

REPORT / SUMMARY DECISION SHEET / LOG
Office for the Police and Crime Commissioner for Dyfed-Powys

PURPOSE: COMMISSIONER DECISION / INFORMATION / BRIEFING – REF. GOV/1

Timing: Urgent. To be approved on the 22nd November 2012

Title: Approval of Interim Scheme of Governance

Category of Decision / Business Area Impact: Governance

Executive Summary:

On the 22nd November, the Commissioner is required to agree a Scheme of Governance to enable the usual business of both the Force and Commissioner's offices to continue. As of the 22nd November, the Commissioner can no longer delegate functions to the Chief Constable but can delegate functions to the staff under the direction and control of the Chief Constable as they are employed by the Commissioner. There is a requirement to formulate a Stage 2 Transfer Scheme before the 31st March 2014, whereby, subject to the agreement of the Commissioner, some/all Police Staff will be transferred to the employment of the Chief Constable.

Both the Commissioner and Chief Constable will appreciate that there may be a need for changes on a regular basis as the Commissioner settles in post and the first review of the scheme will be undertaken prior to the 1st January 2013.


Recommendation:

The Commissioner is asked to approve the Interim Scheme of Governance.

Police and Crime Commissioner for Dyfed-Powys

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval / does not have my approval / I note the information contained within the report (delete as appropriate)

Signature:  **Date:** 22/11/12

The Office of the Police and Crime Commissioner for Dyfed Powys Police

SCHEME OF GOVERNANCE

Draft document effective from the 22nd November 2012. This document will be subject to review over the following month, with a view to the final document being effective from the 1st January 2013.

DRAFT

Version dated 22/11/12

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PART 1 - DEFINITIONS

Authorised Officer	Such Chief Officer, or other officer duly authorised by them, with delegated authority in respect of a particular contract or type or group of contracts. All such designation of Authorised Officers shall be recorded in writing.
Best Value for Money	The most cost effective means of meeting the need, which takes account of whole life costs.
Chief Constable	The Office of Chief Constable is an appointment under Section 2(2) of the PRSRA. The Chief Constable is a corporation sole pursuant to Schedule 2, paragraph 2 of the Police Reform and Social Responsibility Act (PRSRA). The Chief Constable shall have responsibility for the direction and control of a police force pursuant to Section 2(3) of the PRSRA, which includes both police officers and the civilian staff of the Force.
Chief Executive	The officer appointed as head of the Police and Crime Commissioner's staff with responsibility for the general administration of the Police and Crime Commissioner. This appointment is made under Paragraph 6(1)(a), Schedule 1 of the PRSRA. This officer is also designated the monitoring officer, under Section 5(1) of the Local Government and Housing Act 1989, with responsibility for ensuring the legality of the actions of the Police and Crime Commissioner and his/her staff, and the 'proper officer' for the recording of all decisions made by the Police and Crime Commissioner.
Chief Officers	When referred to as a generic term shall, where the context so permits, mean the Chief Constable, Chief Executive, CFO (PCC) and CFO (CC).
CFO (PCC)	<p>The Chief Financial Officer with overall responsibility for the proper administration of the Police and Crime Commissioner's financial affairs (section 113 of the Local Government Finance Act 1988) in accordance with the Accounts and Audit (Wales) Regulations 2005. This appointment is made pursuant to Paragraph 6(1)(b), Schedule 1 of the PRSRA. The CFO (PCC) shall be responsible for:</p> <ul style="list-style-type: none"> (a) providing financial advice to the Police and Crime Commissioner on all aspects of its activities, including the strategic planning and policy making process, (b) ensuring that the financial affairs of the Police and Crime Commissioner are properly administered and that the Financial Regulations are observed and kept up to date; (c) ensuring regularity, propriety and Value for Money (VFM) in the use of public funds, (d) ensuring that the funding required to finance agreed programmes is available from Central Government and Welsh Government funding, precept, other contributions and recharges

	<ul style="list-style-type: none"> (e) reporting to the Police and Crime Commissioner, the Police and Crime Panel and to the external auditor any unlawful, or potentially unlawful, expenditure by the Police and Crime Commissioner or officers of the Police and Crime Commissioner (f) reporting to the Police and Crime Commissioner, the Police and Crime Panel and to the external auditor where it appears that expenditure is likely to exceed the resources available to meet that expenditure, (g) advising the Police and Crime Commissioner on the robustness of the budget and adequacy of financial reserves, and in respect of any consequential medium and long term implications of budgetary issues, (h) ensuring production of the statements of accounts of the Police and Crime Commissioner (i) ensuring receipt and scrutiny of the statements of accounts of the Chief Constable, and ensuring production of the group statutory accounts (j) liaising with the external auditor (k) advising the Police and Commissioner on the application of value for money principles by the police force to support the Police and Crime Commissioner in holding the Chief Constable to account for efficient and effective financial management, (l) advising, in consultation with the Chief Executive, on the safeguarding of assets, including risk management and insurance (m) arranging for the determination and issue of the precept, (n) providing a treasury management function (o) maintaining an adequate and effective internal audit function, (p) managing in conjunction with the Chief Executive, any grants awarded by the Police and Crime Commissioner pursuant to the PRSRA.
<p>CFO (CC)</p>	<p>The Chief Financial Officer of the police force appointed in accordance with Schedule 2, paragraph 4 of the PRSRA, who is responsible for the proper administration of the police force's financial affairs (section 113 of the Local Government Finance Act 1988). The CFO (CC) shall be responsible for:</p> <ul style="list-style-type: none"> a) ensuring that the financial affairs of the Force are properly administered and that the Financial Regulations are observed, b) reporting to the Chief Constable, the Police and Crime Commissioner and the external auditor, any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable, c) reporting to the Chief Constable, the Police and Crime Commissioner and to the external auditor where it appears that expenditure of the Chief Constable is likely to exceed the resources available to meet that

	<p>expenditure,</p> <p>d) advising the Chief Constable on value for money in relation to all aspects of the force's expenditure,</p> <p>e) advising the Chief Constable and the Police and Crime Commissioner on the soundness of the budget in relation to the Force,</p> <p>f) liaising with the external auditor,</p> <p>g) producing statements of account for the Chief Constable, and</p> <p>h) providing information to the CFO (PCC) as required to enable the production of group accounts.</p>
Call-off contract	An agreement for a fixed period against which one or more orders can be placed at any given time during the term of that Contract.
Contract	Any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase and/or sell goods, services or building works (including annual or call-off contracts) made on behalf of the policing body, the Force or their affiliated bodies. This may be made orally or in writing.
Deputy Police and Crime Commissioner	The deputy police and crime commissioner appointed in accordance with section 18 and Schedule 1, paragraph 8 of the PRSRA.
DPP	When used as a generic term, shall refer to the PCC, the Office of the PCC (OPCC) and the Force.
Estimated Value	The anticipated costs of the goods, services or works to be supplied or carried out.
Financial Management Code of Practice	The Financial Management Code of Practice issued pursuant to section 17 of the PRSRA and section 39A of the Police Act 1996, which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners and Chief Constables. As set out in section 17(4) of the PRSRA and section 39A(7) of the Police Act 1996, the Police and Crime Commissioner and the Chief Constable must have regard to this code in carrying out their functions.
Financial Regulations	The regulations drawn up by the Police and Crime Commissioner in consultation with the Chief Constable, the CFO (PCC), Chief Executive and the CFO (CC) to govern the respective responsibilities of the Police and Crime Commissioner and the Chief Constable on financial matters and the relationship between them on such issues.
Force	This refers to all constables (both regulars and specials) who are under the direction and control of the Chief Constable and also all police staff who are under his/her direction and control by virtue of section 2(3) of the PRSRA.

Officers	Shall collectively mean the Chief Executive, CFO (PCC), CFO (CC), together with all staff under their control and direction.
Police and Crime Commissioner	The Police and Crime Commissioner established under Section 1 of the PRSRA, who is a corporation sole responsible for securing the maintenance of an efficient and effective police force for the Dyfed Powys area.
Police and Crime Panel	The Police and Crime Panel established and maintained in accordance with Section 28(1) of the PRSRA to support the effective exercise of the functions of the Police and Crime Commissioner for the Dyfed Powys police area.
Police and Crime Plan	The police and crime plan issued (and as subsequently varied, if applicable) for the Dyfed Powys police area in accordance with Section 5 of the PRSRA.
Policing Protocol	The document issued by the Secretary of State pursuant to section 79 PRSRA and by means of the Police Protocol Order 2011 which offers guidance as to how the functions of the Police and Crime Commissioner, the Chief Constable and the Police and Crime Panel are to be exercised.
PRSRA	The Police Reform and Social Responsibility Act 2011.
Quotation	The amount stated whether orally or in writing as the price of the goods, services or works to be supplied or carried out. If a verbal offer is obtained it will be deemed to be of no effect unless confirmed in writing within five working days of the verbal offer being made.
Standing Orders relating to Contracts	The standing orders prepared by the Police and Crime Commissioner in consultation with the Chief Constable, the CFO (PCC), Chief Executive and the CFO (CC) governing the handling of contractual issues and the respective responsibilities of the Police and Crime Commissioner and the Chief Constable. 'Contract' shall include any commitment to acquire, purchase or sell goods, services or works made on behalf of the Police and Crime Commissioner and/or the Chief Constable.
SPR	The Strategic Policing Requirement (SPR) is a statement of the collective capabilities that police forces across England and Wales will be expected to have in place in order to protect the public from cross-boundary threats such as terrorism, civil emergencies, public disorder and organised crime.
Tender	An offer made in writing by one party to another to execute, at an inclusive price or uniform rate, an order for the supply, purchase or disposal of goods or for the execution of work (including such information about price, performance and other terms and conditions as may have been required or are deemed appropriate for the particular proposed contract), the details of which have been submitted by the second party

- The terms Chief Constable, Chief Executive and CFO (PCC) include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly and made to a member of staff of an appropriate level.

PART 2 - INTRODUCTION

1. Purpose of the Scheme of Governance

1.1. The Scheme of Governance (referred to as the "Scheme") is a key document in the governance framework, and is based on the six established principles that underpin effective and ethical corporate governance in public service. It ensures that decisions are taken at the most appropriate level, by setting out which functions and by what delegations, the Police and Crime Commissioner (PCC) has given officers the authority to act in order to comply with the Police Reform and Social Responsibility Act 2011 (PRSRA) and all other legislation. Due regard must therefore also be given to, and this Scheme must be read in conjunction with the:

- **Policing Protocol Order 2011** – sets out how the functions contained in the Act will be undertaken to achieve the outcomes of the Police and Crime Plan.
- **Financial Management Code of Practice** - identifies the responsibilities of chief financial officers.
- **Strategic Policing Requirement** – contains the Home Secretary's view of the national threats that the police must address, and appropriate national policing capabilities required to counter those threats.

1.2. This Scheme does not attempt to identify all the statutory functions of the PCC, the CC and other officers, as these are already set out in the PRSRA and the above mentioned documents.

1.3. Definitions of terminology utilised in this document is included in Section 5.

2. Statutory Basis

2.1. This Scheme has been prepared in accordance with the requirements of the Home Office "Financial Management Code of Practice for the Police Service of England and Wales", which is issued under section 17 of the PRSRA and section 39A of the Police Act 1996, which permit the Secretary of State to issue codes of practice to all PCC's.

2.2. It states that each PCC should draw up and adopt a single set of standing orders relating to contracts as well as detailed financial regulations. These will complement the scheme of consent (Stage 2) and scheme of delegation (Stage 1). The standing orders and financial regulations together will govern the relationship between the PCC and the Chief Constable (CC) in financial matters and should be developed in close consultation with the CC, the two Chief Finance Officers and the Chief Executive (CEO).

3. Scope of the Scheme

3.1. Key elements an integrated Scheme of Governance will comprise of:

- Scheme of Delegation (Stage 1), Scheme of Consent (Stage 2)
- Financial Regulations
- Standing Orders Relating to Contracts

3.2. The integrated Scheme of Governance will be supported by other key governance documents e.g. Financial Control Procedures, Decision Making MOU.

3.3. The advantages of an integrated Scheme of Governance are that the consistent elements will meet the requirements of the PRSRA and the Financial Management Code of Practice. In addition it would:

- a. Enable PCC's to set out a high level statement regarding good governance based on the CIPFA/SOLACE Good Governance Framework and principles, whilst emphasising the importance of the PCC and CC working together
- b. Contain a detailed statement of relevant roles and responsibilities
- c. Include "delegations" from the PCC to the Deputy PCC, CEO and Chief Financial Officers (CFO) and to other force civilian Chief Officers during the Stage 1 period.
- d. Provide clarification regarding PCC "consents" to issues being dealt with by the CC
- e. Provide an integrated scheme to ensure clarity between statements of roles, delegation and consents, which would in turn avoid overlaps and inconsistencies between different documents
- f. Provide a good basis in readiness for Stage 2 in the transition process.

4. Status of the Scheme

4.1. The transfer of assets, staff and liabilities from police authorities to PCC's will occur at midnight on the 21st November 2012 by way of statutory transfer, known as the **Stage 1** transfer.

4.2. During Stage 1 the PCC will assign authority and responsibility to staff under the direction and control of the CC to carry out specific activities via **Delegated Authority**. Under delegated authority, the PCC remains accountable for the outcome of the delegated work.

4.3. All police staff will remain employed by the PCC during Stage 1 as the police authority's successor. This will enable the PCC to make delegations to such staff in the same way as they would delegate functions to their CEO and CFO. Police Officers are appointed by the Crown and are therefore under the direction and control of the CC.

4.4. Part 3 the "Scheme of Delegation" of this Scheme, sets out the framework which ensures the robust, effective and transparent discharge of the PCC's functions by allowing for decision making at the appropriate level during the Stage 1 transfer period.

4.5. Section 18 of the PRSRA permits a PCC to delegate their functions. The PCC is however prohibited from delegating their functions to:

- a. A constable (whether or not in England and Wales)
- b. Another PCC
- c. The Mayor's Office for Policing Crime
- d. The Deputy Mayor for Policing Crime
- e. The Mayor of London
- f. The Common Council of the City of London
- g. Any other person or body which maintains a police force

- h. A member of staff of any person/body referred to in a. to g. above.
- 4.6. The PCC is prevented from arranging for another person to exercise any of the following functions:
- a. Issuing a Police and Crime Plan
 - b. Determining police and crime objectives
 - c. Attending meetings of the Police and Crime Panel in compliance with requirements by the Panel to do so (pursuant to section 29 of the PRSRA)
 - d. Preparing an annual report to the Police and Crime Panel
 - e. Appointing and suspending the CC or calling upon the CC to retire or resign
 - f. Calculating a budget requirement (pursuant to section 43 of the Local Government Finance Act 1992).
- 4.7. The PRSRA allows for a **Stage 2** transfer, whereby the PCC can transfer assets, staff and liabilities to the CC. Ministers have confirmed that this Stage 2 transfer should occur by April 2014.
- 4.8. During Stage 2 the PCC will give **Consent** to the CC to undertake certain functions without the need to seek prior approval. Transactions entered into following consent by the PCC to the CC will be in the CC's own name as a separate legal entity as opposed to the name of the PCC, as would be the case for delegated authority.
- 4.9. In the context of the PRSRA, the term "consent" is important as the PCC will initially own and fund all assets regardless of whether they are used by the PCC, force or by both entities. However with consent from the PCC the CC can acquire property (other than land and buildings). Similarly the PCC has overall responsibility for property and contracts but with consent from the PCC, the responsibility for carrying out the daily administration of property and contracts can be carried out by the CC or staff of the CC.
- 4.10. A scheme of consent should be prepared by the PCC prior to the Stage 2 transfer. The purpose of the scheme of consent is to set out the extent of, and any conditions attaching to, the PCC's consent to the CC's exercise of the powers to enter into contracts and acquire or dispose of property.
- 4.11. A staff transfer scheme which sets out which staff will be transferred to the employment of the CC and which will remain in the employment of the PCC will require the approval of the Secretary of State in accordance with Part 3 of Schedule 15 of the PRSRA, prior to April 2014.
- 4.12. The Scheme of Consent also provides an opportunity to set out in more detail, should it be deemed necessary, any terms on which the respective functions of the PCC and the CC will be exercised in order to achieve the objectives set out in the PCC's Police and Crime Plan. The Scheme should therefore, as a minimum, set out how:
- the PCC expects the funds provided to the CC for policing to be applied;
 - the PCC will hold the CC to account for the day to day management of those funds;

- the CC will carry out their duty to assist in the exercise of the PCC's functions;
- the CC will exercise their power to do anything calculated to facilitate the exercise of their own functions; and
- the PCC will exercise their power to delegate the exercise of their functions to their own staff
- any conditions which may be attached by the PCC to the use of the financial and other resources provided to the CC.

5. Corporations Sole

- 5.1. As set out in the Policing Protocol, each PCC and their respective CC is established in law as a corporation sole under the PRSRA. Each will be a separate legal entity with their own legal personality. As such, both are enabled by law to employ staff and hold funds in their official capacity, which is anticipated during Stage 2. CC's are charged with the impartial direction and control of all constables and staff within the police force that they lead. Staff of the PCC are accountable to the directly elected holder of that office.
- 5.2. The term corporation sole is often used in respect of public office (created by statute) that has a separate and continuing legal existence and only one member – the sole office holder. Any contract made with a corporation sole continues from one officeholder to their successor or, if made during a vacancy in office, to the appointee.
- 5.3. The concept of a corporation sole allows a corporation to pass vertically in time from one office holder to the next successor-in-office, giving the position legal continuity with each subsequent office holder having identical powers to those of their predecessor.

6. Powers of the PCC and the CC

- 6.1. As separate corporate entities created by statute, a PCC or CC will have those powers:
- expressly stated in legislation,
 - necessarily and properly required for carrying into effect the purposes of their incorporation as set out in legislation, and/or
 - that may be fairly regarded as incidental to, or consequential on, those things which legislation authorises.
- 6.2. Anything that legislation does not expressly or impliedly authorise is to be taken to be prohibited.
- 6.3. The PCC within each force area has a statutory duty and electoral mandate to secure the maintenance of the police force, secure that the force is efficient and effective, and hold the CC to account for the exercise of his/her functions and the functions of persons under his/her direction and control. The Police and Crime Panel within each force area is empowered to maintain a regular check and balance on the performance of the PCC in that context. It is imperative that this is supported by a robust and auditable governance framework.
- 6.4. The PCC is the recipient of all funding, including the government grant and precept and other sources of income, related to policing and crime reduction and all funding for a force

must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the CC, or in accordance with any grant terms. The CC will provide professional advice and recommendations.

- 6.5. The CC is responsible for maintaining the Queen's Peace and the enforcement of the law, and has direction and control over the force's officers and staff. The CC's function of direction and control is predicated on the existence of a purpose in pursuit of which the force will be directed and controlled. The CC holds office under the Crown, but is appointed by the PCC.
- 6.6. The CC is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the CC, their constables and staff, remain operationally independent in the service of the communities that they serve.
- 6.7. The CC may not borrow money (paragraph 7 of Schedule 2 PRSR Act).
- 6.8. The PRSRA confers wide general powers on PCC's and CC's:
 - A PCC may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of his/her functions. This includes entering into contracts and other agreements (whether legally binding or not), acquiring and disposing of property (including land), and borrowing money.
 - A CC may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of his/her functions. This includes entering into contracts and other agreements (whether legally binding or not), and acquiring and disposing of property (apart from land). The CC may only enter into contracts or agreements or acquire or dispose of property with the consent of the PCC, but this restriction does not apply to contracts or agreements in relation to the employment of police staff.
- 6.9. The legal powers and duties of the PCC are set out in the Policing Protocol Order 2011.

7. Discharge of Functions

- 7.1. This Scheme sets out the standing delegations to senior officers of both the PCC and the CC, which will enable such personnel to discharge the functions of the PCC or the CC.
- 7.2. There are legislative requirements upon the PCC and the CC to appoint certain officers:
 - The PCC must appoint a CEO who has the duties of a head of paid service under Section 4 of the Local Government and Housing Act 1989 and monitoring officer under section 5 of that Act
 - The PCC and the CC must appoint a suitably qualified CFO who is responsible for the proper administration of the PCC or CC's financial affairs, in accordance with Sections 112 to 116 of the Local Government Finance Act 1988.
- 7.3. The PCC and the CC may appoint such other staff as each thinks appropriate to enable them to exercise their functions (or in the case of the CC, to otherwise assist the police force).

8. Review of the Scheme

8.1. The Scheme will be reviewed annually at the start of each financial year – with a “light touch” review at the beginning of the 2013/14 financial year as:

- a. The PCC will only have been in office for just over 4 months; and
- b. Such review will take place early during the Stage 1 period, at which time it is envisaged that the PCC will employ all staff, will be the legal contracting body and will own all assets and liabilities.

8.2. By Stage 2, it is envisaged that:

- a. The CC will enter into contracts and other agreements as a corporation sole (with the consent of the PCC).
- b. The CC will acquire and dispose of property (except land or buildings) with the consent of the PCC; and
- c. The CC will employ police staff (negotiations for the transfer of the same having taken place between 22nd November 2012 and 31st March 2014) as set out in the transfer scheme submitted to the Home Secretary for approval.

8.3. By Stage 2, the prohibition set out in Section 18 of the PRSRA on delegating to staff employed by the CC will come into sharper focus, and a revised Scheme will need to be prepared in respect of matters during Stage 2 and beyond. The review/changes made to the scheme at the beginning of the 2014/15 financial year will therefore be fundamental.

8.4. The independent audit committee will consider proposed amendments to the Scheme and also receive reports on the operation of financial delegations to the CC by the PCC.

9. Decision Making

9.1. There are high expectations (and statutory requirements) in relation to the availability and access to information held by public bodies. The work of the PCC (and the provisions of any Scheme) will need to take account of such expectations and it is anticipated that PCC's will want to demonstrate the highest levels of transparency.

9.2. The statutory framework of the Elected Local Policing Bodies (Specified Information) Order 2011, the Freedom of Information Act 2000 and the Data Protection Act 1998 set minimum standards for publication.

9.3. Any action taken under delegated authority or ‘consent’ pursuant to this Scheme must be properly recorded and undertaken in accordance with the Decision Making Memorandum of Understanding. Such a process ensures that relevant legal, financial and other considerations and consultations (as may be required by the terms of the delegation) are properly recorded and considered prior to a decision being taken.

9.4. All decisions made by officers pursuant to the provisions of such Scheme must be properly documented and available for inspection at any time by the PCC and/or the CC, as appropriate. It is important that both the PCC and the CC can evidence that decisions taken are informed and ‘reasonable’.

9.5. It is advisable to ensure consistency in such decision making/recording and publication, and:

- information should be presented in a consistent format e.g. a succinct two or three pages which provides the background information (as well as a summary of the relevant legal, financial and other considerations and consultations), options and recommendations
- a record of each decision taken be maintained and each allocated a unique reference number and
- such details entered into an electronic register.

9.6. As well as using the above process to record decisions by a PCC, any action taken under delegated authority should be reported in the same format (for information) to the PCC (who granted the delegation).

10. General Principles

- 10.1. This Scheme is made in accordance with the respective powers of the PCC and CC pursuant to the Police Act 1996 (as amended by the PRSRA) and any subordinate legislation thereto. Any powers delegated or otherwise allocated pursuant to the Scheme must also be exercised in accordance with the provisions of any policies, procedures, precedents, plans, strategies and budgets of the relevant PCC and the CC (including without limitation the provisions of the Police and Crime Plan).
- 10.2. The allocation of powers to officers pursuant to any Scheme does not prevent an officer from referring a matter to the PCC and/or to the CC for decision if the officer wishes or considers it appropriate. The PCC and the CC will expect their respective officers to draw to his/her attention sensitive issues or any matter which may have a significant financial implication.
- 10.3. This Scheme is also without prejudice to the ability of the PCC to arrange for his/her Deputy Police and Crime Commissioner (DPCC) (if appointed) to exercise such functions of the PCC as is permitted by section 18 of the PRSRA subject to any limitations set out therein.
- 10.4. This Scheme is also without prejudice to the ability of a deputy CC to exercise and perform all or any of the functions of the CC pursuant to section 41 of the PRSRA.
- 10.5. It should be noted that officers, who may give advice to the PCC, cannot formally act on behalf of the PCC unless it is on the explicit and demonstrable basis that they are acting on behalf of the PCC (namely that there is a specified delegation of authority). Any officers referenced herein will be responsible for ensuring that the provisions and obligations of the Scheme are properly drawn to the attention of members of staff under his/her direction and control. It should also be noted that (save for such matters as are specifically reserved) any person, with appropriate authority, may delegate a matter further
- 10.6. Any officers will, when considering a professional or technical matter that is within the sphere of competence of another officer, consult with the appropriate professional officer before authorising the action.

PART 3 - SCHEME OF DELEGATION

1. Introduction

- 1.1. This Scheme of Delegation (the 'Scheme') is made by the Police and Crime Commissioner (PCC) and the Chief Constable (CC) of Dyfed Powys Police in accordance with their respective powers pursuant to the PRSRA.
- 1.2. The Act retains all staff in the employment of the PCC pending a final allocation of staff between the PCC and the CC in a transfer scheme to be approved by the Home Secretary, whereby both the PCC and the CC become employers of staff (Stage 2 transfer).
- 1.3. The PCC cannot delegate functions to a Constable and therefore, until such time as Stage 2 is completed, the Scheme of Delegation may delegate functions to staff under the direction and control of the CC which might be expected to have been delegated to the CC. Such delegations will be reviewed before Stage 2 and until then will be undertaken with full consultation with the CC or someone on his/her behalf with a view to achieving a consensus.
- 1.4. The Scheme provides a framework which ensures the efficient discharge of their respective business by allowing for decision making at the appropriate level.
- 1.5. Due regard must be given to the provisions of the Policing Protocol, to the provisions of the Financial Management Code of Practice and the Strategic Policing Requirement, and this Scheme must be read in conjunction with the same.
- 1.6. This Scheme is complementary to the Financial Regulations and Standing Orders Relating to Contracts, which also specify powers attributable to the Chief Executive (CEO) and the CFO (PCC) either individually or jointly, in addition to issues delegated to the CFO (CC).
- 1.7. The Scheme seeks to identify and clarify:
 - The PCC's exercise of his/her power to arrange for his/her staff to exercise his/her own functions
 - The CC's exercise of his/her own functions, including the powers to do anything calculated to facilitate the exercise of those functions
 - The CC's discharge of his/her duty to exercise his/her direction and control of their officers and staff in such a way as is reasonable to assist the PCC, and
 - Any conditions which may be attached by the PCC to the use of the financial and other resources provided to the CC.
- 1.8. Without limiting the foregoing, the Scheme also identifies those powers which may be exercised by the PCC and the CC but which, for the benefit of good practice, shall be exercised by their respective officers. It also sets out any constraints on those powers, including requirements to report back or advise the PCC and/or the CC, and addresses circumstances which will require consultation between the officers of the PCC and the CC.
- 1.9. It should be noted that this Scheme does not attempt to identify all the statutory functions of the PCC, the CC and the other officers referred to herein, which are contained in specific

legislation and regulations (including the PRSRA), and due regard is to be given to the terms of the same.

2. General Principles

2.1. The powers allocated to the CEO, CFO (PCC) and CFO (CC) shall be exercised in accordance with the provisions of the:

- Financial Regulations (Part 4 of this Scheme)
- Standing Orders relating to Contracts (Part 5 of this Scheme)
- Policies, principles, procedures, precedents, plans, strategies and budgets of the PCC and the CC, including without limitation the provisions of the Police and Crime Plan, each as current from time to time.

2.2. The PCC and/or the CC may also require that a specific matter is referred to him/her for decision and not dealt with pursuant to the specific provisions of this Scheme.

2.3. The allocation of powers to officers under this Scheme does not prevent an officer from referring a matter to the PCC and/or to the CC for decision if the officer wishes or considers it appropriate. In particular the PCC and the CC expect their respective officers to draw to his/her attention sensitive issues or any matter which may have a significant financial implication.

2.4. The Scheme is without prejudice to the ability of the PCC to arrange for his/her Deputy PCC (if appointed) to exercise any function of the PCC in accordance with section 18(1)(b) (as restricted by the provisions of section 18(7)) of the PRSRA).

2.5. The Scheme is without prejudice to the ability of a Deputy CC to exercise and perform all or any of the functions of the CC pursuant to section 41 of the PRSRA.

2.6. The CEO, CC, CFO (PCC) and CFO (CC) should, when considering a professional or technical matter that is within the sphere of competence of another of these officers, consider consulting with the appropriate professional officer before authorising the action.

2.7. Any reference in this Scheme to any Statute or Statutory Instrument or any Section or Regulation thereof shall also be to the same as at any time amended or where such Act, Instrument, Section or Regulation has been replaced, consolidated or re-enacted, with or without amendment, such reference shall be to the provisions of the replacing, consolidating or re-enacting Statute or Instrument.

2.8. This Scheme also takes account of the provisions of section 18(7) of the PRSRA, which prohibit a PCC from arranging for any person (other than him/her) to exercise the following functions:

- issuing a Police and Crime Plan
- determining police and crime objectives
- attendance at a meeting of the police and crime panel in compliance with a requirement by the panel to do so
- preparing an annual report to a Police and Crime Panel

- appointing a CC, suspending the CC or calling upon the CC to retire or resign
- calculating a budget requirement (in accordance with section 43 of the Local Government Finance Act 1992).

3. Duties Upon Officers

- 3.1. All decisions made by officers pursuant to the provisions of this Scheme shall be properly documented and available for inspection at any time by the PCC and/or the CC, as appropriate, in accordance with the Decision Making Memorandum of Understanding.
- 3.2. Each of the officers referred to herein shall be responsible for ensuring that the provisions and obligations of this Scheme are properly drawn to the attention of members of staff as appropriate.
- 3.3. The PRSRA allows for a Stage 2 transfer by April 2014, whereby the PCC can transfer assets, staff and liabilities to the CC. During Stage 2 the PCC will give consent to the CC to undertake certain functions. Transactions entered into following consent by the PCC to the CC will be in the CC's own name, until that time transactions will be in the name of the PCC. During Stage 1 police officers who are under the direction and control of the CC will therefore be unable to authorise or commit to expenditure of any kind.

4. Delegations

Delegations annotated with a "" relate to delegations from the CFO (PCC) to the CFO (CC) during Stage 1, and do not therefore accord with Financial Regulations. It is envisaged that subject to agreement and following completion of the Stage 2 transfer, that they will be as set out in Financial Regulations.*

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
	General Delegations					
4.1	To act as "Proper Officer" to deal with various administrative matters involving the PCC, including without limitation any issues arising in respect of the Data Protection Act and the Freedom of Information Act.	✓				
4.2	To act as "Proper Officer" to deal with various financial matters involving the PCC.		✓			
4.3	To ensure the day to day financial management of the Force within the framework of any agreed budget allocation, the levels of authorisation and any objectives/conditions specified by the PCC in respect of the same			✓		
4.4	To prepare (and review annually) this Scheme of Governance in conjunction with the CFO (PCC) and in consultation with the CC and the CFO (CC), and to monitor compliance with the terms of the same.	✓				

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
General Delegations continued						
4.5	To ensure the preparation of: a. The Police and Crime Plan b. The Annual Report For consideration by the PCC.	✓				
4.6	To manage the Office of the PCC.	✓				
4.7	To prepare and review periodically (in consultation with the CC, the CEO and the CFO (CC)) amendments to the Financial Regulations and the Standing Orders Relating to Contracts of the PCC, and to monitor compliance with the terms of the same.		✓			
4.8	To act as the 'Money Laundering Reporting Officer' pursuant to the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003		✓			
4.9	To prepare, in conjunction with the CEO and the CFO (CC), an Information Sharing Protocol (ISP) in accordance with paragraph 4.3 of the Financial Management Code of Practice.		✓			
4.10	To ensure that adequate procedures exist to ensure compliance by the PCC/CC with the provisions of the Bribery Act 2010 *		✓			
Staffing Delegations						
4.11	To provide strategic advice and guidance regarding the management of staffing resources and to ensure the professional competence of all staff employed by the PCC and the CC.					✓
4.12	To appoint and dismiss staff employed by the PCC (who are not under the control and direction of the CC) pursuant to paragraph 6(2) of Schedule 1 PRSRA, to make recommendations to the PCC relating to their Terms and Conditions of Service and the suspension of staff and/or the termination of their employment.	✓				
4.13	Until the Stage 2 staff transfer, approve in consultation with the CC or someone on his/her behalf, the appointment and termination of police staff (with power to delegate this function).					✓
4.14	To consider any complaint made against the CC and where deemed appropriate to make arrangements for the appointment of an Investigating Officer to investigate the complaint.	✓				

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
	Staffing Delegations Continued					
4.15	To approve, within any Police Staff Council guidelines, requests from staff employed by the PCC (not under the direction and control of the CC) to undertake additional outside work.	✓				
4.16	To facilitate the provision of information to the Police and Crime Panel, on behalf of the PCC in order to comply with the PCC's statutory obligations.	✓	✓			
4.17	To approve in consultation with the Professional Standards Department where appropriate, within Police Regulations and any Police Staff Council guidelines, requests from police officers and CC's employees to undertake additional outside work.					✓
4.18	To undertake negotiations and reach agreement(s) with recognised Trade Unions and Staff Associations on any matters suitable for local determination in respect of staff employed by the PCC, other than staff under the direction and control of the CC (see 4.19).	✓				
4.19	To undertake negotiations and reach agreement(s) with recognised Trade Unions and Staff Associations on any matters suitable for local determination in respect of staff employed by the PCC under the direction and control of the CC.					✓
4.20	To make recommendations to the Corporations Sole with regards to staff terms and conditions of service, in consultation with the CFO (PCC).					✓
4.21	To be responsible for the provision of payroll and general financial administration in relation to police officers and persons employed by the CC and the PCC, in accordance with paragraph 6 of Schedule 2 of the PRSRA and regulations made pursuant to the same *		✓			
4.22	To implement national agreements on salaries, wages and conditions.			✓		
4.23	To approve payments by way of bonus, productivity or performance related payment schemes and honoraria payments in recognition of additional duties and responsibilities or similar special payments for staff employed by the PCC after consultation with the CFO (PCC), containing such expenditure within the provisions included within the revenue budget.	✓				
4.24	To implement increases in rates of motor vehicle and subsistence allowances following national agreement *		✓			

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
	Staffing Delegations Continued					
4.25	To appoint independent Custody and Animal Welfare Visitors following satisfactory training and vetting checks (and to remove any such visitors not making the minimum number of visits required or failing to comply with the guidelines and procedures issued by the OPCC). To determine payment of allowances made to such visitors in consultation with the CFO (PCC) and in accordance with any statutory provision.	✓				
	Pension Administration Delegations					
4.26	To approve claims for reimbursement of removal expenses in accordance with Police Regulations and administer a scheme for the reimbursement of removal expenses in accordance with any conditions imposed by the PCC			✓		
4.27	To make arrangements for the administration of any car loan scheme or car leasing scheme in accordance with any conditions imposed by the PCC			✓		
4.28	To make all discretionary decisions in consultation with the CEO, under the Local Government's Superannuation Scheme in respect of staff and to authorise payments in accordance with the Terms and Conditions of Service for such staff.		✓			
4.29	To approve the retirement of staff employed by the PCC on the grounds of ill health and the payment of ordinary and ill health pensions and gratuities as appropriate, with due regard to the advice of a selected medical practitioner and in consultation with the CEO.		✓			
4.30	To determine appeals, as the 'Scheme Manager' against decisions of the senior officer of pension staff in respect of the LGPS in accordance with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996, as amended by the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008.		✓			
4.31	To ensure the administration of the police officer pension schemes (in accordance with the Police Pensions Act 1976) and the appropriate maintenance and provision of the relevant accounts. To ensure that accurate and up to date information is provided to the Home Office in respect of the Force's pension account and future forecasts for police pension income and expenditure *		✓			

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
	Pension Administration Delegations Continued					
4.32	To ensure the administration of the local government pension scheme (LGPS) for staff employed by the PCC and the CC respectively. In each instance, to ensure appropriate maintenance of the LGPS and the provision of the relevant accounts *		✓			
	Financial Management Delegations					
4.33	To make decisions in relation to the revenue budget of the Office of the PCC, PCC and Deputy PCC.	✓				
4.34	In conjunction with the CFO (PCC) to manage the budget required by the PCC to exercise his/her functions.	✓				
4.35	To authorise ex gratia payments in consultation with the CC/CEO as appropriate, (where no legal obligation has been established) up to a value set out in Financial Regulations, for damage and loss to property or for personal injury or costs incurred.		✓	✓		
4.36	To approve business cases for revenue and capital expenditure below the amount set out in Financial Regulations and to ensure that any expenditure does not exceed the amount set out in Financial Regulations, always provided that all financial implications are provided for in the budget. In committing expenditure within the approved budget, to also ensure that such expenditure meets the objectives and conditions agreed with the PCC, and reflect the provisions of the Police and Crime Plan.			✓		
4.37	In accordance with the Financial Regulations, to transfer or move budgets between budget headings on a temporary or permanent basis for all individual amounts below the amount set out in Financial Regulations and to ensure that the CFO (PCC) is kept informed of the same, save that the prior consent of the PCC shall be secured in the event that any such transfers do not accord with the policies of the PCC, where they may create a future commitment or where the resources to be transferred were originally provided to meet expenditure of a capital nature.			✓		
	Procurement and Contract Delegations					
4.38	To invite and where appropriate, accept quotations and tenders for goods and services for which provision is included within the budget			✓		

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
	Income Delegations					
4.39	To manage any income received (including any collected pursuant to section 25 of the Police Act 1996) and to advise the PCC in consultation with the CC and the CFO (CC) as to the allocation of such funds		✓			
4.40	To make revisions to the fees and charges for services of members of the Force lent to public authorities and private persons on special occasions pursuant to section 25 of the Police Act 1996, provided that due regard is given to any national guidance and charging practices issued in respect of the same *		✓			
4.41	To advise the CEO and the CC in respect of the provision of services provided to other organisations (other than mutual aid pursuant to sections 24 and 26 of the Police Act 1996), and to determine appropriate fees and charges for the same, and to ensure that appropriate insurance arrangements are in place *		✓			
4.42	To approve sponsorship involving the donation of cash below the amount set out in Financial Regulations *		✓			
4.43	To approve sponsorship involving the donation of cash (but not the receipt of cash) below the amount set out in Financial Regulations			✓		
	Treasury Management and Borrowing Delegations					
4.44	To be responsible for all banking arrangements together with the authorisation, creation or closure of any account		✓			
4.45	To authenticate cheques bearing lithograph signatures where such authentication is required under the PCC's banking arrangements		✓			
4.46	To be responsible for the investment of the PCC's money and borrowing of money as necessary in accordance with the Annual Investment Strategy and Treasury Management Policy approved by the PCC		✓			
4.47	To take all appropriate steps to ensure that the PCC has approved Prudential Indicators and Capital Strategy (incorporating the capital programme) is implemented. The CFO (PCC) (subject to the agreement of the PCC and CC) may arrange for the CFO (CC) to undertake or procure this activity in a manner acceptable to the CFO (PCC).		✓			

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
Asset and Estates Management Delegations						
4.48	To acquire in consultation with the CEO vehicles, plant, equipment and services required by the PCC and to make any arrangements for their use, disposal and replacement as appropriate and as contemplated by the capital programme		✓			
4.49	To apply for planning permission for the development of any property on behalf of the PCC *		✓			
4.50	To submit proposals for and make objections to the rating valuation lists *		✓			
4.51	To develop asset management plans on behalf of the PCC [and the CC], to ensure that an asset register is maintained to provide the PCC with information about [non-current] assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued, and to ensure contingency plans for the security of assets and continuity of service in the event of disaster or system failure		✓			
4.52	To implement asset management plans on behalf of the PCC [and the CC], to ensure in consultation with the CFO (PCC) that an asset register is maintained to provide the PCC with information about [non-current] assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued, and to ensure contingency plans for the security of assets and continuity of service in the event of disaster or system failure			✓		
4.53	To maintain inventories in an appropriate format of all items with a value in excess of the amount set out in Financial Regulations		✓			
4.54	To authorise, within any policies approved by the PCC in conjunction with the CFO (PCC), the disposal of obsolete, non-repairable and surplus assets, and in respect of surplus police houses to agree the terms of such disposals in accordance with the recommendation of a qualified Valuer *		✓			

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
	Asset and Estates Management Delegations continued					
4.55	To authorise land and property transactions (other than the disposal of police houses) not exceeding of the amount set out in Financial Regulations and to agree the terms of such transactions in accordance with recommendations made by a qualified Valuer. For this purpose land and property transactions include purchases, the taking and granting of leases or tenancies for a period not exceeding seven years, licences, way leaves and easements, and the disposal of land and property no longer required by the PCC		✓			
4.56	In relation to delegations 4.51 and 4.52 the sale of land and buildings may take place by public auction, public tender or private treaty. The disposal method shall be the one which, in the view of the CFO (CC) having received appropriate advice from a qualified Valuer, maximises value for money to the PCC		✓			
4.57	To settle dilapidation claims in consultation with the CEO and compensation payments at the termination of leases and lettings in accordance with advice received from a qualified Valuer		✓			
4.58	To take all appropriate steps to ensure that the PCC's approved capital programme is implemented (in accordance with any conditions specified by the PCC).			✓		
4.59	To be responsible for the management of the estate used by the Force (including the maintenance of property owned by the PCC), and for this purpose to incur expenditure within the maintenance budget approved by the PCC *		✓			
4.60	To be responsible for the day to day administration, supervision and effective monitoring of all building, civil engineering, information technology, goods, services and consultancy contracts entered into by the PCC. The CEO and CFO (PCC) are to be immediately informed should any contractual difficulties or disputes arise.			✓		
4.61	To arrange on behalf of the Force and the Office of the PCC, for the provision of telephone and radio communications and other technical services and to enter into line rental agreements relating to facilities provided that the necessary financial provision has been made in the revenue budget.			✓		

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
	Asset and Estates Management Delegations continued					
4.62	To enter into or approve the granting of licences for the use of radio masts and to approve the payment of consideration to or by the PCC in respect of the same.		✓			
4.63	To authorise in consultation with the CC and the CEO as appropriate, the use of property owned by the PCC by outside bodies or staff associations, provided that such use is temporary and that no tenancy or other legal interest is created.			✓		
	Legal Delegations continued					
4.64	To affix the Common Seal of the PCC as elected Local Policing Body and to sign on behalf of the PCC any document to give effect to any decisions made by the PCC or any persons exercising delegated powers on his/her behalf.	✓				
4.65	To evaluate and sign on behalf of the PCC any indemnity required to enable the PCC to exercise any of its functions, provided that where the financial implications of giving of such an indemnity are anticipated to exceed the amount set out in Financial Regulations, such indemnity shall only be signed after prior consultation the CFO (PCC).	✓				
4.66	To authorise the institution, defence, withdrawal or settlement of any claims or legal proceedings on behalf of the PCC in consultation with the CFO (PCC) in the event that the financial implications of such proceedings are anticipated to exceed the amount set out in Financial Regulations. Any decisions taken under this provision must be reported to the PCC as soon as practicable.	✓				
4.67	To provide advice, institute and defend legal proceedings on behalf of the PCC [and the CC].				✓	
4.68	To seek Counsel's opinion or other expert advice and to retain Counsel whenever this is considered to be in the interest and to the benefit of the PCC.	✓				
4.69	In consultation with the CEO, to seek Counsel's opinion or other expert advice and to retain Counsel whenever this is considered to be in the interest and to the benefit of the PCC [and the CC].				✓	

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
	Legal Delegations continued					
4.70	To serve or authorise the service of Notices to Quit and Notices to Terminate the use and occupation of land and property owned by the PCC and to institute or authorise the institution of Court proceedings to recover arrears of rent and other payments or to recover possessions from occupiers and users.	✓				
4.71	On the instruction of the CEO to serve Notices to Quit and Notices to Terminate the use and occupation of land and property owned by the PCC and to institute Court proceedings to recover arrears of rent and other payments or to recover possession from occupiers and users.				✓	
4.72	To review the PCC's statement of responsibility to children as required by Section 11 of the Children's Act 2004.	✓				
4.73	To fix in consultation with the CFO (PCC) fees in respect of the provision of documents and extracts as required by law.	✓				
4.74	To pay, in conjunction with the CEO, damages, settlement amounts and costs in respect of legal proceedings (in accordance with PRSRA Schedule 2, paragraph 8).		✓			
4.75	To evaluate and sign on behalf of the PCC [and the CC] any indemnity required to enable the Force to exercise any of its functions, provided that where the financial implications of giving of an indemnity exceed the amount set out in Financial Regulations, such an indemnity is signed with the approval of the CEO.		✓			
4.76	To authorise payments without prior approval (irrespective of whether or not provision has been made in the revenue budget) in relation to: <ul style="list-style-type: none"> (a) payments required by statute; (b) payments ordered by a court; (c) payments due under any agreement entered into by or on behalf of the PCC. Any decisions taken under this provision must be reported to the PCC as soon as practicable.		✓			

		CEO	CFO (PCC)	CFO (CC)	Head of Legal Services	Head of HR
	Legal Delegations continued					
4.77	To exercise the powers and duties pursuant to the Police (Property) Regulations 1997 and in so doing to: (a) authorise, where appropriate, requests for the donation of unclaimed found property subject to prior consultation with the PCC; (b) approve the retention of such property where it can be put to good use for police purposes; (c) make periodic recommendations to the PCC as to how the proceeds of sales and any money to which the Regulations apply should be disbursed		✓			
4.78	To undertake the day to day management of the insurance function of the CC [and the PCC] *		✓			
4.79	To settle any action (including payments into Court) which is covered by the public and employers liability insurance arrangements of the PCC, and to provide reports to the CEO on a quarterly basis detailing such settlements.				✓	
4.80	To settle any action in accordance with the decision of the PCC (including payments into Court, and including Employment Tribunal cases) which is not covered by the insurance policies referred to in delegation 4.79, over the amount set out in Financial Regulations.	✓				
4.81	In consultation with the CEO, to settle any action (including payments into Court, and including Employment Tribunal cases) which is not covered by the insurance policies referred to in delegation 4.79, up to a limit as set out in Financial Regulations. For the avoidance of any doubt the PCC's approval will be required in respect of all settlements over the limit as set out in Financial Regulations. Any decisions taken under this provision must be reported to the PCC as soon as practicable thereafter.				✓	
4.82	To institute on the instructions of the CEO legal proceedings for the recovery of any debt due to the PCC.				✓	

PART 4 - FINANCIAL REGULATIONS

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1. Introduction

- 1.1. Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds. Section 17 of the PRSRA 2011 and section 39 of the Police Act 1996 permit the Secretary of State to issue codes of practice to all Police and Crime Commissioner's (PCC)'s and Chief Constables (CC), and the Home Office has issued the Financial Management Code of Practice.
- 1.2. The PCC is the recipient of all funding, including the government grant and precept and other sources of income, related to policing and crime reduction and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the CC, or in accordance with any grant terms and conditions. The CC will provide professional advice and recommendations.
- 1.3. The Financial Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the CC and their officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf. Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations, Financial Control Procedures and other internal regulatory documents and that they comply with them and that they are complied with.
- 1.4. A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.
- 1.5. The PCC and all employees have a general responsibility 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. They have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.
- 1.6. Financial Regulations explain the working financial relationship between the PCC and the CC and their respective chief financial officers.
- 1.7. Each PCC should draw up and adopt a single set of Standing Orders Relating to Contracts as well as detailed Financial Regulations. The Standing Orders Relating to Contracts and Financial Regulations together will govern the relationship between the PCC and the CC in financial matters and should be developed in close consultation with the CC, the two Chief Finance Officers and the CEO.
- 1.8. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings. Such cases shall be reported to CFO (PCC) who shall determine, after consulting with the Monitoring Officer, whether the matter shall be reported to the PCC and/or CC.
- 1.9. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority. These are also summarised in Section 6.

- Section 1 - Financial management
- Section 2 - Financial planning
- Section 3 - Management of risk and resources
- Section 4 - Systems and procedures
- Section 5 - Joint Working Arrangements
- Section 6 - Summary of delegated limits

1.10. During the Stage 1 process, some of the arrangements will not accord with those set out in these Financial Regulations. These departures are set out in the Scheme of Delegation. Following completion of the Stage 2 transfer, it is envisaged that they will be as set out in these Financial Regulations, subject to agreement.

1.11. During the year of election of the PCC, existing Financial Regulations and policies will be adopted until such time as the PCC is able to review and approve these documents. This principle also applies for the revenue and capital budgets in the year in which the PCC is elected.

SECTION 1 - FINANCIAL MANAGEMENT

1.1 FINANCIAL MANAGEMENT

- 1.1.1 The PCC is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income.
- 1.1.2 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 CC. He/she 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 Strategy
 - Annual Financial Strategy and Annual Revenue Budget
 - Capital Strategy (including Prudential Indicators) and Capital Programme
 - Reserves Policy
 - Treasury Management Policy, including the Annual Investment Strategy
 - Asset Management Plan
 - Risk Management Strategy
 - Governance policies
- 1.1.3 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.

The Deputy Police and Crime Commissioner (DPCC)

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

The CC

- 1.1.5 To help ensure the effective delivery of policing services and to enable the CC to have impartial direction and control of all constables and staff within their force, the CC should have day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.
- 1.1.6 The CC must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The CC will discharge this through the CFO (CC) who will lead for the force on financial management.
- 1.1.7 When the CC intends to make significant change of policy or seeks to move significant sums of their budget then the approval of the PCC should be sought.
- 1.1.8 The CC shall appoint a CFO (CC) to be responsible for the proper administration of the CC's financial affairs.

- 1.1.9 The CC is responsible for the day to day financial management of the Force within the framework of the budget, rules of virement and reporting arrangements. In operating day to day financial management, the CC shall comply with the approved policies and framework of accountability.
- 1.1.10 The PCC shall prepare Financial Control Procedures to supplement the Financial Regulations in consultation with the CC. The CC shall ensure that all employees are made aware of the existence of these Financial Regulations and Financial Control Procedures and are given access to them. Where appropriate, training shall be provided to ensure that the Financial Regulations and Financial Control Procedures can be complied with.

The Independent Audit Committee

- 1.1.11 The Home Office Financial Management Code of Practice states that the PCC and CC should establish an independent audit committee. This should be a combined body which will consider the internal and external audit reports of both the PCC and the CC. This committee will advise the PCC and the CC according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices¹.
- 1.1.12 The Audit Committee shall comprise between three and five members who are independent of the PCC and the Force.
- 1.1.13 The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis
- 1.1.14 The PCC and CC shall be represented at all meetings of the Audit Committee.

The Chief Financial Officer – PCC

- 1.1.15 The CFO (PCC) is responsible for proper financial administration and carries a personal fiduciary responsibility to the local council taxpayer.
- 1.1.16 The CFO (PCC) statutory responsibilities are set out in:
- Paragraph 6 of Schedule 1 to the PRSRA 2011
 - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
 - The Accounts and Audit (Wales) Regulations
- 1.1.17 The CFO (PCC) has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the PCC on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC's accounts, including group accounts.
- 1.1.18 The CFO (PCC) is the PCC's professional adviser on financial matters. To enable them to fulfil these duties and to ensure the PCC is provided with adequate financial advice the CFO (PCC):
-

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

The CFO - CC

1.1.19 The CFO (CC) is the CC's Chief Finance Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer

1.1.20 The CFO (CC) is responsible to the CC for all financial activities within the Force or contracted out under the supervision of the Force.

1.1.21 The CFO (CC)'s responsibilities are set out in:

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

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

1.1.23 The CFO (CC) is the CC's professional adviser on financial matters. To enable him/her to fulfil these duties the CFO (CC) :

- must be a key member of the CC's Chief Officer 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 CC to ensure immediate and longer term implications, opportunities and risks are fully considered; and
- must lead the promotion and delivery by the CC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

1.1.24 It must be recognised that Financial Regulations cannot foresee every eventuality. The CFO (CC), in consultation with the CFO (PCC), shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.

The CEO

1.1.25 The CEO is responsible for the leadership and general administration of the PCC's office. The CEO is also the PCC's designated monitoring officer, pursuant to section 5(1) of the Local Government and Housing Act 1989.

1.2 FINANCIAL MANAGEMENT STANDARDS

Why is this important?

1.2.1 The PCC, CC and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.

Responsibilities

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

1.3 ACCOUNTING RECORDS AND RETURNS

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
1.3.2	To determine the accounting procedures and records for DPP, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the PCC and the CC. All employees shall operate within the required accounting policies and published timetables.				✓	✓
1.3.3	To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis				✓	✓
1.3.4	To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements				✓	✓
1.3.5	To make proper arrangements for the audit of the PCC and CC's accounts in accordance with the Accounts and Audit (Wales) Regulations.				✓	✓
1.3.6	To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis				✓	
1.3.7	To ensure that all claims for funds including grants are made by the due date				✓	
1.3.8	To obtain the approval of the CFO (PCC) before making any fundamental changes to accounting records and procedures or accounting systems			✓		✓

1.4 THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

- 1.4.1 DPP has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (The Code). The accounts will comprise separate statements for the PCC, CC as well as group accounts covering both entities.
- 1.4.2 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 DPP resources.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
1.4.3	To draw up the timetable for final accounts preparation, in consultation with the CFO (CC) and external auditor				✓	
1.4.4	To prepare, sign and date the statement of accounts, stating that it presents fairly the financial position of DPP at the accounting date and its income and expenditure for the financial year just ended				✓	
1.4.5	To publish the approved and audited accounts of DPP each year, in accordance with the statutory timetable				✓	
1.4.6	To produce summary accounts for publication on the website				✓	
1.4.7	To select suitable accounting policies and apply them consistently.				✓	✓
1.4.8	To make judgements and estimates that are reasonable and prudent and apply them consistently in accordance with guidance issued by the CFO (PCC).				✓	✓
1.4.9	To comply with the Code of Practice on Local Authority Accounting				✓	✓
1.4.10	To comply with accounting guidance provided by the CFO (PCC) and supply appropriate information upon request within a reasonable timescale.					✓
1.4.11	To consider and approve the annual accounts in accordance with the statutory timetable.	✓				

SECTION 2: FINANCIAL PLANNING

2.1 FINANCIAL PLANNING

Medium Term Financial Planning

Why is this important?

- 2.1.1 The PCC and CC share a responsibility to provide effective financial and budget planning for the short, medium and longer term.
- 2.1.2 DPP is responsible for delivering a range of policing activities in the areas of Dyfed and Powys. It needs to develop systems to enable resources to be allocated in accordance with priorities. Financial planning is essential if it is to function effectively
- 2.1.3 The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives.
- 2.1.4 The planning process should be continuous and the planning period should cover at least 3 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows DPP to plan, monitor and manage the way funds are allocated and spent.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.1.5	To identify and agree, in consultation with the CC and other relevant partners and stakeholders, a medium term financial strategy which includes funding and spending plans for both revenue and capital. The strategy should take into account multiple years, the inter-dependencies of revenue budgets and capital investment, the role of reserves and consideration of risks. It should have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local authorities. The strategy should be aligned with the Police and Crime Plan.	✓				
2.1.6	To determine the format and timing of the medium term financial plans to be presented to the PCC, in consultation with the CFO (CC). The format is to comply with all legal requirements and with latest guidance issued by CIPFA.				✓	

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.1.7	<p>To prepare a medium term forecast of proposed income and expenditure for submission to the PCC, in consultation with the CFO (CC). When preparing the forecast, the CFO(PCC) and CFO (CC) shall have regard to:</p> <ul style="list-style-type: none"> ➤ the police and crime plan ➤ policy requirements approved by the PCC as part of the policy framework ➤ the strategic policing requirement ➤ unavoidable future commitments, including legislative requirements ➤ initiatives already underway ➤ revenue implications of the draft capital programme ➤ proposed service developments and plans which reflect public consultation ➤ the need to deliver efficiency and/or productivity savings ➤ government grant allocations ➤ potential implications for local taxpayers 				✓	
2.1.8	To prepare a medium term forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding.				✓	
2.1.9	A gap may be identified between available resources and required resources. Requirements should be prioritised by the CC to enable the PCC to make informed judgements as to future funding levels and planning the use of resources.				✓	

Annual Revenue Budget

Why is this important?

- 2.1.10 The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCC's strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the Force.
- 2.1.11 The PCC should consult with the CC and other relevant partners and stakeholders in planning the overall annual budget which will include a separate force budget. This will take into consideration funding from government and from other sources, and balance the expenditure needs of the policing service against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Local Government Act 2003) and be completed in accordance with the statutory timeframe.
- 2.1.12 The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium term financial strategy should be clearly identified.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.1.13	To agree the planning timetable with the CC	✓				
2.1.14	To obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates.	✓				
2.1.15	To present the proposed budget and council tax precept recommendations to the Police and Crime Panel for approval.	✓				
2.1.16	To determine the format of the revenue budget to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA				✓	
2.1.17	To obtain timely and accurate information from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations				✓	
2.1.18	To advise the PCC on the appropriate level of general balances, earmarked reserves or provisions to be held.				✓	

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.1.19	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 approved annual revenue budget and capital programme.				✓	
2.1.20	Upon approval of the annual budget, to submit the council tax requirement return to central/welsh government and precept requests to appropriate bodies in accordance with the legal requirement.				✓	
2.1.21	To produce and issue to the billing authorities, in accordance with statutory requirements, the council tax information leaflet.				✓	
2.1.22	To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the CFO (PCC).			✓		✓
2.1.23	To submit estimates in the agreed format to the PCC for approval, including details of council tax implications and precept requirements.			✓		✓

2.2 BUDGETARY CONTROL

Why is this important?

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

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

- a) there is a nominated budget manager for each cost centre heading who is accountable for the budgets under his direct control; and
- b) the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures

Revenue Monitoring

Why is this important?

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

Responsibilities

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

Virement

Why is this important?

2.2.9 A virement is an approved reallocation of resources between budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable chief officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.

2.2.10 The CC should only be required to refer back to the PCC when virement would incur substantive changes in the policy of the PCC or where a virement might create a future year or continuing commitment. Revenue expenditure can only be funded from revenue funding.

2.2.11 Key controls for the scheme of virement are:

- c) it is administered by chief officers within delegated powers given by the PCC. Any variation from this scheme requires the approval of the PCC
- d) the overall budget is agreed by the PCC. Chief officers and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget
- e) virement does not create additional overall budget liability.
- f) each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.2.12	The CC may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC approval where the proposed transfer exceeds the delegated limit and explaining the revenue consequences.			✓		
2.2.13	The CFO (CC) can approve any virement where the additional costs are fully reimbursed by other bodies, subject to this transaction not having any recurring revenue consequences.					✓
2.2.14	For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to delegated limits.		✓	✓	✓	✓

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.2.15	The approval of the PCC shall be required if the virement involves: <ul style="list-style-type: none"> a. a substantial change in policy b. a significant addition to commitments in future years c. where resources to be transferred were originally provided to meet expenditure of a capital nature 	✓				

2.3 CAPITAL PROGRAMME

Why is this important?

- 2.3.1 Capital expenditure involves acquiring or enhancing non-current assets with a long-term value to DPP such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.
- 2.3.2 DPP 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 spending plans are considered.
- 2.3.3 The capital programme is linked to the approved financial strategy.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.3.4	To prepare the Prudential Indicators and Capital Strategy incorporating the Capital Programme				✓	
2.3.5	To develop and implement Asset Management Plans				✓	
2.3.6	To prepare an Annual Financial Strategy for consideration and approval by the PCC				✓	
2.3.7	To approve the Prudential Indicators and Capital Strategy incorporating the Capital Programme	✓				
2.3.8	To approve the Asset Management Plan	✓				
2.3.9	To approve the Annual Financial Strategy	✓				

Medium term Capital Programme

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.3.10	To prepare a rolling programme of proposed capital expenditure for consideration by the PCC. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.				✓	✓
2.3.11	To prepare project appraisals (i.e. the Business Proposal Form) for all schemes in the draft medium term year capital programme and shall be submitted to the PCC for consideration and scheme approval. This will include all additional revenue and capital costs				✓	✓
2.3.12	Each capital project shall have a named officer responsible for sponsoring the scheme, monitoring progress and ensuring completion of the scheme.				✓	✓
2.3.13	To identify available sources of funding for the medium term capital programme, including the identification of potential capital receipts from disposal of property.				✓	
2.3.14	All schemes within the draft medium term capital programme should incorporate an estimate of future price inflation.				✓	
2.3.15	To make recommendations to the PCC on the most appropriate level of revenue support and appropriate levels of borrowing, under the Prudential Code, to support the capital programme.				✓	
2.3.16	A gap may be identified between available resources and required capital investment. Requirements should be prioritised by the CC to enable the PCC to make informed judgements as to which schemes should be included in the capital programme, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.			✓		
2.3.17	To approve a fully funded medium term Capital Strategy and Capital Programme.	✓				

Annual Capital Programme

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.3.18	To agree the annual capital programme, and how it is to be financed.	✓				
2.3.19	Approval of the annual capital programme by the PCC authorises expenditure to be incurred on schemes providing the project appraisal has been approved and expenditure on the scheme does not exceed the sum contained in the approved programme by more than the delegated limit which ever is the lower amount.				✓	
2.3.20	To ensure that finance leases or other credit arrangements are not entered into without the prior approval of the PCC.				✓	
2.3.21	To ensure that, apart from professional fees (e.g. feasibility studies and planning fees), no other capital expenditure is incurred before the scheme is approved by the PCC.				✓	

Monitoring of Capital Expenditure

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.3.22	To ensure that adequate records are maintained for all capital contracts				✓	
2.3.23	To monitor expenditure throughout the year against the approved programme.				✓	
2.3.24	To submit capital monitoring reports to the PCC on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme. The reports shall be in a format agreed by the PCC.				✓	

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.3.25	To prepare a business case for all new capital schemes [after the annual programme has been agreed] for submission to the PCC for consultation and approval. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.				✓	
2.3.26	To report on the outturn of capital expenditure as part of the annual report on the statutory accounts.				✓	

2.4 MAINTENANCE OF BALANCES AND RESERVES

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
2.4.2	To advise the PCC on reasonable levels of balances and reserves.				✓	
2.4.3	To report to the PCC on the adequacy of reserves and balances before he approves the annual budget and council tax.				✓	
2.4.4	To approve appropriations to and from each earmarked reserve. These will be separately identified in the Annual Statement of Accounts.				✓	
2.4.5	To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval.			✓		
2.4.6	To present a business case to the CFO (PCC) and PCC for one-off expenditure items to be funded from earmarked and/or general reserves.			✓		

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

SECTION 3 RISK MANAGEMENT AND BUSINESS CONTINUITY

3.1 RISK MANAGEMENT AND CONTROL OF RESOURCES

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.1.3	The PCC and CC are jointly responsible for approving the risk management policy statement and strategy, and for reviewing the effectiveness of risk management.	✓		✓		
3.1.4	To prepare the DPP risk management policy statement and for promoting a culture of risk management awareness throughout DPP and reviewing risk as an on-going process.		✓	✓	✓	✓
3.1.5	To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis		✓	✓	✓	✓
3.1.6	To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis		✓	✓	✓	✓
3.1.7	To advise the PCC on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.				✓	

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.1.8	To arrange for an actuary to undertake a regular review of DPP's own self-insurance fund and, following that review, to recommend to the PCC a course of action to ensure that, over the medium term, the fund is able to meet all known liabilities.				✓	
3.1.9	To ensure, in consultation with the CFO (CC), that appropriate insurance cover is provided.				✓	
3.1.10	To ensure that claims made by DPP against insurance policies are made promptly				✓	
3.1.11	To make all appropriate employees aware of their responsibilities for managing relevant risks			✓		
3.1.12	To ensure that employees, or anyone covered by DPP insurance, is instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim			✓		
3.1.13	To ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk			✓		
3.1.14	To evaluate and authorise any terms of indemnity that DPP is requested to give by external parties.		✓			

3.2 INTERNAL CONTROL SYSTEM

Why is this important?

- 3.2.1 Internal control refers to the systems of control devised by management to help ensure DPP objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that DPP's assets and interests are safeguarded.
- 3.2.2 DPP requires an internal control framework to manage and monitor progress towards strategic objectives. DPP has statutory obligations, and, therefore, requires a system of internal control to identify, meet and monitor compliance with these obligations.
- 3.2.3 DPP 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

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.2.4	To implement effective systems of internal control, in accordance with advice from the CFO (PCC) and CFO (CC). These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.		✓	✓	✓	✓
3.2.5	To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.		✓	✓	✓	✓
3.2.6	To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.		✓	✓	✓	✓
3.2.7	To produce an Annual Governance Statement for consideration and approval by the PCC and inclusion in the PCC's Statement of Accounts. Following approval, the Annual Governance Statement should be signed by the PCC, CEO, and CFO (PCC).				✓	
3.2.8	To produce a joint Annual Governance Statement for the PCC and the CC for consideration and approval by the PCC and inclusion in the Group Statement of Accounts. Following approval, the Annual Governance Statement should be signed by the PCC, CEO, CC, CFO (PCC) and CFO (CC).				✓	
3.2.9	To produce an Annual Governance Statement for consideration and approval by the CC and inclusion in the Force's Statement of Accounts. Following approval, the Annual Governance Statement should be signed by the CC and CFO (CC).					✓

3.3 AUDIT REQUIREMENTS

Internal Audit

Why is this important?

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

Responsibilities of the Independent Audit Committee

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

Responsibilities of the appointed Internal Auditor

- 3.3.7 To prepare an annual audit plan that conforms to the CIPFA Code of Practice. The CFO (PCC) and CFO (CC) are jointly responsible for approving the plan and any subsequent revisions. The plan shall be submitted to the Independent Audit Committee for endorsement.
- 3.3.8 To attend or be represented at meetings of the Independent Audit Committee and to present to each Committee a report on the progress in delivering the annual plan, the matters arising from completed audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.
- 3.3.9 To present an annual report to the Independent Audit Committee, including an opinion on the reliance that may be placed on the internal control framework and summarising the work completed during the financial year in support of this opinion.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.3.10	To be jointly responsible for internal audit, and for establishing an audit committee	✓		✓		
3.3.11	To ensure the provision of an adequate and effective internal audit service.				✓	✓
3.3.12	To ensure that internal auditors, having been security cleared, have the authority to: <ul style="list-style-type: none"> ➤ access DPP premises at reasonable times ➤ access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance ➤ receive any information and explanation considered necessary concerning any matter under consideration ➤ require any employee to account for cash, stores or any other DPP asset under their control ➤ access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts. 		✓	✓	✓	✓
3.3.13	Internal Audit shall have direct access to all Chief Officers and employees, where necessary.		✓	✓	✓	✓

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

External Audit

Why is this important?

- 3.3.17 The Wales Audit Office (WAO) is responsible for appointing external auditors to each local authority in Wales, including police. The Code of Audit Practice prescribes the way in which auditors appointed by the WAO carry out their functions under the Public Audit (Wales) Act 2004. The external auditor has rights of access to all documents and information necessary for audit purposes.
- 3.3.18 The basic duties of the external auditor are defined in the Public Audit (Wales) Act 2004, and meet the requirements of the Code of Audit and Inspection Practice issued by the Auditor General for Wales under Section 16 of the 2004 Act. The Code sets out the auditor's objectives to review and report upon:
- the financial aspects of the audited body's corporate governance arrangements

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

3.3.19 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; and
- the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.

Responsibilities of the Independent Audit Committee

3.3.20 Responsibilities of the Independent Audit Committee are set out in the Terms of Reference but include:

- To approve the annual work plan and fee
- To receive and respond to the Annual Governance Statement
- To receive the Annual Audit Letter

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.3.21	To liaise with the external auditor and advise the PCC and CC on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.				✓	✓
3.3.22	To provide Welsh Government/Home Office with a copy of the Annual Audit Letter				✓	✓
3.3.23	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 DPP premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.	✓		✓		
3.3.24	To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner	✓		✓		

3.4 PREVENTING FRAUD AND CORRUPTION

Why is this important?

- 3.4.1 DPP will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside DPP.
- 3.4.2 DPP expectation of propriety and accountability is that members and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 3.4.3 DPP 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	CEO	CC	CFO (PCC)	CFO (CC)
3.4.4	To approve, adopt, and maintain a whistle blowing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity that they are not malicious and that appropriate action is taken to address any concerns identified. The CC shall ensure that all employees are aware of any approved whistle blowing policy.	✓		✓		
3.4.5	To maintain an effective anti-fraud and anti-corruption policy.	✓		✓		
3.4.6	To approve, adopt and maintain a policy for the registering of interests and the receipt of hospitality and gifts. A register of interests and a register of hospitality and gifts shall be maintained.	✓		✓		
3.4.7	To ensure that adequate and effective internal control arrangements are in place	✓		✓		
3.4.8	To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by all officers and staff.	✓		✓		

3.5 ASSETS

Security

Why is this important?

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

Context

3.5.2 The PCC will initially own and fund all assets regardless of whether they are used by the PCC, by the force or by both bodies. However, with consent from the PCC, CC's can acquire property (other than land or buildings) and this should be set out in the Scheme of Consent.

3.5.3 The CC is responsible for the direction and control of the force and should therefore have day-to-day management of all assets used by the force.

3.5.4 The PCC should consult the CC in planning the budget and developing a medium term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.5.5	<p>To ensure that:</p> <ul style="list-style-type: none"> a) an asset register is maintained to provide DPP with information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements b) assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place c) lessees and other prospective occupiers of DPP land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate d) title deeds to DPP property are held securely e) no DPP asset is subject to personal use by an employee without proper authority f) valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to DPP g) all employees are aware of their responsibilities with regard to safeguarding DPP assets and information, including the requirements of the Data Protection Act and software copyright legislation h) assets no longer required are disposed of in accordance with the law and the regulations of the DPP i) all employees are aware of their responsibilities with regard to safeguarding the security of DPP ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies. 	✓		✓		

Valuation

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.5.6	<p>To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the CFO (PCC). Assets are to be recorded when they are acquired by DPP. 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 CFO (PCC)</p> <p><i>Land & Buildings</i> <i>All values</i></p> <p><i>Vehicles</i> <i>All values</i></p> <p><i>Equipment</i> <i>Value up to £6,000</i></p>	✓		✓		

Inventories

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.5.7	<p>The CFO (PCC) shall maintain inventories that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown in Section 6.</p>				✓	
3.5.7	<p>There shall be at least an independent annual check of a sample of items on the inventory in order to verify location, review, and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly.</p>					

Stocks and Stores

Responsibilities

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

Intellectual Property

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.5.16	To ensure that employees are aware of these procedures.			✓		
3.5.17	To prepare guidance on intellectual property procedures and ensuring that employees are aware of these procedures.			✓		
3.5.18	To approve the intellectual property policy	✓		✓		

Asset Disposal

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.5.20	To dispose of assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the CFO (PCC) shall consult with the PCC.				✓	
3.5.21	To ensure that all asset disposals are recorded in the asset register or inventory as appropriate.				✓	
3.5.22	To ensure that income received for the disposal of an asset is properly banked and accounted for.				✓	
3.5.23	To ensure that appropriate accounting entries are made to remove the value of disposed assets from DPP records and to include the sale proceed if appropriate.				✓	
3.5.24	To dispose of assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the CFO (CC) shall consult with the CFO (PCC).					✓
3.5.25	To ensure that all asset disposals are recorded in the asset register or inventory as appropriate.					✓

3.6 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Treasury Management

Why is this important?

- 3.6.1 DPP handles hundreds of millions of pounds in each financial year. It is important that DPP money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the DPP capital sum.
- 3.6.2 PP will create and maintain, as the cornerstones for effective treasury management:
- A Treasury Management Policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - Suitable Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.6.3	To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).	✓				
3.6.4	To approve the Treasury Management Policy and Annual Investment Strategy	✓				
3.6.5	To receive and approve quarterly treasury management performance monitoring reports	✓				
3.6.6	To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance and to execute and administer treasury management in accordance with the CIPFA Code and the approved policy.				✓	
3.6.7	To prepare reports on the treasury management policies, practices and activities, including, as a minimum, an annual strategy, quarterly performance monitoring reports and an annual report.				✓	
3.6.8	To arrange borrowing and investments, in compliance with the CIPFA Code and the Treasury management policy and to ensure that all investments and borrowings are made in the name of DPP.				✓	

Banking Arrangements

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.6.10	To have overall responsibility for the banking arrangements for DPP.				✓	
3.6.11	To produce a policy on the establishment and maintenance of bank accounts, in consultation with the CFO (CC).				✓	
3.6.12	To authorise the opening and closing of all DPP bank accounts. No other employee shall open a bank account unless they are performing a statutory function (e.g. CFO (PCC) of a charitable body) in their own right				✓	
3.6.13	To undertake bank reconciliations on a timely and accurate basis.				✓	
3.6.14	To determine signatories on all DPP bank accounts				✓	

Covert Bank Accounts

Why is this important?

3.6.15 To ensure funds are available to officers undertaking covert policing operations, maintaining their anonymity whilst adhering to procedures developed to safeguard such funds.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.6.16	To have overall responsibility for the banking arrangements for covert bank accounts.				✓	
3.6.17	To ensure Financial Control Procedures are in place for covert accounts.				✓	
3.6.18	To authorise the opening and closing of all covert bank accounts.				✓	
3.6.19	To undertake covert account bank reconciliations on a timely and accurate basis.				✓	
3.6.20	To ensure that covert accounts are subject to normal internal and external audit requirements.				✓	
3.6.21	To ensure that the procedures for covert accounts required for operational policing purposes are adhered to					✓

Imprest Accounts / Petty Cash

Why is this important?

3.6.22 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 DPP accounts and correctly reimbursed to the account holder.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.6.23	To provide appropriate employees of DPP with cash, bank imprests to meet minor expenditure on behalf of DPP. The CC shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.			✓		
3.6.24	To prepare detailed Financial Instructions for dealing with petty cash, to be agreed with the CFO (CC), and these shall be issued to all appropriate employees.				✓	

Money Laundering

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.6.28	To be the nominated Money Laundering Reporting Officer (MLRO) for DPP.				✓	
3.6.29	Upon receipt of a disclosure to consider, in the light of all information, whether it gives rise to such knowledge or suspicion.				✓	
3.6.30	To disclose relevant information to the Serious Organised Crime Agency (SOCA)				✓	
3.6.31	To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide		✓	✓	✓	✓

Responsibilities of employees

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

3.7 STAFFING

Why is this important?

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

Responsibilities

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

3.8 TRUST FUNDS

Why is this important?

- 3.8.1 Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them.
- 3.8.2 The DPP Financial Control Procedures and Financial Regulations should be viewed as best practice, which ought to be followed whenever practicable.
- 3.8.3 No employee shall open a trust fund without the specific approval of the PCC.

Responsibilities of Trustees

- 3.8.4 All employees acting as trustees by virtue of their official position shall ensure that accounts are audited as required by law and submitted annually to the appropriate body, and the CFO (PCC) and/or CFO (CC) shall be entitled to verify that this has been done.

3.9 ADMINISTRATION OF EVIDENTIAL & NON-EVIDENTIAL PROPERTY

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.9.2	To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his guardianship or supervision. These procedures shall be made available to all appropriate employees.			✓		
3.9.3	To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.			✓		
3.9.4	To issue separate Financial Instructions for dealing with cash, including seized cash under the Proceeds of Crime Act				✓	

Responsibilities of all employees

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

3.10 GIFTS, LOANS AND SPONSORSHIP

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

Why is this important?

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

Context

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

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

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.10.6	To approve the policy on gifts, loans and sponsorship	✓				
3.10.7	To accept gifts, loans or sponsorship within agreed policy guidelines.			✓		
3.10.8	To refer all gifts, loans and sponsorship above the delegated limit to the PCC for approval before they are accepted.			✓		
3.10.9	To present an annual report to the PCC listing all gifts, loans and sponsorship.					✓
3.10.10	To maintain a central register, in a format agreed by the CFO (PCC), 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 CFO (PCC), who shall satisfy himself/herself that it provides a suitable account of the extent to which such additional resources have been received.					✓

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
3.10.11	To bank cash from sponsorship activity in accordance with normal income procedures.					✓

SECTION 4 SYSTEMS & PROCESSES - INTRODUCTION

4.1 SYSTEMS AND PROCESSES INTRODUCTION

Why is this important?

4.1.1 There are many systems and procedures relating to the control of DPP assets, including purchasing, costing and management systems. DPP is reliant on computers for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

4.1.2 The CFO (PCC) and CFO (CC) both have a statutory responsibility to ensure that DPP financial systems are sound and should therefore be notified of any proposed new developments or changes.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.1.3	<p>To make arrangements for the proper administration of DPP financial affairs, including to:</p> <ul style="list-style-type: none"> ➤ issue advice, guidance and procedures for officers and others acting on behalf of DPP ➤ determine the accounting systems, form of accounts and supporting financial records ➤ establish arrangements for the audit of DPP financial affairs ➤ approve any new financial systems to be introduced ➤ approve any changes to existing financial systems. 				✓	✓

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.1.4	<p>To ensure, in respect of systems and processes, that</p> <ul style="list-style-type: none"> ➤ systems are secure, adequate internal control exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice. ➤ appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously ➤ a complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa ➤ systems are documented and staff trained in operations 				✓	✓
4.1.5	<p>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</p>				✓	✓
4.1.6	<p>To establish a scheme of delegation, identifying staff authorised to act upon the CC's behalf in respect of income collection, placing orders, making payments and employing staff.</p>				✓	✓

4.2 INCOME

Why is this important?

- 4.2.1 Income is vital to DPP and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly.
- 4.2.2 The PCC is the recipient of funding relating to policing and crime reduction, including government grant and precept and other sources of income. Details of the local arrangements relating to income, such as that collected under section 25 of the Police Act 1996, should be set out in local schemes of consent. How this money is allocated is a matter for the PCC in consultation with the CC, or in accordance with any grant terms. The statutory officers of the CC and the PCC will provide professional advice and recommendations.

Context

- 4.2.3 The PCC and CC should adopt the ACPO national charging policies and national guidance when applying charges under section 25 of the Police Act 1996. It should keep in mind that the purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them.
- 4.2.4 PCC's 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 PCC's should ensure that ongoing resource requirements are not dependant on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.
- 4.2.5 When specifying resource requirements the CC will identify the expected income from charging. The CC should adopt ACPO charging policies in respect of mutual aid.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.2.6	To adopt the ACPO national charging policies and national guidance when applying charges under section 25 of the Police Act 1996	✓		✓		
4.2.7	To make arrangements for the collection of all income due to DPP and approve the procedures, systems and documentation for its collection, including the correct charging of VAT				✓	
4.2.8	To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the PCC.				✓	
4.2.9	To ensure that all income is paid fully and promptly into the bank account. Appropriate details should be recorded on to paying-in slips to provide an audit trail.				✓	
4.2.10	To ensure income is not used to cash personal cheques or make other payments.				✓	
4.2.11	To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.				✓	
4.2.12	To operate effective debt collection procedures.				✓	
4.2.13	To initiate, in consultation with the CEO, appropriate debt recovery procedures, including legal action where necessary.				✓	
4.2.14	To approve the write-off of bad debts, in consultation with the CEO, up to the delegated limit. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.				✓	
4.2.15	To prepare detailed Financial Control Procedures for dealing with income, to be agreed with the CFO (CC), and to issue them to all appropriate employees.				✓	

4.3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Why is this required?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.3.2	To maintain a procurement policy covering the principles to be followed for the purchase of goods and services.				✓	
4.3.3	To issue official orders for all work, goods or services to be supplied to DPP, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the CFO (PCC). Orders must be in a form approved by the CFO (PCC).				✓	
4.3.4	Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of DPP contracts.				✓	
4.3.5	Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations.				✓	
4.3.6	Payments are not to be made unless goods and services have been received by DPP at the correct price, quantity and quality in accordance with any official order.				✓	
4.3.7	To ensure that payments are made to the correct person, for the correct amount, on time, in accordance with the principles set out by the Welsh Government and are recorded properly, regardless of the method of payment.				✓	
4.3.8	To ensure that VAT is recovered where appropriate				✓	
4.3.9	To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected				✓	

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.3.10	To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, as set out in the separate Contract - Procedures and Content document.				✓	
4.3.11	To prepare, in consultation with the CFO (CC), detailed Financial Control Procedures for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.				✓	
4.3.12	To ensure that every member and employee declares any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of DPP and that such persons take no part in the selection of a supplier or contract with which they are connected.		✓	✓	✓	✓

4.4 PAYMENTS TO EMPLOYEES AND OFFICERS

Why is this required?

4.4.1 Employee costs are the largest item of expenditure for police forces. 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 or the scheme of members' allowances and expenses.

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.4.2	To ensure, in consultation with the CFO (CC), the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees.				✓	
4.4.3	To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.				✓	
4.4.4	To pay all valid travel and subsistence claims or financial loss allowance.				✓	
4.4.5	To pay salaries, wages, pensions and reimbursements by the most economical means.				✓	

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.4.6	To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.				✓	
4.4.7	To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.				✓	
4.4.8	To prepare detailed Financial Instructions for dealing with payments to employees, to be agreed with the CFO (CC), and these shall be issued to all appropriate employees.				✓	

4.5 TAXATION

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.5.2	To ensure the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements				✓	✓
4.5.3	To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations				✓	✓
4.5.4	To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC				✓	✓
4.5.5	To provide details to the HMRC regarding the construction industry tax deduction scheme.				✓	✓
4.5.6	To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.				✓	✓

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.5.7	To ensure the timely completion and submission of Corporation Tax returns to HMRC and that due payments are made in accordance with statutory requirements					✓

4.6 CORPORATE CREDIT CARDS

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.6.2	To provide detailed financial instructions to all cardholders.				✓	
4.6.3	To authorise and maintain control over the issue of cards.				✓	

Responsibilities of credit card holders

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

4.6.5 To provide receipted details of all payments made by corporate credit card each month, including nil returns, to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.

4.7 PURCHASING CARDS

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.7.2	To provide detailed financial instructions to card holders.				✓	
4.7.3	To authorise and maintain control over the issue of cards.				✓	
4.7.4	To reconcile the purchase card account to the ledger on a monthly basis.				✓	

Responsibilities of Purchasing Card Holders

4.7.5 To be responsible for ordering and paying for goods and services in accordance with the Force procurement policy, contract standing orders and all procedures laid down by the CFO (PCC).

4.8 EX GRATIA PAYMENTS

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
4.8.2	To make ex gratia payments, on a timely basis, to members of the public up to the delegated limit in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of DPP				✓	✓
4.8.3	To maintain details of ex gratia payments in a register				✓	✓
4.8.4	To make ex gratia payments, on a timely basis, up to the delegated limit in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.				✓	✓

SECTION 5 JOINT WORKING ARRANGEMENTS

5.1 JOINT WORKING ARRANGEMENTS

Why is this important?

5.1.1 Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private service providers. Joint working arrangements can take a number of different forms, each with its own governance arrangements. In DPP these are grouped under the following headings:

- Commissioning of services
- Partnerships
- Collaboration

5.1.2 Partners engaged in joint working arrangements have common responsibilities:

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

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

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

5.1.4 The DPP element of all joint working arrangements must comply with these Financial Regulations

COMMISSIONING OF SERVICES

- 5.1.5 Under the Police Reform and Social Responsibility Act (the Act) the PCC (PCC) for Dyfed Powys will have responsibility for the totality of policing for the area.
- 5.1.6 As well as holding the CC to account for the Force's performance against objectives set out in the Police and Crime Plan, the Act empowers the Commissioner to commission services directly from other providers or through employing staff directly. This provides the Commissioner with a potentially complementary route by which priorities or electoral commitments can be delivered utilising the third sector, partner agencies, the private sector or other providers.

The Legal power to Commission

- 5.1.7 The Act provides the Commissioner with a range of options and powers by which to Commission services. The Home Office intends to earmark funding specifically towards commissioning and the Commissioner can also utilise other funding sources to meet commissioning requirements.
- 5.1.8 Consideration can be given to utilising grants (under Section 9 of the Act), procurement (under Paragraph 14 of Schedule 1 of the Act) and direct delivery (Schedule 1 Paragraph 6) to Commission Services.
- 5.1.9 This allows a choice between various Commissioning options and methods which can be made on a case by case basis ensuring the best outcomes in terms of delivery of priorities sought.
- 5.1.10 As set out in section 10 of the Police Reform and Social Responsibility Act 2011 in exercising these functions, the Commissioner must work co-operatively and have regard for the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, PCC's are free to pool funding as they and their local partners see fit. PCC's can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies.

Key Controls

- 5.1.11 The key controls for commissioning services are:
- Agreements with clear priorities and outcomes
 - Published Commissioning Framework
 - Documented decision making processes
 - Grant / contractual conditions and outcomes
 - Monitoring and Evaluating Processes

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
5.1.12	To publish a Police and Crime Plan setting out the priorities for Police and Crime within Dyfed Powys which will set out the broad strategy on Commissioning.	✓				
5.1.13	To Publish a Commissioning Framework document which will outline in more detail the scope of Commissioning and provide the detailed processes and methods to be followed.	✓				
5.1.14	To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan and making decisions on Commissioning and to work effectively with other partners in Dyfed Powys who can may also provide significant resources to tackle local problems and priorities as identified in the Police and Crime plan.	✓				
5.1.15	To make appropriate robust arrangements to commission services from the Constabulary or external providers. To award crime and disorder grants or commissioned services of over £10,000 per annum.	✓				
5.1.16	To draft the Commissioning Framework document that will support the objectives as set out in the Police and Crime Plan. The framework should encourage a mixed economy of provider options and where necessary develop a specific PCC's Compact Agreement with the Voluntary Sector.		✓			
5.1.17	To keep under review the performance and outcomes of services commissioned by the PCC in respect of partnership activity.		✓			
5.1.18	Consult with local partners through a Partnership Board or similar arrangement to ensure that due regard can be taken to their views in determining commissioning priorities or delivery methods.		✓			
5.1.19	In consultation with the CFO (PCC), agree up to £10,000 expenditure for initiatives in line with the PCC's aims and objectives and Commissioning Framework. If in excess of £10,000 per annum, the PCC's approval is required.		✓			
5.1.20	To develop financial framework as part of the wider Commissioning framework with approved authorisation levels.				✓	

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
5.1.21	To agree and administer terms and conditions of grants and all contractual agreements in relation to Commissioning.				✓	
5.1.22	To determine the available budget for Commissioning and identify potential funding sources in consultation with the CFO (CC) to include income generation opportunities and sources of funding which will assist in meeting the outcomes and priorities included in the Police and Crime Plan.				✓	
5.1.23	To assist the CEO to carry out the financial aspects of his responsibilities and in particular to budget and account for incoming funding and outgoing expenditure in accordance with accounting requirements.				✓	
5.1.24	Ensure financial expenditure does not exceed the budgeted level to achieve the objectives set out in the Police and Crime Plan where services are commissioned within community initiatives.				✓	

PARTNERSHIPS

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

- are otherwise independent bodies;
- agree to co-operate to achieve a common goal; and
- achieve it to create an organisational structure or process and agreed programme, and share information , risks and rewards

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

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

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

Statutory based

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

Strategic

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

Ad-hoc

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

Context

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

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
5.1.33	To have regard to relevant priorities of local partners when considering and setting the 5 year Police and Crime Plan and the annual delivery plan	✓				
5.1.34	To make appropriate arrangements to commission services from either the force or external providers	✓				
5.1.35	To maintain a record of all partnership arrangements.	✓				
5.1.36	To follow the guidance manual for local partnerships,		✓	✓	✓	✓

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
5.1.37	To consult, as early as possible, the CFO (CC) and the CFO (PCC) to ensure the correct treatment of taxation and other accounting arrangements		✓	✓	✓	✓
5.1.38	To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the CEO.		✓	✓	✓	✓

COLLABORATION

- 5.1.39 Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the PRSRA 2011, CC's and PCC's have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more police force or PCC's. Any collaboration which relates to the functions of a police force must first be agreed with the CC of the force concerned.
- 5.1.40 The PCC's shall jointly hold their CC's to account for any collaboration in which their force is involved
- 5.1.41 Any such proposal must be discussed with the CFO (PCC) and CFO (CC) in the first instance.

5.2 EXTERNAL FUNDING

Why is this important?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
5.2.3	To pursue actively any opportunities for additional funding where this is considered to be in the interests of DPP, notifying the CFO (PCC) as appropriate.		✓	✓	✓	✓
5.2.4	To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.		✓			
5.2.5	To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met. Also that a record of all external funding is maintained.				✓	
5.2.6	To ensure that funds are acquired only to meet policing needs and objectives				✓	
5.2.7	To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood				✓	
5.2.8	To ensure that any conditions placed on DPP 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.				✓	

5.3 WORK FOR EXTERNAL BODIES

Why is this required?

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

Responsibilities

		PCC	CEO	CC	CFO (PCC)	CFO (CC)
5.3.2	To ensure that proposals for assistance are costed, that no contract is subsidised by DPP and that, where possible, payment is received in advance of the delivery of the service so that DPP is not put at risk from any liabilities such as bad debts.				✓	
5.3.3	To ensure that appropriate insurance arrangements are in place.				✓	
5.3.4	To ensure that all contracts are properly documented				✓	
5.3.5	To ensure that such contracts do not impact adversely on the services provided by DPP a) The submission of tenders for the supply of goods and/or services should be approved in accordance with the provisions of Standing Orders.				✓	

SECTION 6 – SUMMARY OF DELEGATED LIMITS

Scheme of Delegation

Delegations to the Chief Executive

Delegation	Delegated Limit
4.65	In respect to the PCC, where the financial implications of an indemnity are anticipated to exceed £25,000 the Chief Executive should seek the approval of the CFO (PCC) prior to signing on behalf of the PCC.
4.66	Where the financial implications of the institution, defence, withdrawal or settlement of any claims or legal proceedings exceed £25,000 the Chief Executive should consult with the CFO (PCC) prior to authorisation on behalf of the PCC.
4.80	To settle any action (including payments into Court, and including Employment Tribunal cases) which is not covered by the insurance policies referred to in delegation 4.79, over £50,000

Delegations to the CFO (PCC)

Delegation	Delegated Limit
4.35	To authorise ex gratia payments (where no legal obligation has been established) up to £20,000 to members of the public and £10,000 to a police officer, police staff or any member of the extended police family, for damage and loss to property or for personal injury or costs incurred.
4.53	To maintain inventories in an appropriate format of all items with a value up to £6,000
4.55	To authorise land and property transactions (other than the disposal of police houses) not exceeding £10,000 and to agree the terms of such transactions in accordance with recommendations made by a qualified Valuer.
4.75	In respect to the Force, where the financial implications of an indemnity are anticipated to exceed £25,000 the CFO (PCC) should seek the approval of the Chief Executive prior to signing on behalf of the PCC.

Delegations to the CFO (CC)

Delegation	Delegated Limit
4.36	To approve business cases for revenue and capital expenditure below £50,000 and to ensure that any expenditure does not exceed £50,000 always provided that all financial implications are provided for in the budget.
4.37	To transfer or move budgets between budget headings on a temporary or permanent basis for all individual amounts below £25,000
4.43	To approve sponsorship below £10,000

Delegations to the Head of Legal Services

Paragraph	Delegated Limit
4.81	To settle any action (including payments into Court, and including Employment Tribunal cases) which is not covered by the insurance policies referred to in delegation 4.79, up to a limit of £25,000. The PCC's approval will be required in respect of all settlements over the limit of £25,000.

Financial Regulations

Virement

Paragraph	Delegated Limit								
2.2.12	The CC may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC approval where the proposed transfer exceeds £50,000 and explaining the revenue consequences.								
2.2.14	<p>For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels</p> <p>Force Budget</p> <table><tbody><tr><td>Up to £25,000</td><td>CFO (CC)</td></tr><tr><td>Over £25,000</td><td>PCC</td></tr></tbody></table> <p>PCC's own budget</p> <table><tbody><tr><td>Up to £25,000</td><td>CFO (PCC)</td></tr><tr><td>Over £25,000</td><td>PCC</td></tr></tbody></table>	Up to £25,000	CFO (CC)	Over £25,000	PCC	Up to £25,000	CFO (PCC)	Over £25,000	PCC
Up to £25,000	CFO (CC)								
Over £25,000	PCC								
Up to £25,000	CFO (PCC)								
Over £25,000	PCC								

Annual Capital Programme

Paragraph	Delegated Limit
2.3.19	The CFO (PCC) should ensure that expenditure on a capital scheme does not exceed the sum contained in the approved programme by more than £100,000 or 10%, whichever is the lower amount.

Asset Valuation

Paragraph	Delegated Limit
3.5.6	The CC and PCC should maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the CFO (PCC). <i>Land & Buildings</i> <i>All values</i> <i>Vehicles</i> <i>All values</i> <i>Equipment</i> <i>Value up to £6,000</i>

Inventories

Paragraph	Delegated Limit
3.5.7	The CFO (PCC) should ensure that inventories are maintained in an appropriate format that records an adequate description of items with a value up to £6,000.

Money Laundering

Paragraph	Delegated Limit
3.6.25	Suspicious cash deposits in any currency in excess of €15,000 (or equivalent) should be reported to the Serious Organised Crime Agency (SOCA)
3.6.26	Cash bankings from a single source over €15,000 should be reported to the CFO (PCC). This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9).

Gifts, loans and sponsorship

Paragraph	Delegated Limit
3.10.8	The CC should refer all gifts, loans and sponsorship above £15,000 to the PCC for approval before they are accepted

Income - Bad debts

Paragraph	Delegated Limit
4.2.13	<p>The CC should approve the write-off of bad debts, in consultation with the Chief Executive or the CFO (PCC), up to the following limits:</p> <p><i>Up to £5,000</i> <i>CFO (PCC)</i></p> <p><i>£5,000 to £20,000</i> <i>CFO (PCC) in consultation with the Chief Executive</i></p> <p><i>Over £20,000</i> <i>PCC</i></p>

Ex Gratia payments

Paragraph	Delegated Limit
4.8.2	<p>To make ex gratia payments, on a timely basis, to members of the public up to the levels shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of DPP</p> <p><i>Up to £20,000</i> <i>CFO (PCC)/CFO(CC)</i></p> <p><i>Over £20,000</i> <i>PCC</i></p>
4.8.4	<p>To make ex gratia payments, on a timely basis, up to the levels shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.</p> <p><i>Up to £10,000</i> <i>CFO (PCC)/CFO(CC)</i></p> <p><i>Over £10,000</i> <i>PCC</i></p>

PART 5 - STANDING ORDERS RELATING TO CONTRACTS

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SECTION 1 - INTRODUCTION

Application and Scope of Standing Orders on Contracts

1. These Standing Orders on Contracts govern the procedures for tenders and Contracts and the relative responsibilities of the PCC and Chief Constable (CC). These standing orders shall apply to all contracts entered into by or on behalf of the PCC and/or CC with any other person or body, other than where the exemptions detailed in this document apply.
2. These Standing Orders on Contracts will therefore apply to all orders and contracts for:-
 - i. the supply of goods and materials
 - ii. the provision of services, including professional advice from Consultants
 - iii. the execution of building, engineering, communication or information technology projects.
3. The PRSRA allows for a Stage 2 transfer by April 2014, whereby the PCC can transfer assets, staff and liabilities to the CC. During Stage 2 the PCC will give Consent to the CC to undertake certain functions. Transactions entered into following consent by the PCC to the CC will be in the CC's own name. With consent from the PCC the CC will be able to enter in contracts during Stage 2 but not during stage 1.
4. Every contract made by or on behalf of the PCC and/or CC shall comply with the law of the European Union, the Law of England and Wales and these Standing Orders. Whenever European Legislation or the Law of England and Wales conflicts with these Standing Orders then that law should take precedence.
5. Outside Consultants and technical officers appointed to supervise the contract must follow these Standing Orders and the Financial Regulations of the PCC as if they were officers of the PCC. Their contracts of engagement must state this requirement.

Status

6. The Standing Orders on Contracts should not be seen in isolation, but rather as part of the overall regulatory framework of the PCC.
7. The PCC is responsible for approving or amending Standing Orders on Contracts. The CFO (PCC) is responsible for maintaining a regular review of Standing Orders on Contracts and submitting any additions or amendments to the PCC, after consulting with the Chief Executive (CEO), CC and CFO (CC).
8. The CC is responsible for ensuring that all staff, contractors and agents are aware of the existence and the content of the PCC's Standing Orders on Contracts and that they are complied with (this applies equally to the CEO for staff under their direct supervision). These Standing Orders on Contracts must be available for staff to reference via the intranet.
9. The CC is responsible for ensuring that Codes of Practice, Guidance or Protocols that may be issued in conjunction with Standing Orders on Contracts, are complied with.
10. Breaches of Standing Orders Relating to Contracts of a serious nature may result in disciplinary proceedings. Such cases shall be reported to CFO (PCC) who shall determine,

after consulting with the Monitoring Officer, whether the matter shall be reported to the PCC and/or CC.

Exemptions from Standing Orders on Contracts

11. These Standing Orders on Contracts will not apply in the following instances:-

- i. contracts for the sale and purchase of land (see paragraph 11 below)
- ii. contracts of employment.
- iii. contracts for the investment or sale of monies or securities
- iv. the engagement or instruction of Counsel.

12. Only Standing Orders on Contracts Section 11 shall apply to contracts for the sale and purchase of interests in land and property.

SECTION 2 - OFFICE HOLDERS INTERESTS

Pecuniary Interests of Office Holders

13. All Office Holders are reminded of the need to carefully consider their position in respect of the declaration of interest in relation to the award of contracts.

Pecuniary Interests of Officers in Contracts

14. The CEO shall maintain a record of any notice given by a post holder, officer or employee of DPP of a pecuniary interest and the record shall be available during office hours for inspection.

SECTION 3 - PROCUREMENT STRATEGY AND AUTHORISATION LEVELS

Procurement Strategy

15. For each financial year, the PCC shall agree a Procurement Strategy.

Pre-procurement

16. Before commencing a procurement exercise it is essential that an approved officer is authorised to instigate the scheme, to monitor progress and ensure completion in line with the PCC's Procurement Strategy.

17. Before undertaking a procurement the Authorised Officer shall:-

- i. Consider all other means of satisfying the need (including recycling and reuse where appropriate).
- ii. Prepare a scheme estimate including outline business plan.
- iii. Prepare progress targets.
- iv. Prepare a project appraisal demonstrating costs and benefits.
- v. Consider whether there is an appropriate contract or framework agreement that should be used.

Authorisation and Delegated Authority

18. The PCC and CC are the sole legal entity for all contracts relating to the DPP.

19. The PCC delegates their authority to the CFO (PCC) to commit the PCC to contractual agreements below £150,000 in value.
20. The CC delegates their authority to the CFO (CC) to commit the CC to contractual agreements below £150,000 in value.
21. The CEO to the will be responsible for the authorisation of all contracts of £150,000 and above.
22. The PCC will be responsible for the authorisation of all contracts of £500,000 and above.
23. The affixing of the Common Seal shall only be attested by the CEO or a person authorised by him/her. A record of the contracts once sealed shall be maintained by the CEO and the record signed by the person who shall have attested the seal.

Budget Authorisation

24. Before entering into any contractual commitment on behalf of the PCC or the CC, the office holders must ensure that there is sufficient approved budget to meet the commitment being made.

SECTION 4 - PROCUREMENT THRESHOLDS

Procurement Thresholds

(N.B. All the values stated within this procedure are exclusive of Value Added Tax (VAT).

25. Quotations shall be obtained in respect of all goods and services with total value of less than £1,000. More than one quotation may be obtained where it is considered appropriate to demonstrate value for money.
26. Procurement of goods and services whose total estimated value exceeds £1,000 but are less than £30,000 or in the case of estates contracts £50,000, shall be made only after quotations have been sought from not less than three suppliers or suitable persons. (Faxed or emailed quotations may be obtained where the purchase is of an urgent nature.)
27. Procurement of goods and services whose total estimated value exceeds £30,000 or in the case of estates contracts £50,000, shall be made only after formal tenders have been invited as described in Section 7 of this document.
28. Procurement of goods and services which fall within the requirements of the European Union Directives shall be made only after the relevant Directive and any associated UK Statutory Instruments have been complied with.
29. (For details of current financial limits relating to the European Union Directive reference should be made to the Procurement Department).

Total Value or Amount of Contracts

30. A project shall not be divided into a number of separate contracts in order to avoid the limitations imposed by statute, EU directives or Financial Regulations. Deliberate division of projects in such a way could result in disciplinary action.

SECTION 5 - LIST OF SUPPLIERS

Approved List of Suppliers

31. Where permitted by law a list may be kept of persons/bodies who have been approved to supply specific types of goods and services. The list shall be compiled and maintained by or under arrangements approved by the PCC.
32. The list must be reviewed at intervals not exceeding three years and notices inviting applications for inclusion in it shall be published in one or more local newspaper, or journals circulating among such persons as undertake contracts for the type of work required. Notices must be placed at least 4 weeks prior to updating the list.
33. The CFO (PCC) may approve deletions and additions to the list between review dates, but must record the reasons for the removal. Persons/bodies must be advised that they have been removed from the list. The record showing deletions from the list will be maintained under arrangements approved by the PCC.
34. The list shall indicate in respect of a person or body whose name is included on it, the categories of goods and service and the values or amounts in respect of these categories for which approval has been given.
35. Persons/bodies shall be entitled to apply to be included on the list at anytime, whether or not an advertisement has recently been issued and shall have their application dealt with reasonably promptly.
36. The above provisions will not apply in cases where European thresholds are exceeded. Advice in respect of adherence to European thresholds will be obtained from the Senior Manager Procurement and Contracts.

SECTION 6 - PROCUREMENT PROCEDURES (for estimated values exceeding £30,000 or in the case of estates contracts £50,000)

37. Before any contract is entered into, procurement must be undertaken in one of the ways described in paragraphs 38 to 50 except as provided in paragraphs 51 to 54. The detailed administrative procedures are more particularly prescribed in the Financial Control procedures.

Compliance with EU Directives

38. Where the estimated value of the contract exceeds the EU threshold:
 - i. The appropriate notice must be placed in the Official Journal of the European Union and the time scales relating to the specific tendering process complied with.
 - ii. Additionally further notice may be given in one or more local newspapers or journals circulating among persons who undertake such contracts or via the National Procurement Website.

Selective Tendering from the List of Suppliers

39. Where permitted by law a list may be kept of persons to be invited to tender for specific types of contracts. The list shall be compiled and maintained by or under arrangements approved by the PCC, appropriate to the nature of the particular contract. (See Section 6.)

40. Where an approved list of suppliers exists tenders should be invited from a minimum of four suppliers. If four suitable suppliers cannot be identified from the list, the Senior Manager Procurement and Contracts will on approval of the CFO (PCC) establish whether additional suppliers should be researched for inclusion on the list or whether in exceptional circumstances a smaller number should be invited. In the circumstances that less than four suppliers be invited to tender this will be reported to the PCC.
41. Where more than 4 suppliers are available on the Select list for a particular category of goods/services the appropriate selection criteria should be agreed advance with the Procurement Department.

Open Tendering

42. Where the estimated value of the contract exceeds £30,000 or in the case of estates contracts £50,000, at least 14 days' notice must be given in one or more local newspaper, trade journal or via the National Procurement Website.
43. The notice must state the nature and purpose of the contract, invite tenders for its execution and specify the last date and time when tenders must be received.
44. All those who respond must be invited to tender.

Restricted Tendering

45. Where goods and services of a specialised nature are required, it may be appropriate to apply a restricted tendering process where the estimated value of the contract exceeds £30,000 or in the case of estates contracts £50,000. In such cases at least 14 days' notice must be given in one or more local newspaper, trade journal or via the National Procurement Website.
46. The notice must state the nature and purpose of the contract, invite persons to express an interest in submitting a tender, and specify the last date and time when applications must be received.
47. After expiry of the specified period, a pre-qualification questionnaire should be sent to all persons who have expressed an interest to tender by the date and time specified.
48. The criteria for short listing to tender will be confirmed within the pre-qualification questionnaire. These criteria must not be adjusted in any circumstances following the issue of the questionnaire.
49. After expiry of this specified period, invitations to tender should be sent to not less than four of the prospective contractors who have returned the pre-qualification questionnaire.
50. If fewer than four persons have applied and are considered suitable, reference should be made to the Senior Manager Procurement and Contracts.
51. The process of selecting prospective contractors must be seen to show no favour and be fully documented by ensuring the evaluation criteria to be used are included in the tender documentation.

Exceptions

52. Subject to European Union directives, the provisions of the tendering procedure set out herein do not apply where the CFO (PCC) in consultation with the CEO is satisfied that:-

- i. There is no effective competition for the supply as prices are fixed under Statutory Authority.
- ii. There is only one source of supply.
- iii. There is a justifiable case to use a specific supplier for reason of compatibility with existing equipment or to maintain continuity of supply. Where such a case is made, it is imperative that evidence of costs and associated factors are provided to support the assertion.
- iv. Security considerations make the use of a particular contractor essential.
- v. A genuine unforeseeable operational need arises so that the supply is urgently required and loss, damage or injury could result from delay due to the advertising procedure.
- vi. The purchase or sale of PCC/CC is required to acquire particular goods or services by operation of law.

53. Those wishing to rely on any of the foregoing shall seek advice from the Senior Manager Procurement and Contracts and submit an evidenced case to the CFO (PCC). Details of such contracts shall be reported to the Audit Committee where the value exceeds £30,000 or in the case of estates contracts £50,000.

54. These exceptions apply provided that in each instance specified in paragraph 51:

- i. Such action does not contravene any statutory or EU requirement; and
- ii. Details of the contract are reported to the Audit Committee where the value of the contract exceeds £30,000 or in the case of estates contracts £50,000
- iii. Adequate documentation is retained for all contracts where tenders are not invited.

Use of Framework Agreements

55. Tenders or quotations are also not required to be invited where:

- i. Direct purchasing arrangements have already previously been agreed by the PCC.
- ii. The PCC is a member of a consortium created for the purpose of acquiring goods or materials of the relevant type; or
- iii. The PCC has access to Framework Agreements entered into by another agency.
- iv. Use of Value Wales agreements apply. However, pursuance of such agreements may only follow the approval of the Senior Manager Procurement and Contracts, demonstration of the Value for Money process and authorisation by the CFO (PCC).

SECTION 7 - SUBMISSION AND OPENING OF TENDERS AND QUOTATIONS

Submission of Tenders

56. Where in pursuance of the Standing Orders invitation to tender is made, every invitation shall state:

- i. The place where, time and method(s) by which the tender should be delivered.
- ii. That no tender will be considered unless submitted in a plain sealed envelope bearing the words "Tender for....." followed by the subject to which it relates and the tender reference.
- iii. There must be no name or mark to identify the sender, including company advertising logo. Any external wrapping used by a courier service must not reveal the name of the sender.
- iv. Except in exceptional circumstances tenders submitted by Fax or E-mail will not be considered. Where a tender submitted by fax or e-mail is considered a report covering the circumstances should be submitted to the Audit Committee.
- v. That the PCC/CC do not bind itself to accept the lowest or any tender
- vi. The terms and conditions that will apply to the final contract to be made when the successful tenderer has been selected. Attempts by potential contractors to replace or amend the PCC's terms and conditions may constitute grounds for rejection of that tender.

Note: Electronic Tendering which preserves the principles of submission of the tender and its confidentiality until such time as it is opened and reported, should be deemed to be acceptable within these Standing Orders.

Arrangements to Cover the Issue of Tender Details

57. The Senior Manager Procurement and Contracts shall ensure:

- i. That there are proper controls to ensure that tender documents are sent to all tender invitees, and that the details sent are correct and complete.
- ii. That any amendments to tender documents required during the tender period are provided to all tender invitees in writing.
- iii. That invitees are asked to notify the PCC/CC in writing that they have received the tender documents, including any tender amendment, and that they will be submitting a tender by the due date.
- iv. That records are kept of all amendments issued in the tender period and of the invitees' notification of receipt.
- v. That where acknowledgement of receipt is not received from a tender invitee, wherever administratively expedient, confirmation is pursued and the details were received.

Custody, Recording and Opening of Tenders and Quotations

58. Where the estimated value of the contract is more than £1,000 but does not exceed £30,000 or in the case of estates contracts £50,000, formal quotations may be received by the Budget Holder. The Budget Holder shall record full details of all quotations received.
59. Where the estimated value of the contract exceeds £30,000 or in the case of estates contracts £50,000, all tenders are to be received by the CEO.
- i. The CEO shall record in a Tender Register to be kept for the purpose full details of all tenders received and ensure that they are retained in secure custody unopened until the time appointed for their opening.
 - ii. Tenders received under this provision shall be opened at the same time in the presence of the CEO and the CC or officers representing them.
 - iii. These two persons shall sign and date the document listing the tenders and witnessing that they were opened in their presence. All tenders shall be endorsed with a number, the date of opening and initialled by the two persons present.
 - iv. All tenders shall be retained for the required time period to comply with Force Retention of Document requirements.

Non Return of Tenders

60. A record shall be maintained by the CC or CEO as appropriate to the nature of the Contract of any tender invitees failing to reply to their invitation to tender. The reason for failure to reply shall also be sought and duly recorded.

Late Tenders

61. The envelope of any tender received after the latest date and time for receipt shall be endorsed by the CEO or his designated officer, with a note of the date and time of receipt. Any such tender shall not be considered unless it was the only tender that was invited and is received within two working days of the original time and date of receipt. In all other cases, the CEO shall open late tenders and in conjunction with the CFO (PCC) shall exercise discretion as to whether the same should be considered. In the case of contracts for the sale of land, those administering a tendering exercise must also have regard to the over-riding requirements of Section 123 of the Local Government Act 1972, which will require the investigation of a late tender, if it appears likely to provide the best consideration, and if no contract has yet been entered into.

SECTION 8 - EVALUATION OF TENDERS AND POST TENDER NEGOTIATIONS

Evaluation of Tenders

62. Wherever practicable, tenders will be evaluated using an appropriately structured evaluation model. The Senior Manager Procurement and Contracts in conjunction with the originating Department shall approve in writing the outline of any tender evaluation model used to judge tenders, before the respective tenders are issued. In the majority of cases, price will be the determinant factor in terms of assessing best value. In the case of procurement of certain services however, it may be appropriate to consider other factors and to apply weightings to price and other factors as part of the evaluation model. In such

an event, price should receive a weighting of not less than 60%. In exceptional circumstances, a weighting of less than 60% may be applied but in such circumstances a detailed justification should be presented for the written approval of the CFO (PCC) or CEO as appropriate. Where such written approvals have been provided and the evaluation model applied, a contract may be awarded for a tender, which is judged to provide the best value to the PCC/CC.

Post Tender Clarification

Post-tender discussions

63. For the purposes of tender evaluation it is acknowledged that from time to time it is necessary for discussions with tenderers to take place in order to clarify any aspect of the information provided including price. Such post-tender discussions are to be undertaken solely by the Senior Manager Procurement and Contracts in a controlled manner that affords all valid tenderers an equitable opportunity to clarify their tender submissions. It expressly does not extend to encompass negotiations on price.

Post-tender negotiations

64. Post-tender negotiations shall only be permitted with the express written approval of the CFO (PCC) in respect of which the following procedures are applicable:-
- i. The Senior Manager Procurement and Contracts is responsible for preparing any application to the CFO (PCC) seeking permission to conduct post-tender negotiations on price, contract specification or contract conditions. In the event that it is proposed that post-tender negotiations should exclude the lowest compliant tender, the necessary written agreement shall first be obtained from the PCC or CC as appropriate.
 - ii. The application to conduct post-tender negotiations to be submitted to the PCC/CC in accordance with this paragraph shall include the following details:-
 - a. Copies of all tenders received by the due date.
 - b. A report documenting the process to date with full details of the initial tender evaluation that has been carried out.
 - c. A report detailing fully the reasons why post-tender negotiations are proposed and the purposes/objectives to be achieved.
 - d. A report specifying the criteria used to select the preferred tenderer, or preferred tenderers, as the case may be, to be subject to the proposed post-tender negotiations.
 - iii. Applications approved by the PCC/CC shall be endorsed accordingly.
 - iv. All approved post-tender negotiations shall be supervised by the Senior Manager Procurement and Contracts. In conducting post-tender negotiations, the Senior Manager Procurement and Contracts shall be accompanied at all times by a second officer duly authorised by the PCC/CC for the purpose.

- v. All post-tender negotiations must be recorded formally either in writing (including fax and e-mail) or by minuted meetings. Such written records or minutes are required to be endorsed as a correct record by the Senior Manager Procurement and Contracts, the second officer duly authorised in accordance with sub paragraph (iv) and the designated representative of the tenderer.
- vi. When post-tender negotiations have been concluded, the Senior Manager Procurement and Contracts shall submit a tender acceptance report to the CFO (PCC) who shall seek the PCC/CC's approval. Such approval shall be supported by the full documentary evidence specified in sub paragraph (v).

Acceptance of Tenders

65. Subject to paragraphs 61 to 63 the PCC/CC shall be empowered to accept Tenders.

Where only one Tender is received

66. Where only one tender is received the written approval of the CFO (PCC) or CFO (CC) will be required before a contract is let. In seeking such approval, officers must provide an explanation for only one tender being received and provide reasons why a second tendering process is not feasible/necessary.

Clerical Errors

67. If during the evaluation process a clerical error is identified, the Procurement Department must confirm assumptions with the Tenderer.

Nominated Sub Contractors and Suppliers

68. Tenders for sub-contracts to be performed or goods or materials to be supplied by nominated sub-contractors or suppliers as the case may be, shall be invited and dealt with in accordance with these Standing Orders.

69. Additionally, the terms of an invitation to tender shall require an undertaking by the tenderer that if he/she is selected he will be willing to enter into a contract with the main contractor on terms which indemnify the main contractor against his/her own obligations under the main contract in relation to the works or goods included in the sub-contract unless provision is made to the contrary under conditions of contract.

70. The lead officer or an officer designated by him/her shall nominate to the main contractor the person whose tender is in his opinion most satisfactory.

71. It shall be a condition of the engagement by or on behalf of the PCC/CC of any person who is not an officer of the PCC/CC that such person if he/she is to supervise a contract shall comply with the provision of those Standing Orders whether or not he/she is specified as an Approved Officer.

72. The contract will contain a clause requiring the contractor to obtain the written permission of the lead officer before assigning or sub-letting the contract or any part of it, other than as specifically allowed under the terms of the contract.

SECTION 9 - FORM OF CONTRACT

73. Every contract shall be in writing. Where a contract exceeds £50,000 the contract shall be in a form approved by the CEO. Contracts whose value is less than £50,000 may be completed by use of an official order form accompanied by the PCC's standard terms and conditions. Verbal quotations will be evidenced in writing backed up by an appropriate order form.
74. All contracts shall specify:
- i. The nature and extent of the work and services to be carried out, or the quantity and description of goods and materials to be supplied.
 - ii. The price to be paid with a statement of discounts or other deductions or variations.
 - iii. The time or times within which the contract is to be performed or the goods delivered.
75. Where European and British standards of specification, or standard codes of practice are available at the date of tender, the contract should require all goods, material and workmanship to be at least in accordance with those standards/specifications.

Security for Performance

76. Where the contract is expected to exceed £1,000,000 the CEO and the CFO (PCC) may be requested to consider whether security should be obtained and, if so, the nature and amount. This may take the form of a performance guarantee bond, a parent company or bank guarantee or occasionally a deposit of money. This provision shall not, however, prevent the taking of such guarantees for contracts less than £1,000,000 where the CEO and the CFO (PCC) may consider it appropriate to do so.

Cancellation of Contracts

77. There shall be inserted in every written contract a clause empowering the PCC/CC to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if:
- i. the contractor shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward;
 - ii. for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the PCC/CC; or
 - iii. for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the PCC/CC; or
 - iv. if the like acts shall have been done by any persons employed by him/her or acting on his/her behalf whether with or without the knowledge of the contractor, or
 - v. in relation to any contract with the PCC/CC the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Prevention of Corruption Acts 1889-1916; or shall have given any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.

78. Contracts must also state that failure to comply with contractual obligation in whole or part may result in cancellation of the contract and recovery of any additional costs from the contractor.

Access to Documentation

79. Auditors or other appointed representatives of the PCC/CC must have right of access to a contractors documents in relation to any contract with the PCC/CC.

80. Documentation in relation to any contract must be retained for the required period stipulated in the PCC/CC's Policy on retention and destruction of documents.

SECTION 10 - LAND TRANSACTIONS

Acquisition of Land and Buildings

81. Before acquiring any interest in land, and/or buildings the PCC shall consider an estimate from an appropriately qualified person of the value of the land and/or buildings concerned and shall not acquire land and/or buildings at a consideration in excess of that ultimately recommended by its qualified person.

Acquisition of Land and Buildings at Auction

82. An appropriately qualified person appointed by the CFO (PCC) in the exercise of his delegated powers for property management, may bid at auctions for land and/or buildings required for any of the PCC's functions provided:

- i. the legal terms have been approved in accordance with appropriate legal advice.
- ii. the bid does not exceed the sum indicated by the PCC or where no such sum has been indicated the amount allowed in the PCC's approved estimates (subject to any allowance under the PCC's Financial Regulations) for that purpose.

Disposal of Land and Management of Estate

83. The CFO (PCC) in consultation with the CEO is empowered:-

- i. in accordance with appropriate professional advice, to determine any action as appropriate in connection with reviewing rating assessments, lodging objections, assessing rents for property, attending at valuation courts, dealing with tenants'/licensees; requests to assign or carry out improvements and requests to vary conditions of tenancies, or licenses and to determine routine matters of estates management.
- ii. after the PCC's approval in principle has been obtained to a disposal of property and subject to compliance with any procedures adopted by the PCC relating to former owners and with Section 123 of the Local Government Act 1972, to arrange a disposal at not less than the valuation of an appropriately qualified person appointed by the CFO (PCC) for that purpose.
- iii. with the advice of an appropriately qualified person appointed by the CFO (PCC), to carry out any other land transaction where the total amount of the consideration, (including the cost of accommodation works) or in the case of a rent review, the amount of any increase, is provided for in the approved estimates.

