriate governance board to include the PCC. The Chief Constable shall review scales of fees and charges at least annually and report any changes to the appropriate governance board and the PCC for approval.

3C.222 All charges should be at full cost recovery and in compliance with the NPCC National Policing Charging Guidelines except where regulations require otherwise or with the express approval of the governance board.

Write Off of Bad Debt

3C.223 Income due to the PCC shall not be written off until the Chief Executive or Chief Constable (as appropriate) are satisfied that all reasonable steps have been taken for its recovery.

3C.224 Write off can only be when there is no realistic prospect of recovery once all reasonable avenues for recovery have been exhausted.

3C.225 Individual amounts of income due the PCC may be written off up to the levels shown in 3C.290. Amounts for write-off above this value must be referred to the governance boards for approval, supported by a written report explaining the reasons for the write-off.

3C.226 Any write-off of capital sums due or interest income in relation to the PCC treasury management activity must be referred to the PCC for write off.

3C.227 For any activity for which the police is able to levy a charge that is not covered by a statutory charging level, the Force will use the NPCC guidance where applicable.

Ordering and Paying for Goods and Services

3C.228 Public money should be spent with demonstrable probity and in accordance with policies such as the duty to ensure an effective Police Service, the duty to ensure value for money and all relevant laws and good practice.

Personal Interests

3C.229 The PCC and every officer of the PCC and the Force has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decision on behalf of the PCC.

Responsibilities

3C.230 The CFO is responsible for maintaining a purchasing policy covering the principles to be followed for the purchase of goods and services. This policy will apply equally to the PCC and the Force. The policy will be in accordance with the PCC's Standing Orders for Tenders and Contracts.

3C.231 The key controls of the PCC and the Chief Constable will set out the proper processes to be followed when ordering and paying for goods and services. These key controls will be in line with the purchasing policy and will include robust arrangements to ensure all goods and services are ordered only by appropriate persons and are correctly recorded.

3C.232 It is the responsibility of all budget holders to ensure that the purchasing policy and key controls are complied with at all times.

3C.233 The exchequer and payment function will be provided by the CFO. The Treasurer and the CFO will be responsible for ensuring that correct instructions are given to the Finance Department with regard to payments to suppliers.

3C.234 The CFO is responsible for ensuring that payment mechanisms are in line with all legislation and national guidance and that where possible a different person authorises the payment from the person who approved the order. Deviation from this would require the approval of the CFO.

Procurement Policy

3C.235 It is important that procurement arrangements encourage competition by seeking quotations from a number of suppliers whenever this is practicable and cost effective. In addition the PCC must comply with procurement legislation. The Financial Regulations shall determine the limit at which procurement procedures are followed (Procurement Regulations for the South West Police Procurement Department is attached at Part 3D of the Scheme of Governance). These procurement procedures must be adhered to at all times.

3C.236 The value of a contract must not be sub-divided or underestimated for the purpose of reducing the total value of the contract in order to bring the procurement exercise below the Force's financial control thresholds so as to avoid the Force's procedural requirements.

3C.237 The PCC delegates the responsibility for procurement to the relevant board and Chief Constable as detailed within 3C.270 – 3C.272.

Fuel Cards and Other Purchasing Cards

3C.238 Fuel cards and other purchasing cards are an alternative method of buying and paying for relatively low value goods which generate a high volume of invoices. All fuel cards and purchasing cards will be controlled by the Finance Department. The CFO is responsible for ensuring that the proper practices are in place for the control of fuel cards and purchasing cards and the reconciliation of any associated control accounts. The Treasurer is responsible for ensuring the proper practices are in place for the control of fuel cards and purchasing cards held by the OPCC.

Payments to Employees

3C.239 The payroll function will be provided by the Finance Department. The Chief Executive and the Chief Constable will be responsible for ensuring that correct instructions are given to the Finance Department payroll team with regard to payments to staff and the members of the PCC's Committees/Panels.

3C.240 The key controls of the PCC and the Chief Constable will set out the proper processes to be followed when making payments to employees. It is the responsibility of all budget holders to ensure that the key controls in relation to payments employees are complied with at all times.

Taxation

Responsibilities

3C.241 The Finance Department is responsible for maintaining the tax records for the PCC and the Force and making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate. This responsibility also includes the requirement to ensure that legislative and regulatory changes are identified and implemented accordingly.

3C.242 The Treasurer is responsible for advising the PCC on taxation issues and the impact of changes in legislation and the CFO is responsible for advising the Chief Constable on such matters.

Liability Claims

3C.243 The PCC has external insurance for public and employers liability and in addition maintain a self-insurance fund to meet claims below the policy excess. The Director of Legal, Reputation and Risk manages all claims against the Force and PCC. On occasion, the Force insurers will require that claims are handled externally due to the financial value of those claims.

3C.244 The limits for the approval of payment of such claims are set out in 3C.289.

Ex Gratia Payments

3C.245 The Force can make ex-gratia payments up to the level shown in 3C.295 in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate, or is conducive or incidental to, the discharge of any of the functions of the PCC. The Chief Constable shall maintain details of such payments in a register.

3C.246 Amounts greater than those specified in 3C.295 must be referred to the PCC for approval.

Crime and Disorder Reduction Grants

3C.247 The Chief Executive is responsible for ensuring that the payment of a Crime and Disorder Reduction Grant is in alignment with the Police and Crime Plan and that any attached conditions have been or are being complied with.

Co-operative Working and Commissioning

Co-operative Working

3C.248 Subject to the constraints that may be placed on individual funding streams, a PCC is free to pool funding as they and their partners see fit. A PCC can enter into any local contract collectively with other partners, including non-police bodies.

Responsibilities

3C.249 The PCC, in exercising their functions, must:

- a. Have regard to the priorities of each responsible body within their policing area;
- b. Work effectively with local partners to tackle agreed community safety priorities.

Commissioning

3C.250 The PCC may commission services and award grants to organisations or bodies that they consider will support their community safety priorities in accordance with their police and crime plan. In doing this the PCC may:

- a. Act alone as the commissioner of services;

- b. Or act co-operatively to commission services jointly with other bodies.

3C.251 Where appropriate and in line with the objectives set out in the Police and Crime Plan the PCC may make grants in support of local priorities.

Responsibilities

3C.252 The PCC is responsible for publishing a Commissioning Strategy that will set out the objectives of their commissioning activity and governance of the commissioning process.

3C.253 When the PCC acts as a commissioner of services, they will be responsible for agreeing the shared priorities and outcomes expected to be delivered either through a contract or a grant agreement with each provider.

3C.254 Where the mechanism for commissioning is the award of a contract for service provisions the Chief Executive is responsible for seeking appropriate procurement advice on the procurement process and the procurement activity will be in line with the PCC's Standing Orders for Tenders and Contracts.

3C.255 The Chief Executive is responsible for ensuring that commissioning expenditure does not exceed the budgeted level to achieve the objectives set out in the Police and Crime Plan.

3C.256 When working jointly with other bodies to commission services the Chief Executive will ensure that these Financial Regulations and Standing Orders and for Tenders and Contract apply to the joint procurement activity or will set out in a formal decision why the Financial Regulations or Standing Orders for Tenders and Contracts can be varied.

Collaboration

3C.257 The PCC has the duty to enter into collaboration agreements with other policing bodies and partners that improve the efficiency of effectiveness of policing for one or more policing bodies or Forces in consultation with the Chief Constable. Where the collaboration agreement relates to the functions of the Force, the prior agreement of the Chief Constable must be obtained.

3C.258 The PCC is responsible for approving any proposed Section 22 or Section 23 collaboration agreement between the Chief Constable and another Chief Constable. The Chief Constable is accountable to the PCC for the outcomes of any such collaboration agreements.

3C.259 The Treasurer is responsible for advising whether a proposed collaboration agreement is in alignment with the Police and Crime Plan and the Medium Term Financial Strategy and the long term sustainability of policing in the area.

Consortia

3C.260 Where the PCC judges that it is appropriate to enter into a long-term joint working arrangement with other bodies, operating with a formal legal structure, specific legal and procurement advice will be obtained. In such circumstances it will be necessary to update the Financial Regulations to acknowledge any new structures that exist within the consortium and ensure that all contractual conditions are met.

Other External Arrangements and Sponsorship

External Funding

3C.261 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the PCC and Chief Constable.

Responsibilities

3C.262 The Chief Executive and the Chief Constable are responsible for actively pursuing any opportunities for additional funding where this is considered to be in the interests of the Force and PCC. In addition they are responsible for ensuring 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.

Sponsorship

3C.263 The Home Office Financial Management Code of Practice sets out guidance with regard to the acceptance of sponsorship and external funding.

Responsibilities

3C.264 The PCC will maintain a Sponsorship Policy (in consultation with the Chief Constable) that is in line with; the Home Office Financial Management Code of Practice, Section 93 of the Police Act 1996 and the Bribery Act 2010.

3C.265 The Chief Executive and Chief Constable must ensure that any conditions placed on the Force in relation to external funding are in accordance with the approved policies of the PCC and in particular the Sponsorship Policy of the PCC.

3C.266 The Chief Executive and the Chief Constable are responsible for ensuring that all funding notified by external bodies is received and properly recorded in the PCC's accounts.

Working for Third Parties

3C.267 The Force provides services to outside bodies as part of their normal obligations, for which charges are made. Arrangements should be in place to ensure that any risks associated with these pieces of work are minimised and that such work is not ultra vires.

Responsibilities

3C.268 The Chief Constable is responsible for ensuring that proposals for assistance are costed, that proper contract arrangements are established within delegated limits and that no contracts are subsidised by the police funds. All work for third parties will be reviewed by the Director of Legal, Reputation and Risk and the Senior Insurance Officer to ensure that any liabilities are recognised and appropriate insurance cover is arranged.

Delegated Limits

Financial Limits

3C.269 All delegations apply within the approved budgetary provision only.

Purchasing Limits

Contract Awards, Variations and Extensions

3C.270 The limits for contract awards, variations and extensions, are set out below. These limits should be applied in the context of the additional guidance provided, and based upon the total contract value for the life of the contract.

Area	Entity	Limit	Approval by
Award of new contracts	PCC	Up to £500,000	OPCC Treasurer
		Over £500,000	PCC
	National Forensics Programme	Unlimited	OPCC Treasurer
	Chief Constable	Up to £500,000	Chief Constable's CFO
		Between £500,000 and £1m	Chief Constable
	Over £1m	PCC	
Award of Renewals and Extensions	OPCC / Chief Constable	Unlimited	Treasurer / CFO as appropriate
Novel or Contentious Contracts	All	N/A	The PCC and the Chief Constable must be

Area	Entity	Limit	Approval by
			consulted before approving the contract.

3C.271 From time to time there will be a requirement to vary contracts through a formal contract change control, the limits below apply in this situation.

Area	Entity	Limit	Approval by
Approve contract change	PCC	Up to £200,000	OPCC Treasurer
		Over £200,000	PCC
	Chief Constable	Up to 200,000	Chief Constable's CFO
		Over £200,000	Chief Constable

3C.272 In exceptional circumstances it may be necessary to apply exemptions to Contract Standing Orders. On these occasions the decision must be recorded and made in consultation with the relevant Section 151 officer.

Area	Entity	Limit	Approval by
Approve the waiving of Contract Standing Orders	PCC	Up to £200,000	OPCC Treasurer
		Over £200,000	PCC
	Chief Constable	Up to 200,000	Chief Constable's CFO
		Over £200,000	Chief Constable

Revenue Budget Virements

3C.273 The procedure for virements between the categories as set out in the Medium Term Financial Strategy is set out at 3C.76 of these regulations, the financial limits that apply to the virements set out below must be applied in the context of the overall guidance within the financial regulations.

Area	Budget	Limit	Approval by
Approve virements over the limit specified	OPCC for OPCC budgets	£100,000 for each approved subjective budget line	PCC
	Chief Constable for Force staffing budgets	£250,000 for each approved CIPFA subjective line level	PCC
	Chief Constable for Force non	£250,000 for each approved CIPFA	PCC

Area	Budget	Limit	Approval by
	staffing budgets	subjective budget line	

3C.274 Below the limits specified in the table above, approval will be with the Treasurer for the OPCC budgets and the CFO for the Chief Constable's budgets.

3C.275 All virements above £100,000 must be reported to Resource Control Board for information.

Capital Programme

3C.276 Detailed estimates for each scheme in the approved capital programme shall be prepared by the responsible officer before tenders are sought or commitments made. The estimate for each scheme will be approved by the Joint Leadership Board at the same time that the full business case is approved. Variations to project budgets that can be met from within the total capital programme may be approved as set out below.

Area	Limit	Approval by
Virements within major headings	All	OPCC Treasurer in consultation with Chief Constable's CFO and appropriate programme board.
Virements between major headings	All	PCC in consultation with Resource Control Board

3C.277 All overspends of 10% or £50,000, whichever is smaller, must be reported to Resource Control Board.

3C.278 Any increase in the overall capital programme must be identified and approved by the PCC.

Capitalisation of Expenditure and Assets Registers

3C.279 The Chief Constable and the PCC shall maintain asset registers for all fixed assets (or programmes/classes of assets) under their respective control with a value in excess of the limits shown below.

Area	Classification	Limit	Approval by
Capitalise expenditure and record on asset register	Land and Buildings	£25,000	N/A
	All Other assets	£10,000	N/A

Property Leases

3C.280 The following limits shall apply to the approval of new property leases:

Delegation	Entity	Limit	Approval by
Approval of property leases, finance leases or other credit arrangements	PCC	Up to £50,000 pa or with a duration of 3 year or less	Chief Constable's CFO
		In excess £50,000 pa or over 3 year's duration but less than 10 years	OPCC Treasurer in consultation with the Resource Control Board
		More than 10 years or that involves novel or contentious matters	PCC

3C.281 All renewals of property leases will be reported on an annual basis to the Resource Control Board. Novel or contentious matters on an exceptional basis.

Asset Disposal – Land and Buildings

3C.282 The following limits shall apply to the approval of property disposals.

Delegation	Entity	Limit	Approval by
Agreement to dispose of property assets	PCC	Up to £500,000	OPCC Treasurer in consultation with the Resource Control Board
		£500,001 and over	PCC in consultation with the Resource Control Board

3C.283 It is assumed that all Dorset property assets that are brought forward for approval of disposal will have followed the consultation process set out in the agreed process for estates rationalisation and decision making.

Asset Disposal – Other Fixed Assets

3C.284 The following limits shall apply to the approval of non-property fixed asset disposals.

Delegation	Entity	Limit	Approval by
Agreement to dispose of non-property fixed	PCC Assets for use of Chief Constable	Up to £25,000	Chief Constable's CFO

Delegation	Entity	Limit	Approval by
assets including method of disposal		£25,001 and over	OPCC Treasurer after consultation with the Resource Control Board
	PCC Assets for use of the PCC	Up to £25,000	OPCC Treasurer
		£25,001 and over	PCC

Asset Disposal – Method of Disposal

3C.285 Assets shall be disposed by public action or sealed bids after advertisement. Assets of value below £25,000 can be disposed of by an alternative approach by the Treasurer. Alternative methods for disposal above £25,000 will be referred to the Resource Control Board.

Stocks and Inventories

3C.286 Inventories will be maintained that record an adequate description of portable and desirable items (not already recorded on an asset register) for items with a value of more than the limit stated.

Area	Entity	Limit	Approval by
Inventories	All entities	£5,000	N/A

3C.287 Discrepancies between the actual level of stock and the book value of stock may be written off are as set out below. These limits also apply to the level for obsolete class of stock that may be written off. The key classes of stock are: Vehicles, Uniform and Equipment.

Area	Entity	Limit	Approval by
Stock values that may be written off	Chief Constable	Annual cumulative value of £5,000 per category	Chief Constable's CFO
		Values over the limits set out above	To be approved by the Force Executive and reported to the Resource Control Board

Liability Claims

3C.288 Joint Legal Services shall be authorised to make payments in settlement of liability claims for the Chief Constable and PCC for Dorset (including costs)

up to the value shown below in conjunction as required, with relevant insurer. All such claims will have been approved for payment as set out in the Joint Legal Services Department Memorandum of Understanding for taking instructions in Liability Claims.

Area	Entity	Limit	Approval by
Liability Claims	PCC or Chief Constable	Up to £80,000	DCC
		£80,001 and over	Chief Executive

Non Insurance Claims / Employment Matters

3C.289 Non insurable employment claims will be approved for payment as set out below:

Value of the Total Reserve	Authoriser
£0 - £5,000	Head of HR Operations
£5,000 - £25,000	Lead on Human Resources
£25,000 - £80,000	Deputy Chief Constable
£80,000 and above	Deputy Chief Constable and the Chief Executive for the Force named in litigation.

Income

3C.290 The approval of individual bad debts* will be as follows:

Area	Entity	Limit	Approval by
Write off of bad debts *	PCC	Up to £10,000	Chief Constable's CFO or OPCC Treasurer as appropriate
		£10,001 and over	OPCC Treasurer in consultation with Resource Control Board

* Bad Debt is defined as money owing to the OPCC where there is no realistic prospect of recovery once all reasonable avenues for recovery have been exhausted.

Cash Receipts and Money Laundering

3C.291 Cash banking and cash receipts will be subject to the controls outlined in the money laundering policy.

Area	Entity	Limit	Approval by
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Cash Receipts and Money Laundering	All entities	Over £10,000	All employees
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Retirement and Redundancy

Pension Discretions

3C.292 The PCC and the Chief Constable will maintain and publish policies and/or regulations with regard to the application of those discretions provided within Local Government Pensions Scheme and Public Service Pensions Act.

3C.293 Any decisions with regard to enhancements or application of the discretions will be referred to the CFO and the Treasurer.

Employment Termination Costs

3C.294 The CFO must be consulted on the overall cost of any staff reduction exercise, in liaison with the Treasurer, in order to ensure that adequate financial provision is in place and value for money is achieved.

Area	Entity	Limit	Approval by
Approval of overall costs staff reduction exercises	Chief Constable	All reduction exercises to be approved	Chief Constable (in consultation with Force Executive)
	PCC	All reduction exercises to be approved	PCC
Approval of individual termination packages	Chief Constable	Over £50,000	Chief Constable (in consultation with Force Executive)
	PCC	Over £50,000	PCC

Ex Gratia Payments

3C.295 Ex gratia payments 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 Chief Constable or the PCC.

Area	Entity	Limit	Approval by
Ex Gratia Payments	PCC or Chief Constable	Up to £10,000	Chief Constable's CFO or OPCC CEO as appropriate
		£10,001 and over	PCC

3C.296 Any payment ex gratia or otherwise relating to damage or loss will be subject to the liability limits set out in 3C.289 above.

Gifts and Sponsorship

3C.297 This section of financial regulations relates to Corporate Gifts and Sponsorship only.

3C.298 Personal gifts and hospitality are recorded and managed via the Professional Standards Department for which there are specific policies. All such instances must be referred there.

3C.299 The following limits apply to the acceptance of corporate gifts and sponsorship.

Area	Entities	Limit	Approval by
Limit beyond which individual gifts, loans and sponsorship must be referred for approval.	PCC and Chief Constable	£1,000	PCC



Part 3D

Contract Standing

Orders

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Part 3D Contract Standing Orders

- Part 3A – Schedule of Roles and Responsibilities
- Part 3B – Scheme of Delegation and Consent
- Part 3C – Financial Regulations
- **Part 3D – Contract Standing Orders**
- Part 3E – Meeting Governance

Introduction and Purpose

- 3D.1 The procurement function for the Police and Crime Commissioner (PCC) for Dorset and the Chief Constable for Dorset Police is carried out by the South West Police Procurement Department (SWPPD) which was established in April 2012 to provide a procurement service to the police services of Devon and Cornwall, Dorset, Gloucestershire and Wiltshire.
- 3D.2 The procurement regulations for the SWPPD are attached as Appendix D to these Contract Standing Orders and will form the basis of the procurement regulations for Dorset.

Primary Objectives

- 3D.3 These contract standing orders govern the procedures for tenders and contracts and the relative responsibilities of the PCC and Chief Constable. These contract standing orders shall apply to all contracts entered into by or on behalf of the PCC or Chief Constable with any other person or body.
- 3D.4 The contract standing orders have four primary objectives:
- a. To ensure the PCC and Chief Constable deliver value for money.
 - b. To ensure the PCC and Chief Constable comply with legislation.
 - c. To establish procurement procedures which, when followed, should protect the PCC and Chief Constable from any allegation of acting unfairly or unlawfully which may be made in connection with any procurement undertaken.
 - d. To ensure that any risks associated with entering into a contract are assessed as part of the procurement process.
- 3D.5 These contract standing orders form part of the overall Code of Corporate Governance.

Definitions and Interpretation

3D.6 In this contract standing orders:

- a. **“PCC”** shall mean the Police and Crime Commissioner for Dorset.
- b. **“Treasurer”** is the person duly appointed by the PCC with overall responsibility for the administration of financial affairs. The Treasurer shall include such persons as the Treasurer specifically authorises for the purposes of these contract standing orders.
- c. **“Chief Executive”** is the person duly appointed by the PCC with responsibility for the general administration of the Office of the Police and Crime Commissioner (OPCC). The Chief Executive shall include such persons as the Chief Executive specifically authorises for the purposes of these contract standing orders.
- d. **“Chief Constable”** is the person duly appointed by the PCC and shall include such officers of the Police Force as the Chief Constable specifically authorises for the purposes of these contract standing orders.
- e. **“Officers”** shall mean all persons appointed by the Police Force and PCC and covers both civilian and uniformed personnel.

3D.7 Additional definitions are available in the glossary of terms in Appendix A.

General Principles

3D.8 These contract standing orders and all contracts entered into by the PCC and Chief Constable are subject to the principles outlined in legislation. The PCC and Chief Constable must comply with these principles throughout the procurement process. These principles are as follows:

- a. Contracting authorities shall treat economic operators equally and without discrimination and shall act in a transparent and proportionate manner.
- b. The design of the procurement shall not be made with the intention of excluding it from the scope of this part or of artificially narrowing competition.
- c. For that purpose, competition shall be considered to be artificially narrowed where the design of the procurement is made with the intention of unduly favouring or disadvantaging certain economic operators.

3D.9 Before any contract is made, there must be:

- a. The proper authority of the PCC and Chief Constable in accordance with the processes set out in the Authority's Financial Regulations or scheme of delegation.
- b. Adequate budgetary provision for the purpose.

Scope of Contract Standing Orders

3D.10 These orders apply to all procurement by the PCC and Chief Constable unless any such procurement is expressly excepted under these orders, or subject to an exemption (Appendix B).

3D.11 If there is any change to legislation, which affects these orders, then that change must be observed until these orders can be revised. If these orders conflict in any way with current legislation then that legislation takes precedence.

Exemptions and Exceptions

3D.12 Unless a Contract falls within the list of general exceptions set out in Appendix B it can only be exempted from these orders by an application for an exemption so long as this will not lead to a breach of legislation.

3D.13 Exemption from these contract standing orders in respect of Chief Constable's contracts shall only be accepted on the written authority of the Chief Constable with consultation with the CFO in the interests of the Force.

3D.14 Exemption from these contract standing orders in respect of PCC's contracts shall only be accepted on the written authority of the PCC in consultation with the Chief Executive in the interests of the OPCC.

3D.15 The Chief Executive of the OPCC shall maintain a register of all authorisations, including those of the Chief Constable, for exemption from these standing orders.

Officer Responsibilities

3D.16 All officers who have the authority to purchase must ensure compliance with these contract standing orders, the Financial Regulations and all relevant legislation in force in England at that time.

3D.17 An officer responsible for managing any contract must comply with the Code of Conduct and Strategy for the Prevention and Detection of Fraud and Corruption and must not invite or accept any gift or reward in respect of the award or performance of any contract.¹

¹ See paragraphs 3D.69 to 3D.70 of these contract standing orders for further details

- 3D.18 The officer must have regard for any current guidance provided by the SWPPD and the principles outlined in the National Police Procurement Strategy.
- 3D.19 The officer must establish if an Approved Contract or Framework Agreement exists before seeking to let another contract. This Approved Contract or Framework Agreement must be used unless there is an overriding reason not to. Where a non-approved contract is requested, this must be approved by SWPPD.
- 3D.20 The officer must ensure that any agent, including consultants, acting on their behalf also complies with these contract standing orders.
- 3D.21 The officer must ensure that if any employee or new contractor arrangement is affected by any transfer arrangement, such as Transfer of Undertaking Protection of Employment (TUPE) that advice is obtained from legal services and HR before proceeding.

Delegated Authority

- 3D.22 Any procurement carried out on behalf of the PCC or Chief Constable may only be undertaken by officers with the appropriate delegated authority to carry out such tasks.

Review and Amendment of Contract Standing Orders

- 3D.23 Subject to paragraph 3D.25 below any amendments to these contract standing orders are to be drawn up by the Treasurer and CFO and overseen by the Resource Control Board.
- 3D.24 The financial thresholds (in the contract standing orders) may be amended from time to time by the Treasurer and CFO reflecting changes in national price indices, statutory provisions or guidance from other bodies (e.g. HMI etc). Any such change to be approved by the Resource Control Board.

Procedure by Value of Requirement

General Principles

- 3D.25 Obtaining value for money is one of the primary objectives of the contract standing orders. The complexity of the procurement procedures that must be followed will vary depending on the value and risk of the relevant procurement.
- 3D.26 The anticipated total value of a procurement must be estimated before the relevant procurement route is determined.

3D.27 The value of a procurement must be calculated in Pounds Sterling exclusive of Value Added Tax.

3D.28 Contracts must not be artificially under or overestimated or divided into two or more specific procurements to avoid the application of the legislation.

Low Value Transactions

3D.29 Defined as transactions valued at or below the 1st threshold² for goods, services or works (shown in Appendix C) that cannot be obtained via an existing Approved Contract.

3D.30 Whilst obtaining value for money remains the primary objective multiple quotations need not be obtained provided compliance with this objective can be demonstrated.

3D.31 In the case of Works Contracts and Consultancy Contracts the use of pre agreed hourly/day rates is acceptable.

Call Off from Existing Approved Contracts

3D.32 Where the requirement can be satisfied from an existing Approved Contract then the order can be placed under that Approved Contract.

Intermediate Value Transactions

3D.33 Defined as transactions for goods, services or works valued over the first threshold but below the second threshold as defined in Appendix C.

3D.34 A risk based procurement options analysis will be undertaken to determine the most appropriate procurement route.

Transactions with a value above Threshold 3

3D.35 All purchases above threshold 3 will be procured in line with the SWPPD procurement regulations.

² The threshold levels are outlined in Appendix C and subject to review from time to time by Treasurers in accordance with paragraph 3D.24

Common Tendering Principles

Joint Procurement

3D.36 The PCC and Chief Constable have a statutory responsibility to work collaboratively with other police areas.

3D.37 Wherever possible the PCC and Chief Constable will purchase goods, services and/or works through collaborative arrangements where such cooperation is appropriate to do so.

Framework Agreements

3D.38 In line with the SWPPD procurement regulations.

Advertising

3D.39 In line with the SWPPD procurement regulations.

Pre-Qualification

3D.40 In line with the SWPPD procurement regulations.

Pre-Tender Market Research and Consultation

3D.41 In line with the SWPPD procurement regulations.

The Invitation to Tender

3D.42 In line with the SWPPD procurement regulations.

Receipt of Tenders

3D.43 In line with the SWPPD procurement regulations.

Tender Opening

3D.44 In line with the SWPPD procurement regulations.

Errors in Tenders

3D.45 In line with the SWPPD procurement regulations.

Tender Evaluation

3D.46 In line with the SWPPD procurement regulations.

Post Tender Clarification

3D.47 In line with the SWPPD procurement regulations.

Award of Contracts

3D.48 In line with the SWPPD procurement regulations.

Notification to Unsuccessful Tenderers

3D.49 In line with the SWPPD procurement regulations.

Procurement by Consultants

3D.50 No consultant shall make any decision on whether to award a contract or to whom a contract should be awarded unless specifically empowered to do so in writing by the Chief Executive or Chief Constable.

3D.51 The Authorised Officer shall ensure that the consultant's performance is monitored.

Statistical Returns

3D.52 SWPPD is required, no later than 31 July in each year, to publish contracts for purchasing returns for the assumption of openness.

Termination of Contract

3D.53 Termination of any contract may be carried out by the SWPPD in accordance with the terms of that contract and agreement of the signatory, as appropriate. However, advice must be sought from the force legal department prior to termination.

Contract and Other Formalities

Contract Documents

3D.54 All contracts must be in writing in a form approved by the Treasurer or CFO, as appropriate.

3D.55 Where the contract is for a Low or Intermediate Value, the use of an electronic or manual Purchase Order is an acceptable form of contract, which must make reference to the quotation and terms agreed.

3D.56 Contract documents must be retained for a minimum period of six years from the contract end date and, if under seal (see 4.5), for a period of twelve years.

Contract Formalities

3D.57 Contracts must be completed with the appropriate documentation and authorisation in accordance with the table in Appendix C.

3D.58 All contracts for the supply of goods and services must be completed and/or officially awarded before the supply begins, except in exceptional circumstances, and then only with the written consent of the Treasurer for the PCC's contracts and the Chief Constable for the Chief Constable's contracts.

Letters of Intent

3D.59 In exceptional circumstances and with the prior approval of the Treasurer for the PCC's contracts and the Chief Constable for the Chief Constable's contracts a letter of intent can be issued to allow work to commence in advance of contract completion.

3D.60 In the case of Works Contracts a tender acceptance letter in a form approved by the Treasurer for the PCC's contracts and the Chief Constable for the Chief Constable's contracts is acceptable in order to allow work to commence, although the issue of a formal contract must follow without delay.

Signature

3D.61 The authorised officer responsible for signing the contract must have been granted the appropriate authority, as per Appendix C, and ensure that the person signing for the other contracting party has authority to bind it.

Sealing

3D.62 The Chief Executive or Treasurer shall determine whether a contract has to be executed under seal. Examples of where a contract may be sealed include:

- a. the PCC wishes to enforce the contract for more than six years after its end (e.g. for land or construction works); or
- b. the price paid or received under the contract is a nominal price and does not reflect the value of the goods or services; or

- c. a bond is established on behalf of the contractor(s) or their guarantors;
or
- d. it is required by parties to the agreement; or
- e. the total value exceeds £1,000,000.

3D.63 Where contracts are completed by each side adding their common seal, the affixing must be attested by or on behalf of the PCC.

3D.64 The Chief Executive shall be responsible for ensuring that arrangements are made for the Common Seal of the Authority to be kept in safe custody.

Bonds and Parent Company Guarantees

3D.65 A Parent Company Guarantee or Performance Bond may be required at the discretion of the Chief Executive in consultation with the Treasurer.

3D.66 The PCC and Chief Constable must never give a bond.

Prevention of Corruption

3D.67 All officers must comply with the Police Force Code of Conduct and the Joint Anti-Fraud and Corruption Strategy and must not invite or accept any gift or reward in respect of the award or performance of any contract under the Local Government Act 1972.

3D.68 All contracts must contain an appropriate clause that provides protection and the right to terminate the contract in the event of a supplier offering any inducement, committing fraud or committing an offence under the Prevention of Corruption Acts or shall have given any fee or reward the receipt of which is an offence under sub-section (2) of section 117 of the Local Government Act 1972.

Declaration of Interests

3D.69 If it comes to the knowledge of a member or an officer of the PCC or Chief Constable that a contract, in which he or she has a pecuniary interest, has been or is proposed to be entered into by the PCC, he or she shall immediately give written notice to the Chief Executive and record it on the register of interests which shall be available during office hours for inspection.

3D.70 Officers should refer to Sections 94 to 98 and Section 117 of the Local Government Act 1972 for further clarification of the rules.

Contract Management

Managing Contracts

3D.71 Contract management is the process that enables both parties to the contract to meet their obligations in order to deliver the outputs required from the contract. It involves building a good working relationship between the parties. It continues throughout the life of the contract and involves managing proactively to anticipate future needs as well as reacting to situations that arise.

3D.72 The key objective of contract management is to obtain goods and/or services in accordance with the terms and specification as agreed in the contract and to achieve value for money. This involves balancing costs against risks and actively managing the customer-provider relationship. It also involves developing the supplier's continuous improvement capability over the life of the contract.

3D.73 Where it is appropriate to do so the PCC will nominate a designated contract manager with responsibility for service delivery management, relationship management and contract administration.

Appendix A**Glossary of Terms**

Approved Contract	A contract that has been created in accordance with these contract standing orders for call off or use by the PCC and Chief Constable. A list of contracts can be found on the Bluelight Database available via the SWPPD. If in doubt whether there is an approved contract available contact the Procurement Team.
Approved Standard Terms	Standard terms and conditions approved by the Chief Executive. Includes industry standard terms and template terms and conditions (for example JCT) set up for use by the PCC.
Authorised Officer	An officer appointed by the Police Force covering both civilian and uniformed personnel who has delegated authority to procure and/or approve contracts on behalf of the PCC in accordance with Financial Regulations and scheme of delegation.
Central Purchasing Body	<p>A public sector contracting authority that:</p> <ul style="list-style-type: none"> • Acquires supplies and or services intended for contracting authorities or • Awards contracts or concludes framework agreements for works, supplies or services intended for use by contracting authorities • Concludes framework agreements for goods, services or works intended for one or more contracting authority <p>Example of CPB's include the Office of Government Commerce Buying Solutions (OGCBS) and Central Office of Information (COI).</p>
Code of Conduct	The code regulating conduct of officers contained within the PCC's regulations.
Contract Register	The Bluelight Procurement Database (www.blpd.gov.uk).
Contractor	Same as 'Supplier' defined below.
Financial Regulations	The Financial Regulations approved by the PCC and Chief Constable.
Framework Agreement	An agreement between one or more contracting authorities and one or more supplier, the purpose of which is to establish the terms governing contracts to be awarded during a given

	period, in particular with regard to price, quality and where appropriate the quantity envisaged.
Parent Company Guarantee	A contract which binds the parent of a subsidiary company as follows: If the subsidiary company fails to do what it has promised under a contract with the PCC, the PCC can require the parent company to do so instead.
Performance Bond	An insurance policy: If the contractor does not do what it has promised under a contract with the PCC, the PCC can claim from the insurer the sum of money specified in the Bond (often 10% of the contract value). A Bond is intended to protect the PCC against a level of cost arising from the supplier's failure.
PFI	Private Finance Initiative.
PPP	Public Private Partnership.
South West Police Procurement Department	The procurement function for the Police and Crime Commissioner (PCC) for Dorset and the Chief Constable for Dorset is carried out by the South West Police Procurement Department (SWPPD).
Purchasing Cards	A Corporate Purchasing Card utilised for the purchase of low value goods and services.
Purchase Order	An electronic or manual order placed through the local approved procurement system.
Service Provider	Same as 'supplier' defined below.
Scheme of Delegation	A list of Authorised Officers who have authority to procure on behalf of the PCC in accordance with the Authority's Financial Regulations.
Supplier	Any person or public entity or groups of such persons and or bodies providing, or seeking to provide, supplies, services or works to the PCC or Chief Constable. Other terms such as contractor, service provider, and economic operator may also be used.
Tender	A written response to an Invitation to Tender.
Tenderers	Suppliers who have been invited to submit a tender to the PCC or Chief Constable.
Total Value	The whole of the value or estimated value (in money or equivalent value) for a group of similar commodities or services:

- whether or not it comprises several lots or stages across the PCC as a whole
- whether or not it is to be paid or received by the PCC as a whole or separate departments within the PCC and Chief Constable.

Value for Money	Used by the OGC, this is defined as: “...ensuring that the organisation’s procurement, projects and processes are systematically evaluated and assessed to provide confidence about suitability, effectiveness, prudence, quality, good value and avoidance of error and other waste, judged for the public sector as a whole, not just for the Accounting Officer’s organisation.
Written Quotation	Must be in letter, fax or email and must be addressed personally, containing pricing information and delivery details. Printouts of catalogues are not written quotations.

Appendix B**General Exceptions from Contract Standing Orders**

These Contract Standing Orders apply to all Goods, Services and/or Works purchased by the PCC and Chief Constable, with the following exceptions:

- a. Procurements of goods, services, or works where the procurement procedure to be followed by the PCC and Chief Constable is the subject of express legislation.
- b. Low value purchases made by an Authority authorised Purchasing Card that are subject to guidelines issued on the use of Purchasing Cards.
- c. Goods, Services or Works procured in an emergency because of a need to respond to events that were beyond the control of the PCC and Chief Constables (e.g. natural disasters such as flooding or fires) where the supply is urgently required and loss, damage, injury or serious operational problems could result from delay due to the advertising procedure.
- d. Any contract entered into by the PCC or Chief Constable under Exception (c) above should not be for a term of more than 6 months.
- e. Contracts for the acquisition and disposal of land or property that are covered by Financial Regulations and other procedures approved by the PCC and Chief Constable.
- f. Contracts for employment for staff, except where an agency is used to supply the staff.
- g. Works orders with utility infrastructure providers, e.g. Gas Mains.
- h. Where there is no effective competition for the supply as prices are fixed under statutory authority.
- i. Call off or orders placed against Approved Contracts or Framework Contracts where the procedures defined in the contract for call off are followed.
- j. Any contract which has had an exemption agreed in accordance with paragraphs 3D.12 to 3D.15.
- k. The disposal of PCC and Chief Constables Assets that are covered by the Financial Regulations and other procedures approved by the PCC and Chief Constable.

Appendix C

Financial Thresholds

Threshold and Type	Value	Relevant section	Quotation/Tender Process	Responsible for procurement	Authorised Officer
1. Low Value Transactions Goods, Services and Works	Up to £14,000	3D.29 to 3D.31	A written or electronic quotation. Demonstration of value for money	Devolved	Devolved budget holder or nominated Officer
2. Intermediate Value Transactions Goods, Services and Works	£14001 - £40,000	3D.33 to 3D.34	A risk based procurement options analysis to be undertaken to determine the most appropriate procurement route	Procurement Department	Senior Contracts Officer
3. Transactions above Threshold 2 are covered in the SWPPD Procurement Regulations.	Above £40,000				



Part 3E

Meeting

Governance

Part 3E Meeting Governance

- Part 3A – Schedule of Roles and Responsibilities
- Part 3B – Scheme of Delegation and Consent
- Part 3C – Financial Regulations
- Part 3D – Contract Standing Orders
- **Part 3E – Meeting Governance**

- 3E.1 The governance of the Force meetings and joint structured meetings with the Police and Crime Commissioner (PCC) are delivered through a series of strategic meetings chaired by a member of the Executive, who has decision making authority for their portfolio area of business.
- 3E.2 Force meetings are managed by Personal Assistants with the Executive staff office in support of effective decision-making.
- 3E.3 A similar structure is in operation within the Office of the Police and Crime Commissioner (OPCC).
- 3E.4 Each strategic meeting has terms of reference, and each meeting is captured in minutes together with any decisions and actions.
- 3E.5 All supporting papers and minutes of the meetings are published as 'Open or Closed' business subject to Freedom of Information (FOI) requirements.
- 3E.6 Sitting below the strategic meetings are a series of other meetings designed to deliver operational business and to inform the strategic decision making process.
- 3E.7 Meetings are held on a cyclical basis and terms of reference are subject to annual review to ensure their ongoing relevance and focus of the meeting.
- 3E.8 Documentation and records of decision-making meetings are retained.
- 3E.9 The chair of each strategic meeting ensures the meetings operate within the terms of reference of the meeting and in compliance with the Scheme of Governance including financial regulations.
- 3E.10 Ultimately each member of the Executive is accountable to their employer; the Chief Constable or the Police and Crime Commissioner.
- 3E.11 Governance arrangements are reviewed as part of the annual governance statement (AGS).

3E.12 The themes of good governance and how they are considered as part of the annual review of governance that culminates in the annual governance statement is attached below.

3E.13 The Independent Audit Committee terms of reference are subject to annual review by the Chair of the Independent Audit Committee in conjunction with the Chief Constable and PCC and are available to the public on the OPCC website and the Force website.

The Governance Framework

The Annual Governance Statement

Independent Audit Committee (IAC)

**The Chief Constable and
Police & Crime Commissioner**

**Executive Officers and
Senior Managers**
(supports robust
governance arrangements)

**The Treasurer and the
Chief Finance Officer**
(supports effective financial
management)

**The Chief Executive &
Monitoring Officer**
(supports legal & ethical
assurance)

The Code of Corporate Governance

Strategic Meetings

Legitimacy & Constitution

Codes of Conduct
Scheme of
Delegation
Complaints &
Misconduct
Anti-Fraud &
Corruption

Independent Office
for Police Conduct

Professional
Standards Unit

Ethics Committee

Public Engagement &
Consultation

Complaints
Resolution

Whistleblowing &
Confidential
Reporting

College of Policing
Code of Ethics

Strategic Planning

Business Analysis,
Development &
Planning
Performance
Risk Management
Business Continuity
Partnership Working
Equality & Diversity
Policy & Procedure

Annual Report

Force Management
Statement

Performance
Reports

Police & Crime
Panel

Independent Audit
Committee

Scrutiny Panels

Internal Audit
Programme &
Opinion

Risk & Assurance
Framework

Financial Management Framework

Budget Setting &
Monitoring

Financial
Regulations &
Practice

Treasury &
Investment
Strategy

Medium Term
Financial Strategy

Statement of
Accounts

External Audit
Annual Letters &
Opinion

South West Police
Procurement &
Contract Monitoring

HR Policies

Terms & Conditions
Remuneration

Establishment
Controls

Recruitment &
Retention

Training &
Leadership

Sickness
Management

Personal
Appraisals