



Office of the
Police and Crime
Commissioner
for Warwickshire



Warwickshire
POLICE

Joint Corporate Governance Framework 2024-2025

Financial Regulations

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Contents

1. Introduction

Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds. In addition, the Home Office has issued a Financial Management Code of Practice, as amended, under section 17 (6) of the Police Reform and Social Responsibility Act 2011 and section 39A (5) of the Police Act 1996 which permit the Secretary of State to issue codes of practice to Police and Crime Commissioners and Chief Constables.

Each PCC and their respective Chief Constable are established in law as a corporation sole within the 2011 Act. As such, both are enabled in law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. PCC staff are accountable to the directly elected holder of that office. The PCC and the Chief Constable are both required to appoint Chief Finance Officers. To conduct their business effectively, the PCC and Chief Constable need to ensure that they have sound financial management policies in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations.

These regulations form part of the suite of documents within the Corporate Governance Framework. Financial Regulations explain the working financial relationship between the PCC and the Chief Constable and their respective Chief Finance Officers, having regard also to the role played by the PCC's Chief Executive. These Regulations have been drawn up in such a way as to ensure that the financial matters of both organisations are conducted properly and in compliance with all necessary requirements.

They will be reviewed and approved on an annual basis to ensure they are up to date.

2. Context

The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their workforce and to provide clarity about the financial accountabilities of groups and individuals. They apply to every staff member and officer and anyone acting on their behalf and delegations are clearly articulated. All staff and police officers are expected to be aware of the information within the regulations, to understand the principles and seek clarification on anything they do not understand with either their line manager or another relevant person. Summarised information will also be made available, via Intranets or other arrangements as appropriate.

The PCC, Chief Constable and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.

The PCC is responsible for approving or amending Financial Regulations after consultation with the Chief Constable, following review by the PCC Chief Finance Officer and Force Director of Finance. More detailed Financial Instructions to supplement these Regulations, shall be issued, from time to time, by the Director of Finance after consultation with the PCC Chief Finance Officer and Chief Executive. A list of Financial Policies is provided in Appendix 1.

The PCC, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. The College of Policing Code of Ethics and values of honesty, integrity and transparency) in dealing with financial issues. Breaches of Financial Regulations may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the PCC Chief Finance Officer and/or Director of Finance who shall determine, after consulting with the OPCC Chief Executive, in the capacity of Monitoring Officer, whether the matter shall be reported to the PCC and/or Chief Constable.

Within these Regulations, references have been made to the responsibilities of the Chief Constable since most of the day to day financial management is vested with the Chief Constable staff, in particular the Director of Finance. However, where resources are under the control of the Chief Executive or PCC Chief Finance Officer, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Executive or PCC Chief Finance Officer.

Where the responsibilities of the Chief Constable, Director of Finance, Chief Executive and PCC Chief Finance Officer are detailed, they also apply to their respective staff, contractors or agents to whom particular responsibilities have been delegated. All delegations must be evidenced clearly in the scheme of delegation or the financial delegations documents, made to an appropriate level and the member of staff given sufficient authority, training and resources to undertake the duty in hand. 3. Financial Management

3.1 Roles and Responsibilities

Police and Crime Commissioner

The PCC is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of medium-term financial plans in consultation with the Chief Constable. The PCC is responsible for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes:

- Police and Crime Plan
- Medium Term Financial Plan
- Annual revenue budget

- Capital programme
- Treasury management strategy, including the annual investment strategy
- Asset management strategies
- Risk management strategy
- Governance policies

The PCC is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions. The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.

Chief Constable

To help ensure the effective delivery of policing services the Chief Constable has day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC. The Chief Constable must ensure that the financial management of the Force's allocated budget remains consistent with the objectives and conditions set by the PCC and will be held to account for the effective financial management of the force. The Chief Constable will discharge this through the Director of Finance who will lead for the force on financial management.

When the Chief Constable intends to make operational changes with financial implications or seeks to move or reallocate budgets then the approval of the PCC should be sought.

The Chief Constable shall hold the Director of Finance to account in ensuring that all financial processes are appropriately documented and communicated.

Joint Audit and Standards Committee

The Home Office Financial Management Code of Practice states that the PCC and Chief Constable should establish a joint independent audit committee. This should be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable. This committee will advise the PCC and the Chief Constable according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In establishing the Joint Audit and Standards Committee the PCC and Chief Constable shall have regard to CIPFA Guidance on Audit Committees.

The Joint Audit and Standards Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis. The Committee shall comprise between four and six members who are independent of the PCC and the Force, appointed by the PCC on contracts for services. The PCC and Chief Constable shall be represented at all meetings of the Joint Audit and Standards Committee.

PCC Chief Finance Officer

The PCC Chief Finance Officer has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer. The statutory responsibilities are set out in:

- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011
- Section 151 Local Government Finance Act 1972
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
- The Accounts and Audit Regulations 2011

The PCC Chief Finance Officer is the PCC's professional adviser on financial matters and shall be responsible for:

- ensuring that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date.
- ensuring regularity, propriety and value for money in the use of public funds.
- ensuring that funding required for agreed programmes is available from central Government, council tax precept and other contributions.
- reporting to the PCC, the Police and Crime Panel and to the external auditor.
- any unlawful, or potentially unlawful, expenditure by the PCC or OPCC staff.
- identifying and taking action when expenditure is likely to exceed resources available.
- advising the PCC on the robustness of the estimates and the adequacy of financial reserves.
- preparing the annual statements of account, in conjunction with the Director of Finance.
- ensuring the provision of an effective internal audit service, in conjunction with the Director of Finance
- securing the provision of an effective treasury management function, including loans and investments.
- advising, in consultation with the Chief Executive on the safeguarding of assets, including risk management and insurance.
- arranging for the determination and issue of the precept.
- liaising with the external auditor.
- 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.

The PCC Chief Finance Officer has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Force on

expenditure and preparing each year, in accordance with proper practices, a statement of the PCC's accounts, including group accounts.

The PCC Chief Finance Officer, in consultation with the Chief Executive, Director of Finance and/or Chief Constable as appropriate, is given powers to institute any proceedings or take any action necessary to safeguard the finances.

The PCC Chief Finance Officer is the PCC's professional adviser on financial matters. To enable the fulfilment of these duties and to ensure the PCC is provided with adequate financial advice the PCC Chief Finance Officer:

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

Director of Finance

The Director of Finance is the Chief Constable's Chief Finance Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer. The Director of Finance is responsible to the Chief Constable for all financial activities within the Force or contracted out under the supervision of the Force.

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

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

The Director of Finance is responsible for:

- ensuring that the financial affairs of the Force are properly administered and that these financial regulations are observed and kept up to date.
- reporting to the Chief Constable, the PCC, the PCC Chief Finance Officer and to the external auditor.
- any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable.

- identifying and taking action when expenditure is likely to exceed resources available.
- advising the Chief Constable on value for money in relation to all aspects of the force's expenditure.
- advising the Chief Constable on the soundness of the force budget.
- liaising with the external auditor.
- working with the PCC Chief Finance Officer and their staff to produce the statements of accounts.

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

The Director of Finance is the Chief Constable's professional adviser on financial matters. To enable them to fulfil these duties they:

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

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

Chief Executive

The Chief Executive is responsible for the leadership and general administration of the PCC's office and is the designated Head of Paid Service and Monitoring Officer. In the capacity of Monitoring Officer, the Chief Executive is responsible for:

- ensuring the legality of the actions of the PCC and OPCC staff.
- ensuring that procedures for recording and reporting key decisions are operating effectively.
- advising the PCC and other stakeholders about who has authority to take a particular decision.

- advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.
- advising the PCC on matters relating to standards of conduct.

3.2 Financial Management Standards

It is important that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met. The PCC Chief Finance Officer and Director of Finance should:

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

3.3 Accounting Records and Returns

Maintaining proper accounting records is one of the ways in which the PCC and Chief Constable will discharge their responsibility for stewardship of public resources. The PCC and Chief Constable have a statutory responsibility to prepare their own annual accounts to present fairly their operations during the year. These are subject to external audit. This audit provides assurance that the separate sets of accounts have been prepared in accordance with proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of resources. A Statement of Accounts will be prepared annually.

Responsibilities

<p>PCC Chief Finance Officer and Director of Finance - jointly</p>	<ul style="list-style-type: none"> • To determine the accounting procedures and records, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures. All employees shall operate within the required accounting policies and published timetables. • To make proper arrangements for the audit of the PCC's, the Force's and Group accounts in accordance with the Accounts and Audit Regulations 2011. • To ensure that all claims for funds including grants are made by the due date.
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	<ul style="list-style-type: none"> • To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis. • To make arrangements for the preparation and publication of the audited accounts in accordance with the statutory timetable.
Director of Finance	<ul style="list-style-type: none"> • To obtain the approval of the PCC Chief Finance Officer before making any fundamental changes to accounting records and procedures or accounting systems. • To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis. • To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.

3.4 Annual Statement of Accounts

The PCC and Chief Constable have a statutory responsibility to prepare their own accounts to present fairly their operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The accounts will comprise separate statements for the PCC, Chief Constable as well as group accounts covering both entities.

The PCC and Chief Constable are responsible for approving their own annual accounts and the Group accounts. The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of resources.

Under the National Audit Office (NAO) Code of Audit practise the external auditors are also required to consider whether the PCC and Chief Constable have put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. They will undertake an audit each year to make these assessments, usually alongside the audit of the financial statements and will report their findings in a separate published Annual Auditors report.

Responsibilities

PCC and Chief Constable - jointly	<ul style="list-style-type: none"> • To consider and approve their annual accounts in accordance with the statutory timetable.
PCC Chief Finance Officer and Director of Finance - jointly	<ul style="list-style-type: none"> • To agree and publish the timetable for final accounts preparation, in consultation with the external auditor and to share this with the appropriate employees.

	<ul style="list-style-type: none"> • To select suitable accounting policies and apply them consistently. • To make judgements and estimates that are reasonable and prudent. • To comply with the Code of Practice on Local Authority Accounting. • To prepare, sign and date the separate statement of accounts, stating that they present fairly the financial position of the PCC, Force and Group at the accounting date and their income and expenditure for the financial year just ended. • To make arrangements to publish the approved audited accounts each year, in accordance with the statutory timetable.
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4. Financial Planning

The PCC and Chief Constable run complex organisations, responsible for delivering a range of policing and community safety related activities. They need to develop systems to enable resources to be allocated in accordance with priorities. Financial planning is essential if they are to function effectively.

The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives. The planning process should be continuous and the planning period should cover a minimum period of 5 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows the PCC and CC to plan, monitor and manage the way funds are allocated and spent.

It is recognised that the impact of financial planning in the police service will be constrained by the quality and timeliness of information made available by central government on resource allocation, and from other organisations. Networks and partnership working will be developed to ensure that information is disseminated in as timely a manner as possible.

4.1 Financial Strategy

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

Responsibilities

PCC	<ul style="list-style-type: none"> • To approve annually the financial strategies.
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PCC Chief Finance Officer and Director of Finance - jointly	<ul style="list-style-type: none"> To review and update, on an annual basis, the financial strategies.
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Medium Term Financial Planning

The PCC and Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing a medium term (minimum 5 years) financial plan and capital programme. When preparing the MTFP the PCC shall have due regard to:

- the Police and Crime Plan
- policy requirements approved by the PCC as part of the policy framework
- the strategic policing requirement
- unavoidable future commitments, including legislative requirements
- initiatives already underway
- revenue implications of the capital programme and CIPFA’s Prudential Code for Capital Finance in Local Authorities
- proposed service developments and plans which reflect public consultation
- the need to deliver efficiency and/or productivity savings
- affordability
- impact on multiple years
- government grant allocations
- risk management and the use of reserves
- potential implications for local taxpayers

Responsibilities

PCC	<ul style="list-style-type: none"> To identify and agree, in consultation with the Chief Constable and other relevant partners and stakeholders, a medium-term financial plan (MTFP) which includes funding and spending plans for both revenue and capital, and detail on the anticipated reserve levels.
PCC Chief Finance Officer and Director of Finance - jointly	<ul style="list-style-type: none"> To determine the format and timing of the medium-term financial plans to be presented to the Chief Constable and the PCC. The format is to comply with all legal requirements. To prepare a medium-term financial plan in consultation with the Chief Constable, PCC and other stakeholders and Partners To prepare and monitor a medium term forecast of potential resources, including options for the use of

	<p>reserves and assumptions about future levels of government and precept funding.</p> <ul style="list-style-type: none"> • Where a gap is identified between available resources and required resources, the Chief Constable should set out a priority list of requirements to enable the PCC to make informed judgements as to future funding levels and planning the use of resources.
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Annual Revenue Budget

The revenue budget provides an estimate of the annual income and expenditure requirements of the force and OPCC, in addition to setting out the financial implications of the PCC’s strategic priorities. 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.

The PCC must consult with the Chief Constable and should consult with other relevant partners and stakeholders in planning the overall annual budget.

The annual budget to deliver the Police and Crime Plan forms part of the Medium Term Financial Plans and it must include as a minimum, the overall annual revenue budget, the council tax requirement, the annual capital budget and the impact of the annual budget on the priorities and funding of future years, as set out in the Police and Crime Plan and Medium Term Financial strategy.

The annual revenue budget will take into consideration funding from government and from precept. The proposed precept will be issued by the PCC, based on the Police and Crime Plan, Medium Term Financial Plan, tax base information, central government funding, and the draft budgetary work. The procedures and timetable for setting the precept is set out in the Police and Crime Panel (Precepts and Chief Constable Appointment) Regulations 2012.

The following factors must be taken into account by the PCC’s Chief Finance Officer when producing the annual budget – the funding available; the requirement to balance the need of the policing service against the level of local taxation; and the statutory requirement to produce a balanced budget (Section 25 of the Local Government Act 2003).

Responsibilities

PCC	<ul style="list-style-type: none"> • To agree the planning timetable with the Chief Constable, the director of finance and the PCC’s Chief Finance Officer. • To obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates.
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	<ul style="list-style-type: none"> • To present the proposed budget and council tax recommendations to the Police and Crime Panel. • To approve the annual revenue budget including any contribution to or from reserves. • To determine if required the establishment of annual ring fenced or cash limited revenue budgets for specific purposes such as for one or more departments, services, local policing areas or specific projects.
PCC Chief Finance Officer	<ul style="list-style-type: none"> • To determine the format of the revenue budget to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA. • To obtain timely and accurate information from billing authorities on the council taxbase and the latest surplus/deficit position on collection funds to inform budget deliberations. • To advise the PCC on the appropriate level of general and earmarked reserves or provisions to be held. • To submit a report to the PCC on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities. These indicators shall be consistent with the annual revenue budget and capital programme approved by the PCC. This report will be published on the PCC's website together with the agreed budget. • Upon approval of the annual budget, to submit the council tax requirement return to central government and precept requests to appropriate bodies in accordance with the legal requirement. • To produce and publish on the website, in accordance with statutory requirements and best practice, council tax information.
Director of Finance	<ul style="list-style-type: none"> • To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PCC Chief Finance Officer. • To submit draft budget proposals to the Chief Constable's Senior Leadership Team to obtain approval from the Chief Constable. • To submit estimates in the agreed format to the PCC for approval.

4.2 Budgetary Control

Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling both the PCC and CC to review and adjust their budget targets during the financial year. It also provides the mechanism that ensures accountability for the managers responsible for defined elements of the budget.

The key controls for managing and controlling the revenue budget are that:

- there is a nominated budget manager for each cost centre heading who is accountable for all spending, income and contracts associated with the budgets under their direct control; and
- the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures.

Delegated budgets are assigned to Budget Managers, in respect of their job role. They are aligned as closely as possible to the decision making process that commits expenditure. The finance team provides training using a variety of methods, on the financial systems, financial management and forecasting, and has instigated a process to identify when postholders change. Each budget holder will be allocated a finance contact or business partner who will meet with them regularly and be their main point of contact on any financial matter. Written documentation is also available for budget holders to access to support understanding of their financial responsibilities.

Revenue Monitoring

By continuously identifying and explaining variances against budgetary targets, the organisation can identify changes in trends and resource requirements at the earliest opportunity. The PCC, and Chief Constable through the Director of Finance, will operate within an annual cash limit, approved when setting the annual budget. This cash limit and the virement rules contained in these regulations are financial controls which will mitigate against a budgetary overspend.

Responsibilities

<p>Director of Finance</p>	<ul style="list-style-type: none"> • To provide appropriate financial information on an accurate and timely basis to enable budgets to be monitored effectively. • To ensure that each element of income or expenditure has a nominated budget manager to take responsibility for that part of the budget, including forecasting and that budget holders have access to financial information and support to execute their duties. Budget responsibility should be aligned as closely as possible to the decision-making process that commits expenditure.
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	<ul style="list-style-type: none"> • To ensure that total spending remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Constable and the Director of Finance, both the PCC and PCC Chief Finance Officer shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the PCC. The same responsibilities apply to the Chief Executive and the PCC Chief Finance Officer for any budgets under their control. • To ensure that relevant spending remains within any annual ring fenced or cash limited revenue budgets that the PCC has established. • To submit a budget monitoring report to the Chief Constable’s Senior Leadership Team and PCC on a regular basis throughout the year, containing the most recently available financial information. The reports shall be in a format agreed with the PCC and PCC Chief Finance Officer.
PCC Chief Finance Officer	<ul style="list-style-type: none"> • To provide budget information to the Police and Crime Panel or their designated sub-group, as necessary, containing the most recently available financial information in a format agreed with the Director of Finance.
Budget Holders	<ul style="list-style-type: none"> • To ensure they are aware of, and comply with, proper financial management standards, including these Financial Regulations. • To prepare forecasts of income and expenditure against the budget and ensure that total spending remains within the overall allocation of resources they have received and take corrective action where significant variations are forecast. • To ensure that relevant spending remains within any annual ring fenced or cash limited revenue budget which they are responsible and accountable for.

Virement

A virement is an approved reallocation of resources between budgets or budget lines (called heads of expenditure). The use of virements is intended to enable proper financial management at service and organisational level with a degree of flexibility within the overall policy framework to provide the opportunity to optimise the use of resources to emerging needs.

The overall budget is agreed by the PCC and any variation from this scheme requires the approval of the PCC. The scheme of virement is administered by the PCC Chief Finance Officer / Director of Finance in accordance with the limits set out within Financial Regulations. The PCC Chief Finance Officer / Director of Finance shall ensure that any virement is undertaken as necessary to maintain the accuracy of budget monitoring.

- No virement may exceed the annual budget, less any expenditure, less known or expected commitments for the remainder of the year.
- No virement shall be permitted between the major budget headings without the prior approval of the PCC and PCC Chief Finance Officer.
- Virement decisions must not lead to additional spending, ongoing commitments or substantive changes in policy without the prior approval of the PCC.
- Virements from revenue to capital are permissible subject to the conditions listed above.
- No virements are permissible from capital.
- Significant virements affecting annual ring fenced or earmarked revenue budgets are to be agreed by the PCC.
- Virements can be approved by the PCC Chief Finance Officer / Director of Finance where the additional expenditure is fully reimbursed by another body or is self-financing.

The Chief Constable should seek the approval of the PCC:

- Where a virement might create an additional future year or continuing commitment. Revenue expenditure can only be funded from revenue funding.
- Where a change in policy would create an additional financial liability beyond the level of the current budget.
- Where a virement changes a public facing or politically sensitive element of the service.
- Where a virement is undertaken for the purpose of commissioning a service from another organisation.
- Where a virement seeks to transfer funding between pay and non-pay budgets in respect of police officer pay.

4.3 Capital Programme

Capital expenditure involves acquiring, enhancing or disposing of fixed assets with a long-term value such as land, buildings, ICT and major items of plant, equipment or vehicles. Capital planning supports the way services are delivered in the long term and may create long term financial commitments in the form of financing costs and revenue running costs.

The organisation is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. CIPFA's Prudential code sets out the

framework under which the PCC will consider their spending plans. The capital programme is part of the approved medium term financial plan.

Responsibilities

PCC	<ul style="list-style-type: none"> To approve the estates and asset management strategies To approve the annual capital budget and medium term capital programme and how it is to be financed.
Chief Constable	<ul style="list-style-type: none"> Ensure accountability of budget managers for capital spend under their control.
PCC Chief Finance Officer and Director of Finance - jointly	<ul style="list-style-type: none"> To prepare a financial strategy for consideration and approval by the PCC in consultation with the Chief Constable

Medium Term Capital Programme

The Chief Constable in conjunction with the Director of Finance, will prepare a five-year programme of proposed capital expenditure for approval by the PCC, as part of the annual budget process. This programme will be based on required investments over the period in line with the asset management strategy.

For projects where the specific works have not been fully identified at the time of setting the budget and mid-term capital programme, an estimated charge will be included in the five-year capital programme for approval. However, final approval for the works, prior to their commencement, will require more detailed work and costings, outlined in a business case to be prepared for approval by the PCC. This approval will enable the allocation of funds to the specific project, within the capital programme.

The PCC’s Chief Finance Officer, in consultation with the Director of Finance, must identify available sources of funding for the medium-term capital programme including the identification of potential capital receipts from the disposal of assets. The PCC will apply the principles set out in the CIPFA prudential code on capital expenditure and borrowing, to test the affordability of the Medium-Term capital plans.

The Medium-Term Capital Programme must specifically address the interdependencies between the revenue and capital budgets, and the asset management strategy and will be an integral part of the overall Medium Term Financial Plan

Responsibilities

PCC	<ul style="list-style-type: none"> To approve a fully funded medium term capital budget and capital strategy
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PCC Chief Finance Officer	<ul style="list-style-type: none"> • To make recommendations to the PCC on the most appropriate level of revenue support, application of reserves, and appropriate levels of borrowing under the Prudential Code, and other funding, to support the capital budget and to prepare an annual capital strategy. • To determine the format of the MTFP, including a medium term capital programme and financing.
Director of Finance	<ul style="list-style-type: none"> • To prepare a medium-term capital plan for presentation to the Chief Constable’s senior team and for the PCC. This must include full details on the financing of that programme, including the relationships and implications for the MTFP. • To prepare a fully costed plan for all projects for submission to the PCC and PCC Chief Finance Officer for consideration and inclusion in the Final Medium Term Financial Plan. These appraisals will include all revenue and capital costs. • Each capital project shall have a named officer responsible for sponsoring the project, monitoring progress, ensuring completion of the project and post implementation review. • To identify, and consider the application of, in consultation with the PCC Chief Finance Officer, available sources of funding for the capital programme, including the identification of potential capital receipts from disposal of property. • A gap may be identified between available resources and required capital investment. Requirements should be prioritised by the Chief Constable to enable the PCC to make informed judgements as to which projects should be included in the capital programme budget, the minimum level of funding required for each scheme and the potential phasing of capital expenditure. • All projects within the capital projects plan should incorporate realistic estimates of future price inflation, although the capital budget may be a cash limited. • To ensure that no finance leases or other credit arrangements are entered into without the prior approval of the PCC Chief Finance Officer.

Monitoring of Capital Expenditure

Responsibilities

PCC Chief Finance Officer	<ul style="list-style-type: none"> • To provide a capital budget monitoring update for presentation to the Police and Crime Panel or their designated sub-group, as necessary, containing the most recently available financial information in a format agreed with the Director of Finance.
PCC Chief Finance Officer and Director of Finance - jointly	<ul style="list-style-type: none"> • To report on the outturn of capital expenditure as part of the annual report on the statutory accounts. • As part of the annual budgeting process to review the funding proposals for the capital programme to take account of the current economic circumstances and if necessary, make revised funding proposals to the PCC. • To ensure that adequate monitoring of capital expenditure and projects is undertaken, to understand the implications for financing capital expenditure and any implications on the revenue account. This should be undertaken on a quarterly basis as a minimum.
Director of Finance	<ul style="list-style-type: none"> • To ensure that adequate records are maintained for all capital contracts. • To monitor expenditure throughout the year against the approved budget. However, budget holders are responsible for preparing forecasts of expenditure, drawing on financial information and support provided by the Director of Finance. • To submit capital monitoring reports to both the Chief Constable's Senior Team and the PCC on a quarterly throughout the year. These reports are to be based on the most recently available financial information. The reports shall be in a format agreed by the PCC and PCC Chief Finance Officer. • To input into the preparation a business case for all new capital schemes for submission to the PCC for consultation and approval, by providing assurance on the financial content of the business case. Amendments to the programme that increase its overall cost must demonstrate how such changes are to be funded and what benefits will be delivered.

4.4 Maintenance of Balances and Reserves

Reserves are maintained as a matter of prudence, and to manage risk. All reserves are owned by the PCC. They enable the organisation to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.

The proposed use of reserves will be specified in the budget and should form part of regular budget monitoring reports.

Responsibilities

PCC	<ul style="list-style-type: none"> • To approve the Reserves Strategy • To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established. • To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.
Chief Constable	<ul style="list-style-type: none"> • To report to the PCC unforeseen expenditure on major operations which will be funded from the operational reserve. Expenditure cannot exceed the reserve value.
PCC Chief Finance Officer	<ul style="list-style-type: none"> • To advise the PCC on appropriate levels of balances and reserves to reflect medium and long term financial risks faced. • To report to the PCC on the adequacy of reserves and balances before the PCC approves the annual budget and council tax. • To prepare a reserves strategy in conjunction with the Director of Finance. • To approve appropriations to and from each earmarked reserve. These will be separately identified in the Annual Statement of Accounts.
Director of Finance	<ul style="list-style-type: none"> • To ensure in consultation with the Chief Constable that the annual revenue budget is sufficient to finance foreseeable operational needs, and to seek approval otherwise. • To present business cases to the PCC and PCC Chief Finance Officer where expenditure is required from reserves for one-off items.

5. Management of Risks and Resources

5.1 Risk Management and Business Continuity

It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks. This should include the proactive participation of all those associated with planning and delivering services.

All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure its continued corporate and financial wellbeing. In essence it is, therefore, an integral part of good business practice.

Responsibilities

<p>PCC and Chief Constable</p>	<ul style="list-style-type: none"> • The PCC and Chief Constable must approve their organisations’ Risk Management Strategies.
<p>Director of Data, Strategy and Technology</p>	<ul style="list-style-type: none"> • To prepare the risk management policy statement for promoting a culture of risk management awareness and reviewing risk as an ongoing process. • To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis. • To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis. • To ensure that a comprehensive risk register is produced for the Force and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or eradicate the identified risk. • To regularly report the risk register to the Joint Audit and Standards Committee. • To regularly review the risk management process and risk register for the force.
<p>Director of Finance</p>	<ul style="list-style-type: none"> • To advise the PCC and Chief Constable on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken. • To ensure that appropriate insurance cover is provided. • To ensure that claims made against insurance policies are made promptly.

	<ul style="list-style-type: none"> To ensure that employees, or anyone covered by the insurance policies, are instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
PCC Chief Finance Officer	<ul style="list-style-type: none"> To provide advice to the PCC on the arrangements for insurance. To hold an insurance reserve which is deemed sufficient for managing the risks associated with self-insurance and any potential liabilities. To regularly report the risk register to the Joint Audit and Standards Committee. To ensure that a risk management policy and register is in place for the OPCC, which is reviewed regularly.
Chief Executive	<ul style="list-style-type: none"> To evaluate and authorise any terms of indemnity that we are requested to give by external parties, when using a supplier's contract terms and conditions.

5.2 System of Internal Control

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

The organisation is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. The organisation has statutory obligations, and, therefore, requires a system of internal control to identify, meet and monitor compliance with these obligations.

The organisation faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. A system of internal control is necessary to manage these risks. The system of internal control is established in order to provide achievement of:

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

Responsibilities

Chief Executive and Chief Constable	<ul style="list-style-type: none"> To produce a joint Annual Governance Statement for consideration and approval by the PCC. Following approval, the Annual Governance Statement should be
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	signed by the Chief Executive, Chief Constable and PCC.
PCC Chief Finance Officer and Director of Finance	<ul style="list-style-type: none"> • To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems. • To implement effective systems of internal control. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively. • To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.

5.3 Audit Requirements

Joint Audit and Standards Committee

The purpose of an Audit Committee is to provide those charged with governance (i.e. the PCC and Chief Constable) independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By providing independent oversight and feeding back on the work of internal and external audit the Committee makes an important contribution to ensuring that effective assurance arrangements are in place.

Internal Audit

Internal audit is an assurance function that provides an independent and objective opinion to the organisation on the internal control environment, by evaluating its effectiveness in achieving the organisation’s objectives. It objectively examines, evaluates and reports on the adequacy of the internal control environment as a contribution to the proper, economic, efficient and effective use of resources.

The requirement for an internal audit function for local authorities is either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities “make arrangements for the proper administration of their financial affairs”. In the Police Service the PCC and Chief Constable are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit Regulations 2011 (as amended) which state that a “relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper

practices in relation to internal control". The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the Public Sector Internal Audit Standards and associated Local Government Application note.

In fulfilling this requirement the PCC and Chief Constable should have regard to these standards as well as the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA, which sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.

In addition to enabling the PCC and the Chief Constable to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, Internal Audit is needed:

- to satisfy the PCC and the Chief Constable that effective internal control systems are in place; and
- to satisfy the external auditor that financial systems and internal controls are effective and that the Police Fund is managed to secure value for money.

The PCC should draft Terms of Reference for Internal Audit which will include but are not limited to the following key activities and responsibilities:

- advising the PCC and Chief Constable on the appropriate arrangements for internal audit and approving the Internal Audit Strategy
- considering and offering feedback (but not directing) the internal audit annual programme
- overseeing and giving assurance to the PCC and Chief Constable on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk
- considering the Head of Internal Audit's Annual Report and annual opinion on the internal control environment for the PCC and Force; ensuring appropriate action is taken to address any areas for improvement.
- reviewing and monitoring the effectiveness of policies on fraud, irregularity and corruption
- scrutinising the draft statement of accounts and annual governance statements prior to publication.

The annual Internal Audit Strategy and Plan will detail:

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

Responsibilities

PCC and Chief Constable – jointly	<ul style="list-style-type: none"> • To ensure the provision of an adequate and effective internal audit service. • To prepare and present the Internal Audit Strategy to the JASC for approval. • To prepare and sign annual letters of representation and submit to the external auditor.
JASC	<ul style="list-style-type: none"> • To consider and provide advice on the terms of reference within which internal audit operates • To consider and provide feedback on the internal audit plan, strategy and progress on delivering the audit plan.
PCC Chief Finance Officer and Director of Finance	<ul style="list-style-type: none"> • To ensure that internal auditors, having been security cleared to the appropriate levels, have the authority to: <ul style="list-style-type: none"> - directly access appropriate officers, managers and staff. - access premises, assets, records, documents, correspondence, control systems and appropriate personnel. - receive any information and explanation considered necessary concerning any matter under consideration. - require any employee to account for cash, stores or any other asset under their control. - access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
Head of Internal Audit	<ul style="list-style-type: none"> • To prepare - in consultation with the PCC, Chief Constable, PCC Chief Finance Officer and Director of Finance - an annual audit plan that conforms to the CIPFA Code of Practice, for consideration by JASC, and to be approved by the Chief Constable and PCC. • To attend JASC and present reports on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered. • To present an annual report to JASC including an opinion on the effectiveness of the internal control environment.
Heads of Service for business areas	<ul style="list-style-type: none"> • To consider and respond promptly to control weaknesses, issues and recommendations in audit reports and ensure that all critical or significant agreed

	actions arising from the audit are carried out in accordance with the agreed action plan included in each report.
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External Audit

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.

The PCC Chief Finance Officer and Director of Finance should work closely with the external auditor in developing the external audit plan.

The PCC should use the reports of both the internal and external auditors to aid its monitoring role and to ensure that all agreed policies and practises are being implemented and adhered to by the force.

The external auditors objectives as set out in the code of audit practice are to review and report upon:

- the financial aspects of the audited body’s corporate governance arrangements.
- the audited body’s financial statements.
- aspects of the audited body’s arrangements to secure Value for Money.

In auditing the annual accounts the External Auditor must satisfy themselves that:

- the accounts are prepared in accordance with the relevant regulations.
- they comply with the requirements of all other statutory provisions applicable to the accounts.
- proper practices have been observed in the compilation of the accounts.
- the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.

The External Auditor has rights of access to all documents and information necessary for audit purposes, and must therefore be appropriately security cleared.

Responsibilities

JASC	<ul style="list-style-type: none"> • To consider and comment on the annual work plan and fee. • To receive and respond to the audit findings report. • To receive the annual audit report and • To consider and comment on the letters of representation prior to signature.
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PCC Chief Finance Officer and Director of Finance - jointly	<ul style="list-style-type: none"> • To liaise with the external auditor and advise the PCC and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit. • To publish the annual audit findings report, and the auditors annual report. • To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance. • To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.
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5.4 Preventing Fraud and Corruption

The organisation will not tolerate fraud or corruption in the administration of its responsibilities, whether from internal or external sources. The PCC, Chief Constable and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices. The organisation also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity.

Responsibilities

PCC and Chief Constable	<ul style="list-style-type: none"> • To each approve and adopt a policy on registering of interests and the receipt of hospitality and gifts. • To maintain an effective anti-fraud, anti-corruption and anti-money laundering policy. • To ensure that adequate and effective internal control arrangements are in place. • To maintain a policy and register for the registering of interests and the receipt of hospitality and gifts including the PCC, police officers and police staff including where gifts and hospitality have been declined. • To maintain a whistle blowing policy to provide a facility that enables people to make allegations of fraud, misuse and corruption, in confidence, and without recrimination, to an independent contact. To publicise such a policy. • To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by all elected or appointed representatives and employees.
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5.5 Assets

The PCC will own and fund all assets regardless of whether they are used by the PCC, the force or both bodies. The Chief Constable is responsible for the direction and control of the Force and will therefore have day-to-day direction and control of many of these assets. The PCC will consult the Chief Constable in planning the budget and developing a medium term financial plan. Both these processes will involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

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

Asset valuations

An up-to-date asset register for all fixed assets with a value in excess of the limits shown below, must be kept in a form approved by the PCC Chief Finance Officer. All assets are to be recorded when they are acquired and included on the register. Assets shall remain on the asset register until disposal, and accounted for and valued in accordance with the Code of Practice on Local authority Accounting in the United Kingdom: A Statement of Recommended Practice and the requirements specified by the PCC Chief Finance Officer

Land & Buildings	All values
Vehicles	All values
ICT hardware	All values
Plant & Equipment	£10,000 the de minimis capital level

Inventories

Inventories must be maintained in a format approved by the PCC Chief Finance Officer that record an adequate description of items, along with any other associated details, with a value in excess of £1,000. Other items of equipment should also be recorded if they are deemed to be both desirable and portable (e.g. laptops).

Inventories should be reviewed annually to ensure that records are accurate, and to verify the location, the working order and to consider the condition of the item. These checks should be undertaken by relevant budget holders, and verified independently. Records of the checks should be retained, and available for review by the PCC if required.

Stocks

The Chief Constable should make arrangements for the care, custody and control of stocks. Stocks if kept, are to be maintained at reasonable levels so as to balance the need for availability and the risk of obsolescence.

Discrepancies between stock levels up to £20,000 can be written off by the Director of Finance, any levels above this should be referred to the PCC.

Responsibilities

PCC	<ul style="list-style-type: none"> To approve an estates asset management plan, including in relation to disposals.
Chief Constable	<ul style="list-style-type: none"> To ensure that inventories are maintained in a format approved, as appropriate, by the PCC Chief Finance Officer and Director of Finance that record an adequate description of items with a value in excess of £1,000. Other items of equipment should also be recorded if they are deemed to be both desirable and portable (e.g. laptops).
Chief Executive	<ul style="list-style-type: none"> To ensure that an estates strategy is produced and presented to the PCC for approval. This will form part of the development of the capital programme and the annual budget process. To ensure that the property portfolio is managed in accordance with the agreed estates asset management plan and within budgetary provisions.
PCC Chief Finance Officer and Director of Finance	<ul style="list-style-type: none"> To ensure that income received for the disposal of an asset is properly banked and accounted for. To ensure that appropriate accounting entries are made to remove the value of disposed assets from the records and to include the sale proceed if appropriate.
Director of Finance	<ul style="list-style-type: none"> To ensure asset registers are maintained to meet the requirements under the financial reporting standards, in a form approved by the PCC Chief Finance Officer. Assets are to be recorded when they are acquired. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the <i>Code of Practice on Local Authority Accounting in the United Kingdom</i> and the requirements specified by the PCC Chief Finance Officer. <p>To ensure that:</p> <ul style="list-style-type: none"> - assets and records of assets are properly maintained and securely held and that contingency plans for the

	<p>security of assets and continuity of service in the event of disaster or system failure are in place</p> <ul style="list-style-type: none"> - lessees and other prospective occupiers of our land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate - title deeds to property are held securely - no asset is subject to personal use by an employee without proper authority - valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to the organisation - assets no longer required are disposed of in accordance with the law and the regulations of the organisation; - To make arrangements for the care, custody and control of the stocks and stores and to maintain detailed stores accounts in a form approved by the PCC Chief Finance Officer. - To undertake a complete stock check at least once per year either by means of continuous or annual stock take. The stock take shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change. - Discrepancies between the actual level of stock and the book value of stock may be written-off, in line with the values agreed in the financial delegations. - To write-off obsolete stock, in consultation with the PCC Chief Finance Officer. - To dispose of assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, this can only be done with the agreement of the PCC Chief Finance Officer. - All asset disposals shall be recorded in the asset register or inventory as appropriate.
<p>Director of Enabling Services</p>	<ul style="list-style-type: none"> • To maintain asset registers to control use and access to assets and ensure data is available for business purposes. • A fleet management strategy is produced and presented to the PCC annually for consideration in September and final approval in March each year. This will form part of

	the development of the capital programme and annual budget process
Director of Data, Strategy and Technology	<ul style="list-style-type: none"> • An ICT strategy is produced and presented to the PCC for consideration and endorsement. This will form part of the development of the capital programme and annual budget process. • All employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of the Data Protection Act and software copyright legislation • All employees are aware of their responsibilities with regard to safeguarding the security of ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

Intellectual Property

Intellectual property is a term that refers to anything that has been created such as inventions, software, know how and the written word. Intellectual property is protected by law with various acts of Parliament covering different types of intellectual property. Certain activities undertaken may give rise to works that could attract intellectual property rights, for example, software.

It is policy that if any intellectual policy is created by the employee during the course of employment will belong to the employer, not the employee. ..

In the event that the organisation decides to become involved in the commercial exploitation of any intellectual property, the matter should only proceed after seeking legal advice.

Responsibilities

Chief Constable and PCC - jointly	<ul style="list-style-type: none"> • To approve the intellectual property policy
Chief Constable and Chief Executive	<ul style="list-style-type: none"> • To ensure that employees are aware of these procedures. • To prepare guidance on intellectual property procedures and ensuring that employees are aware of these procedures.

Disposals

It is a PCC decision to dispose of surplus land and buildings.

When making any decision to dispose of other 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 Chief Constable, but the final decision will be a matter for the PCC, and the timing will be when in the best interests of the PCC and in the most economically advantageous way. This is likely to be by public auction, except where:

- a. Better value for money is likely to be obtained by inviting quotations or tenders; or
- b. The prior approval of the PCC has been obtained to the selling of specified items on an auction website such as eBay; or
- c. Specific disposal procedures have been agreed by the PCC for certain types of assets.

Goods or assets may be disposed of via public auction, including electronic auctions, without further specific consent provided the following conditions are met;

- a. The PCC or the force owns the item and has the right to sell it
- b. Appropriate market research has been carried out to establish the estimated value of the item and verified by procurement
- c. The estimated value of the item to be auctioned does not exceed £10,000
- d. A reasonable reserve price is set for the item based on the estimated value
- e. The item is withdrawn from sale if it does not reach its reserve price
- f. The item is in good working condition and fit for purpose, and complies with relevant legislation, in particular:
 - any electrical item bears a valid Electrical Safety Check label, completed by a registered electrician who is registered on the Kite Mark Scheme, the Electrical Safety Register, or the Electric Safe Register. The date of the inspection on the label must not be more than 12 months prior to the date of sale.
 - any item of furniture complies with the Furniture and Furnishings (Fire Safety) Regulations 2010. Any item of furniture, with the exception of mattresses and bed bases, will have a permanent label in compliance with the regulations.
 - any computer or data storage device is adequately wiped of data, to ensure that no information, particularly personal data, remains on the device.
- g. When an item is disposed of, any listing or description of it must NOT give any indication that the PCC or the force provides any guarantee for the product or any promise to make good any defects. All items are to be carefully and truthfully described in detail and any known defects highlighted. The following or similar wording must be prominent within the listing or description *“Item is sold as is: the seller disclaims any warranty as to merchantability or fitness for any particular purpose or design”*
- h. A record of the steps taken under a) to g) is kept for a period of 2 years.

Any applications for approval of the disposal of goods / assets by auction which do not meet the above conditions should be made to the Chief Executive or PCC Chief Finance Officer who will liaise with the PCC as required.

5.6 Treasury Management and Banking Arrangements

Treasury Management

The PCC and the Force handle significant sums of finance in each financial year. It is important that this is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of invested monies.

The treasury management function is carried out by the force who act in accordance with the policy statement and Treasury Management practices and CIPFA’s standard of Professional practice on Treasury management.

The PCC will create and maintain the following, as the cornerstones for effective treasury management:

- a Treasury Management Strategy stating the policies, objectives and approach to risk management of its treasury management activities.
- suitable Treasury Management Practices setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

Responsibilities

<p>PCC</p>	<ul style="list-style-type: none"> • To adopt the key recommendations of CIPFA’s Treasury Management in the Public Services: Code of Practice (the Code). • To approve the annual Treasury Management Strategy and annual investment strategy. • To receive and approve regular treasury management performance monitoring reports.
<p>PCC Chief Finance Officer</p>	<ul style="list-style-type: none"> • To implement and monitor treasury management practices in line with the CIPFA Code and other professional guidance. • To prepare reports on the PCC’s treasury management policies, practices and activities, including, as a minimum, an annual strategy, half yearly performance monitoring reports and an annual year end report. • To execute and administer treasury management in accordance with the CIPFA Code and the PCC’s policy. • To arrange borrowing and investments, in compliance with the CIPFA Code. • To ensure that all investments and borrowings are made in the name of the PCC.

Banking Arrangements

Banking activities are controlled by a single contract which aims to provide a wide range of complex and specialist banking services to departments, establishments and staff. A consistent and secure approach to banking services is essential in order to achieve optimum performance from our bankers and the best possible value for money. To minimise administration and costs the PCC and Chief Constable will share bank accounts.

Responsibilities

PCC Chief Finance Officer	<ul style="list-style-type: none"> To have overall responsibility for the banking arrangements. To authorise the opening and closing of all bank accounts. No other employee shall open a bank account without the knowledge of the PCC Chief Finance Officer To determine signatories on all bank accounts.
Director of Finance	<ul style="list-style-type: none"> To authorise the opening and closing of bank accounts, for specific purposes, as agreed with the PCC Chief Finance Officer. To undertake bank reconciliations on a timely and accurate basis for these specific bank accounts. To determine signatories on specific bank accounts in consultation with the PCC Chief Finance Officer.

Imprest Accounts / Petty Cash

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

Responsibilities

Director of Finance	<ul style="list-style-type: none"> To provide appropriate employees with cash, bank imprests, pre-paid cash cards or procurement cards to meet minor expenditure on behalf of the organisation. The Director of Finance 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. To prepare Financial Instructions for dealing with petty cash, to be agreed with the PCC Chief Finance Officer, and these shall be issued to all appropriate employees.
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Money Laundering

The organisation is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Suspicious cash deposits in any currency in excess of £10,000 (or equivalent) should be reported to the National Crime Agency (NCA) or a successor body.

The organisation will monitor its internal control procedures to ensure they are reliable and robust.

Responsibilities

<p>PCC Chief Finance Officer</p>	<ul style="list-style-type: none"> • To be the nominated Money Laundering Reporting Officer (MLRO). • Upon receipt of a disclosure, to consider in the light of all information, whether it gives rise to such knowledge or suspicion. • To disclose relevant information to the National Crime Agency (NCA). • To prepare and review the anti-money laundering policy. • Prepare and issue to appropriate staff guidance notes for dealing with suspicions of money laundering.
<p>Head of Contracts and Procurement</p>	<ul style="list-style-type: none"> • To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide.
<p>Employees</p>	<ul style="list-style-type: none"> • To notify the PCC Chief Finance Officer as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime. • Cash bankings from a single source over £10,000 should be reported to the PCC Chief Finance Officer. This instruction does not apply to seizures and subsequent banking's under the Proceeds of Crime Act.

5.7 Staffing

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

Responsibilities

<p>Chief Constable and Chief Executive</p>	<ul style="list-style-type: none"> • To ensure that their employees and those under their direction and control are appointed, employed and dismissed in accordance with relevant statutory
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	<p>regulations, national agreements and personnel policies, budgets and strategies.</p> <ul style="list-style-type: none"> • To advise the PCC on the budget necessary in any given year to cover estimated staffing levels. • To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs. • To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work. • To approve policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for police staff.
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5.8 Trust Funds

Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them. The financial procedures and financial regulations should be viewed as best practice, which ought to be followed whenever practicable.

No employee shall open a trust fund without the specific approval of the Director of Finance and PCC Chief Finance Officer.

Responsibilities

Trustees	<ul style="list-style-type: none"> • All employees acting as trustees by virtue of their official position must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them and that accounts are audited as required by law and submitted annually to the appropriate body and the PCC Chief Finance Officer and/or Director of Finance shall be entitled to verify that this has been done. • All employees acting as trustees shall ensure that they have received suitable training to support their role and their personal legal obligations and should satisfy themselves they are covered by appropriate insurance arrangements.
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5.9 Administration of Seized Property

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

The Police (Property) Act 1897 as amended by the Police (Property) Act 1997 is a fund whereby allocations are received from the sale of recovered stolen goods or property that has been found. In accordance with the Police Property Regulations 1997 the PCC, as the relevant body will establish a separate police fund.

Responsibilities

PCC	<ul style="list-style-type: none"> Determine a policy for retention or disposal of unclaimed property, and for the distribution of funds for charitable purposes.
PCC Chief Finance Officer	<ul style="list-style-type: none"> To make arrangements for a separate fund for Police Property in accordance with the act. To appoint an auditor for the Police Property Fund.
Head of Business Operations	<ul style="list-style-type: none"> To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under their guardianship or supervision. These procedures shall be made available to all appropriate employees and should ensure that there is an appropriate segregation of duties and regular inventory checks. To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate employees, shall make specific reference to the need for insurance of valuable items and shall ensure that there is a adequate segregation of duties and regular inventory checks.
Employees	<ul style="list-style-type: none"> To notify the Director of Finance immediately in the case of loss or diminution in value of such private property.

5.10 Gifts, Loans and Sponsorship

In accordance with s.93 of the Police Act 1996, the PCC may decide to accept gifts of money and gifts or loans of other property (e.g. car parking spaces) if they will enable the police or the PCC either to enhance or extend the service in relation to the discharge of their functions. The terms on which gifts or loans are accepted may allow commercial sponsorship of some police force and/or PCC activities.

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

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

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

Responsibilities

PCC	<ul style="list-style-type: none"> • To approve the policy on gifts, loans and sponsorship.
Chief Executive	<ul style="list-style-type: none"> • To publish all OPCC gifts and hospitality
Director of Finance	<ul style="list-style-type: none"> • To accept gifts and loans within agreed policy guidelines. • To refer gifts and loan requests to the PCC for approval before they are accepted, where they exceed £10,000, or market equivalent, or where there would be public sensitivity over acceptance of the gift or loan. • To refer all sponsorship requests to the PCC for approval. • To maintain a central register, in a format agreed by the PCC Chief Finance Officer, of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The register will be made available to the PCC Chief Finance Officer, who shall satisfy himself that it provides a suitable account of the extent to which such additional resources have been received. • To bank cash from sponsorship activity in accordance with normal income procedures.
Head of PSD	<ul style="list-style-type: none"> • To present an annual report to the PCC listing all gifts, loans and sponsorship. • To carry out due diligence in reviewing the source of any gift or loan and any taxation liabilities created. • To publish force gifts and hospitality

6. Systems and Procedures

6.1 Overview

There are many systems and procedures relating to the control of assets, including purchasing, costing and management systems. The organisation is reliant on computers for financial management information. This information must be accurate

and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

The PCC Chief Finance Officer and Director of Finance both have a statutory responsibility to ensure that financial systems are sound and should therefore be notified of any proposed new developments or changes.

Responsibilities

<p>PCC Chief Finance Officer and Director of Finance</p>	<ul style="list-style-type: none"> • To make arrangements for the proper administration of financial affairs, including to: <ul style="list-style-type: none"> - issue advice, guidance and procedures for officers and others acting on behalf of the organisation. - determine the accounting systems, form of accounts and supporting financial records; and make suitable arrangements for their retention. - establish arrangements for the audit of financial affairs. - approve any new financial systems to be introduced. - approve any changes to existing financial systems. • To ensure, in respect of systems and processes, that: <ul style="list-style-type: none"> - systems are secure, adequate internal control exists and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice. - appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously - a complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa - systems are documented and staff trained in operations. • To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems. • To establish separate schemes of delegation, from the PCC and the Chief Constable to their own staff identifying staff authorised to act on their behalf in
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	respect of income collection, placing orders, making payments and employing staff.
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6.2 Income

Income is vital and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly. Income can be received under s25 of the Police Act 1996, s15 of the Local Authorities (Goods and Services) Act 1970, and in other ways.

The NPCC national charging policies and national guidance should be adopted when setting and applying charges under section 25 of the Police Act 1996. The purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them.

The PCC and Chief Constable should ensure that there are arrangements in place to ensure that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels the PCC and the Chief Constable should ensure that ongoing resource requirements are not dependant on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery. Income from commercial services is an increasingly important element of the budget to fund capital and revenue works. Commercial income budgets must be risk assessed to ensure they are sound and that income targets are realistic and achievable. Adequate provision for risk associated with this income source must be maintained in reserves.

When specifying resource requirements the annual budget plan and the MTFP will identify the expected income from charging. This will include anticipated income from mutual aid in accordance with the NPCC charging policy.

Responsibilities

<p>Director of Finance and PCC Chief Finance Officer - jointly</p>	<ul style="list-style-type: none"> • To adopt the NPCC national charging policies and national guidance when setting and applying charges under section 25 of the Police Act 1996. Any divergence from the NPCC national charging policies and national guidance should be agreed by the PCC and the Chief Constable. • To make arrangements for the collection of all income due and approve the procedures, systems and documentation for its collection, including the correct charging of VAT. • To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where
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	<p>regulations require otherwise or with the express approval of the PCC.</p> <ul style="list-style-type: none"> • To publish the charging policy for the supply of goods and services. • To ensure that all income is paid fully and promptly into the Income Bank Account. Appropriate details should be recorded on to paying-in slips to provide an audit trail. • To ensure income is not used to cash personal cheques or make other personal or ineligible payments. • To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received. • To operate effective debt collection procedures. • To initiate, in consultation with the Chief Executive, appropriate debt recovery procedures, including legal action where necessary. • To arrange the write-off of bad debts, in accordance with the limits outlined in the financial delegations. Proposals for write-offs should be supported by a written report explaining the reason(s) for the write-off.
Director of Finance	<ul style="list-style-type: none"> • To ensure that detailed Financial Instructions are in place for dealing with income, to be agreed with the PCC Chief Finance Officer, and to issue them to all appropriate employees.

6.3 Ordering and Paying for Work, Goods And Services

Public money should be spent in accordance with the financial and regulatory framework and policies. The PCC and Chief Constable have a statutory duty to ensure financial probity and best value and these regulations help to ensure that the public can receive value for money. These procedures should be read in conjunction with the Contract Regulations (issued as a separate document as part of this Joint Corporate Governance Framework.)

Orders must be in a form approved by the PCC Chief Finance Officer. Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of the organisation’s contracts. Goods and services ordered must be appropriate and there must be adequate budgetary provision. Payments are not to be made other than in accordance with any official order or contract.

Payment by BACS is the preferred method of payment.

Responsibilities

Director of Finance	<ul style="list-style-type: none"> • To ensure that contract regulations are adhered to for the purchase of all goods and services. • To issue official orders for all work, goods or services to be supplied, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PCC Chief Finance Officer. • To ensure that payments are made to the correct person, for the correct amount, on time, and are recorded properly, regardless of the method of payment. • To ensure that there is adequate segregation of duties between the raising and authorising of orders and the receipt of goods and services. • To ensure that VAT is recovered where appropriate. • To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected. • To ensure that all purchases made follow the rules, regulations and procedures, as set out in this document, and any relevant organisational procedures including contract regulations. • To prepare, in consultation with the PCC Chief Finance Officer, detailed Financial Instructions for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees. • To coordinate the process for ensuring related party interests are declared
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6.4 Remuneration of Employees

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

Responsibilities

Director of Finance and Director of Enabling Services	<ul style="list-style-type: none"> • To ensure, in consultation with the PCC Chief Finance Officer, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees. • To ensure that tax, pension and other deductions are made correctly and paid over at the right time to the relevant bodies. • To pay all valid travel and subsistence claims or financial loss allowance.
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	<ul style="list-style-type: none"> • To pay salaries, wages, pensions and reimbursements by the most economical means. • To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them. • To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC. • To prepare detailed Financial Instructions for dealing with payments to employees, to be agreed with the PCC Chief Finance Officer, and these shall be issued to all appropriate employees.
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6.5 Taxation

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

Responsibilities

PCC Chief Finance Officer	<ul style="list-style-type: none"> • To ensure the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and National Insurance and that due payments are made in accordance with statutory requirements. • To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC.
PCC Chief Finance Officer and Director of Finance	<ul style="list-style-type: none"> • To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations. • To provide details to the HMRC regarding the construction industry tax deduction scheme. • To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.

6.6 Purchase Cards

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

Credit cards provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties.

Responsibilities

<p>Director of Finance</p>	<ul style="list-style-type: none"> • To provide detailed financial instructions to card holders and provide them with appropriate advice if required. • To authorise and maintain control over the issue of cards. • To reconcile the purchase card account to the ledger on a monthly basis. • To maintain a list of all purchase/ credit card holders.
<p>Purchase Card Holders</p>	<ul style="list-style-type: none"> • Card holders are responsible for ordering and paying for goods and services in accordance with the contract regulations, and these financial regulations and all other procedures laid down by the Director of Finance. • To ensure that purchases are in accordance with approved policies. • To provide receipted details of all payments made by corporate credit card each month, including nil returns, to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.

6.7 Ex-Gratia Payments

An ex-gratia payment is a payment made where there is no legal obligation to do so. An example may be recompense to a police officer for damage to personal property in the execution of duty or to a member of the public for providing assistance to a police officer in the execution of duty. This is a duty of the PCC unless delegated through the financial delegations.

<p>Director of Finance</p>	<ul style="list-style-type: none"> • To make ex gratia payments, on a timely basis, to members of the public up to the level outlined in the financial delegations, in any individual instance, for damage or loss to property 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 organisation’s functions. • To maintain details of ex gratia payments in a register. • To make ex gratia payments, on a timely basis, up to the level outlined in the financial delegations in any individual instance, for damage or loss of property to a police officer, police staff or any member of the extended police family, in the execution of duty.
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7. External Funding

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 organisation. External funding should be pursued where it is in the interests of the organisation. Funds from external agencies provide additional resources to enable the PCC to deliver their policing and crime objectives. Funds may or may not be subject to conditions requiring them to be spent in specific ways. All such funding is paid into the Police Fund in the first instance and is therefore under the jurisdiction of the PCC.

The main source of such funding will tend to be specific government grants or contributions from partners or local organisations.

Responsibilities

<p>PCC and Chief Constable</p>	<ul style="list-style-type: none"> • To ensure that grant conditions can be complied with prior to entering into the agreements and that any implications are fully reflected in future forecasts and plans. • To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood. • To ensure that any conditions in relation to external funding are in accordance with the approved policies of the PCC. If there is a conflict, this needs to be taken to the PCC for resolution.
<p>PCC Chief Finance Officer and Director of Finance - jointly</p>	<ul style="list-style-type: none"> • To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met. • To sign off and submit funding applications, and required monitoring returns • To provide assurance that any compliance requirements including match-funding requirements are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements

8. Collaborations

PCCs and CCs have the legal power and duty to keep collaboration opportunities under review and to collaborate where it is in the interests of the efficiency or effectiveness of one or more police forces or PCCs. Any collaboration which relates

to the functions of the police force must be agreed by the PCC. This arrangement is described in s22A-22C of the Police Act 1996, as amended by s89 of the PRSA11.

Any proposal for a collaboration must be discussed with the PCC Chief Finance Officer and Director of Finance in the first instance, to ensure it delivers value for money. Due regard must be given to the Statutory Guidance for Police Collaboration issued under s.23F of the Police Act 1996 in determining whether to collaborate.

The PCC shall hold their Chief Constable to account for any collaboration in which the force is involved.

Partners engaged in collaborations have common responsibilities:

- to act in good faith at all times and in the best interests of the collaboration's aims and objectives.
- to be open about any conflicts that might arise.
- to encourage joint working and promote the sharing of information, resources and skills.
- to keep secure any information received as a result of collaboration activities or duties that is of a confidential or commercially sensitive nature.

Before commencing a collaboration the following activities must take place:

- A risk assessment should be prepared.
- An analysis of the impact on existing services should take place.
- A project appraisal should be in place to assess the viability of the project in terms of resources, staffing and expertise.
- All arrangements should be properly documented.
- An approach to communication should be agreed in order to achieve the most successful outcome.
- All audit and control requirements should be satisfied.
- Requirements for accounting and taxation, particularly VAT, should be understood fully and complied with.
- An appropriate exit strategy should be produced.

Appendix 1: List of Financial Policies

- Cash Handling
- Overseas Deployment & Travel
- Purchase Cards
- Unofficial Funds
- Fees & Charges
- Imprest & Petty Cash
- Income
- Ordering & Paying for Work, Goods & Services

- Seized Cash
- Local Government Pension Scheme – Internal Dispute Resolution
- Police Pension - Internal Dispute Resolution
- Corporate Sponsorship, Gifts & Loans
- Local Government Pension Scheme- Employer Pensions Discretions