



The Police, Fire and Crime Commissioner for Cumbria (including as Cumbria Commissioner Fire and Rescue Authority and the Chief Constable of Cumbria Constabulary)

## Financial Regulations – November 2024

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# Contents & Introduction

## Introduction

The Police Fire and Crime Commissioner (PFCC) and their Chief Constable are each established in law as a corporation sole within the 2011 Act. The PFCC is also the Fire and Rescue Authority (FRA). As such, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. Staff of the Police Fire and Crime Commissioner, including the Fire and Rescue Service, are accountable to the directly elected holder of that office.

These financial regulations set out the internal framework and procedures for financial administration and control within the Cumbria Office of the Police, Fire and Crime Commissioner (OPFCC), both as PCC and Fire and Rescue Authority (FRA), and Cumbria Constabulary. They are applicable at all times and must be adhered to by all officers and employees of the Police, Fire and Crime Commissioner (Commissioner) and the Chief Constable (CC) and anyone acting on the Commissioner's and Chief Constable's behalf.

These regulations are part of the overall Corporate Governance Framework that includes the [Scheme of Delegation](#), [Decision Making Framework](#), [Contract Procedure Rules](#) and the [Arrangements for Anti-Fraud and Corruption](#).

## Definitions

These Regulations refer to:

- The Police, Fire and Crime Commissioner for Cumbria (the Commissioner)
- The Cumbria Office of the Police, Fire and Crime Commissioner (OPFCC)
- The Cumbria Commissioner Fire and Rescue Authority (CCFRA)
- The Chief Constable of Cumbria Constabulary (CC)
- The Constabulary: the entity providing policing services to Cumbria police area
- The OPFCC and CCFRA Chief Finance Officer is the Group CFO for the OPFCC and Chief Constable (the CCFRA is separate from the Group)
- The CC Chief Finance Officer
- The Chief Executive also fulfils the role of Monitoring Officer for both OPFCC and CCFRA

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- The 'Constabulary' refers to the Chief Constable, police officers, police staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family.
- Chief Officers when referred to as a generic term means the Chief Executive, Chief Constable, Chief Fire Officer, OPFCC CFO and CC CFO.
- The 'Fire and Rescue Service' (FRS) refers to the operational and corporate officers and staff of the FRA under the direction of the Chief Fire Officer, including volunteers and other members of the wider fire and rescue organisation providing fire and rescue services across Cumbria.
- 'Employees' when referred to as a generic term refers to police officers, staff employed by the Commissioner and by the Chief Constable and other members of the wider police and fire and rescue organisations.
- The expression 'authorised officer' refers to employees authorised by a Chief Officer.
- The expression 'contract' refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the Commissioner, the FRS, the Constabulary or their affiliated bodies.
- The expression 'best value for money' shall mean the most economic, efficient and effective means of meeting the need and takes account of whole life costs.
- 'Subjective Heading' means a category of expenditure which the Chief Constable or Chief Fire Officer may apply the budget provided towards
- A 'Virement' is a planned and approved reallocation of resources between budgets or heads of expenditure.
- The term '**Scheme of Delegation**' refers to the part of the Corporate Governance Framework that sets out the roles, responsibilities and decision making authorities delegated by the Commissioner and Chief Constable to officers and staff of the OPFCC, Constabulary and FRS.
- The term 'Grant' refers to grants that the Commissioner has the power to issue as a means of funding activity.
- Unless stated otherwise, the responsibilities of the OPFCC CFO and Chief Executive as Monitoring Officer relate to both the OPFCC and CCFRA and to ensuring reciprocal appropriate arrangements are made within the Constabulary.
- Unless stated otherwise, the responsibilities of the Chief Constable and the CC CFO relate to the Constabulary and include ensuring appropriate arrangements are in place for providing shared support services to the Commissioner.

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- ‘Financial Rules’ refer to the detailed supporting guidance and instructions that accompany the regulations
- ‘Contract Procedure Rules’ refers to the collective document that comprises the business code of conduct, procurement policy and procedures

## Purpose

To conduct business effectively, sound financial management policies are essential and they must be strictly adhered to. Part of this process is to adopt and implement Financial Regulations. These Regulations have been drawn up in such a way as to ensure that the financial affairs of the Police, Fire and Crime Commissioner, as both PCC and FRA, and the Chief Constable are conducted properly and in compliance with all necessary requirements. They also seek to reinforce the standards of conduct in public life required by the Police, Fire and Crime Commissioner, the Chief Constable, police officers, police staff and staff within the Office of the Police, Fire and Crime Commissioner and FRS and in particular the need for openness, accountability and integrity.

The Regulations are designed to establish financial responsibilities, to confer duties, rights and powers upon the Commissioner, the FRS, Constabulary and their officers and staff to provide clarity about the financial accountabilities of groups or individuals. They reflect the application of best practice and the requirements of legislation. In particular they seek to meet the criteria set out in the CIPFA Financial Management Code issued in 2019 and the Financial Management Code of Practice issued by the Home Office under Section 17 of the Police Reform and Social Responsibility Act 2011 of ensuring that the financial affairs of the Commissioner are properly administered. This includes ensuring financial regulations are in place, observed and kept up to date.

## Status

The Commissioner, as both PCC and CCFRA, Chief Constable and all officers and staff have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves value for money. These financial regulations support that duty by setting out the responsibilities of senior officers for financial management, planning and control, risk and resource management and the requirements in respect of associated systems and processes through which those responsibilities are discharged. They explain the working financial relationship between the Commissioner and the Chief Constable and the OPFCC Chief Finance Officer, CC Chief Finance Officer, Commissioner’s Chief

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Executive (as Monitoring Officer for OPFCC and CCFRA and Head of Paid Service for the OPFCC) and the Chief Fire Officer (as Head of Paid Service for the FRA). These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework that includes the Policing Protocol Order, the Fire and Rescue National Framework, codes of conduct, and the rest of the Corporate Governance Framework.

The Commissioner is responsible for approving or amending Financial Regulations after consultation with the Chief Constable. The OPFCC CFO is responsible for maintaining and reviewing Financial Regulations and submitting any additions or amendments to the Commissioner after consulting with the Chief Executive. Copies will be available on the Commissioner's website and on the Constabulary Intranet.

These regulations are subject to a biennial review and update, as a minimum, from the date of approval. The update process will be brought forward where appropriate following changes in external requirements or internal arrangements for financial governance.

These regulations will operate on the basis that:

- A delegation in these financial regulations to a Chief Officer shall permit further delegation to other officers provided that the terms of the delegation are clearly documented.
- Delegations can only operate within the separate statutory entities of the OPFCC, CCFRA and the Constabulary. Delegations from the Commissioner and/or the Commissioner's staff to an officer or staff member of the Constabulary are prohibited under section part 1, chapter 3 (18) of the Police Reform and Social Responsibility Act 2011.
- More detailed **Financial Rules** to supplement these Regulations, shall be issued by the OPFCC Chief Finance Officer, the CC CFO and the Chief Executive.
- Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.
- Breaches of **Financial Regulations** may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the OPFCC CFO who shall determine, after consulting with the CC CFO and Monitoring Officer, whether the matter shall be reported to the Commissioner and/or Chief Constable. Further guidance is set out in Section F.
- The Commissioner and all officers and staff have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.



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- The Financial Regulations shall only be suspended by a formal decision of the Commissioner following consultation with the OPFCC Chief Finance Officer. It is anticipated that the suspension of financial regulations would be highly unlikely to occur.

## Sections

The Financial Regulations are divided into a number of sections. References are made in the individual sections to limits of authority with the actual value of each limit set out in Section G. Changes to regulation limits can then be made without reviewing the whole document. The contents page sets out the sections and subsections of the regulations.

## Other Guidance

These regulations have been developed to meet the requirements of legislation, codes and guidance on financial matters that apply to the OPFCC and Constabulary. They cannot however set out the full detail of all necessary arrangements. Officers with specific duties and responsibilities under these regulations are also advised that they should refer to:

- International Framework: good governance in the public sector
- Relevant sections of the Police Reform and Social Responsibility Act (PR&SRA 2011), for example chapter 3 sections 21 to 27 covering financial matters
- Various Account and Audit Regulations;
- The Code of Practice on Local Authority Accounting issued by CIPFA/LASAAC
- Financial Management Code of Practice for the Police Forces of England and Wales issued by the Home Office
- Fire and Rescue National Framework for England
- The Public Sector Internal Audit Standards (PSIAS) issued by CIPFA
- Statement on the Role of the Chief Finance Officer (S.151) issued by CIPFA;
- CIPFA Statement on the role of the S.151 Officer of the PCC and the CFO of the Chief Constable;
- Prudential Code for Capital Finance in Local Authorities issued by CIPFA;
- Treasury Management in the Public Services: Code of Practice and Guidance Notes issued by CIPFA;
- Effective Governance of Collaboration in Policing issued by CIPFA;
- Statement on the role of the Chief Internal Auditor issued by CIPFA
- Audit Committees: Practical Guidance for Local Authorities and Police
- HM Treasury Audit Committee Handbook

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- CIPFA guidance note on local authority reserves and balances LAAP Bulletin 55
- Delivering Good Governance in Local Government issued by CIPFA/SOLACE
- Delivering Good Governance: Guidance Note for Policing Bodies issued by CIPFA

## Section A The Financial Management Framework

### Introduction

This section of the financial regulations sets out the overall responsibilities for financial management arrangements, including ensuring the security of assets, that are vested in the Commissioner, Chief Constable, OPFCC CFO, CC CFO and Chief Executive under statute, regulations, codes of practice and financial and accounting standards. It includes financial management standards, responsibilities in respect of the overall arrangements for financial systems and control, and responsibilities in respect of the statement of accounts and of financial monitoring and reporting. In setting out these responsibilities the financial regulations ensure that statutory and other officers are clear with regard to their duties and the arrangements they must have in place to fulfil them.



### A1 Roles and Responsibilities

#### Responsibilities of the Police Fire and Crime Commissioner (Commissioner)

The Commissioner has a statutory duty and is ultimately accountable for the management of the Police Fund and the Fire Fund. The Commissioner is the recipient of all funding, including government grants, council tax and other sources of income, related to policing, crime reduction, fire and rescue. The Commissioner is responsible for determining the budgets and annual precepts in consultation with the Police, Fire and Crime Panel.

All funding for the Constabulary and Fire and Rescue must come via the Commissioner and the Commissioner is responsible for allocating this funding in consultation with the Constabulary and FRS respectively, wider partners and in accordance with any grant terms. The Chief Constable, Chief Fire Officer and partners will provide professional advice and recommendations including proposals and bids for funding.

The Commissioner has a statutory duty to appoint a Chief Financial Officer (the OPFCC CFO) to be responsible for the proper administration of the Commissioner's financial affairs. The Commissioner must also appoint a Chief Executive who will also act as the Monitoring Officer. They act as Head of Paid Service for the Office of the PFCC. The Chief Fire Officer acts as Head of Paid Service for the FRS.

The Commissioner is responsible for approving financial strategy and policy, the annual and medium term budgets and for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes:

- The Police Fire and Crime Plan
- The Medium Term Financial Strategy (MTFS)
- Annual Revenue Budgets and medium term forecasts
- Capital Programme
- Treasury Management Strategy, including the annual investment strategy and minimum revenue provision (MRP) policy
- Asset management strategies.

## Section A The Financial Management Framework

- Financial Risk Management strategy
- Governance policies

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

In fulfilling these responsibilities, the Commissioner must provide the OPFCC CFO and CC CFO with such staff, accommodation and other resources as are in the opinion of the OPFCC CFO is sufficient to allow their duties under this section to be performed.

The Commissioner may appoint a Deputy Police, Fire and Crime Commissioner (Deputy Commissioner) and arrange for the Deputy Commissioner to undertake appropriate functions of the Commissioner other than those functions that are precluded from delegation by statute.

### Responsibilities of an appointed Deputy Police, Fire and Crime Commissioner (Deputy Commissioner)

Any appointed Deputy Commissioner may exercise any of the functions conferred by the Commissioner as detailed in the Scheme of Delegation.

### Responsibilities of the Independent Joint Audit Committee

The Home Office Financial Management Code of Practice states that the Commissioner and Chief Constable should establish an independent audit committee. This is recommended to be a combined body which will consider the internal and external audit reports of both the Commissioner acting as both PCC and CCFRA and the Chief Constable. This Committee will advise the Commissioner and the Chief Constable according to good governance principles including those in respect of appropriate risk management arrangements. In establishing the Joint Audit Committee the Commissioner and the Chief Constable shall have regard to CIPFA Guidance on Audit Committees and principles of good practice set out in the HM Treasury Audit Committee Handbook.

- The Joint Audit Committee shall comprise between three and six members who are independent of the Commissioner, the FRS and the Constabulary.

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- The Joint Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an biennial basis
- The Commissioner and Chief Constable shall be represented at all meetings of the Joint Audit Committee.

This arrangement is managed through a Joint Audit Committee.

### Responsibilities of the Chief Executive and Monitoring Officer

The Chief Executive is responsible for the leadership and general administration of the Commissioner's office and is the designated Head of Paid Service for that Office. The Chief Executive is also the Commissioner's designated monitoring officer, appointed under section 5(1) of the Local Government and Housing Act 1989. As Monitoring Officer the responsibilities of the Chief Executive are:

- Ensuring the legality of the actions of the Commissioner and his officers
- Ensuring that procedures for recording and reporting key decisions are operating effectively
- Advising the Commissioner and officers and staff across all three legal entities about who has authority to take a particular decision
- Advising the Commissioner about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework
- Ensure the provision of information and reports required by the Police Fire & Crime Panel.
- Ensure the PFCC meets their obligations in relation to statutory publications including the Fire and Rescue Plan, Annual Report and Council Tax Leaflet.
- Develop a strong partnership with the PFCC and Chief Fire Officer ensuring the provision of effective and efficient fire and rescue services.
- Undertake the role of designated Monitoring Officer to detect and report any illegality or maladministration.
- Advising the Commissioner on matters relating to standards of conduct

### Responsibilities of the OPFCC Chief Finance Officer

The Commissioner's OPFCC Chief Finance Officer has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer. The duties of the OPFCC CFO are set out in legislation, regulations, the Home Office financial management code of practice and CIPFA guidance. The OPFCC CFO's statutory responsibilities are set out in:

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- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011
- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act (Chief Constable / Chief Fire Officer).
- Section 151 of the Local Government Act 1972 which requires arrangements to be made for the proper administration of the PFCC's financial affairs.
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
- The Accounts and Audit (England) Regulations 2015

Section 113 of the Local Government Finance Act 1988 requires that the officer must be a member of one of the chartered professional bodies of British qualified accountants. The OPFCC CFO is the Commissioner's professional adviser on financial matters and shall be responsible for:

- Ensuring that the financial affairs of the Commissioner are properly administered and that financial regulations are observed and kept up to date;
- Ensuring regularity, propriety and Value for Money (VfM) in the use of public funds;
- Ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges;
- Reporting to the Commissioner, the Police, Fire and Crime Panel and to the external auditor any unlawful, or potentially unlawful, expenditure by the Commissioner or officers of the Commissioner;
- Reporting to the Commissioner, the Police, Fire and Crime Panel and to the external auditor when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure;
- Advising the Commissioner on the robustness of the estimates and the adequacy of financial reserves;
- Advise the PFCC on a budget requirement and capital programme and the robustness of the budget and adequacy of financial reserves.
- Advise the PFCC in respect of the Treasury Management Strategy and policies prepared in respect of the Fire Authority and Group.
- Securing the preparation of the annual statement of accounts and group accounts in collaboration with the CC CFO;
- Ensuring the provision of an effective internal audit service in collaboration with the CC CFO;
- Liaise with external auditors in collaboration with the CC CFO

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- Securing the treasury management function, including loans and investments in collaboration with the CC CFO;
- Advising, in consultation with the Chief Executive on the safeguarding of assets, including risk management and insurance;
- Arranging for the determination and issue and payment of the precept;
- Advising the Commissioner on the application of value for money principles by the Constabulary and FRS to support the Commissioner in holding the Chief Constable and Chief Fire Officer to account for efficient and effective financial management.
- Ensure that accurate, complete, and timely financial management information is provided to the PFCC.
- Be responsible for all banking arrangements and authorise the creation and closure of any account.
- Draw up financial policies and financial instructions in consultation with the CC CFO for policing and the Chief Fire Officer for Fire and Rescue, who must be satisfied that they provide effective managerial control.

The OPFCC CFO, in consultation with the Chief Executive, Chief Fire Officer, CC CFO and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of the OPFCC, CCFRA and the Constabulary.

The OPFCC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Commissioner on expenditure and securing each year, in accordance with proper practices, a statement of the Commissioner's accounts, including group accounts.

The OPFCC CFO is the Commissioner's professional adviser on financial matters. To enable them to fulfil these duties and to ensure the Commissioner is provided with adequate financial advice the OPFCC CFO:

- Must be a key member of the Commissioner's Leadership Team, working closely with the Chief Executive, helping the team to develop and implement strategy and to resource and deliver the Commissioner'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 Commissioner, to ensure that the financial aspects of immediate and longer-term



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implications, opportunities and risks are fully considered, and alignment with the Commissioner's financial strategy;

- Must review and provide advice on all decisions with financial implications
- Must lead the promotion and delivery by the Commissioner of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- Must ensure that the finance function is resourced to be fit for purpose.

The OPFCC CFO and CC CFO shall prepare **Financial Rules** to supplement the **Financial Regulations** and provide detailed guidance on the operation of the specific delegated financial processes. The Chief Constable, Chief Executive and Chief Fire Officer shall ensure that all employees are made aware of the existence of these Regulations, rules and adhere to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with. The Chief Constable, Chief Executive and Chief Fire Officer shall ensure that specific duties and responsibilities in financial matters are made clear to individual officers and that these are properly recorded.

### Responsibilities of the Chief Constable

The Chief Constable is accountable to the Commissioner for the delivery of efficient and effective policing, management of resources and expenditure by the Constabulary. To help ensure the effective delivery of policing services the Chief Constable has day to day responsibility for financial management of the Constabulary within the framework of the agreed budget allocation, conditions of funding and levels of authorisation issued by the Commissioner.

The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the Commissioner. The Chief Constable is required to appoint a Chief Finance Officer who will be responsible for the proper administration of the Chief Constable's financial affairs.

When the Chief Constable intends to make significant change of policy or seeks to move sums of their budget outside the agreed budget framework and conditions of funding then the approval of the Commissioner must be sought. The Chief Constable shall hold the CC CFO to account for ensuring that all financial processes are appropriately documented and communicated.

### Responsibilities of the CC Chief Finance Officer (CC CFO)

The CC Chief Finance Officer has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer. Their duties are set out in legislation, regulations, the Financial Management Code of Practice and CIPFA guidance and codes of practice. They are responsible to the Chief Constable for all financial activities within the Constabulary or contracted out under the supervision of the Constabulary.

The CC CFO's responsibilities are set out in:

- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
- The Accounts and Audit Regulations 2015

The qualifications of the Chief Finance Officer are set out in section 113 of the Local Government Finance Act 1988 requiring that the officer must be a member of one of the chartered professional bodies of British qualified accountants. The CC CFO is responsible for:

- Ensuring that the financial affairs of the Constabulary are properly administered and that these financial regulations are observed;
- Reporting to the Chief Constable, the Commissioner and to the external auditor any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable;
- Reporting to the Chief Constable, the Commissioner and to the external auditor when it appears that any expenditure of the Chief Constable is likely to exceed the resources available to it to meet that expenditure
- Advising the Chief Constable on Value for Money (VfM) in relation to all aspects of the Constabulary's expenditure;
- Advising the Chief Constable and the Commissioner on the soundness of the budget in relation to the Constabulary;
- Ensuring the provision of an effective internal audit service in collaboration with the OPFCC CFO;

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- Advising on the safeguarding of assets owned and used by the Constabulary, including risk management and insurance
- Securing the preparation of the annual statement of accounts of the Chief Constable and providing information to enable production of the Commissioner's group accounts
- Ensuring that the terms of funding between the Commissioner and Chief Constable are met
- Securing the preparation of financial rules to support the implementation of financial regulations in collaboration with the PFCC CFO.

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

The CC CFO is the Chief Constable's professional adviser on financial matters. To enable them to fulfil these duties the Chief Constable's Chief Finance Officer:

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

It must be recognised that financial regulations cannot foresee every eventuality. The CC CFO shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services. This is undertaken through the more detailed guidance provided within financial rules.

### Responsibilities of the Chief Fire Officer

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The Chief Fire Officer is responsible for the leadership and general administration of the Fire and Rescue Service (FRS) and is the designated Head of Paid Service for that Service. The role and responsibilities of the Chief Fire Officer in relation to financial management include to:

- Ensure overall financial management of the FRS and report financial management issues and implications to the PFCC.
- The Chief Fire Officer shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.
- Comply with financial policies and procedures for use by the FRS including the Scheme of Delegation, ensuring that officers and staff comply with them.
- Exercise delegated financial responsibilities and assume, with their staff, as much day-to-day responsibility for financial management of the FRS as possible within the framework of the agreed budget and rules of virement.
- Seek approval from the PFCC when they intend to make significant change of policy or seeks to move significant sums, in accordance with agreed virement rules, of their budget.
- Ensure the provision of professional advice to the PFCC.
- Ensure proper financial management of resources allocated to them through the budget or arising from income generated by activities within the operational area, including control of staff, security, custody, and the management and safeguarding of assets. Ensure all resources are used efficiently and effectively.
- Where consented by the PFCC, responsible for the management of property and contracts.
- Advise the PFCC on financial propriety for areas under their control.

### A2 Financial Management Standards

#### Overview & Control

The Commissioner, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

The Commissioner shall receive updates on the financial performance of the Constabulary, the CCFRA and the Office of the Commissioner by receiving regular budget monitoring and outturn reports, reports by Internal Audit, HMICFRS and external audit.

#### Joint Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

The responsibilities set out below apply to the OPFCC CFO and CC CFO in respect of the organisation for which they are the statutory officer. In addition, the OPFCC CFO and CC CFO must provide assurance in respect of fulfilling their responsibilities.

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

The key controls and objectives for financial management standards are:

- Their promotion throughout the organisations. The PFCC, Chief Constable, Chief Executive and the Chief Fire Officer, OPFCC CFO and CC CFO shall ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.

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- A monitoring system to review compliance with financial standards, and regular comparisons of performance indicators with benchmark standards that are reported to the Joint Audit Committee.
- All staff are to be properly managed, developed, trained and have adequate support to carry out their financial duties effectively. The PFCC and the Chief Fire Officer shall ensure that specific duties and responsibilities in financial matters are made clear to individual members of staff and that these are properly recorded.
- Systems of internal control are in place that ensures financial transactions are lawful.
- Suitable accounting policies are selected and applied.
- Proper accounting records are maintained.
- Financial statements are prepared, which present fairly the financial position of the Commissioner as both PCC and CCFRA and the Chief Constable, including expenditure and income.
- Internal Audit.

### Responsibilities of the Chief Constable, Chief Executive and Chief Fire Officer

- To ensure that specific duties and responsibilities in financial matters are made clear to individual officers and staff and that these are properly recorded in a scheme of delegation.
- To ensure any actual or potential breaches of the law or maladministration are reported to the Chief Finance Officer(s).

## Section A The Financial Management Framework

### A3 Accounting Systems, Records and Returns

#### Overview and Control

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

#### Joint Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To determine the accounting policies and procedures to be adopted, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures.
- To ensure all employees operate within the required accounting policies and published timetables.
- To make proper arrangements for the audit of the Commissioner's and Constabulary's accounts in accordance with legislation.
- To ensure that all claims for funds including grants are made by the due date
- To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis
- To prepare and publish the audited accounts in accordance with the statutory timetable.
- To ensure that reconciliation procedures are carried out on recognised control accounts on an agreed timetable to ensure transactions are correctly recorded.
- To ensure that a fully costed establishment is maintained and reconciled and put in place controls to ensure its validity
- To ensure that Financial Instructions provide details of retention periods.
- The format of such documents shall satisfy the requirements of internal and external audit, and appropriate staff are provided with a detailed schedule of requirements.

## Section A The Financial Management Framework

- Open book accounting is to be provided in respect of all financial information requested by the Commissioner to support the information requirements of the financial management code of practice.

### Responsibilities of the Chief Constable and CC Chief Finance Officer

- To obtain the approval of the OPFCC CFO before making any fundamental changes to accounting records, procedures, accounting systems or any other arrangements that have an impact on internal controls
- To ensure that all transactions, commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis
- To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements
- Prime documents are to be retained in accordance with legislative, regulatory and internal requirements. The format of such documents shall satisfy the requirements of internal and external audit and any other bodies (e.g. HMRC). A detailed schedule shall be provided of requirements and made available to all appropriate officers.
- Open book accounting is to be provided in respect of all financial information requested by the Commissioner to support the information requirements of the financial management code of practice.



### A4 The Annual Statement of Accounts

#### Overview and Control

The Commissioner and Chief Constable have a statutory responsibility to ensure the preparation of accounts to present a true and fair view of the financial position of the OPFCC, CCFRA and the Constabulary and their operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

The accounts will comprise separate single entity statements for the Commissioner's Office, CCFRA and Chief Constable as well as group accounts covering the OPFCC and Chief Constable. 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 made for securing economy, efficiency and effectiveness in the use of resources are adequate.

#### Responsibilities of the OPFCC Chief Finance Officer

- To ensure that a timetable is prepared for final accounts preparation, in consultation with the CC CFO and external auditor.
- To prepare, sign and date the statement of accounts for the separate legal entities of the Police, Fire and Crime Commissioner for Cumbria (including Group Accounts), and the CCFRA stating that it presents a true and fair view of the financial position of the Commissioner at the accounting date and its income and expenditure for the financial year just ended
- To publish the approved and audited accounts each year, in accordance with the requirements of the Accounts and Audit (England) Regulations 2015
- To select suitable accounting policies and apply them consistently
- To make judgements and estimates that are reasonable and prudent
- To comply with the Code of Practice on Local Authority Accounting
- To ensure that staff involved with the preparation of the accounts have an appropriate level of experience and technical skill

## Section A The Financial Management Framework

### Responsibilities of the CC Chief Finance Officer

- To ensure that a timetable is prepared for final accounts preparation, in consultation with the PFCC CFO and external auditor.
- To prepare, sign and date the statement of accounts for the separate legal entity of the Chief Constable of Cumbria Constabulary stating that it presents a true and fair view of the financial position of the Chief Constable at the accounting date and its income and expenditure for the financial year just ended
- To publish the approved and audited accounts each year, in accordance with the requirements of the Accounts and Audit (England) Regulations 2015
- To select suitable accounting policies and apply them consistently
- To make judgements and estimates that are reasonable and prudent
- To comply with the Code of Practice on Local Authority Accounting
- To ensure that staff involved with the preparation of the accounts have an appropriate level of experience and technical skill

### Responsibilities of the Joint Audit Committee

In relation to the Commissioner and the Chief Constable the Committee will:

- Review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the Commissioner and/or the Chief Constable.
- Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

## Section A The Financial Management Framework

### Responsibilities of the Police, Fire and Crime Commissioner and the Chief Constable

- To consider and approve their respective annual accounts in accordance with the statutory timetable

### A5 Financial Monitoring and Reporting

#### Overview and Control

The accurate and timely monitoring and reporting is essential to ensure actions can be taken to address potential overspends and to reallocate underspends to ensure resources are used to best effect in support of the Police Fire and Crime Plan and force priorities.

#### Responsibilities of the CC Chief Finance Officer

- To agree and publish a timetable for reporting governance boards.
- To ensure the process and resources are in place to deliver accurate and timely reports.
- To prepare reports, in consultation with the OPFCC CFO, providing projections to the relevant boards.
- To ensure all virements between Business Areas, as listed in section G, and all virements above £100,000 are reported to the PFCC and Chief Constable through the agreed financial and budget reporting process.

#### Responsibilities of the OPFCC CFO

- To prepare reports in respect of the Commissioner's Office and CCFRA.
- In respect of the CCFRA:
  - To agree and publish a timetable for reporting to governance boards.
  - To ensure the process and resources are in place to deliver accurate and timely reports.
  - To prepare reports, providing projections to the relevant boards.
  - To ensure all virements between Business Areas, as listed in section G, and all virements above £50,000 are reported to the PFCC through the agreed financial and budget reporting process.

#### Responsibilities of Budget Managers

- To provide reports in accordance with the format and schedule in section G.

## Section B Financial Planning and Control

### Introduction

This section of the financial regulations covers financial planning and control. This is about responsibilities and the arrangements that must be in place to develop medium term financial forecasts, set the annual revenue budget, develop the capital programme and monitor how actual expenditure and income compares to those financial plans. It includes the controls that are in place for virements of income and expenditure between different areas of the approved budget.



### B1 Financial Planning

#### Overview and Control

The Police, Fire and Crime Commissioner is an elected official with statutory functions and responsibilities for Policing and Crime and Fire and Rescue within their area. To do this, the Commissioner is responsible for setting strategy, commissioning activity and holding to account the Constabulary, FRS and other partners. This is a complex business that requires scarce resources to be allocated in accordance with carefully considered priorities. Proper financial planning is essential if an organisation is to function effectively.

The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives. The planning process should be continuous and the planning period should cover a minimum of 5 years. The process should include a more detailed annual budget plan covering the forthcoming financial year. This allows the Commissioner, as both PCC and CCFRA, and the Constabulary to plan, monitor and manage the way funds are allocated and spent during the financial year and over the medium term. This can be achieved by preparing a medium-term financial strategy, including financial projections for 5 years together with a capital programme.

The medium term financial strategy should take into account the inter-dependencies of revenue budgets and capital investment and asset plans, the role of reserves and consideration of risks. It should have regard to affordability and to CIPFA's Prudential Code for Capital Finance in Local authorities. The strategy should be aligned with the Police, Fire and Crime Plan.

The annual budget plan provides a detailed estimate of the annual income and expenditure requirements for policing, crime and fire and sets out the financial implications of the Commissioner's strategic policies. Alongside annual grant and funding arrangements, it provides the basis on which expenditure can be incurred and a basis on which to monitor financial performance.

The Commissioner will consult with all relevant partners and stakeholders in planning the overall annual budget which will include a separate Constabulary budget. This will take into consideration funding from government and from other sources, and balance the expenditure needs of policing and crime services against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget and be completed in accordance with the statutory timeframe. The format of the

## Section B Financial Planning and Control

annual budget determines the level of detail to which financial control and management will be exercised and shapes how the virement rules operate.

The annual revenue and capital budgets and medium term financial forecasts are used as the basis of forecasting the commissioner's cash flows and requirements for investment and borrowing that should be set out in a treasury management strategy.

### Responsibilities of the Police, Fire and Crime Commissioner

- To agree the planning timetables with the Chief Constable and Chief Fire Officer
- To approve, in consultation with the Chief Constable, Chief Fire Officer and other relevant partners and stakeholders, a medium term financial strategy which includes funding and spending plans for both revenue and capital for a minimum of 4 years.
- To agree, in consultation with the Constabulary, FRS and other partners, the planning timetable for the annual budget and setting the police and fire precepts in accordance with statutory requirements.
- 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.
- To present the proposed budgets and council tax recommendations to the Police Fire and Crime Panel and respond to their views and comments.
- To approve the annual revenue budgets including any contributions to or from reserves
- To determine if required the establishment of annual ring fenced or cash limited revenue budgets for specific purposes such as for one or more departments, services, local policing areas or specific projects.
- To approve, in accordance with CIPFA's prudential code for capital finance, prudential indicators, the policy for minimum revenue provision (MRP) and treasury management strategy (TMS).
- To approve asset management strategies alongside the capital programme .
- To agree, in consultation with the Chief Fire Officer, collaborative agreements and other operational arrangements between Services (section 13/16 agreements) and to keep under consideration the ways in which the collaboration functions could improve:

## Section B Financial Planning and Control

- a. The efficiency or effectiveness of:
  - i the Fire and Rescue Authority,
  - ii the Service which the Fire and Rescue Authority is responsible for maintaining and
- b. The efficiency or effectiveness of one or more other Fire and Rescue Authorities and Services

### Responsibilities of the OPFCC Chief Finance Officer

- To determine the format and timing of the medium term financial strategies, one for each of policing and fire, to be presented to the Commissioner. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
- To prepare annually medium term financial strategies, including options for the use of general balances, reserves and provisions, assumptions about future levels of government funding and potential implications for local taxation.
- To inform relevant partners of the financial planning framework and the requirements and timetable for funding proposals
- To provide advice and information on the value for money of services to facilitate the prioritisation of expenditure by the Commissioner in addressing any gap that may be identified between available and required resources.
- To determine the format of the revenue budgets to be presented to the Commissioner ensuring they comply with all legal requirements and with latest guidance issued by CIPFA
- 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
- To advise the Commissioner on appropriations from/to and the appropriate level of general balances, earmarked reserves or provisions to be held.
- To submit a report to the Commissioner on the robustness of the estimates and the adequacy of reserves;
- To recommend to the Commissioner annual revenue budgets and capital programmes, including policies on minimum revenue provision and a suite of prudential indicators for the next three years.
- To recommend to the Commissioner a treasury management strategy incorporating an investment strategy



## Section B Financial Planning and Control

- To produce and issue information required by the billing authorities to explain how the precept will be used to pay for the cost of policing, in accordance with statutory requirements.
- To provide advice to the Commissioner with regards to asset management strategies for the property estate, Digital Data & Technology requirements, fleet and people proposed by the Chief Constable.
- Upon approval of the annual budget, the Chief Finance Officer is to submit the council tax requirement form to central government and precept notifications to Cumberland Unitary Authority and Westmorland & Furness Unitary Authority.
- The Chief Finance Officer is to produce, in accordance with statutory requirements, the council tax information leaflet.

### Responsibilities of the Chief Constable and CC Chief Finance Officer

- To prepare a medium term forecast of proposed Constabulary and Group income and expenditure for submission to the Commissioner. The forecast shall have regard to:
  - i. the police fire and crime plan
  - ii. policy requirements approved by the Commissioner as part of the policy framework
  - iii. the strategic policing requirement
  - iv. unavoidable future commitments, including legislative requirements
  - v. initiatives already underway
  - vi. revenue implications of the draft capital programme
  - vii. proposed service developments and plans which reflect public consultation
  - viii. the need to deliver efficiency and/or productivity savings
  - ix. affordability
  - x. government grant allocations
  - xi. risk management and the use of reserves
  - xii. potential implications for local taxpayers
- To prepare detailed budget estimates for the Constabulary for the forthcoming financial year in accordance with the timetable, assumptions and format agreed, and to submit estimates and workings in the agreed format to the PFCC Executive Team for consideration.
- To identify all proposed individual major revenue projects (a major revenue project shall be defined as one in excess of the value shown in Section G).

## Section B Financial Planning and Control

- To support the development of the capital programme by providing a proposed strategy for the Commissioner's Digital Data & Technology requirements and Fleet and other areas.

### Responsibilities of the Chief Executive

- To support the development of the capital programme by providing a proposed strategy for the Commissioner's estate

### B2 Budgetary Control

#### Overview and Control

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

Continuously identifying and explaining variances against budgetary targets enables changes in trends and resource requirements to be identified at the earliest opportunity. The budget and funding arrangements provide an annually approved cash limit within which total expenditure must be managed, subject to the rules of virement, funding conditions and the terms of grant agreements.

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

- There is a nominated budget manager for each budget line and capital scheme who is accountable for the budgets under his/her direct control; and
- Funding and grant agreements include appropriate terms and conditions and require expenditure and performance/outcomes to be monitored and evidenced
- Regular monitoring and reporting of actual expenditure and income against set budgets

Budget Managers shall accept accountability for the budgets under their management and the level of service to be delivered and understand their financial responsibility. Management of budgets must not be seen in isolation. It should be undertaken in conjunction with service outcomes and performance measures.

For strategic monitoring and management purposes, the budgets shall identify operational and other fire costs, operational and other policing costs, PFCC costs, financing items and transfers to and from general balances and earmarked reserves.

#### Responsibilities of the Chief Executive, Chief Fire Officer and OPFCC Chief Finance Officer

## Section B Financial Planning and Control

The Chief Executive, Chief Fire Officer and OPFCC CFO have joint responsibility to manage the overall budget for Policing and Crime (Chief Executive and OPFCC CFO) and for Fire and Rescue (Chief Fire Officer and OPFCC CFO), including funding arrangements and terms, in consultation with partners. The OPFCC CFO will establish the timetable and reporting arrangements with funded partners and will provide a revenue budget monitoring report for presentation to the Commissioner. This will ensure financial monitoring information is received and can be reviewed throughout the financial year, alongside information on performance and outcomes in line with funding arrangements provided by the Commissioner.

The Chief Executive will ensure that total spending for the Commissioner's Office remains within the overall allocation of resources and take corrective action where significant variations from the approved budget are forecast. **They will ensure fully costed staffing establishments are maintained and reconciled to payroll information on a monthly basis.** The Chief Executive will provide support arrangements for budget holders within the OPFCC ensuring appropriate lines of escalation to the Chief Executive and OPFCC CFO in respect of variations and the need to take action. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Executive, the Commissioner shall be alerted immediately together with proposals to remedy the situation as part of the regular reporting process to the Commissioner.

The Chief Fire Officer will ensure that total spending for the FRS remains within the overall allocation of resources and take corrective action where significant variations from the approved budget are forecast. **They will ensure fully costed staffing establishments are maintained and reconciled to payroll information on a monthly basis.** The Chief Fire Officer will provide support arrangements for budget holders within the FRS ensuring appropriate lines of escalation to the Chief Executive, Chief Fire Officer and OPFCC CFO in respect of variations and the need to take action. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Fire Officer, the Commissioner shall be alerted immediately together with proposals to remedy the situation as part of the regular reporting process to the Commissioner.

### Responsibilities of the Chief Constable and the CC Chief Finance Officer

The Chief Constable and CC CFO will:

- Adopt these financial regulations and maintain with the PFCC CFO, a detailed set of Financial Rules to support the proper administration of the Chief Constable's financial affairs.

## Section B Financial Planning and Control

- Ensure that in accordance with the financial rules that each element of income or expenditure has a nominated budget holder to take responsibility for that part of the budget. Budget responsibility, as set out in financial delegations, should be aligned as closely as possible to the decision making process that commits expenditure. The CC CFO must be provided with a copy of budget holders and their budgetary responsibilities.
- Ensure that spending for the Constabulary remains within the overall allocation of resources and virement limits within each area of the budget set out within agreed budget approved by the Commissioner.
- Ensure a fully costed staffing establishment is maintained for the Constabulary and reconciled to payroll information on a monthly basis.
- Take corrective action where significant variations from the approved budget are forecast. Where projected income or expenditure varies from the budget by more than the limit set in section G, both the OPFCC CFO and Commissioner shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the Commissioner.
- Submit budget monitoring information in accordance with the requirements of the funding arrangement, containing the most recently available financial information. The reports shall be in a format and based on a timetable agreed with the Commissioner.
- Ensure that budget holders manage income and expenditure within their area, monitor performance and support the reporting of variances within their own areas to the Chief Constable and CC CFO, take any action necessary to avoid any adverse variation in expenditure from their budget allocation and alert the Chief Constable and CC CFO to any problems as soon as practicable.
- Manage the performance of budget holders and require detailed budget monitoring to be undertaken on a monthly basis and for this to be reported to the CC CFO.
- Ensure that budget holders receive sufficient training and financial support to enable them to undertake their budgetary control responsibilities.
- The Chief Constable and the CC CFO must keep the Commissioner regularly briefed on the implementation of major revenue projects, including those that are being delivered to generate savings that will have a substantial implication on the budget and the allocation of resources within the budget. These projects must be referred back to the Commissioner for further approval where amendments to the nature of the project are sought or the cost of the scheme are varying from budget in excess the limits shown in Section G.

### Responsibility of Budget Holders

- To ensure they are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- To ensure that total spending remains within the overall allocation of resources they have received and take corrective action where significant variations are forecast.
- To ensure that relevant spending remains within any annual ring fenced or cash limited revenue budget which they are responsible and accountable for.
- To satisfy the Chief Constable, Chief Executive or Chief Fire Officer as appropriate, that expenditure proposed against carried forward underspend is in accordance with Police Fire and Crime Plan priorities and is non-recurrent in nature.

### Revenue Virement

A virement is a planned reallocation of resources between approved budgets or heads of expenditure. A budget head is a line in the approved budget. The scheme of virement is intended to enable budgets to be managed with a degree of flexibility within the overall policy framework determined by the Commissioner and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.

The rules of virement in these Regulations cover the arrangements and responsibilities for the whole of the Commissioner's budgets.

The overall principles of virement within these rules are to provide discretion in managing budgets responsibly and prudently such that there will only be a requirement to refer back to the Commissioner when a virement would incur changes in policy or where a virement might create a future year or continuing commitment. The PFCC (following guidance from the OPFCC CFO) can withdraw the ability for virement in any year should they feel it is prudent to do so.

The Chief Officers and partners shall still be held to account by the Commissioner for decisions made and the way in which resources are deployed. Key controls for the scheme of virement are:

- It is administered by chief officers within delegated powers within the limits set out within Financial Regulations. Any variation from this scheme requires the approval of the Commissioner;

## Section B Financial Planning and Control

- No virement may reduce the budget in a service forecast to overspend nor where the proposed virement would create an overspend. This applies at each level in the Constabulary, FRS and the OPFCC.
- The overall budget is agreed by the Commissioner. Budget holders are therefore only authorised to incur expenditure in accordance with the estimates that make up the budget.
- The PFCC is responsible for any transfers to and from OPFCC and Constabulary balances. There will be no transfer between CCFRA and OPFCC or Constabulary balances without a legal agreement.
- Virement does not create an additional overall budget liability.
- The OPFCC CFO and CC CFO shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring.
- Virements can be approved by the OPFCC CFO (for the OPFCC and FRA) or CC CFO (for the Constabulary) where the additional expenditure is fully reimbursed by another body.
- Virements from revenue to capital financing (DRC) are permissible subject to the conditions listed above.
- No virements are permissible from capital to revenue or from revenue to capital.
- Virements to annual ring fenced or earmarked revenue budgets can only be agreed by the Commissioner.
- Chief officers and budget managers are authorised to incur expenditure in accordance with the estimates that make up the budget and ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring within the framework of the virement controls;
- When the virement is between an income budget line and an expenditure budget line which is directly related, approval is by the OPFCC CFO or CC CFO and the income and expenditure budgets will be increased for budget monitoring purposes. The CC CFO should seek the approval of the Police, Fire and Crime Commissioner through the OPFCC CFO where:
  - a virement might create a significant additional future year or continuing commitment. Revenue expenditure can only be funded from revenue funding;
  - a change in policy would create an additional financial liability beyond the level of the current budget;
  - a virement changes a public facing or politically sensitive element of the service;
  - a virement is undertaken for the purpose of commissioning a service from another organisation;
  - a virement is in excess of £100,000 (or other amount)

## Section B Financial Planning and Control

- Virement is not permitted in relation to: financing items such as asset charges; where the virement creates additional overall budget liability in existing or future years; where a virement would incur a change in policy; or where resources to be transferred were originally provided to meet expenditure of a capital nature.
- Any virement which creates an ongoing liability for future years for example in respect of staffing costs must also be subject to approval by the Commissioner. This ensures that cognisance is taken of the longer term budgetary impact.
- Virements are actioned on the financial system through journal entry and are subject to internal and external audit

The limits that apply on virements between budget headings are defined in Section G. All requests for virement must be made in the format prescribed by the OPFCC CFO and information on the virements within the limits set out in section G will be available to support budget monitoring report information. Any virement request outside the limits of these regulations requires the approval of the Commissioner.

### Treatment of Year End Balances Overview and Control

A year-end balance is the amount by which actual income and expenditure including capital costs varies from the final budget, normally identified at devolved budget holder level. Arrangements may be necessary for the transfer of resources between accounting years, i.e. a carry forward. This may increase or decrease the resources available to budget holders in the following financial year. All carry forwards recommended by the OPFCC Chief Finance Officer will be presented to the PFCC for approval at year end for each financial year.

As part of the monitoring and control process, reporting of potential variations from budget and proposals for reallocation of resources shall be made as early as possible in the financial year. All reasonable endeavours shall be taken to provide a service that matches the approved budget.

There may be occasions when an overall overspend position occurs, particularly where exceptional events occur so close to the end of the financial year that a balanced outturn position is not possible. In this event, the overspend will be funded initially from General Balances but full discussion will take place between the PFCC, Chief Constable or Chief Fire Officer and their respective officers.



## Section B Financial Planning and Control

Devolved budget holders who overspend their budget in any financial year may have their devolved budget reduced for the following financial year up to the amount of overspend, subject to the determination of the PFCC.

As a default position, **any underspends against budgets will be taken to the relevant organisation's reserves**. Any exception to this policy must be proposed by the Chief Fire Officer, Chief Executive or Chief Constable in consultation with the OPFCC Chief Finance Officer and CC Chief Finance Officer and determined by the PFCC.

### B3 Capital Programme

#### Overview and Control

Capital expenditure involves acquiring or enhancing fixed assets with a long-term value, such as land, buildings, and major items of DDaT and other equipment or vehicles. Capital expenditure can include “invest to save” type schemes whereby upfront capital investment can reduce ongoing revenue expenditure. 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.

Capital investment can be undertaken providing the spending plans are affordable, prudent and sustainable. CIPFA’s Prudential Code sets out the framework under which the Commissioner will consider capital spending plans.

The capital programme comprises the medium term strategy for acquisition, planned improvements and disposal of major items of DDaT equipment, the property estates and the vehicle fleet and is an integral part of the Medium Term Financial Strategy. The programme is approved on a 5 year basis but includes a long term 10 year capital forecast to aid financial planning. The requirement for assets including planned cyclical replacement and in year revenue running costs should be set out in linked asset strategies.

The asset estate incorporating property, fleet, DDaT and other equipment is owned by the Commissioner. The Commissioner funds the improvements and on-going investment in assets that are available for use by the Constabulary, FRS and other partners. The PR&SRA 2011 provides that the Chief Constable can own assets, other than land, subject to the consent of the PFCC.

The capital programme is approved in three status categories: All schemes will begin as indicative when the MTFP is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceed to procurement in the MTFF.

- **Indicative** – Where a scheme requires a full detailed business case to be submitted to the Commissioner for formal approval. The information requirements for schemes will be subject to CC CFO approval in consultation with the OPFCC CFO.

## Section B Financial Planning and Control

- **Delegated** – where a scheme is approved in principle but there are fine details with regard to procurement and costs that have been delegated to the CC CFO, in consultation with the OPFCC CFO, for final approval. CC CFO delegations are limited to the financial amounts included for the scheme within the capital programme plus a variance of up to 10% or £100,000 whichever is the lower. The CC CFO in consultation with the OPFCC CFO, may vire from capital reserves to fund any balance for the scheme within the delegated limit.
- **Firm** - where a firm scheme is approved, procurement can commence without delay. They will typically relate to cyclical replacement programmes and maintenance works. They will either be supported by the relevant capital strategy or a business case, at or before the approval of the capital programme.

No capital expenditure shall be incurred unless the specific scheme is included in the capital programme approved by the PFCC or as subsequently modified.

Schemes within the Capital Programme will be required to pass through the capital expenditure approval process before any expenditure is committed. Requests for capital expenditure must be made in the format of a business case (see above).

Arrangements covering variations in contract conditions and prices are covered to be managed in accordance with the Corporate Governance Framework.

Finance and operating leases and any other credit arrangements shall not be entered into without the prior approval of the PFCC, following consultation with the OPFCC CFO and CC CFO, and sufficient revenue resources must be available to meet the repayments.

### Responsibilities of the Police, Fire and Crime Commissioner

- Approve the estates, fleet and Digital Data & Technology strategies together with other proposals and plans for assets involving significant investment, together comprising the capital programme.
- Approve fully funded long term capital programmes including approval of those capital schemes that can commence and those that are subject to business case approval.
- Agree the annual capital programmes, and how they are to be financed.

## Section B Financial Planning and Control

- Approve delegations to the CC Chief Finance Officer in respect of managing the capital programme, including the commencement of capital schemes subject to business case
- Receive monitoring reports on the implementation of the approved programme

### Responsibilities of the OPFCC Chief Finance Officer

- Working with the CC Chief Finance Officer to secure the development and implementation of capital strategies as part of the development of the Medium Term Financial Strategies for consideration and approval by the Commissioner.
- Submit five year rolling capital programmes to the Commissioner for approval within the limits set out in section G and including recommendations regarding the approval of capital schemes as firm or delegated, setting out the reason for the recommendation. These shall cover the forthcoming financial year and the following nine years. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
- Identify available sources of funding the capital programmes, including the identification of potential capital receipts from disposal of property.
- Make recommendations to the Commissioner on the most appropriate arrangements for financing the programmes including the level of revenue support and appropriate levels of borrowing, under the Prudential Code, to support the capital programme.
- Make recommendations with regard to the prioritisation of capital schemes, amount of funding for each scheme and phasing.
- Scrutinise and challenge business cases and other proposals for asset investment from the Constabulary, FRS and other partners.
- Authorise capital schemes to commence under delegations granted by the Commissioner.
- To ensure that no finance leases or other credit arrangements are entered into without the prior approval of the OPFCC CFO
- Provide advice and recommendations to the Commissioner in respect of consents for the CC to acquire assets.

## Section B Financial Planning and Control

- Prepare monitoring reports for the Commissioner on implementation of the approved programme and report on the outturn of capital expenditure as part of the annual report on the statutory accounts.
- Take steps to ensure that any external funding that is subject to a specific timescale is, wherever possible, fully utilised within that timescale.
- Co-ordinate a joint budget monitoring report for presentation to the Police Fire and Crime Panel, as necessary, containing the most recently available financial information in a format agreed with the CC CFO.
- Approve capital virements within the limits set out in section G

### Responsibilities of the Chief Fire Officer and OPFCC Chief Finance Officer

The FRS use the assets comprising the Asset Estate to deliver operational fire and rescue services and the priorities within the Police Fire and Crime plan. The Chief Fire Officer, in consultation with the OPFCC CFO, is responsible for fully assessing the assets needed to meet fire and rescue operational requirements and preparing proposed capital strategies and detailed business cases for consideration by the Commissioner. The Chief Fire Officer is also responsible for the day-to-day management of operational assets other than land and buildings and this may include the implementation of approved capital schemes.

Approval of the annual capital programme by the Commissioner authorises the Chief Fire Officer to incur expenditure on schemes other than those requiring a detailed business case and providing expenditure on the scheme does not exceed the sum contained in the approved programme by more than the amounts identified in Section G. The Chief Fire Officer and OPFCC CFO will:

- Prepare a 5 year capital budget and a 10 year rolling programme of proposed capital expenditure on assets other than land and buildings for consideration and approval by the Commissioner. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
- All schemes within the capital programme should incorporate realistic estimates of future price inflation.

## Section B Financial Planning and Control

- Prepare a business case for all schemes in the capital programme other than land or buildings that are subject to a business case prior to scheme commencement. The business case to be approved by the Commissioner or OPFCC CFO subject to delegations. Ensure each capital project has a named officer responsible for managing the scheme, monitoring progress and ensuring completion of the scheme. No capital expenditure shall be incurred unless the scheme is approved to commence. A list of capital scheme managers must be provided to the OPFCC CFO.
- Ensure that, apart from agreed professional fees (e.g. feasibility studies and planning fees), no other capital or related revenue expenditure is incurred before the scheme is approved for commencement. Ensure that adequate records are maintained for all capital contracts
- Monitor the progress of the capital programme and expenditure throughout the year against the approved programme.
- Submit capital monitoring information to the OPFCC CFO on a regular basis throughout the year based on the most recently available financial information. Monitoring information will show spending to date and compare projected income and expenditure with the approved programme. The information shall be in a format and frequency agreed by the OPFCC CFO.
- Have effective arrangements in place to ensure that operational assets other than land and buildings are appropriately maintained and secured in accordance with the overall terms between the Commissioner and Chief Constable for such assets in operational use.
- Submit, for specified capital schemes in excess of the limit set out in section G, an evaluation of the business benefits of the scheme compared to the original business case.

### Responsibilities of the Chief Constable and CC Chief Finance Officer

The Constabulary are a primary partner who use the assets comprising the Asset Estate to deliver operational policing and the priorities within the Police Fire and Crime plan. The Chief Constable, in consultation with the CC CFO, is responsible for fully assessing the assets needed to meet operational requirements of policing and preparing proposed capital strategies and detailed business cases for consideration by the Commissioner. The Chief Constable is also responsible for the day to day management of operational assets other than land and buildings and this may include the implementation of approved capital schemes.

Approval of the annual capital programme by the Commissioner authorises the Chief Constable to incur expenditure on schemes other than those requiring a detailed business case and providing expenditure

## Section B Financial Planning and Control

on the scheme does not exceed the sum contained in the approved programme by more than the amounts identified in Section G. The Chief Constable and CC CFO will:

- Prepare a 5 year capital budget and a 10 year rolling programme of proposed capital expenditure on assets other than land and buildings for consideration and approval by the Commissioner. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
- All schemes within the capital programme should incorporate realistic estimates of future price inflation.
- Prepare a business case for all schemes in the capital programme other than land or buildings that are subject to a business case prior to scheme commencement. The business case to be approved by the Commissioner or OPFCC CFO subject to delegations. Ensure each capital project has a named officer responsible for managing the scheme, monitoring progress and ensuring completion of the scheme. No capital expenditure shall be incurred unless the scheme is approved to commence. A list of capital scheme managers must be provided to the CC CFO.
- Ensure that, apart from agreed professional fees (e.g. feasibility studies and planning fees), no other capital or related revenue expenditure is incurred before the scheme is approved for commencement. Ensure that adequate records are maintained for all capital contracts
- Monitor the progress of the capital programme and expenditure throughout the year against the approved programme.
- Submit capital monitoring information to the OPFCC CFO on a regular basis throughout the year based on the most recently available financial information. Monitoring information will show spending to date and compare projected income and expenditure with the approved programme. The information shall be in a format and frequency agreed by the OPFCC CFO.
- Have effective arrangements in place to ensure that operational assets other than land and buildings are appropriately maintained and secured in accordance with the overall terms between the Commissioner and Chief Constable for such assets in operational use.
- Submit, for specified capital schemes in excess of the value specified in section G, an evaluation of the business benefits of the scheme compared to the original business case.

### Responsibilities the Chief Executive

The Chief Executive is responsible for day-to-day management of land and buildings and this will include the implementation of approved capital schemes.

## Section B Financial Planning and Control

- To develop asset management plans for land and buildings and significant building components.
- Prepare a 5 year capital budget and a 10 year rolling programme of proposed capital expenditure on land and buildings for consideration and approval by the Commissioner. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
- All schemes within the capital projects plan should incorporate realistic estimates of future price inflation.
- Approval of the estate's capital programme budget by the Commissioner in February each year authorises the Chief Executive to seek planning permissions, incur professional fees and preliminary expenses as appropriate, and commit expenditure against approved schemes.
- Approve planned disposals to include the consideration of securing and permissions for change of use, planning permission for future developments etc to maximise the potential sale proceeds from a site.
- To enter into property leases, finance leases or other credit arrangements with the value or term up to the limits set out in Section G on behalf of the Commissioner.
- To determine, in consultation with the OPFCC CFO, the terms of any agreement between the Commissioner and CC for the use of operational assets and the terms of any consent under which assets can be acquired by the CC.
- Approve capital virements within the limits set out in section G.



### ■ B4 Maintenance of Balances and Reserves

#### Overview and Control

The Commissioner must decide the level of general reserves before deciding the level of council tax. Reserves are maintained as a matter of prudence and all are owned by the Commissioner. They enable the organisations to provide for cash flow fluctuations and unexpected costly events and thereby help protect from overspending the annual budget should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.

#### Responsibilities of the Police, Fire and Crime Commissioner

- To approve a policy on reserves and balances, including the appropriate minimum level of general balances.
- To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.
- To approve the allocation of monies to and from general and earmarked reserves
- To approve the arrangements for drawing down earmarked reserves including any delegations granted to the OPFCC CFO.

#### Responsibilities of the OPFCC Chief Finance Officer

- To advise the Commissioner, in collaboration with the CC CFO, on reasonable levels of balances and reserves and report to the Commissioner on the adequacy of reserves and balances before the annual budget and council tax is approved.
- To approve in-year appropriations to and from earmarked reserves in accordance with the budget plan and the arrangements for drawing down earmarked reserves set out in section G. These will be separately identified in the Annual Statements of Accounts.
- To publish a Reserves Strategy on the Constabulary and PFCC and FRS websites.

#### Responsibilities of the Chief Constable and CC Chief Finance Officer

- To ensure that the annual revenue budget, including planned movements in earmarked reserves is sufficient to finance foreseeable operational needs without having to request additional approval.

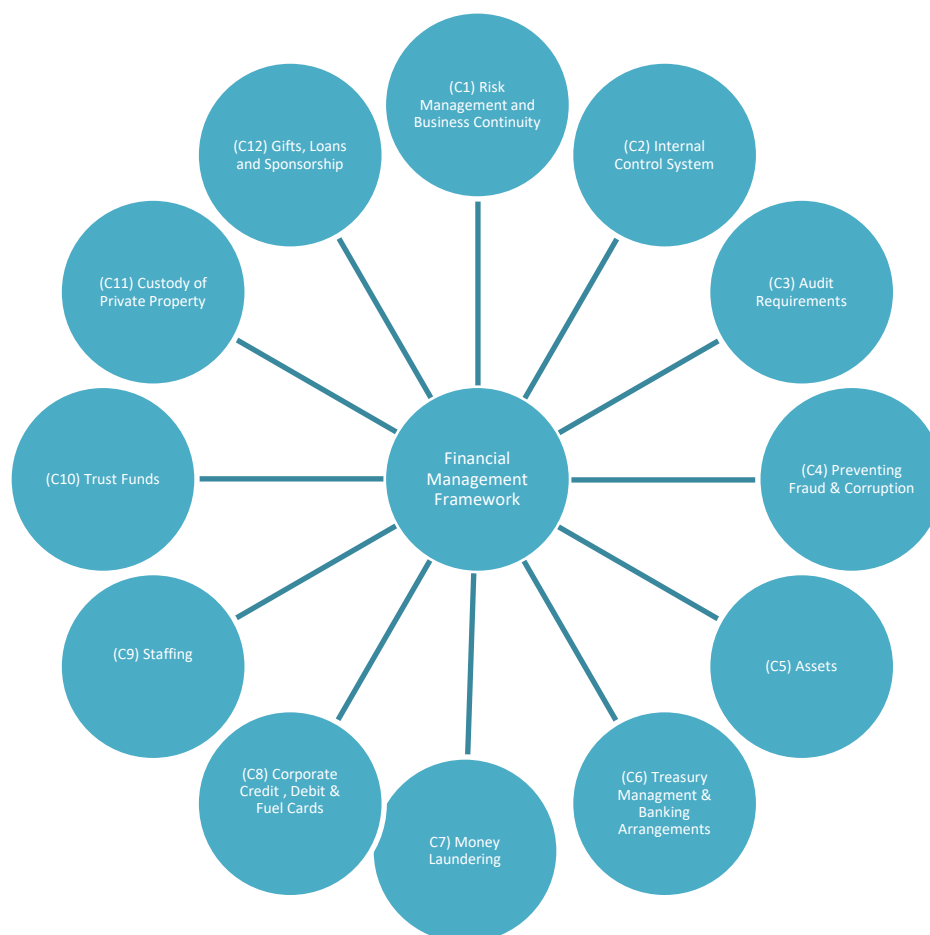
## Section B Financial Planning and Control

- To present a business case to the PFCC Executive Team for specific one-off expenditure items to be funded from general reserves.
- To operate within the terms and conditions set for any reserves delegated by the Commissioner for the Chief Constable to manage.

## Section C Management of Risks and Resources

### Introduction

This section of the regulations covers risk and resources and the controls we have in place to manage both. It incorporates responsibilities and requirements in respect of risk management and business continuity. It also covers our internal control environment including responsibility and arrangements for audit, preventing fraud and corruption, ensuring the security of our assets and investments and controls over the employment of staff. This section of the regulations also sets out the controls that must be in place to protect resources we hold in trust, including trust fund and property and how we manage resources that are gifted to us.



### C1 Risk Management and Business Continuity

#### Overview and Control

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

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

Overall responsibility for risk management rests with the Commissioner who must also hold the Chief Constable and Chief Fire Officer to account for the effectiveness of arrangements for managing risk within the Constabulary and FRS respectively. These arrangements are set out within the OPFCC risk management strategy and framework. These financial regulations set out the minimum requirements in respect of risk management that the Chief Officers of the OPFCC, FRS and Constabulary must comply with. Arrangements for insurance are made jointly between the Commissioner and Chief Constable.

#### Responsibilities of the Police, Fire and Crime Commissioner

- To annually approve a risk management strategy and strategic risk register.
- To receive a report on an annual basis setting out the overall arrangements for insurance.
- To receive regular reports from the Chief Constable on the management of Constabulary strategic risks.

## Section C Management of Risks and Resources

### Responsibilities of Chief Officers

- To prepare risk management strategies, subject to scrutiny by the Joint Audit Committee, that promotes a culture of risk management awareness and review risks as an ongoing process.
- To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.
- To ensure that a comprehensive risk register is produced and updated regularly, that the strategic risk register and significant operational risks are subject to scrutiny by the Joint Audit Committee, and that corrective action is taken at the earliest possible opportunity in respect of identified risks
- To make all appropriate employees aware of the risk management strategy and their responsibilities for managing relevant risks
- Ensuring all appropriate staff are aware of their responsibilities to notify their Chief Officer immediately of any loss, liability or damage that may lead to a claim against the PFCC together with the information required.
- To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis
- To approve, before any contract for work is made, that insurance cover is to be furnished by the contractor in respect of any act or defaults, unless cover is provided by the Commissioner
- To ensure that appropriate insurance arrangements are put in place on the advice of the OPFCC CFO and CC CFO. Required limits are set out in Section G.
- To ensure that employees, or anyone covered by 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 or ex-gratia activity.
- To ensure arrangements exist for the notification of any terms of indemnity that are requested

### Responsibilities of the Chief Executive

- To evaluate and authorise any terms of indemnity that is requested by external parties

## Section C Management of Risks and Resources

### Responsibilities of the OPFCC Chief Finance Officer and CC CFO

- To advise the Chief Executive, Chief Fire Officer and Chief Constable on appropriate arrangements for insurance; acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken
- To arrange for regular reviews to be undertaken of own self-insurance arrangements and, following these reviews, to recommend to the Chief Executive, Chief Fire Officer and Chief Constable a course of action to ensure that, over the medium term, the funds are available to meet all known liabilities
- To ensure that appropriate insurance cover is provided including where new risks are identified or circumstances affecting risks change
- To ensure that claims made against insurance policies are made promptly
- To negotiate all claims in consultation with other officers where necessary.
- To notify the PFCC promptly of all new risks that require insurance and of any alterations affecting existing insurance.
- To review any matters likely to have financial implications in respect of future insurance costs, the ability to insure or the level of funding and annual contribution to any insurance provision and reserves.
- To present an annual written claims report to the PFCC summarising activity for the year.

### Responsibilities of the Joint Audit Committee

- To monitor the effective development and operation of risk management, review the risk profile and monitor progress of the Commissioner, as both PCC and CCFRA, and the Chief Constable in addressing risk-related issues reported to them.

### C2 Internal Control System

#### Overview and Control

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

The organisations require an internal control framework to manage and monitor progress towards strategic objectives and the fulfilling of statutory obligations. There are a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of objectives and priorities. Systems of internal control are necessary to manage these risks. Systems of internal control are established in order to provide achievement of:

- Efficient and effective operations
- Reliable financial information and reporting
- Compliance with laws and regulations
- Effective management of risk

Overall responsibility for the system of internal control rests with the Commissioner who must also hold the Chief Constable and Chief Fire Officer to account for the effectiveness of internal control arrangements within the Constabulary and FRS respectively.

#### Responsibilities of Chief Officers

- To implement effective systems of internal control, in accordance with advice from the OPFCC CFO and CC CFO. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
- To ensure that effective key controls exist and that management control systems are operating effectively. These should include the development and implementation of appropriate policies, the setting of objectives and plans, monitoring financial and other performance/operational information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities and ensure appropriate arrangements are in place.

## Section C Management of Risks and Resources

- To ensure that effective key controls are operating in financial and operational systems and procedures. This includes ensuring the safeguarding of assets, establishing appropriate segregation of duties, putting in place authorisation and approval procedures and ensuring robust information systems to support monitoring, management and control.
- The Chief Executive, Chief Fire Officer and the Chief Constable must secure the production of Annual Governance Statements for their respective organisations. The statement for the OPFCC must be signed by the Commissioner, the Chief Executive and the OPFCC Chief Finance Officer. The statement for the Constabulary must be signed by the Chief Constable and the CC Chief Finance Officer.

### Responsibilities of the Joint Audit Committee

- To review the Annual Governance Statements of the Commissioner and Chief Constable prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.



### C3 Audit Requirements

#### Overview and Control

##### Internal Audit

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The requirement for an internal audit function for local authorities including FRAs is set out 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 and Fire Services the requirement to maintain effective audit arrangements is derived from the Accounts and Audit Regulations 2015 (as amended) which state that a "relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

In fulfilling this requirement regard must be given to the Public Sector Internal Audit Standards (PSIAS) and the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA. These documents set out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.

An effective internal audit function provides assurance with regard to the operation of internal control systems, 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 Police, Fire and Crime Commissioner and the Chief Constable

The Commissioner and Chief Constable are responsible for ensuring the provision of an adequate and effective internal audit service for their respective organisations. The Chief Constable must make available to the Commissioner the right of access to all Constabulary audit and inspection reports and provide the Commissioner with the authority to instruct internal audit investigations

## Section C Management of Risks and Resources

The Commissioner and Chief Constable will:

- Recruit and appoint 3-6 members of the Joint Audit Committee. These members should be independent of both the Commissioner and the Constabulary and CCFRA.
- Establish the Joint Audit Committee's Terms of Reference.
- Review and sign annual letters of representation and submit to the external auditor.
- Receive and act upon the annual assurance statement from the Joint Audit Committee.
- Review and present the Internal Audit Strategy to the Joint Audit Committee for approval.

### Responsibilities of the OPFCC Chief Finance Officer and CC CFO

- The OPFCC CFO and CC CFO shall advise the Commissioner and make arrangements for internal audit on behalf of the Commissioner and the Chief Constable. The OPFCC CFO and CC CFO will ensure that an annual review of the effectiveness of the internal audit service is undertaken in line with the 2015 Accounts and Audit regulations and that the findings of the review are reported to the Joint Audit Committee and Commissioner as part of consideration of the Annual Governance Statement including the effectiveness of internal controls.
- The CC CFO will advise the Chief Constable as to the effectiveness of audit arrangements. The OPFCC CFO will also ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by internal audit prior to implementation.

### Responsibilities of the Joint Audit Committee

The Joint Audit Committee will fulfil the terms of reference recommended by the CIPFA Audit Committees/Practical Guidance for Local Authorities and Police. The Committee will:

- Annually review the internal audit charter and resources.
- Review the internal audit plan and any proposed revisions to the internal audit plan
- Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence
- Consider the Head of Internal Audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements

## Section C Management of Risks and Resources

- Consider summaries of internal audit reports and such detailed reports as the committee may request from the Commissioner or the Chief Constable including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.
- Consider a report on the effectiveness of internal audit to support the Annual governance statement, where required to do so by the Accounts and Audit regulations

### Responsibilities of the Police, Fire and Crime Commissioner and Chief Officers

To ensure that internal auditors, having been security cleared, have the authority to:

- Access premises at all 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, supplies or any other police and OPFCC asset under their control
- Access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
- Internal Audit shall have direct access to all Chief Officers and employees, where necessary.

### Responsibilities of the Head of Internal Audit

- To prepare, in consultation with the Commissioner, Chief Constable, and OPFCC CFO and CC CFO, a medium term strategic audit plan and an annual audit plan that conforms to the PSIAS and the internal audit charter as well as the organisations strategic risk assessment, for consideration by the independent Audit Committee.
- To attend meetings of the Joint Audit Committee and to present to each Committee a report on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.
- To present an annual report to the Joint Audit Committee, including an opinion on the effectiveness of the internal control environment within the OPFCC and within the Constabulary.

## Section C Management of Risks and Resources

- Internal audit shall provide an undertaking to respect the confidential nature of the service and to employ suitable staff only.

### Responsibilities of Chief Officers and all service managers

- 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.
- To ensure relevant senior managers contribute to the development of the annual audit plan through the identification of all significant financial and operational risks in order that they are subject to cyclical audit.
- To notify the OPFCC CFO and CC CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of police property or resources. Pending investigation and reporting, the Chief Executive/Chief Constable/Chief Fire Officer should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

Investigation of internal financial irregularities within the Constabulary shall normally be carried out by the Professional Standards Department, who shall consult with the Head of Internal Audit as appropriate and keep them informed of progress. At the conclusion of the investigation the Head of Internal Audit shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure that the risk of recurrence is minimised.

Investigations within the FRS will normally be carried out in accordance with Fire & Rescue Service Policy on Disciplinary Procedures wherein the Service Investigations Officer (SIO) shall consult with the Head of Internal Audit as appropriate and keep them informed of progress. The operation of this Regulation shall be in accordance with agreed protocol between the SIO and Internal Audit and as authorised by the OPFCC Chief Finance Officer. The Chief Finance Officer will keep the chair of the Joint Audit Committee informed of any suspected fraud. At the conclusion of the investigation, the Head of Internal Audit shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure the risk of recurrence is minimized.

## Section C Management of Risks and Resources

### External Audit

The external auditor has rights of access to all documents and information necessary for audit purposes.

The basic duties of the external auditor are governed by a code of audit practice produced by the National Audit Office. The code of audit practice sets out the auditor's objectives to review and report upon:

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

In auditing the annual accounts the external auditor must satisfy themselves that:

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

### Responsibilities of the Police, Fire and Crime Commissioner, the Chief Constable and the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To ensure that for the purposes of their work the external auditors are given the access to that which they are statutorily entitled in relation to premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
- To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner and achieve outcomes as expected.
- To receive and agree the annual audit letter and governance report

## Section C Management of Risks and Resources

### Responsibilities of the OPFCC CFO and CC CFO

- To liaise with the external auditor and advise the Commissioner and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.
- To provide the Home Office with a copy of the annual audit letter

### Responsibilities of the Joint Audit Committee

The Joint Audit Committee will fulfil the terms of reference recommended by the CIPFA Audit Committees/Practical Guidance for Local Authorities and Police. The Committee will:

- Consider the procurement route to appoint a prospective external auditor..
- Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory Value for Money.
- Consider the external auditors annual management letter, relevant reports, and the report to those charged with governance
- Consider specific reports as agreed with the external auditor
- Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies

And in relation to the above, to give such advice and make such recommendations on the adequacy of the level of assurance and on improvement as it considers appropriate.

### Other Inspection Bodies

The Constabulary, FRS and the OPFCC may, from time to time, be subject to audit, inspection or investigation by external bodies such as HMICFRS and the HM Revenue & Customs, who should be afforded the same rights of access as internal and external audit.

### C4 Preventing Fraud and Corruption

#### Overview and Control

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

#### Responsibilities of the Police, Fire and Crime Commissioner

- To approve the overall arrangements recommended by the Chief Executive and Chief Fire Officer to protect against fraud and corruption within the OPFCC and FRS respectively, and hold the Chief Constable to account for arrangements within the Constabulary

#### Responsibilities of the Chief Executive (Monitoring Officer), Chief Fire Officer and Chief Constable

- To foster a culture that will not tolerate fraud and corruption.
- To adopt and maintain effective anti-fraud, anti-corruption and anti-money laundering arrangements.
- To maintain a whistle blowing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity, that they are not malicious and that appropriate action is taken to address any concerns identified. The Chief Executive and Chief Constable shall ensure that all employees are aware of any approved whistle blowing policy.
- To ensure that adequate and effective internal control arrangements are in place.

## Section C Management of Risks and Resources

- To adopt and maintain respective policies and register for the registering of interests and the receipt of hospitality and gifts, including the Commissioner, police officers and all employees including where gifts and hospitality have been declined. To implement and maintain a clear internal control framework to be followed by all members and employees.
- To notify the relevant Chief Finance Officer immediately if a preliminary investigation gives rise to any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources.
- To adhere to appropriate legislation, e.g. the Public Disclosure Act for 1998

### Responsibility of the Chief Executive (Monitoring Officer)

- To arrange for any suspected incidents of fraud or corruption within the OPFCC and CCFRA to be reported and investigated in conjunction with the OPFCC CFO and Head of Internal Audit.

### Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To undertake an annual Fraud Risk Assessment on behalf of the OPFCC, FRS and Constabulary.
- To ensure any fraud in relation to the OPFCC, FRS or Constabulary are communicated immediately to the internal auditors in order that any internal control weaknesses can be addressed.



### C5 Assets

#### Overview and Control

Assets are held in the form of land, property, vehicles, ICT and other equipment, furniture and other items, together worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery.

There should be arrangements in place for the security of both assets and information required for service operations and proper arrangements must be in place for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management. The asset register should provide information about assets so that they are:

- Accurately recorded and classified
- Safeguarded against loss
- Used efficiently and effectively
- Adequately maintained
- Valued in accordance with statutory and management requirements

The Commissioner will own and fund all assets regardless of whether they are used by Commissioner as PCC or CCFRA, by the Constabulary or by any combination of these bodies.

The Chief Constable is responsible for the direction and control of the Force and will therefore have day-to-day direction and control of policing assets other than land, buildings and significant building components.

The Chief Fire Officer is responsible for the direction and control of the FRS and should therefore have day-to-day management of all assets used by the FRS other than land, buildings and significant building components.

The Chief Constable cannot have an interest in land therefore management of land, buildings and significant building components falls under the responsibility of the Chief Executive.

The Commissioner funds all assets regardless of whether they are used by the Commissioner as PCC or CCFRA, by the Constabulary, by both bodies and other partners. The Commissioner consults the Chief Constable and Chief Fire Officer in planning the budget and developing a medium term financial forecast. Both these processes involve a full assessment of the assets required to meet operational policing requirements, including ICT infrastructure, land, property, fleet and equipment.

## Section C Management of Risks and Resources

### Responsibilities of the Police, Fire and Crime Commissioner

To approve an estates asset management plan, including disposals.

### Responsibilities of the Chief Officers

In respect of all assets that are owned and/or used, the Chief Officers will ensure that:

- Assets are only used for official purposes and are available for use when required and are properly accounted for
- All employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of the Data Protection Act and software copyright legislation
- All employees are aware of their responsibilities with regard to safeguarding the security of DDaT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies

### Responsibilities of the OPFCC CFO and the CC CFO

In respect of all assets that are owned and/or used, the CC CFO will ensure that

- An asset register is maintained that provides information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements
- 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
- No asset is subject to personal use by an employee without proper authority
- Valuable and portable items such as computers, cameras and video recorders are identified with security markings
- Assets are insured where appropriate
- Assets excluding land and buildings no longer required are disposed of in accordance with the law and these financial regulations as per the requirements of Section G.

## Section C Management of Risks and Resources

- Statutory, regulatory and other inspection/tests are conducted in accordance with cyclical asset management and maintenance plans to ensure assets meet health and safety and other regulatory requirements in operational use
- An asset register shall be maintained for accounting purposes all fixed assets with a value in excess of the limits shown in schedule G, in a form approved by the OPFCC CFO. Assets are to be recorded when they are acquired. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and the requirements specified by the OPFCC CFO.
- To ensure that inventories are maintained for insurance purposes in a format approved by the OPFCC CFO that record an adequate description of items with a value in excess of the amount shown in Section G. Other items of equipment should also be recorded if they are deemed to be both desirable and portable (e.g. laptops). A central register shall be maintained for all ICT hardware by the Digital Data & Technology Department.
- To ensure that there is at least an annual check of all items on the inventory in order to verify their location, review condition and investigate any surpluses or deficiencies. The annual check is to be co-ordinated by the Central Services Department but will be the responsibility of Heads of Service or his or her representative who shall not be responsible for the day to day maintenance of the inventory.
- ICT strategies (for the CCFRA and the Constabulary respectively) are produced and presented to the Commissioner for consideration and endorsement. This will form part of the development of the capital programme and annual budget process.
- Fleet management strategies (for the CCFRA and the Constabulary respectively) are produced and presented to the Commissioner annually for consideration in September and final approval in March each year. This will form part of the development of the capital programme and annual budget process.
- The property portfolio is managed in accordance with the agreed estates asset management plan and within budgetary provisions, in consultation with the Chief Executive.

### Responsibilities of the Chief Executive

- To ensure that an estates strategy is produced and presented to the Commissioner for approval. This will form part of the development of the capital programme and annual budget process.

## Section C Management of Risks and Resources

- To ensure that:
  - 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;
  - lessees and other prospective occupiers of our land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate;
  - title deeds to property are held securely;
  - assets no longer required are disposed of in accordance with the law and the regulations of the organisation as set out in Section G;
  - appropriate and timely information is provided to the CC CFO or OPFCC CFO for policing and for the CCFRA respectively to enable comprehensive asset registers to be maintained.
  - Land and Buildings are valued in accordance with these Regulations
- Lessees and other prospective occupiers of land owned by the Commissioner are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate

### Stocks and Stores

#### Responsibilities of Chief Officers

- To make arrangements for the care, custody and control of stocks and stores and maintain detailed stores accounts in a form approved by the OPFCC CFO and CC CFO.
- 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 verified by separate individuals and then signed as an accurate record. The stock returns are then subject to independent reconciliation to the general ledger by the finance team. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change.
- Discrepancies between the actual level of stock and the book value of stock may be written-off, in consultation with the OPFCC CFO and CC CFO.
- To write-off obsolete stock, up to the limits shown in Section G. Amounts for write off above this value must be referred to the OPFCC CFO and CC CFO for approval supported by a written report.

## Section C Management of Risks and Resources

- To ensure that significant values of stocks and stores at 31 March each year are certified and included in the annual accounts.

### Intellectual Property

Intellectual property is a generic term that includes inventions and writing. If any Intellectual property is created by the employee during the course of employment, then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within the OPFCC, CCFRA and the Constabulary may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.

In the event that the OPFCC, CCFRA or the Constabulary decides to become involved in the commercial exploitation of inventions, the matter should be brought to the attention of the Chief Executive. In these circumstances, the Commissioner and the Chief Constable will approve an intellectual property policy and procedures for their respective organisations. The Chief Executive and Chief Constable will be responsible for the preparation of guidance on intellectual property procedures and ensure all employees are aware of and comply with the procedures.

### Asset Disposal

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

### Responsibilities of the CC Chief Finance Officer

- To dispose of policing assets other than land and buildings at the appropriate time and at the most advantageous price. Where this is not the highest offer, this can only be done with the agreement of the OPFCC CFO.
- All asset disposals shall be recorded in the asset register or inventory as appropriate.

### Responsibilities of the OPFCC Chief Finance Officer

- To dispose of CCFRA assets other than land and buildings at the appropriate time and at the most advantageous price.

## Section C Management of Risks and Resources

- All asset disposals shall be recorded in the asset register or inventory as appropriate.

### Responsibilities of the Chief Executive

- To dispose of land and buildings at the appropriate time and at the most advantageous price. Where this is not the highest offer, this can only be done with the agreement of the OPFCC CFO.
- All asset disposals shall be recorded in the asset register or inventory as appropriate.

### Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To ensure that income received for the disposal of an asset is properly banked and accounted for.
- To ensure that appropriate accounting entries are made to remove the value of disposed assets from the records and to include the sale proceed if appropriate.

## C6 Treasury Management and Banking

### Overview and Control: Treasury Management

Treasury Management is defined as 'the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

It is important that treasury activities are managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the capital sums involved.

The Commissioner has adopted the CIPFA Code of Practice on Treasury Management. The primary requirements of the Code are to have arrangements in place for:

- A treasury management strategy statement, stating the policies, objectives and approach to risk management of its treasury management activities;

## Section C Management of Risks and Resources

- Approved Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- Approval of the annual Treasury Management Strategy Statement (TMSS) including the annual investment strategies and MRP policy
- An annual report and as a minimum a Mid Term Review report covering Treasury Management activities.

### Responsibilities of the Police, Fire and Crime Commissioner

- To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice
- To approve the annual TMSS including the annual investment strategy and MRP policy
- To receive and approve an annual report on treasury management activity and in year review reports

### Responsibilities of the OPFCC Chief Finance Officer and CC CFO

- To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance
- To prepare reports on the PFCCs treasury management policies, practices and activities, including, an annual TMSS, including annual investment strategy and MRP policy and quarterly review reports
- To ensure the treasury management strategy and in year review reports are subject to review by the Joint Audit Committee as part of the arrangements for approval by the Commissioner
- To execute and administer treasury management in accordance with the CIPFA Code and the Commissioner's strategy
- To arrange borrowing and investments, in compliance with the CIPFA Code and strategy
- To ensure that all investments and borrowings are made in the name of the Police, Fire and Crime Commissioner for Cumbria
- To secure specialist consultancy and advice in respect of treasury management activity

## Section C Management of Risks and Resources

### Responsibilities of the Joint Audit Committee

In compliance with the CIPFA Code of Practice on Treasury Management, the Commissioner has nominated the Joint Audit Committee to be responsible for ensuring effective scrutiny of the Treasury Management strategy and policies. In fulfilling this role the Committee will:

- Review the Treasury Management policy and procedures to be satisfied that controls are satisfactory
- Receive regular reports on activities, issues and trends to support the Committee's understanding of Treasury Management activities; the Committee is not responsible for the regular monitoring of activity.
- Review the treasury risk profile and adequacy of treasury risk management processes.
- Review assurances on Treasury Management (for example internal audit reports)

### Overview and Control: Banking Arrangements

The Commissioner and Constabulary's banking activities are controlled by a single contract which provides a wide range of specialist banking services. A consistent and secure approach to banking services is essential in order to achieve optimum performance from our bankers and the best possible value for money.

The Commissioner undertakes to provide banking arrangements that may be used by authorised officers of the Constabulary in order to ensure efficiency in the financial arrangements between the Commissioner and the Chief Constable.

### Responsibilities of the OPFCC Chief Finance Officer

- To have overall responsibility for the banking arrangements for the Commissioner and Chief Constable.
- To oversee the establishment and maintenance of bank accounts.
- To authorise the opening and closing of all bank accounts. No other employee shall open a bank account unless they are performing a statutory function in their own right
- To arrange for bank reconciliations to be undertaken on a timely and accurate basis



## Section C Management of Risks and Resources

- To determine signatories on all bank accounts

### Responsibilities of the CC Chief Finance Officer

- To maintain inventories of all Constabulary-held stock

The CC CFO may undertake daily management and operation of bank accounts under the arrangements between the Commissioner and Chief Constable for shared financial services. The CC CFO is responsible under this arrangement for ensuring the operation of satisfactory control systems, seeking confirmation from the bank that it is satisfied with such control systems and providing assurance of such to the OPFCC CFO. The Chief Constable may determine to open bank accounts subject to the consent of the Commissioner and in conjunction with the OPFCC CFO.

### Overview and Control: Imprest Accounts/Petty Cash

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

### Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To provide appropriate employees with cash, bank imprests to meet minor expenditure on behalf of the OPFCC/Constabulary.
- To determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.
- To prepare detailed Financial Rules for dealing with petty cash, to be agreed with the OPFCC CFO and CC CFO, and these shall be issued to all appropriate employees.
- To ensure the petty cash facility is not used as a mechanism to avoid normal procurement routes.

### C7 Money Laundering

#### Overview and Control

The OPFCC and the Constabulary are alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. There is a requirement to report suspicious cash deposits in any currency in excess of £10,000 (or equivalent) to the National Crime Agency (NCA) or a successor body..

In order to protect the Commissioner and Constabulary from money laundering internal control procedures will be monitored to ensure they are reliable and robust and cash deposits will be limited to a maximum of £5,000 (excluding seized cash). Any suspicious activity or transaction will be reported to the relevant body at the earliest opportunity. Chief Officers must undertake appropriate checks to ensure all new suppliers and counterparties are bona fide.

#### Responsibilities of the OPFCC Chief Finance Officer

- To be the nominated Money Laundering Reporting Officer (MLRO) for the Chief Constable and the Commissioner under the arrangement for shared financial services and nominate the function to the CC CFO during periods of absence
- Upon receipt of a disclosure, to consider, in the light of all information, whether it gives rise to suspicion of money laundering.
- To disclose relevant information to the National Crime Agency (NCA) or a successor body.
- To ensure that the arrangements for shared financial services between the Commissioner and Chief Constable make adequate arrangements for protection from money laundering including awareness raising and training for staff engaged in cash receipting.

#### Responsibilities of Officers and Staff

- To notify the OPFCC CFO as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime
- Cash bankings from a single source over £5,000 should be refused and reported to the OPFCC CFO. This instruction does not apply to seizures and subsequent banking under the Proceeds of Crime Act.

### C8 Corporate Credit, Debit and Fuel Cards

#### Overview and Control

Expenditure on credit cards must only be for official business and must be appropriately authorised and recorded. All credit cards are issued in the name of the Commissioner. The Chief Constable is prohibited statutorily from entering into such credit arrangements.

Credit and debit cards are used by the OPFCC, CCFRA and Constabulary in the course of business. Credit cards are made available as an alternative method of payment in a number of circumstances including:

- in relation to designated officers who, in the course of their official business, have an immediate requirement for expenditure;
- in specialist business continuity circumstances where goods are needed urgently;
- for making online purchases where this method of purchasing achieves the best value for money and payment must be made at the point of placing an order.

Every effort should be made to ensure payment of goods and services is by invoice wherever possible and credit cards should only be used as a last resort when this is not possible.

Debit Cards are used only for official business and only by specifically authorised officers for operational purposes.

Fuel cards are provided to ensure the economic purchase of fuel for the vehicle fleet and hire cars used in the course of business. All staff must use fuel cards for the purchase of business fuel wherever it is possible to do so, except for FRS appliances which should use bulk fuel..

#### Responsibilities of the OPFCC Chief Finance Officer

- The OPFCC CFO will approve credit/debit card policy and procedures.
- The OPFCC CFO will authorise the application for all credit cards and debit cards where these are outside the arrangements within credit/debit card policy
- The OPFCC CFO will provide financial rules and credit and debit card policy and procedures to all card holders; procedures will specify items that must not be purchased using the corporate credit card, the process and evidence required to substantiate card expenditure and arrangements for authorising that expenditure is in line with the procedure.

## Section C Management of Risks and Resources

- The OPFCC CFO will arrange for credit and debit card reconciliations to be undertaken on a timely and accurate basis.

### Responsibilities of the Chief Officers

- Chief Officers will ensure that arrangements for authorising expenditure are undertaken by a member of staff more senior to the credit/debit card holder. The Chief Executive will authorise credit card expenditure made by the Chief Constable and Chief Fire Officer.

### Responsibilities of the Card Holders

- Credit/Debit Card holders must ensure that purchases are in accordance with approved procedures and provide receipted details of all payments made by corporate credit/debit card each month, including nil returns, to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.
- Fuel cards must be used wherever possible for the purchase of business fuel. The use of fuel cards must comply with relevant procedures.

## C9 Staffing

### Overview and Control

Staff are employed by both the Commissioner (both as PCC and FRA) and the Chief Constable and form the largest element of the annual budgets. An appropriate HR strategy and workforce plan should exist, in which staffing requirements and budget allocations are matched. This is particularly important for support staff who provide shared services to meet the needs of both the Commissioner and the Constabulary.

The responsibilities below are those of the Chief Executive in respect of staff who are employed by the Commissioner in the OPFCC, of the Chief Fire Officer in respect of staff employed by the Commissioner in the FRA, and of the Chief Constable for police officers and staff who are employed in the Constabulary.

### Responsibilities of the Chief Executive, Chief Constable and Chief Fire Officer

## Section C Management of Risks and Resources

- To ensure that employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements, HR policies, budgets and strategies and that there is a proper use of the evaluation or other agreed systems for determining the remuneration of a job.
- To ensure that staffing budgets provide an accurate forecast of staffing levels and advise the Commissioner on the budget necessary in any given year to cover estimated staffing levels
- To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs
- To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
- To approve, in consultation with the OPFCC CFO and CC CFO, policy arrangements for premature retirements on grounds of ill-health or efficiency and redundancy arrangements for all staff.
- To ensure that arrangements are in place for individual line managers to recover all ID badges, force assets, door fobs, keys etc and to ensure that all access to systems is removed upon an employee leaving the organisation.
- The Chief Executive/ PFCC's Chief Finance Officer will be offered the opportunity to participate in recruitment and dismissal processes of police and FRS staff delivering shared support services above the rank or grades set out below This includes determination of any specific terms to be proposed as part of a recruitment or dismissal process, for example relocation packages, pension strain/abatement, ill health retirement.
  - Police - Superintendent and staff above grade SP10
  - Fire and Rescue - Area Manager and green book grade 18 and above

### C10 Trust Funds and Unofficial Funds

#### Overview and Control

These are funds other than those of the Commissioner, which are controlled wholly or partly by staff by reason of their employment.

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. Our financial procedures and financial regulations should be viewed as best practice, which should to be followed whenever practicable.

Trust funds can only be opened with specific approval from the Chief Constable/Commissioner.

#### Responsibilities

- The Chief Executive must be aware of all trust funds associated with the OPFCC and the Chief Constable must be aware of all trust funds associated with the Constabulary.
- The OPFCC CFO must be informed of the purpose and nature of all trust funds and shall be entitled to verify that adequate standards are being observed, identify whether funds are properly audited and report on the arrangements.
- All employees acting as trustees on behalf of the Commissioner or Chief Constable shall ensure that a treasurer and independent auditor are appointed, that reliable accounting systems and procedures are operated, and investments are properly managed and that accounts are audited as required by law and submitted annually to the appropriate body.

### C11 Evidential and Non-Evidential Property

#### Overview and Control

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

#### Responsibilities of the Chief Constable and the CC Chief Finance Officer

- To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his/her guardianship or supervision; these procedures shall be made available to all appropriate employees. For more detailed information please refer to the Evidential and Non-Evidential Standard Operating Procedure (SOP).
- 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 where appropriate and shall ensure that there is an adequate segregation of duties and regular inventory checks.
- To issue separate financial procedures for dealing with cash, including seized cash under the Proceeds of Crime Act
- To deduct income tax on any interest earned on seized cash or found monies whilst held in his possession and account to both HMRC and to any person to whom such monies are subsequently returned.

#### Responsibilities of all Officers and Staff

- To comply with standard operating procedures in relation to evidential, non-evidential and other private property.
- To notify the OPFCC Chief Finance Officer and CC Chief Finance Officer immediately in the case of loss or diminution in value of such property.

### C12 Gifts, Loans and Sponsorship Policy

#### Overview and Control

This does not include the receipt of hospitality and gifts – see section C4.

The Commissioner and Chief Constable may decide to accept gifts of money and gifts or loans of other property or services (e.g. car parking spaces) if they will either enhance or extend the service which would normally be provided. The terms on which gifts or loans are accepted may allow commercial sponsorship of some policing and commissioner activities.

Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes. They can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.

The total value of gifts, loans and sponsorship accepted, should not exceed 1% of the Commissioner's annual gross revenue budget.

#### Responsibilities of the Chief Officers

- To determine whether gifts, loans or sponsorship will be accepted
- To ensure there are guidelines in place for staff with regard to gifts, loans and sponsorship and that all staff are aware of and operate within the guidelines.
- To ensure guidelines provide that the OPFCC CFO are advised of any gifts, loans or sponsorship prior to acceptance to ensure that decision making takes into consideration any financial implications including those pertaining to insurance and taxation.



## Section C Management of Risks and Resources

### Responsibilities of the OPFCC Chief Finance Officer, CC Chief Finance Officer, Chief Executive (Monitoring Officer) and Chief Officers

- To present an annual report listing all gifts, loans and sponsorship for approval by the Commissioner.
- To maintain a central register of all sponsorship initiatives and agreements including their true market value. The register will be made available to the Commissioner, who shall satisfy themselves that it provides a suitable account of the extent to which such additional resources have been received.
- To bank cash from sponsorship activity in accordance with normal income procedures.

## Section D Processes and Procedures

### Introduction

This section of the financial regulations sets out responsibilities and the required arrangements for systems and processes to manage income, including external funding, ordering and paying for goods and services, ensuring staff and members are properly paid, including ex-gratia payments and that all those systems and processes include proper arrangements to account for tax.

Arrangements for systems and processes are managed by the OPFCC CFO and CC CFO as part of the arrangements for shared support services between the Commissioner and the Chief Constable. This includes all arrangements for financial systems and administration, including receipting income, incurring expenditure, discharging creditors and recovering debt.



### D1 General Overview

#### Overview and Control

There are many systems and procedures relating to the control of assets and resources, including purchasing, costing and management systems. There is increasing reliance on computers for financial management information. This information must be accurate and the systems and procedures sound and well administered. They contain controls to ensure that transactions are properly processed and errors detected promptly. The OPFCC CFO and CC CFO both have a statutory responsibility to ensure that financial systems are sound and should therefore be notified of any proposed new developments or changes.

#### Responsibilities of the Chief Constable, Chief Fire Officer and the Chief Executive

- To ensure all staff and those acting on behalf of the Constabulary, CCFRA and OPFCC adhere to processes and procedures, taking management action where there is failure to comply.
- To ensure that there is a documented and tested business continuity plan to allow system processing to resume quickly in the event of an interruption.
- To register compliance with the Data Protection Act 2018 ensuring that data processing involving personal information is handled correctly.

#### Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

To make arrangements for the proper administration of the financial affairs, including to:

- Issue advice, guidance and procedures for staff and others acting on behalf of the OPFCC, CCFRA and the Constabulary
- Determine the accounting systems, form of accounts and supporting financial records
- Establish arrangements for the audit of the financial affairs of the Constabulary and the CCFRA and OPFCC
- Approve any new financial systems to be introduced

## Section D Processes and Procedures

- Approve any changes to existing financial systems

To ensure, in respect of systems and processes, that:

- Systems are secure, adequate internal controls exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. 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 that staff and others acting on behalf of the Commissioner or Chief Constable are appropriately trained in relevant processes and procedures.
- To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems.
- To establish a Scheme of Delegation, identifying staff authorised to act upon the behalf of Chief Officers in respect of income collection, placing orders, making payments and employing staff.

## D2 Income

### Overview and Control

The Commissioner is the recipient of all funding relating to policing and crime reduction, including government grant and precept and other sources of income. Income is vital and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly. The responsibility for cash collection should be separated from that for identifying the amount due and for reconciling the amount due to the amount received.

The Commissioner should ensure that there are arrangements in place to ensure that expected charges are clearly identified in budgets and that costs are accurately attributed and charged. When considering budget levels the Commissioner should ensure that ongoing resource requirements are not dependent on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.

## Section D Processes and Procedures

The purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them. When specifying resource requirements the Chief Constable will identify the expected income from charging. The Commissioner and Chief Constable should adopt National Police Chiefs' Council (NPCC) charging policies in respect of mutual aid.

When specifying resource requirements, the annual budget plan and the medium-term financial plan will identify the expected income from charging. This should take account of NPCC charging policies in respect of mutual aid.

### Responsibilities of the Police, Fire and Crime Commissioner and the Chief Constable

- To adopt the NPCC national charging policies and national guidance when applying charges, including those for special policing services, under section 25 of the Police Act 1996 and to keep scales of fees and charges under review with such reviews being carried out at least annually.

### Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To make arrangements for the collection of all income due and approve the procedures, systems and documentation for its collection, including the correct charging of VAT
- To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies; charges should be at full cost recovery except where regulations recommend otherwise or with the express approval of the Commissioner or Chief Constable.
- To ensure that all income is paid fully and promptly into the designated Income Bank Account; appropriate details should be recorded to provide an audit trail and money collected and deposited reconciled on a monthly basis.
- To ensure income is not used to cash personal cheques or make other payments.
- To ensure appropriate controls exist over the management and supply of receipt forms, books or tickets and similar items. Official receipts or other suitable documentation shall be issued for all income received

## Section D Processes and Procedures

- To operate effective debt collection procedures
- To secure appropriate arrangements, in consultation with the Chief Executive, for debt recovery, including legal action where necessary
- To approve the write-off of bad debts, in consultation with the Chief Executive, up to the level shown in Section G. Amounts for write-off above this value must be referred to the Commissioner for approval, supported by a written report explaining the reason(s) for the write-off.
- To have regard to section 18 of the Fire and Rescue services Act 2004 when applying charges for chargeable services and to keep scales of fees and charges under review with such reviews being carried out at least annually.
- To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the Commissioner.
- The OPFCC CFO will prepare detailed Financial Rules for dealing with income under the arrangements for shared support services, and issue them to all appropriate employees.

### D3 Ordering and Paying for Work, Goods and Services

#### Overview and Control

Public money should be spent in accordance with the financial and regulatory framework and policies. The organisation has a statutory duty to ensure financial probity and best value. These joint 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 Contract Procedure Rules

The responsibilities set out below are those of the OPFCC CFO. All ordering and payments are made in the name of the Commissioner although the goods and services procured will be used by the Commissioner and the Constabulary.

#### Responsibilities of the OPFCC Chief Finance Officer

- To maintain procurement regulations covering the principles to be followed for the purchase of goods and services and to ensure that all payments are made in accordance with this policy.

## Section D Processes and Procedures

### Responsibilities of the OPFCC Chief Finance Officer in respect of the CCFRA and OPFCC and CC Chief Finance Officer in respect of the Constabulary

- To secure the issue of official orders for all work, goods or services to be supplied, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other authorised exceptions.
- To approve the form of orders and any exceptions to official orders.
- Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of OPFCC contracts.
- 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 the Contract Procedure Rules.
- To ensure orders for goods and services are appropriately authorised by a designated officer in accordance with the scheme of delegation.
- Payments are not normally made unless goods and services have been received at the correct price, quantity and quality in accordance with any official order.
- To ensure that payments are made to the correct person, for the correct amount, on time (i.e. within supplier payment terms) and are recorded properly, regardless of the method of payment.
- To ensure that VAT is recovered where appropriate.
- To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- To ensure that all purchases made through e-procurement and credit card purchases follow the procedures set out within the Contract Procedure Rules.
- To ensure adequate separation of duties between ordering, receiving and paying for goods and services.
- To secure the preparation of detailed Financial Rules for dealing with the ordering and payment of goods and services, and to ensure these are issued to all appropriate employees.

### Responsibilities of the Chief Officers

- To ensure that every member and employee declares any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of the organisation and that such persons take no part in the selection of a supplier or contract with which they are connected.
- To ensure declarations are made and recorded as appropriate within the register of interests, secondary employment register and related party transaction disclosure forms in accordance with the arrangements for anti-fraud and corruption (policy and procedure).
- To ensure that staff are aware of and comply with the Contract Procedure Rules
- To nominate the OPFCC CFO as lead officer with responsibility for ensuring the provision of services for ordering and payment under the terms of the shared services agreement. To make provision within the Constabulary financial rules that the lead officer is responsible for adopting the standards within these regulations and providing assurance of such.

### Responsibilities of the Director of Legal Services

- Provision of advice on contracts including provision of standard terms and conditions.
- Securely storing all contracts related to the procured goods and services (including those under seal) acquired on behalf of the COPFCC/Constabulary by the Commercial Department.

### Responsibilities of the Commercial Business Partner

- Maintaining a procured goods and services Contracts Register.
- Maintaining records of all contract exemptions available as attachments to the relevant contract or purchase record and also copied in sequential date order in a paper file for Audit purposes.
- Advising Authorised Officers with regards to all aspects of procurement.
- Producing and maintaining procurement guidance in virtual and printable formats.
- Developing and implementing a procurement strategy.
- Monitoring the appropriate use of contracts.
- Monitoring aggregated procurement amounts for recommendation as fit for transferral to properly contracted procurements.
- Producing ad-hoc and annual reports on procurement activity.



- Authorising all approved lists.

### D4 Employee Payroll, Pension & Other Expenditure

#### Overview and Control

Employee payroll costs comprise the largest item of budget expenditure within the Constabulary and FRS. 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.

The responsibilities set out below are those of the Chief Executive for employees within the OPFCC and of the Chief Fire Officer for employees in the CCFRA. The Chief Constable is required to fulfil the same responsibilities for employees of the Constabulary.

#### Responsibilities of the Chief Executive, Chief Fire Officer and Chief Constable

- To ensure appointments are made in accordance with approved establishments, grades and scale of pay and adequate budget provision should be available. Payroll staff must be notified of all appointments, terminations, or variations in the correct format and to the timescales required.
- All changes to establishment are recorded and appropriately signed off prior to any change being enacted.
- To ensure, in consultation with the OPFCC CFO and CC CFO, the secure, accurate and reliable payment of salaries, overtime, pensions, allowances, compensation and other benefits to existing and former employees and members.
- To ensure that tax, pension and other deductions are made correctly and paid over at the right time to the relevant body.
- To pay all valid travel and subsistence claims or financial loss allowance, where they comply with policy and are authorised.
- To pay salaries, wages, pensions and reimbursements by the most economical means.

## Section D Processes and Procedures

- To ensure any contract for payroll services will incorporate reimbursement by the provider of any costs associated with any payroll error and associated corrective action in the event of an error and the provider having received the correct payroll data
- 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 and compliance with IR35 regulations. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
- To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
- To ensure that, in consultation with the OPFCC CFO and CC CFO, specialist advice is obtained as necessary and adequate and effective procedures are operated to comply with statutory requirements for payroll deductions.
- To secure the preparation of detailed Financial Rules for dealing with payments to employees, to be agreed with the OPFCC CFO, and these shall be issued to all appropriate employees.

### D5 Taxation (PAYE, VAT and national insurance)

#### Overview and Control

Like all organisations, the OPFCC, CCFRA and Constabulary are responsible for ensuring their tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. The following responsibilities are those of the OPFCC CFO and CC CFO for relevant transactions of the Commissioner and of the Constabulary and transactions made on behalf of the Commissioner under the shared services arrangements for financial administration.

#### Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- To ensure that arrangements are in place for the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements

## Section D Processes and Procedures

- To ensure that arrangements are in place for the timely completion and submission of VAT claims, inputs and outputs to HMRC
- To ensure taxable transactions are identified, properly carried out and accounted for within stipulated timescales with a record maintained in accordance with requirements
- To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations
- To provide details to the HMRC regarding the construction industry tax deduction scheme.
- To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.
- To ensure that all tax liabilities are correctly disclosed in the annual statement of accounts.

### D6 Pensions

#### Overview and Control

Employers including the Constabulary OPFCC and CCFRA have a legal obligation to offer employees a pension scheme. The Chief Constable is the Scheme Manager for the Police Officer Pension Scheme. Police officers are automatically joined into the Police Pension scheme and police staff are automatically joined into the Local Government Pension Scheme. The Chief Fire Officer is the Scheme Manager for the Firefighter Pension Schemes. Operational employees are automatically enrolled into the 2015 Firefighter Pension scheme and corporate employees are automatically enrolled into the Local Government Pension Scheme. Pensions are a complex and ever changing area with new legislation, taxation implications and reporting requirements to meet. The Local Government Pension Scheme is managed by Westmorland and Furness Council and the Constabulary, OPFCC and CCFRA are the Local Government scheme administering authorities. The Home Office are responsible for the Firefighter Pension schemes and the organisation acts as a “holding account” although the transactions are shown in the PFCC statement of accounts

#### Responsibilities

#### Responsibilities of the Chief Constable and Police, Fire and Crime Commissioner

## Section D Processes and Procedures

The Chief Constable and the Commissioner must also ensure that all people involved in governing and administering public service pension schemes should have the appropriate skills and expertise. However, there is a specific legal obligation on pension board members to have knowledge and understanding of their scheme rules, their scheme's documented administration policies and pensions law.

The Chief Constable and the Commissioner have the responsibility for ensuring they each produce an Employer Discretion policy in relation to the Local Government Pension scheme. The Local Government Pension Scheme is managed by the Cumbria Pension Fund.

### Responsibilities of the Chief Constable

To ensure compliance with the Public Services Pensions Act 2013 the Chief Constable has a number of legal responsibilities acting in the role of Pension Scheme Manager for the Police Officer Pension Scheme ensuring the following:

- ensuring that appropriate arrangements for the management of police officer pensions are put in place
- establishment of a Police Pension Board.
- provision benefits information to members
- publishing information on pension boards
- keeping certain records
- that pension boards members don't have conflicts of interest
- adequate internal controls are established and operate effectively
- reporting late payment of contributions
- nominating an appropriately trained employer representative for the pensions board

### Responsibilities of the Chief Fire Officer

- To ensure that there are adequate arrangements for administering fire pensions and Local Government Pension Scheme (LGPS) matters on a day-to-day basis.
- To record and make arrangements for the accurate and timely payment of pensions and fire pensions to the scheme administrators.
- The appointment of a Pension Administrator to administer the LGPS and Firefighter Pensions Schemes on behalf of the PFCC.

## Section D Processes and Procedures

- To ensure Pension Boards are established to administer the schemes in accordance with current legislation and regulations.
- To ensure that timely and accurate information is supplied to the Home Office for the Top Up arrangements.
- To ensure that timely information is supplied to the actuaries.
- To refer internal disputes relating to pensions to the Scheme Manager in the first stage, with second stage disputes being referred to a panel consisting of the Deputy Chief Fire Officer and representatives from finance and legal.

### D7 Ex Gratia Payments

#### Overview and Control

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

#### Responsibilities of the Chief Constable and Chief Fire Officer

- To make ex gratia payments, on a timely basis, to members of the public or employees for damage or loss to property or for personal injury or costs incurred as a result of police or FRS action, where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the OPFCC, CCFRA and the Constabulary up to the limits set and in section G;
- To maintain details of ex gratia payments in a register.
- The circumstances of the proposed payment must not have the effect of circumventing other pay and allowances, policies, rates and rules. All ex gratia payments should be reviewed and authorised in accordance with the Constabulary Scheme of Delegation. Any ex gratia payment above the limit in section G will require the approval of the Commissioner.
- To provide a copy of the ex-gratia payments register to the Chief Executive for review at the end of each financial year.

### D8 Government Procurement Cards

## Section D Processes and Procedures

### Overview and Control

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

### Responsibilities of the OPFCC Chief Finance Officer

- To undertake periodic reviews of the register of individuals and limits assigned to each card.
- To ensure that all card holders are aware of the financial instructions relating to the use of cards.
- To ensure that all purchases are checked to ensure compliance with approved policies (e.g. Gifts, Gratuities and Hospitality, Catering).
- To ensure that the process requires receipted details of payments, particularly VAT receipts and all requirements of the providers electronic receipting and payments processes are adhered to.

### E1 General Overview

#### Introduction

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. The OPFCC, CCFRA and Constabulary element of all joint working arrangements must comply with the financial regulations.



## Section E Joint Working Arrangements

These joint working arrangements can be grouped under the following headings:

- Partnerships
- Consortia
- Regional working
- Collaboration

Joint working arrangements entail common responsibilities:

- To act in good faith at all times and in the best interests of the joint working arrangement'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 joint working arrangement activities or duties that is of a confidential or commercially sensitive nature
- Where appropriate, to promote the project

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

- The arrangements to enter into joint working must have been authorised by the Commissioner or Chief Constable as appropriate
- Before entering into the agreement, a risk assessment has been prepared
- Such agreements do not impact adversely upon the services provided by OPFCC, CCFRA or Constabulary
- 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



## Section E Joint Working Arrangements

- Accounting and taxation requirements, particularly VAT, are understood fully and complied with
- An appropriate exit strategy has been produced

## E2 Partnerships

### Overview and Control

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, process or agreed programme, and share information, risks and rewards

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

- Comply with statutory requirements
- Deliver strategic objectives in new and better ways
- Improve service quality and cost effectiveness
- Ensure the best use of scarce resources and access new resources
- Deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need
- Forge new relationships and find new ways to share risk

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

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

## Section E Joint Working Arrangements

- Strategic: These are partnerships set up to deliver core policing, crime reduction or fire and rescue objectives. They can either be PFCC-area-wide or local.
- Ad-hoc: These are typically locally based informal arrangements.

As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the Commissioner, in exercising his functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, the Commissioner is free to pool funding as they and their local partners see fit. The Commissioner may also make grants under Community Empowerment in support of new or local fire and rescue priorities. The Commissioner can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies. This may include acting as a lead commissioner of services, agreeing jointly the shared priorities and outcomes expected to be delivered through the contract, grant or funding arrangement with each provider.

### Responsibilities of the Police, Fire and Crime Commissioner

- To have regard to relevant priorities of local partners when considering and setting the Police Fire and Crime Plan.
- To make appropriate arrangements to commission services from either the Constabulary, external providers or jointly with partners
- To make decisions in respect of awards of grant and entering into grant arrangements.

The commissioner is able to make grants in connection with commissioning of services that:

- In the opinion of the Commissioner, will secure, or contribute to securing, crime and disorder reduction
- Are intended by the Commissioner to help victims or witnesses of, or other persons affected by, offences and anti-social behaviour.

### Responsibilities of Chief Officers

- To consult, as early as possible, the PFCC CFO and CC CFO in respect of any partnering arrangements to ensure the correct treatment of taxation and other auditing and accounting arrangements.

## Section E Joint Working Arrangements

- To produce a Memorandum of Understanding (MOU), funding arrangement or conditions of funding as appropriate for any partnership arrangement incorporating appropriate terms and conditions for the project; this document should be signed by the Chief Executive.
- All partnerships, joint working arrangements and MOUs with operational and financial implications should be approved by the relevant operational lead and CC CFO or OPFCC CFO as appropriate.

### Responsibilities of the Chief Executive

- To keep a register of statutory and other legally formalised partnerships, consortia and collaboration agreements.
- To secure the safekeeping of registers of commissioned services, grant awards and grant agreements and for ensuring that records are maintained of exemptions to grant procedures.
- To maintain robust and up to date grant conditions; to ensure the grant regulations are complied with, including a robust performance management framework and to seek assurance that appropriate accounting and auditing regulations are complied with.
- To ensure the exercise of due diligence through effective processes and procedures prior to decision making
- To ensure the overall arrangements for assurance when awarding funding and that total funding awarded through grants and granted agreements is in line with allocated budgets.
- To meeting all publication requirements in respect of grants and grant agreement.

### Responsibilities of the Director of Legal Services

- To provide legal advice on grant agreements including grant terms and conditions.

## E3 Consortium Arrangements

A consortium is a long-term joint working arrangement with other bodies, operating with a formal legal structure and must be approved by the Commissioner. The Chief Constable has no statutory powers to enter into a consortium without the Commissioner's approval.

## Section E Joint Working Arrangements

### Responsibilities of Chief Constable

- To contact the Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework
- To consult, as early as possible, the OPFCC CFO and CC CFO to ensure the correct treatment of taxation and other accounting arrangements
- To produce a business case to show the full economic benefits to be obtained from participation in the consortium
- To produce a Memorandum of Understanding (MOU), funding arrangement or conditions of grant agreement as appropriate for any partnership arrangement incorporating appropriate terms and conditions for the project; this document should be signed by the Chief Executive
- To seek the Commissioner's approval for the entering into a Consortium

### E4 Collaboration

Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the Police Reform and Social Responsibility Act 2011, Chief Constables and PFCCs have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more police force or Commissioners. Any collaboration which relates to the functions of a police force must first be agreed with the Commissioner and with the local policing body and Chief Constable of the force concerned.

[Bluelight Collaboration](#) - The Policing and Crime Act introduced a statutory duty for the three emergency services (Police, Fire and Ambulance) to keep collaboration opportunities under review and to collaborate where a proposal is in the interests of efficiency, effectiveness or public safety. Similar responsibilities surround Bluelight collaborations as policing collaborations.

The local policing bodies shall jointly hold their Chief Constables to account for any collaboration in which their Constabulary is involved and any such proposal must be discussed with the OPFCC CFO in the first instance.

## Section E Joint Working Arrangements

### Responsibilities of the Chief Officers

- To ensure that each activity covered by collaborated arrangements is subject to the financial regulations of one of the Commissioners involved. The particular Commissioner's financial regulations should be selected having regard to the staffing, activity and location of the collaborated activity.
- To contact the Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework.
- To consult, as early as possible, the OPFCC Chief Finance Officer to ensure the correct treatment of taxation and other accounting arrangements.
- To produce a business case to show the full economic benefits to be obtained from participation in the collaboration/consortium.
- To produce a Collaboration agreement setting out the appropriate governance arrangements.

## E5 – Work for Third Parties

### Overview and Control

Current legislation enables the Commissioner to provide fire and rescue services to other bodies. Such work may enable economies of scale and existing expertise to be maintained. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

### Responsibilities of the Chief Fire Officer

- To ensure that:
  - proposals for assistance are costed in consultation with OPFCC Chief Finance Officer,
  - that contracts are drawn up where appropriate,
  - that no contract is subsidised by the organisation,
  - that contracts do not impact adversely on the services provided.
  - that charges are made in accordance with policy.

## Section E Joint Working Arrangements

- that, where possible, payment is received in advance of the delivery of the service that the Commissioner is not put at risk from any bad debts.

### Responsibilities of the OPFCC Chief Finance Officer

- To ensure that appropriate insurance arrangements are in place.

## E6 Other Joint Working Arrangements

### Overview and Control

Where services are provided to other bodies outside of 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 compliant with any applicable regulations and legislation, including ensuring there are powers to undertake the work.

### Responsibilities of Chief Officers

- To ensure that proposals for assistance are costed, that no contract is subsidised and that, where possible, payment is received in advance of the delivery of the service so that the organisation is not put at risk from any liabilities such as bad debts.
- To ensure that appropriate insurance arrangements are in place.
- To ensure that all contracts are properly authorised and documented
- To ensure that such contracts do not impact adversely on the services provided by the organisation.
- The agreement of the Commissioner will be required to all tender submissions which may be publicly or politically sensitive. Otherwise, the submission of tenders for the supply of goods and/or services should be approved as set out in section G.

## E7 External Funding

External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the organisation. Funds from external agencies provide additional resources to enable police and crime and fire and rescue objectives to be delivered. However, in some instances, such funding is linked to tight specifications and may not be flexible enough to link to the Police Fire and Crime Plan.

## Section E Joint Working Arrangements

The main sources of such funding will tend to be specific government grants, additional contributions from other public bodies, central government and charitable funding accessed through bidding rounds, and donations from third parties (e.g. towards capital expenditure)

### Responsibilities of Chief Officers

- To pursue actively any opportunities for additional funding where this is considered to be in the interests of the organisation
- 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
- To ensure that funds are acquired only to meet police and crime or fire and rescue needs and objectives
- To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
- To ensure that any conditions of external funding are in accordance with the approved policies of the Commissioner. If there is a conflict, this needs to be taken to the Commissioner for resolution.
- To ensure that any opportunities to pursue external funding are authorised and that applications are made in the Commissioner's name as the statutory recipient of all funding

### Responsibilities of the OPFCC Chief Finance Officer and CC Chief Finance Officer

- 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 arrangement are met.

### Responsibilities of Service Managers

- To ensure all applications for external funding are brought to the attention of the CC CFO or the OPFCC CFO. No external funding may be accepted without the agreement of the CC CFO or the OPFCC CFO.

## Section F Guidance Notes on Unlawful Expenditure, Breach of Financial Regulations and Rules, Contract Procedure Rules and Arrangements for Anti-Fraud & Corruption

These guidance notes are supplemental to the arrangements for Anti-Fraud and Corruption and should be read in conjunction with those documents.

The OPFCC CFO and CC CFO have responsibility under section 114 of the Local Government Finance Act 1998 to make a report if it appears that any person holding any office or employee or member of any collaborative body on which the Commissioner or the Constabulary is represented:

- Has made, or is about to make a decision which involved or would involve the Commissioner or the Chief Constable incurring expenditure which is unlawful;
- Has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Commissioner or the Chief Constable; and
- Is about to enter an item on account, the entry of which is unlawful.

It is also the duty of the Chief Executive and Monitoring Officer to prepare a report for the Commissioner with respect to any proposal, decision or mission by any person holding any office or employment which may contravene any enactment, rule of law or code of practice or any maladministration or injustice as defined. In doing so it is the Monitoring Officer's duty so far as is practicable to consult with the OPFCC CFO. A copy of such a report shall be sent to the external auditor.

To provide for effective action to deal with any fraud and corruption and to assist the OPFCC CFO and CC CFO in the performance of the duty to ensure the financial affairs of the Constabulary, the CCFRA and the OPFCC are properly conducted, the Commissioner and Chief Constable will approve arrangements for an Anti-Fraud and Corruption Policy and a Plan that will be adhered to in the circumstances of any suspected or actual breach of financial regulations or Contract Procedure Rules.

Where a breach of standing orders or financial regulations has occurred of a non-malicious nature this will be dealt with by management action. Management action may result in the instigation of disciplinary proceedings. Management action will be directed toward the member of staff or officer responsible for the breach. This may be a manager where there has been a failure in the responsibility to ensure subordinates are aware of and trained in the use of the orders/regulations.



## Section F Guidance Notes on Unlawful Expenditure, Breach of Financial Regulations and Rules, Contract Procedure Rules and Arrangements for Anti-Fraud & Corruption

There are no formal exemptions to the financial regulations. Where there is a robust reason that the regulations are unable to be applied, authorisation must be given by the OPFCC CFO. In the event that the OPFCC CFO or CC CFO requests an exemption from the financial regulations, this must be approved by the Commissioner.

## Section G Regulation Limits and Delegations

### Introduction

The Commissioner expects anyone acting under this scheme to draw to their attention any issue which is likely to be regarded as novel, contentious or repercussive. In addition, the Commissioner is ultimately accountable for the Police Fund and Fire General Fund. Before any financial liability affecting the Police Fund that the Commissioner might reasonably regard as novel, contentious or repercussive is incurred; prior written approval must be obtained from the Commissioner's office. Delegations for such approval are set out in this scheme. References to Sections refer to the relevant part of these regulations where the regulation limit is to apply.

The regulation limits apply in respect of delegations between the Commissioner and the Commissioner's staff, both in the OPFCC and the FRA, and between the Chief Constable and the Chief Constable's officers and staff.

### Section B: Financial Planning and Control

**Financial Planning:** The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined as one in excess of an estimated value of £100,000 in the Constabulary and £30,000 in the OPFCC and CCFRA.

**Budgetary Control:** Major projects need not be referred back to the Commissioner for further approval unless, when negotiating contract details, amendments to the nature of the scheme are sought or the additional cost of the scheme exceeds the lesser of 10% or £100,000 in the Constabulary and the lesser of 5% or £10,000 in the OPFCC and CCFRA..

Where the net position on the Constabulary or FRS budget is forecast to over- or under-spend by more than £500,000 or where the position is known to have changed by more than £500,000 since the last monitoring report, the OPFCC CFO must be notified as soon as the variation is known. Where this occurs, an analysis of forecast expenditure against each of the Subjective Headings and reasons for the projected or forecast under or over spending must be provided. Any overspend of Funding will entitle the Commissioner, subject to consultation with the Chief Constable or Chief Fire Officer as appropriate, to reduce the Funding Amount of one or a number of other Subjective Headings so that total expenditure does not exceed the Total Funding Amount. The Commissioner may also offset any

## Section G Regulation Limits and Delegations

overspend against amounts made available in respect of Funding in future years, subject to consultation with the Chief Constable or Chief Fire Officer as appropriate.

Where the net position on the OPFCC or CCFRA budget is forecast to over- or under-spend by more than **£150,000** or where the position is known to have changed by more than **£150,000** since the last monitoring report, the OPFCC CFO must be notified as soon as the variation is known.

**Virements:** Funding for each Subjective Heading may only be applied towards the purposes allocated to that Subjective Heading other than within the overall limits for virement.

Virements between Subjective Headings are permitted up to a cumulative value of **£250,000** in any single financial year. All virements above the limit must be authorised by the OPFCC Chief Finance Officer.

All individual virements within the OPFCC and CCFRA revenue budget over **£30,000** must be authorised by the OPFCC CFO.

All individual virements within the Constabulary revenue budget over **£100,000 and under £150,000** must be authorised by the CC CFO.

All individual virements in any revenue budget over **£150,000** must be authorised by both the OPFCC CFO and the Chief Executive.

The OPFCC CFO in collaboration with the CC CFO is authorised to approve a virement of any amount within the capital budget to address issues of timing where the scheme is approved and the virement is consistent with the business case for the scheme. This includes virements to and from capital reserves and future year budgets to bring forward schemes where there is capacity and a business imperative to commence schemes in advance of the planned programme.

**Year End Balances:** Year end balances will be returned to general balances other than where specific approval has been given to carry forward those budgets. Budget holders may apply to the OPFCC CFO (for OPFCC and CCFRA budgets) or CC CFO (for Constabulary budgets) to carry forward any underspend. The OPFCC CFO may authorise carry forward of budget underspend where the amount of the individual

## Section G Regulation Limits and Delegations

application is less than £100,000 and where the under spend is due to circumstances beyond the budget holders control and there is likely to be an unbudgeted liability for the unspent sum in the following financial year. Budget holders who overspend their budget in any financial year may have their budget reduced for the following year subject to the determination of the Commissioner after consultation with the OPFCC CFO.

Any other application to carry forward budgets must be approved by the Commissioner.

**Capital Programme:** The Chief Executive must be notified of all proposed property leases or renewals before any agreement is made. Any lease with a value in excess of £50,000 pa or any lease over 5 years in duration shall be subject to the Commissioner's approval.

Detailed estimates for each scheme in the approved capital programme shall be prepared by the responsible officer before tenders are sought or commitments made. Schemes need not be referred back to the Commissioner for further approval unless the additional cost of the scheme exceeds 10% or £100,000, whichever is the lower amount.

Evaluations of the business benefits of the scheme compared to the original business case must be submitted for specified capital schemes in excess of £500,000.

The capital programme is approved in three status categories: All schemes will begin as indicative when the MTFP is approved and the Commissioner will indicate which schemes are to be subject to further reports to proceed to procurement in the MTFF..

- **Indicative** – Where a scheme requires a full detailed business case to be submitted to the Commissioner for formal approval. The information requirements for schemes will be subject to CC CFO approval in consultation with the OPFCC CFO.
- **Delegated** – where a scheme is approved in principle but there are fine details with regard to procurement and costs that have been delegated to the CC CFO, in consultation with the OPFCC CFO, for final approval. CC CFO delegations are limited to the financial amounts included for the scheme within the capital programme plus a variance of up to 10% or £100,000 whichever is the lower. The CC CFO in consultation with the OPFCC CFO, may vire from capital reserves to fund any balance for the scheme within the delegated limit.

## Section G Regulation Limits and Delegations

- **Firm** - where a firm scheme is approved, procurement can commence without delay. They will typically relate to cyclical replacement programmes and maintenance works. They will either be supported by the relevant capital strategy or a business case, at or before the approval of the capital programme.

## Section C: Management of Risk and Resources

**Risk Management and Business Continuity:** the Required Insurances include (but are not limited to):

- Public liability insurance with a limit of indemnity of not less than **fifty million pounds (£50,000,000)** in relation to any one accident;
- Product liability insurance with a limit of indemnity of not less than **fifty million pounds (£50,000,000)** annual aggregate
- employer's liability insurance with a limit of indemnity of not less than **fifty million pounds (£50,000,000)** in relation to any one accident
- professional indemnity insurance with a limit of indemnity of not less than **two hundred and fifty thousand pounds (£250,000)**

**Assets:** The de-minimus for capital expenditure is **£25,000**. The de-minimus for capital income is **£10,000**. Single items below this amount are treated as revenue. Items of individual cost value below **£25,000** are capitalised where they are acquired as part of a rolling programme and combined for the purposes of procurement. For capitalised expenditure, the CC CFO shall secure that an asset register is maintained. The asset register will comprise:

- Land & Buildings - All values of land and building
- Vehicles – all values of vehicles
- Computers – computer assets procured within the rolling annual capital programme with cumulative value above **£25,000**
- Plant & Equipment – plant and equipment assets procured within the rolling annual capital programme with cumulative value above **£25,000**

The Chief Officers 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 of **£1,000**

## Section G Regulation Limits and Delegations

Discrepancies between the actual level of stock and the book value of stock may be written off by the CC CFO for Constabulary stock and by OPFCC CFO for OPFCC and CCFRA stock, up to the level shown below. Amounts for write off above the value below must be referred to the OPFCC CFO for approval.

- Individual items £5,000
- Overall annual limit on all stock £15,000

Obsolete Constabulary stock, or equipment and materials surplus to requirements may be written off by the CC Chief Finance Officer up to the level shown below. Obsolete OPFCC or CCFRA stock and amounts for write off above the value below must be referred to the OPFCC CFO or CC CFO for approval.

- Individual items £5,000
- Overall annual limit on all stock £15,000

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

- Land & Buildings £250,000
- Equipment £10,000
- Vehicles £10,000

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

- Land & Buildings £500,000
- Equipment £15,000

## Section D: Systems and Processes

**Income:** Individual amounts may be written off by the OPFCC CFO or CC CFO up to £10,000. Amounts for write off above this value must be referred to the Chief Executive for approval.

All cases where write off action results from theft or fraud shall be referred to the OPFCC CFO or CC CFO for approval up to a maximum of £10,000 and to the Commissioner for approval of amounts in

## Section G Regulation Limits and Delegations

excess of that sum.

**Ordering of Goods and Services:** Quotations shall be obtained or tenders invited from suppliers or contractors in accordance with the requirements set out in the Contract Procedure Rules

**Ex Gratia Payments to officers and staff:** The Constabulary and FRS may make ex-gratia payments up to £4,999 (per claim) in any individual instance, for damage or loss of property or for personal injury to an officer, member of staff or any member of the extended police or fire and rescue family, in the execution of duty in accordance with its scheme of delegation and as set out in the financial rules. Payments of £5,000 or above must be approved by the Commissioner. Payments under £5,000 are delegated to the DCC and CC CFO for approval.

## Section G Regulation Limits and Delegations

### Summary of All Procurement Regulations

The procedure to be followed shall be determined by reference to the estimated value of the purchase as set out below. Unless specified otherwise the value of the contract is the estimated whole life cost (start-up cost + annual cost x duration), excluding VAT.

Threshold and Type	Value	Quotation/Tender Process	Responsible for Procurement
Quote procurement Values.  New suppliers must be Credit and Company Rated before they can be registered as a supplier or receive a PO.	Non-catalogue purchase up to £5k	Place order with supplier best able to provide value for money. Should be with a supplier already on purchasing system. Record of reasons for selection need to be retained. Requisition to be sent to Procurement Officer for PO	Devolved
Contractors working on premises must comply with vetting requirements prior to appointment.	Non-catalogue purchase between £5,001 to £15,000	Minimum 2 competitive written or electronic quotations. Must demonstrate value for money and the aggregated spend cannot exceed £15k. Business decision with attachments to be sent to Procurement Officer for PO.	Devolved
	Non-catalogue purchase between £15,001 to £25,000	Minimum 3 competitive written or electronic quotations. Must demonstrate value for money and the aggregated spend cannot exceed £25k. Business decision with attachments to be sent to Procurement Officer for PO.	Devolved
Tender and Framework Values.	Between £25,001 to £50,000	Detailed specification and confirmation of funding required. Procurement publish request for tenders on relevant tendering portals.	Contracts & Procurement: Supplies (Central Purchasing Team, Supplies & Workflow)
Public Contract Procurement Regulations apply.  All require a Contract Signature Request Form before issue of PO	Between £50,000 to Public Contracts Regulation Threshold	Confirmation of funding is required before consulting procurement for assistance and advice in preparing tender for publishing on appropriate tendering portals.	Contracts & Procurement: Contracts team
	Over Public Contracts Regulation Threshold	Confirmation of funding is required before consulting procurement for assistance and advice in preparing full tender for publishing on appropriate tendering portals.	Commercial Services team



## Section G Regulation Limits and Delegations

### Contracts Register

A record of all contracts let with a value in excess of £10,000 shall be maintained by the Commercial Business Partner (within the Constabulary) and PFCC CFO (for the OPFCC and CCFRA). Consideration must be given to the appropriate period for which records should be stored – 6 years from expiry of a normal contract, 12 years from the expiry of a contract made under deed or a major contract, 15 years for a contract for works.

## Section G Regulation Limits and Delegations

### Financial and Other Reporting

Reporting of expenditure to date and projections shall occur on a regular basis through the OPFCC and Force management boards in accordance with the following structure.

#### For OPFCC and Force

Reporting Officer	Business Area	Reports to	Frequency
Chief Executive	OPFCC	PFCC	Monthly
DCC	Financial Services	Executive Board - Police	Monthly
CC CFO		Executive Board - Police	Monthly
ACC	Operations	Executive Board - Police	Monthly
ACC	Specialist Capabilities	Executive Board - Police	Monthly
Director of Legal Services		DCC	Monthly
Head of Marketing and Comms		DCC	Monthly
Head of Digital Data and Technology	Digital Services	Strategic Change Board	Monthly
Commercial Business Partner	Procurement	ACC	Monthly
Director of Performance and Change		Strategic Performance Board	Monthly
Superintendent	Professional Standards	DCC	Monthly
Chief Superintendents	Local Policing	ACC Operations	Monthly
Det Chief Superintendent	Crime and Intel Command	ACC	Monthly
Chief Superintendent	Operations	ACC Operations	Monthly

#### For CCFRA

Reporting Officer	Business Area	Reports to	Frequency
Chief Executive	OPFCC	PFCC	Monthly
Chief Fire Officer		Executive Board	Monthly
Deputy Chief Fire Officer		Expenditure Management Group	Monthly
Assistant Chief Fire Officer		Expenditure Management Group	Monthly
OPFCC CFO		Expenditure Management Group	Monthly
Head of People and Talent	HR, Pensions, Resourcing	Expenditure Management Group	Monthly
Head of Safety and Assurance	Performance, Assurance and H&S	Expenditure Management Group	Monthly

## Section G Regulation Limits and Delegations

Transformation and Programme Lead	Transformation and Digital	Expenditure Management Group	Monthly
Area Manager	Preparedness	Expenditure Management Group	Monthly
Area Manager	Service Delivery		Monthly
Area Manager	Prevention and Protection	Expenditure Management Group	Monthly

## Section G Regulation Limits and Delegations

### For all bodies

The following information is to be disclosed in accordance with the timescales specified. The format of information specified within this Schedule will be subject to the approval of the Commissioner.

The list is not exhaustive and the Commissioner reserves the right to make requests for ad-hoc information appropriate to the function of holding the Chief Constable or Chief Fire Officer to account. Any such requests should be responded to as soon as practicable having regard to the urgency of the request and in any event within 5-10 Working Days of receipt of the request. Where the Chief Constable or Chief Fire Officer is unable to meet the timescale for an information request, the Commissioner must be notified as soon as possible and in any event within 4 Working Days of receipt of the request and an alternate reasonable timescale must be offered.

Information should be provided electronically other than where it is not possible to do so. Electronically includes notification of the links to systems/websites where the information is held. The information requirements are:

### HR/Establishment

- I. The total budgeted establishment (FTE & budgeted cost) of Police Officers and Operational Fire employees analysed by rank/role and deployment area to be provided by 30 November in respect of the following Financial Year.
- II. The actual number of Police Officers and Operational Fire employees as at the end of each month analysed by rank/role and deployment area compared to the budgeted number.
- III. The total budgeted establishment (FTE & budgeted cost) of Police and Community Support Officers, Police staff and Corporate FRS employees analysed by deployment area to be provided by 30 November in respect of the following Financial Year.
- IV. The actual number of Police Community Support Officers, Police staff and Corporate FRS employees as at the end of each month analysed by deployment area compared to the budgeted number.
- V. Information on planned changes in respect of the following Financial Year to the establishment of Police Officers and Operational Fire employees analysed by rank/role and deployment area and PCSO's/Police Staff/Corporate FRS employees analysed by deployment area to be provided by 30 November. Information should include the impact of the planned changes on Police, Fire and Crime Plan priorities and performance targets.

## Section G Regulation Limits and Delegations

- VI. Publication of gender pay gap information on an annual basis as at 31 March, in accordance with requirements.

### Fleet

- I. A 5 year Fleet Strategy will be prepared, one for the Constabulary and one for the FRS, in the September following the PFCC election and will cover the 5 year term of office of the PFCC, this will be discussed at a thematic meeting with the PFCC. Annual updates on progress against the strategy will be provided as part of the Corporate Services Annual Plan in September. For the Chief Constable, this will be to the September meeting of the Public Accountability Conference.
- II. Further specific data requirements to be agreed annually as part of the arrangements for the respective Services' Fleet Strategy.
- III. An asset list for the purposes of insurance to be provided annually to the relevant CFO in accordance with the deadlines notified in the insurance return.
- IV. The planned programme in respect of procurement of fleet vehicles and the procurement route for the Funding Period to be provided by 31 January in respect of the following financial year. The programme to include the value, number, deployment area and specification of planned vehicle acquisitions.

### Digital Data & Technology

- I. A 5 year Digital Data and Technology Strategy, one for the Constabulary and one for the FRS, will be prepared in the September following the PFCC election and will cover the 5 year term of office of the PFCC, this will be discussed at a thematic meeting with the PFCC. Annual updates on progress against the strategy will be provided in September. For the Chief Constable this will be as part of the Corporate Services Annual Plan to the September meeting of the Public Accountability Conference.
- II. An asset list, one for the Constabulary and one for the FRS, for the purposes of insurance to be provided annually to the relevant CFO in accordance with the deadlines notified in the insurance return.
- III. The planned programme in respect of procurement of DDAT and the procurement route for the Funding Period to be provided by 31 January in respect of the following financial year.

## Section G Regulation Limits and Delegations

### Estates

- I. A single 5 year Estate Strategy will be prepared for both the Constabulary and the FRA, in the September following the PFCC election and will cover the 5 year term of office of the PFCC, this will be discussed at a thematic meeting with the PFCC. Annual updates on progress against the strategy will be provided in September. For the Chief Constable this will be as part of the Corporate Services Annual Plan to the September meeting of the Public Accountability Conference.
- II. Further specific data requirements to be agreed annually as part of the arrangements for each Estate Strategy.
- III. An asset list, one for the Constabulary and one for the FRS, for the purposes of insurance to be provided annually to the relevant CFO in accordance with the deadlines notified in the insurance return.
- IV. The planned programme in respect of procurement of estates schemes; the planned programme in respect of estate disposals or acquisition; and the planned programme in respect of acquisition or termination of property leases, for the Funding Period to be provided by 31 January in respect of the following financial year.

### Commercial

- I. An annually updated 5 year Commercial Strategy, , one for the Constabulary and one for the FRS, supported by annually agreed performance measurement data to assess VFM and monitor key objectives within the Procurement Strategy. The strategy to incorporate an annual procurement plan (value and contract duration) for procurements exceeding £50,000. To be provided for the following Financial Year in September. For the Chief Constable this will be for the meeting of the Public Accountability Conference.
- II. An annual retrospective procurement report, setting out the achievement against the procurement strategy and plan and including a list of all procurement exemptions granted under procurement regulations. For the Chief Constable this is to be provided to the Public Accountability Conference in September (in advance of JAC in November) in respect of prior year procurement performance.

## Section G Regulation Limits and Delegations

- III. A list of any procurements (to include value and contract duration) required to be undertaken during the following Financial Year not included in the annual procurement plan. Such supplementary list to be submitted 30 days in advance of the requirement to commence any such procurement process. The list is to incorporate reasons why the requirement to procure was unforeseen during the budget planning process.

### Finance

- (i) List of budget holders: name, grade/rank and amount of budget over which the officer or staff member has authority by 30 April in respect of the current Financial Year (upon request).
- (ii) A reconciliation of the original and revised budgets following the use of virement must be provided to the OPFCC Chief Finance Officer on a monthly basis accompanying a monthly internal update of the overall budget position.
- (iii) A detailed analysis of actual income and expenditure and year end forecast income and expenditure against revenue and capital budgets on a quarterly basis 42 days after each quarter within the Funding Period (with the first such quarter ending on 30 June). The Chief Constable and Chief Fire Officer will comply with any requirements of the Commissioner in relation to the format (including the level of detail) that this analysis is to take.
- (iv) A detailed budget proposal for income and expenditure for revenue and capital budgets for each Subjective Heading in respect of the following Financial Year by 30 November (subject to funding settlements). The Chief Constable and Chief Fire Officer will comply with any requirements of the Commissioner in relation to the format (including the level of detail) that this proposal is to take.
- (v) A detailed analysis of savings proposals planned for implementation part way through the Funding Period and their impact on the establishment and amount of expenditure within each of the Subjective Headings to be provided by 30 November in respect of the following Financial Year.
- (vi) Payments made against the funding amount of value £500 and above for each quarter within the Funding Period to be provided in accordance with transparency requirements and within a target period of one month from the end of each quarter. NB For the Constabulary, Central Services Department provide this info as part of transparency data.

## Section G Regulation Limits and Delegations

- (vii) Financial information in accordance with the accounts closure requirements and timetable and other timetables/demands as necessary to meet statutory and regulatory requirements and returns for government and other bodies in respect of the finances of the Chief Constable, CCFRA and the Commissioner.
- (viii) An annual revenue and capital budget outturn report by 31 May each year in accordance with the requirements set out in paragraph 7.4 (page 7) above.

### Other

The Chief Constable and Chief Fire Officer will provide information to the Commissioner in respect of received sponsorship in accordance with the requirements of the Commissioner's financial regulations.

The Chief Constable will provide information to the Commissioner to comply with the requirements of the Elected Local Policing Bodies (Specified Information) Order 2012, and amendment orders.

The Chief Constable and Chief Fire Officer will provide copies to the Commissioner of Policies and Procedures as requested.