



# Part 3C

## Financial

## Regulations

September 2023

## Part 3C Financial Regulations

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

### Introduction

- 3C.1 These Financial Regulations are for the use of the two corporations sole which form Devon and Cornwall –that is the Force itself and the Police and Crime Commissioner (Commissioner) for Devon and Cornwall. The Commissioner and Chief Constable are established in law as corporations sole within the Police Reform and Social Responsibility Act 2011.
- 3C.2 This document is Part 3C of the overarching Code of Corporate Governance for the two corporations sole and should be read in conjunction with the Code and in particular with the definitions found at paragraph 1.4 of document Part 1 Summary of the Code of Corporate Governance.
- 3C.3 The Commissioner and Chief Constable are jointly responsible for approving or amending Financial Regulations. In that regard, the Treasurer is responsible for maintaining and reviewing the Financial Regulations and submitting any additions or amendments to the Commissioner and Chief Constable, after consulting with the Chief Finance Officer (CFO) and the Chief Executive; who is also the Monitoring Officer. Any such additions and amendments will also be reported to the Independent Audit Committee (IAC). Copies will be available on-line for staff and public.

### Statutory and Regulatory Background

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

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

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

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

## Financial Accountabilities

### Accounting Policies

3C.6 The Treasurer is responsible for selecting suitable accounting policies for the Group Accounts, in accordance with recognised accounting practices and ensuring they are applied consistently. The Treasurer will consult with the Chief Constable's CFO in relation to any change in accounting policies which will impact on the financial position of the Chief Constable.

### Accounting Records and Returns

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

3C.8 Maintaining proper accounting records is one of the ways in which the Commissioner discharges their responsibilities for stewardship of public resources.

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

annually to the IAC on the operation of key controls in relation to the computerised financial systems.

3C.10 The Treasurer and the CFO work in accordance with the financial management code of practice.

## **The Annual Statement of Accounts**

### **Responsibilities**

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

- a. Ensure production of the statement of accounts for the Commissioner on a timely basis.
- b. Ensure receipt and scrutiny of the statement of accounts of the Chief Constable.
- c. Ensure production of the group accounts for their Commissioner and the Chief Constable.
- d. To certify that the Commissioner's accounts and the group accounts present fairly the operations during the year.

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

- a. Produce a statement of the Chief Constable's accounts on a timely basis.
- b. Certifying that the Chief Constable's accounts present fairly the operations during the year.
- c. Provide information to the Treasurer as required to enable production of the group accounts for their Commissioner and the Chief Constable.

3C.13 It is the role of the Independent Audit Committee to review the draft Statements of Accounts.

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

3C.15 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency, and effectiveness in the use of the Commissioner's resources.

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

### **Accountabilities to the Police and Crime Panel**

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

### **Value for Money (VFM)**

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

- d. Public demand for services is understood and quantified, and informs deployment of staff.
- e. Staff are used efficiently and programmes to increase employee engagement are in place.
- f. Programmes to minimise waste are in place.
- g. End-to-end operational processes are focused on delivering for the public, with data used to demonstrate this. Processes are streamlined, reduce undue bureaucracy and are efficient.
- h. Goods and services and supply contracts are managed in a way that maximises value, including taking advantage of central or collaborative procurement where appropriate.
- i. Data is fit for its intended purpose and is used and published routinely, providing clear line of sight between consumption of resources, production of outputs and realisation of outcomes.
- j. Nationally mandated procurement rules are followed.
- k. Where funding is provided to third parties, mechanisms are in place for demonstrating VFM.

## Financial Planning

### Principle Responsibilities

- 3C.26 The Commissioner is responsible for deciding the budget for the Force, allocating assets and funds to the Chief Constable and setting the precept for the policing area.
- 3C.27 The Chief Constable is responsible for assisting the Commissioner in planning the Force budget.
- 3C.28 The budget delegated to the Chief Constable by the Commissioner shall be set on an annual basis.
- 3C.29 The detail of the budget will be in a format agreed by the CFO in consultation with the Treasurer.
- 3C.30 Further delegation of the budget by the Chief Constable will be formally detailed by the CFO, and budget holders individually notified of the budget and the nature of the expenditure it is agreed for, together with any virement rules applicable to their area of responsibility.
- 3C.31 The Scheme of Delegation and Consent (Part 3B of the Code of Corporate Governance) deals with overall delegation managing major budget headings, in details these are as follows:

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

### Financial Planning

- 3C.32 The strategies and plans of the Commissioner and Chief Constable with be compliant and complimentary with these Financial Regulations.
- 3C.33 The financial planning policies and strategies of the Commissioner and the budget delegated to the Chief Constable are contained within the:
- Police and Crime Plan prepared by the Commissioner and reviewed by the Police and Crime Panel.
  - Medium Term Financial Strategy which includes the Capital Programme.

### Police and Crime Plan

- 3C.34 The Police and Crime Plan sets out the Commissioner's objectives for their period in office, which details the resources that will be made available to the Force and partner agencies in order to deliver those objectives and the governance arrangements that will ensure that those objectives are delivered.
- 3C.35 The Plan covers a statutory period and must include:
- The Commissioner's Police and Crime Objectives which will include any objectives for policing, crime and disorder reduction and the discharge of the Forces' national and international functions.
  - The policing which the Chief Constable is to provide.
  - The financial and other resources which the Commissioner has to provide to the Chief Constable.

- d. The means by which the Chief Constable will report to the Commissioner on the provision of policing.
  - e. The means by which the Chief Constable's performance in providing policing will be measured.
  - f. Any crime and disorder reduction grants the Commissioner is to make, including any conditions which are placed on such grants.
- 3C.36 In addition the Police and Crime Plan must take into account the Strategic Policing Requirement set by the Home Secretary, and may include recommendations from other bodies including; HMICFRS, NAO and NPCC.

### Responsibilities

- 3C.37 The Commissioner is responsible for issuing a Police and Crime Plan within the financial year in which each ordinary election is held. The Commissioner may, at any time, issue or vary the Police and Crime Plan for the Force.
- 3C.38 Before issuing or varying a Police and Crime Plan, the Commissioner must:
- a. Prepare a draft of the plan or variation.
  - b. Consult the Chief Constable in preparing the draft plan or any variation to the plan.
  - c. Send the draft plan or variation to the Police and Crime Panel.
  - d. Have regard to any report or recommendations made by the Police and Crime Panel to the draft plan or variation.
  - e. Give the Police and Crime Panel a response to any such report or recommendations and publish any response.
  - f. Consult the Chief Constable before issuing or varying a Police and Crime plan if different from the draft.
- 3C.39 The Treasurer, the Chief Executive and the CFO are responsible for providing the financial information for the Police and Crime Plan.

### Medium Term Financial Strategy (MTFS)

- 3C.40 The Commissioner and the Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term for the Force. They achieve this by preparing a medium term financial strategy for the period that at least covers the period of the Police and Crime Plan.
- 3C.41 The MTFS must include the following information:



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

3C.42 The following factors must be taken into account when producing the MTFS:

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

### Responsibilities

3C.43 The Treasurer is responsible for the format and timetable of the Medium Term Financial Strategy to be presented to the Commissioner.

3C.44 The CFO and Treasurer are responsible for preparing medium term forecasts of income and expenditure for their respective budget headings in a format specified by the Treasurer.

- 3C.45 The Chief Constable is responsible for ensuring that the Force's operational plans are aligned with the Police and Crime Plan. To do this the Chief Constable will by the 31 December in any given year provide to the Commissioner a demonstration that operational policing is in line to deliver any costs reduction target set in the budget process and the value for money objectives set within the Police and Crime Plan. The demonstration will be provided in a format specified by the Commissioner.
- 3C.46 The CFO is responsible for ensuring that medium term forecasts of income and expenditure for the Force is aligned with the Chief Constable's operational plans as set out in their Budget Reports.
- 3C.47 The Treasurer and CFO are responsible for preparing a joint report on the options for the Medium Term Financial Strategy and related budgets for the Commissioner and Force for the consideration of the Commissioner.
- 3C.48 The Commissioner is responsible for approving in consultation with the Chief Constable the MTFs as part of the Police and Crime Plan.

### **Maintenance of Reserves and Provisions**

- 3C.49 The Commissioner holds all reserves and balances.
- 3C.50 The Treasurer is responsible for creating a reserves strategy in consultation with the CFO.
- 3C.51 The Chief Constable will establish and hold provisions for liabilities arising from the employment of staff and in relation to any contract in the name of the Chief Constable; this specifically excludes any provision that pertains to self-insurance with regard to insurable civil claims. Any other liabilities will be the responsibility of the Commissioner who will hold the provision. The making of a provision will be a charge against the appropriate budget heading. This means that where liabilities arise from operational policing activities a provision will be established by making a charge against the Chief Constable's transferred budget, in accordance with accounting requirements, irrespective of whether the provision is held by the Chief Constable or the Commissioner. The CFO and the Treasurer will liaise on the funding of these provisions and will report their conclusions through the regular budget monitoring reports to the relevant governance board.
- 3C.52 The Treasurer is responsible for advising the Commissioner about the level of reserves that the Commissioner holds and for ensuring there are clear protocols for their establishment and use. For each earmarked reserve held by the Commissioner there should be a clear protocol setting out:
- a. The reason for/purpose of the reserve.
  - b. How and when the reserve can be used.
  - c. Procedures for the reserve's management and control.

- d. A process and timescale for review of the reserve to ensure continuing relevance and adequacy.
- 3C.53 The Treasurer and the CFO will keep any legal or constructive obligations (liabilities) under review throughout the year. Any changes to the provisions or reserves required in relation to such liabilities will be reflected in the regular budget monitoring reports to the governance board.
- 3C.54 In addition to the regular review outlined above the Treasurer and the CFO in consultation, where appropriate, with the Director of Legal, Reputation and Risk will report formally to the governance board on the level of the outstanding liabilities and potential liabilities of the Commissioner and the Chief Constable as at 30 September and 31 March of any given financial year.
- 3C.55 The Treasurer has a duty to report on robustness of estimates and adequacy of reserves and provisions when the Commissioner are considering the budget. In particular the Treasurer must assess the adequacy of unallocated general reserves taking into account the strategic, operational and financial risks facing the Commissioner. In coming to this view the Treasurer must seek the advice of the Chief Constable on major policing risks facing the Force.
- 3C.56 The Commissioner shall approve the creation and appropriations to and from general balances and reserves. To enable the Commissioner to reach their decision the Treasurer shall report the factors that influenced their judgement, and ensure the advice given is recorded formally.
- 3C.57 Unforeseen expenditure on major operations will be met, for each incident, from the major operations budget without prior approval up to a limit defined for the Force in the financial limits recorded at paragraphs 3C.288 to 3C.317.

### Annual Budgets

- 3C.58 The revenue budget provides an estimate of the annual income and expenditure requirements of the Force and sets out the financial implications of the Commissioner's strategic policies. It provides the delegated budget holders with authority to incur expenditure and a basis on which to monitor the financial performance of both the Commissioner and the Chief Constable.
- 3C.59 The Commissioner must consult with the Chief Constable and should consult with other partners and stakeholders in planning the overall annual budget.
- 3C.60 The Annual Budget to deliver the Police and Crime Plan forms part of the MTFS and it must include as a minimum the following information:

- a. Revenue budget
    - i) Overall annual budget
    - ii) Separate budgets for the major budget headings
    - iii) The Council Tax Requirement.
  - b. Capital budget.
  - c. The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and MTFS.
- 3C.61 The following factors must be taken into account by the Treasurer when producing the Annual Budgets:
- a. Funding available.
  - b. The requirement to balance the need of the policing service against the level of local taxation.
  - c. The statutory requirement to produce a balanced budget [Section 25 Local Government Act 2003].

### Responsibilities

- 3C.62 The Commissioner is responsible for obtaining the views of the local community on the proposed revenue and capital expenditure in the financial year ahead.
- 3C.63 The Treasurer is responsible for the format and timetable of the annual budget to be presented to the Commissioner.
- 3C.64 The CFO and Treasurer are responsible for preparing detailed budget estimates for their respective budgets in a format specified by the Treasurer.
- 3C.65 The Chief Constable is responsible for ensuring that the Force budget estimates are aligned with the objectives set out in the Police and Crime Plan and for producing a Budget Report by 31 December of any given year that demonstrates this.
- 3C.66 The Treasurer is responsible for obtaining timely and accurate information from billing authorities on the council tax-base and the latest surplus/deficit position on collection of funds to inform budget deliberations.
- 3C.67 The CFO, Chief Executive and Treasurer shall submit a budget proposal in the agreed format to the Commissioner's budget meeting, including details of council tax implications and precept requirements.

- 3C.68 The Chief Executive shall ensure that the Commissioner formally consider the budget proposals and the Commissioner acts in accordance with any legal requirements in respect of budget resolutions and the timely setting of the budget.
- 3C.69 The Commissioner is responsible for presenting the proposed budget and police precept recommendations to the Police and Crime Panel for approval.
- 3C.70 Upon approval of the annual budget, the Treasurer is responsible for submitting the council tax requirement returns to central government and precept requests to appropriate bodies in accordance with the legal requirements for the Force. In addition, the Treasurer is responsible for meeting the statutory requirements in relation to the council tax information to be available to the public.

### **Precept**

- 3C.71 The proposed precept is based on the Police and Crime Plan, MTFS, tax base information and central government funding.
- 3C.72 The Commissioner is responsible for presenting proposed budgets and police precept recommendations to the Police and Crime Panel. The procedures and timetable for setting the Precept is set out in the Police and Crime Panel (Precepts and Chief Constable Appointments) Regulations 2012.

### **Budget Monitoring and Control**

- 3C.73 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 detailed budget headings to be reviewed and adjusted during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 3C.74 Once the budget is set the Chief Constable will only be required to refer back to the Commissioner when a decision would incur substantive changes of policy or involve any novel, contentious or repercussive expenditure.
- 3C.75 In the event that the Commissioner or the Treasurer consider there is a need for a spending adjustment to either overall capital or revenue spending, to ensure that spending remains within agreed limits, the Chief Constable may be required to submit a written report to the Commissioner explaining proposals for rectification through a Corrective Plan. In extreme cases restrictions may be placed on future spending if this is agreed.

### **Responsibilities**

- 3C.76 It is the responsibility of the CFO and Treasurer to monitor and control their respective income, expenditure and operational performance, taking action

necessary to avoid exceeding their budget. When doing this they will ensure that they rely on accurate and timely budget monitoring information.

- 3C.77 The CFO and Treasurer will prepare regular (not less than quarterly) budget monitoring reports and submit them to the relevant governance board. This board membership should include the Chief Constable and Commissioner.
- 3C.78 The format of the reports shall ensure that the Commissioner is appraised of developments in key non-financial indicators such as actual and projected staffing numbers, progress on ICT developments and other major projects, partnerships and other requirements the Commissioner may consider necessary.
- 3C.79 The CFO has responsibility for ensuring that appropriate arrangements are in place to co-ordinate the financial information and provide a comprehensive and timely budget monitoring report to the Commissioner and the governance board.
- 3C.80 The CFO has responsibility to determine when a financial decision or commitment in relation to the Force's budget involves any novel contentious or repercussive expenditure.
- 3C.81 The CFO and Treasurer have responsibility to report to the Commissioner when expenditure on the major budget headings is likely to exceed the overall budget. Where this becomes apparent outside of the normal reporting periods the appropriate officer will (after consultation with the Chief Constable when the overspend relates to a Force budget) submit an urgent report to the Commissioner, with recommendations for corrective action.
- 3C.82 The Treasurer has a responsibility to report to the Commissioner and the external auditor when overall expenditure is likely to exceed budget.

### **Management of Budgets**

- 3C.83 The CFO, Chief Executive and Treasurer will ensure that each element of income and expenditure has a nominated budget holder to take responsibility for that part of the budget. They will also ensure that each budget holder has sufficient financial information and support to allow them to effectively monitor their budget.
- 3C.84 Budget responsibility should be aligned as closely as possible to the decision making process that commits expenditure.
- 3C.85 Budget holders shall accept accountability for the budgets under their management and the level of service to be delivered and understand their financial responsibility. Management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures.

### **Virement**

3C.86 Virement is a planned reallocation of resources between approved budgets or heads of income and expenditure. Virement is intended to enable the budget holders to manage their budgets with a degree of flexibility within the overall policy framework determined by the Commissioner and, therefore, to provide the opportunity to optimise the use of resources for emerging needs.

3C.87 Virement Rules:

- a. No virement shall be permitted between the major budget headings (as set out paragraph 3C.31 above) without the prior approval of the Commissioner.
- b. Virement decisions must not lead to additional spending, ongoing commitments or substantive changes in policy without the prior approval of the Commissioner.
- c. All virement decisions made by the Commissioner that reallocate resources between the major budget headings will be made after consultation with the Chief Constable to establish the impact on the policing service and the delivery on the Police and Crime Plan. In addition, all such virements will be the subject of a formal decision.
- d. Self-financing virements from within the sum agreed for the Force Operational Budgets that do not create ongoing commitments in future financial years will not require the approval of the Commissioner.
- e. All virements between budget lines will be recorded and available for review.

### Externally Funded Projects

3C.88 Approval of the Commissioner is required, prior to the submission of the application, for externally funded projects where:

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

3C.89 When determining the value of a contract the calculation should include the total contractual liabilities that could arise from the contract over its expected life. This will include the initial contract price, annual support and licensing over the expected life of the contract.

### Comparison of Outturn Against Budgets

- 3C.90 As part of the closure of accounts the CFO, Chief Executive and Treasurer, shall compare final income and expenditure on budget headings against the budget and explain any significant variations. The CFO shall ensure that appropriate arrangements are in place to co-ordinate the financial information and provide a comprehensive and timely out-turn report to the Chief Constable, the Commissioner, and any relevant governance board.
- 3C.91 In addition the CFO, Chief Executive and Treasurer shall retrospectively compare income and expenditure forecasts throughout the year with the final outturn to measure the reliability of forecasts. Any subsequent action that may result from this exercise shall be agreed between the Chief Constable and Treasurer and reported to the Commissioner.

### **Treatment of Year End Balances**

- 3C.92 A year-end balance is the amount by which actual income and expenditure varies from the final budget, normally identified to devolved budget holder level. Arrangements are necessary for the transfer of resources between accounting years, i.e. a carry forward. This may increase or decrease the resources available to budget holders in the following financial year, dependent upon the direction of the budget variation.
- 3C.93 The net level of under/overspend to be carried forward in any one year will be determined by the Commissioner in the light of the overall financial position in consultation with the Treasurer and CFO.
- 3C.94 Appropriate accounting procedures must be in place to ensure that totals carried forward into the next financial year are correct and that budgets are adjusted promptly.
- 3C.95 Devolved budget holders who overspend their budget in any financial year may have their budget reduced for the following financial year, subject to the determination of the CFO and the Treasurer in relation to their respective budgets.

### **Capital Planning**

- 3C.96 Ownership and use of assets is set out in the Asset Schedule at Appendix 1 of Part 3A (Roles and Responsibilities) of the Code of Corporate Governance.
- 3C.97 It is a requirement for the Treasurer to publish an annual Capital Strategy in consultation with CFO.
- 3C.98 When making any decision to acquire or dispose of assets the Commissioner must have regard to the right of the Chief Constable to have unfettered access to operational assets.
- 3C.99 Before taking a decision to acquire or dispose of assets held by the Commissioner for the use of the Chief Constable, the Commissioner shall



consult the relevant governance board and notify the Chief Constable. The Commissioner will have regard to the views expressed by the relevant governance board and the Chief Constable, but the final decision will be a matter for the Commissioner. Appendix 1 of Part 3A of the Code of Corporate Governance shall apply.

## **Responsibilities**

3C.100 The Chief Constable is responsible for developing proposed asset management plans or strategies for the following asset groups:

- Vehicles
- ICT Infrastructure
- ICT assets issued for personal usage and other equipment.

3C.101 The asset management plans will include investment and disposal strategies as follows:

- Vehicle Replacement Programme
- ICT replacement programme
- Personal issue ICT and equipment replacement plan
- Force Change Programme
- Other capital expenditure

3C.102 In addition, the Chief Constable is responsible for identifying and proposing the capital expenditure required to take forward the Force's development priorities.

3C.103 The Chief Constable is responsible for ensuring that the projects within each strategy are prioritised to enable the Commissioner to make the best informed judgements as to the use of the capital funding available.

3C.104 The Chief Constable is responsible for ensuring that projects and programmes included in the proposed investment plans are appropriately supported by a business case.

3C.105 The Commissioner is responsible for approving the asset management and investment strategies. Asset management plans may be delegated to the Chief Constable.

## **Capital Project Approval**

3C.106 All projects within the estates programme and the Force programme will have a two-stage approval process. Each project will have an indicative planning cost which will facilitate overall programme planning, an approved project cost and the wider reference to the approved capital strategy.

3C.107 All projects within the estates programme and the Force programme will have a formal approval process and oversight through the appropriate governance board. Projects will have approved budgets.

### Medium Term Capital Programme

- 3C.108 The Chief Constable will prepare a minimum of a four year programme of proposed capital expenditure for approval by the Commissioner. This programme will be based on the approved investment and disposal strategies plus the addition of approved one-off projects and will clearly identify the assets to be held by the Commissioner and the assets to be held by the Chief Constable. Capital assets to be held by the Chief Constable will be funded in accordance with the approved capital strategy.
- 3C.109 Projects that have not yet been approved will be included in the four year capital programme at estimated cost and identified as such. Approved projects will be included in the four year capital programme at the value set out in the approved business case.
- 3C.110 The Treasurer in consultation with the CFO will identify available sources of funding for the medium term capital programmes including the identification of potential capital receipts from the disposal of property.
- 3C.111 The Medium Term Capital Programme will form an integral part of the overall MTFS. The Commissioner will apply the principles set out in the CIPFA Prudential code to test the affordability of the Medium Term Capital Programme.

### Capital Programme Management and Monitoring

- 3C.112 The annual capital programme will consist of the first year of the four year capital programme.
- 3C.113 Approval of business cases for projects included in the annual programme at estimated cost will lead to variations in the programme if the cost in the business case is different from the estimated cost. Any changes that increase the overall cost of the programme will only be approved if additional capital financing resources are identified and approved by the Commissioner to fund the additional cost.
- 3C.114 Approval of the Annual Capital Programme by the Commissioner authorises the Chief Constable to incur expenditure on the vehicle and ICT infrastructure replacement programmes and also on all approved projects.
- 3C.115 The capital programme may not be used to fund development costs for projects that have not yet been approved (without specific approval for spending in advance).
- 3C.116 A specific reserve may exist to fund Estates Development Costs – specifically dilapidations in advance of sale. Use of this reserve will be presented for approval alongside the Annual Capital Programme.

3C.117 In year changes to the total value of an individual project up to the value set out in paragraphs 3C.288 to 3C.317 (delegated limits) and funded by virement between projects within each major budget heading may be agreed under delegated approval. Any increase to the total value of an individual project in excess of the limit set out in paragraphs 3C.288 to 3C.317 (delegated limits) will require a revision and re-submission of the business case to the Commissioner for re-approval.

3C.118 Capital expenditure will be monitored quarterly.

### **Capital Financing Resources including Capital Receipts**

3C.119 The Treasurer will monitor the availability of capital financing resources including capital receipts and report any variations quarterly alongside the capital expenditure monitoring report.

3C.120 All disposals of land and buildings will require the prior approval of the Commissioner as set out in Section 8 of these regulations.

## **Management of Risk and Resources**

### **Introduction**

3C.121 Risk management is the planned and systematic approach to the identification, evaluation and control of risks and threats to the achievement of the organisation's aims and objectives.

3C.122 The objectives of risk management are to secure the assets of the organisation and to ensure the continued corporate and financial well-being of the organisation.

3C.123 It is important that risk management is embedded throughout the governance arrangements of both organisations, whether operating jointly or separately.

### **Risk Management**

#### **Responsibilities**

3C.124 The Chief Constable is responsible for the Force Risk Register and the Commissioner for the OPCC Risk Register.

3C.125 The Chief Executive is responsible for:

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

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

3C.126 The Chief Constable is responsible for:

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

3C.127 The Chief Executive and Chief Constable will be jointly responsible for ensuring that the risk management policies are aligned in such a way that the risks to the achievement of the Commissioner's aims and objectives are clear and are managed coherently.

3C.128 The role of the Independent Audit Committee is to review of the effectiveness of risk management arrangements and the control environment within both the OPCC and the Force.

## Business Continuity

### Responsibilities:

3C.129 The Chief Executive is responsible for ensuring that appropriate business continuity plans are developed, implemented and tested on a regular basis for the Commissioner. The Chief Constable is responsible for ensuring that similar arrangements are in place for the Force.

## Insurance

### Responsibilities

3C.130 The Commissioner is responsible for ensuring that adequate insurance cover is arranged where appropriate. This cover should take the form of a joint insurance policy for the Commissioner and the Chief Constable. Liabilities may be self-insured where this is judged to be the most cost effective option. All liabilities will be the responsibility of the Commissioner who will establish a provision as at 31 March of any given year to meet the estimated cost of such liabilities.

3C.131 The CFO in consultation with the Chief Constable are responsible for advising the Commissioner on insurance arrangements.

3C.132 The Director of Legal, Reputation and Risk shall be authorised to settle liability claims up to the value shown in paragraphs 3C.288 to 3C.317. Beyond this value, claims must be referred to the Treasurer and Chief Executive who will make a decision in consultation with the senior Force representatives. Subject always to processes which exist for taking instructions in liability claims.

3C.133 The Director of Legal, Reputation and Risk is responsible for providing the information needed to undertake a regular review of self-insured claims and to estimate the outstanding liabilities. This will be reported to relevant governance board on 30 September and 31 March each year in accordance with paragraph 3C.51.

3C.134 The Director of Legal, Reputation and Risk is responsible for ensuring claims made against insurance policies are made promptly.

3C.135 The Chief Executive and the Chief Constable are responsible for ensuring that employees, or anyone covered by the Force and the Commissioner's insurance, are not enabled to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

3C.136 In addition to the requirements at paragraph 3C.51. Director of Legal, Reputation and Risk shall present a quarterly written report to the governance board detailing claims experience and significant claims, in terms of financial and reputational risk.

## Indemnities

3C.137 The Chief Executive shall evaluate and authorise any terms of indemnity that the Commissioner is requested to give by external parties.

## Management of Projects

3C.138 For all major projects within the Force programme of change with a budget above the threshold set out in paragraphs 3C.288 to 3C.317 (excluding existing staff costs), whether funded by capital or revenue resources, the Chief Constable will prepare a business case according to the standard set out in the Capital Strategy or other agreed standards to ensure that all the risks within the project are properly evaluated and managed. This will include:

- a. A full analysis of user requirements.
- b. An assessment of the business benefits of the project and the ways in which they are to be measured.
- c. Option appraisal of alternative solutions.
- d. A detailed scheme estimate.
- e. A full consideration of the procurement options and the implications of any contractual arrangements.
- f. Ensuring capital projects follow the annual approved Capital Strategy.

3C.139 The Chief Constable will produce a regular report on all capital and revenue projects detailing progress on the delivery of project benefits and compliance with the project budget.

## Internal Control

3C.140 Internal control refers to the systems of control devised by management to help ensure that objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Commissioner's assets and interests are safeguarded.

## Responsibilities

3C.141 The Commissioner must produce an Annual Governance Statement for review by the Independent Audit Committee which includes a formal statement on the operation of internal controls.

3C.142 The Treasurer is responsible for the proper administration of the financial affairs of the Commissioner and ensuring effective systems of internal control. This involves reviewing the internal control framework maintained

by the Chief Executive and making recommendations for improvement where appropriate. Any significant weakness in the internal control framework will be brought to the attention of the Independent Audit Committee.

3C.143 The Chief Constable must produce an Annual Governance Statement for review by the Independent Audit Committee which includes a formal statement on the operation of internal controls.

3C.144 The CFO is responsible for the proper administration of the financial affairs of the Force and ensuring effective systems of internal control. This involves reviewing the internal control framework maintained by the Chief Constable and making recommendations for improvement where appropriate. Any significant weakness in the internal control framework will be brought to the attention of the Independent Audit Committee.

## Internal Control Frameworks

### Responsibilities

3C.145 It is the responsibility of the Chief Executive and the Chief Constable to ensure that effective key controls exist within the OPCC and the Force respectively.

3C.146 Key controls should be embedded within the managerial control systems. They should ensure that:

- a. Roles and responsibilities are clearly defined.
- b. Policies are clearly defined.
- c. Objectives and plans are clearly articulated.
- d. Financial monitoring and other performance information is collected and analysed.
- e. Appropriate anticipatory and remedial action is taken where necessary.

3C.147 The arrangements established need to ensure compliance with all applicable statutes and regulations, and other statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, effectively and in accordance with the statutory and other authorities that govern their use.

3C.148 The main controls operated by the Commissioner are set out in the Code of Corporate Governance. In addition to these controls the Chief Executive and the Chief Constable will maintain internal control frameworks as set out below.

3C.149 To ensure adequate financial controls are in place the Chief Executive and the Chief Constable will each maintain a separate internal control framework for which will comprise:

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

3C.150 These frameworks will at all times comply with Financial Regulations.

## **Audit Requirements**

### **Internal Audit**

3C.151 The Commissioner and the Chief Constable are required by the Accounts and Audit (England) Regulations 2015 to maintain effective internal audit of their affairs. In fulfilling this requirement, the Commissioner and Chief Constable should have regard to the Public Sector Internal Audit Standards and CIPFA guidance on the role of the Head of Internal Audit in Public Service Organisations.

3C.152 In addition to fulfilling the statutory requirements it is important that Internal Audit is able to:

- a. Assure the Commissioner and the Chief Constable that effective internal control systems are in place; and
- b. Assure the external auditor that financial systems and internal controls are effective and that all funding is managed so as to secure value for money.

### **Independent Audit Committee**

3C.153 The role of the Independent Audit Committee is set out in its terms of reference. The approval powers of the committee are as follows:

- a. To recommend approval of the Annual Governance Statements for inclusion in the Statement of Accounts.
- b. To recommend approval of any Code of Corporate Governance for the Commissioner and the Force.
- c. To recommend approval of (but not direct) the Internal Audit Strategy and Plan.

## **Responsibilities**



- 3C.154 The Treasurer and CFO shall ensure the provision of an effective joint internal audit service.
- 3C.155 A risk based annual audit plan will be produced in conjunction with the internal audit provider for consideration by the Independent Audit Committee ahead of approval by the Treasurer and CFO.
- 3C.156 The Chief Executive and the Chief Constable will ensure that Internal Audit has unrestricted access to records, system and data for auditing purposes.
- 3C.157 The Chief Constable or Commissioner shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner.
- 3C.158 The CFO shall ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the Treasurer and Internal Audit prior to implementation.

## External Audit

### Responsibilities

- 3C.159 The basic duties of the external auditor are governed by the Local Audit and Accountability Act 2014, the Local Government Act 2003 and Accounts and Audit Regulations 2015.
- 3C.160 The Treasurer and the CFO should work closely with the external auditor in developing the external audit plan.
- 3C.161 The Independent Audit Committee has responsibility to:
- Consider and comment upon the annual audit plans and fees;
  - Receive and review the annual governance reports;
  - Receive and review the Annual Audit Letter(s).
- 3C.162 The Commissioner should use the reports of both the internal and external auditors to aid in its monitoring role and to ensure that all agreed policies are being implemented by the Commissioner and the Force.
- 3C.163 The Commissioner may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

## Preventing Fraud and Corruption

### Anti-Fraud and Corruption Policy

- 3C.164 The Commissioner and the Chief Constable will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside their organisations.
- 3C.165 Expectations of propriety and accountability are that the Commissioner and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 3C.166 It is expected that all individuals and organisations (eg. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity and without thought or actions involving fraud or corruption.

### Responsibilities

- 3C.167 The Commissioner and the Chief Constable are responsible for fostering a culture that will not tolerate fraud and corruption.
- 3C.168 The Treasurer, together with the Chief Executive and Chief Constable are responsible for preparing an effective anti-fraud and anti-corruption policy. Any policy should be approved by the Commissioner following advice from the Independent Audit Committee.

### Business Interests

- 3C.169 In order to maintain transparency, business interests of all employees and office holders of the Commissioner and the Force will be recorded in a register of business interests. Some business interests may conflict with the role of the employee or office holder. The Business Interests policy will set out the action to be taken in these circumstances.
- 3C.170 Any member of a governance board who has a disclosable interest in a contract shall withdraw from the meeting when that contract is discussed unless there is a dispensation from the Chief Executive.

### Responsibilities

- 3C.171 The Chief Executive is responsible for maintaining a policy on the business interests of the staff and office holders of the Commissioner and also for maintaining a register of business interests.
- 3C.172 The Chief Constable is responsible for maintaining a policy on the business interests of the staff of the Force and also for maintaining a register of business interests.

## Gifts and Hospitality

3C.173 All employees and office holders are subject to standards of professional behaviour which includes the expectation to be honest, act with integrity and not to compromise or abuse their position. Personal gifts or gratuities should never be accepted that could compromise their impartiality. Detailed policies will be maintained by the Chief Executive and Chief Constable on gifts and hospitality.

3C.174 Offers of gifts, loans or sponsorship for the benefit of the Force or the PCC are dealt with in paragraphs 3C.288 to 3C.317 of these regulations.

## Responsibilities

3C.175 The Chief Executive is responsible for maintaining a policy on gifts and hospitality in relation to the staff and office holders of the OPCC and also for maintaining a register of such gifts and hospitality.

3C.176 The Chief Constable is responsible for maintaining a policy on gifts and hospitality in relation to the staff of the Force and also for maintaining a register of such gifts and hospitality.

3C.177 All staff are responsible for making themselves aware of the gifts and hospitality policy and complying with the policy.

## Reporting of Suspected Irregularities

3C.178 The Commissioner and the Force will maintain a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence and without recrimination. Procedures shall ensure:

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

3C.179 Appropriate legislation, including Public Interest Disclosure Act 1998, shall be adhered to.

3C.180 All unlawful expenditure or potentially unlawful expenditure must be reported to the Commissioner, the Police and Crime Panel and the external auditor.

## Responsibilities

3C.181 The Chief Executive and the Chief Constable are responsible for ensuring that all employees, the general public and contractors are made aware of the confidential reporting (whistle blowing) arrangements.

- 3C.182 The Treasurer is responsible for reporting any unlawful expenditure or potentially unlawful expenditure by the Commissioner or the OPCC to the Monitoring Officer, Commissioner, the Police and Crime Panel and the external auditor.
- 3C.183 It is the responsibility of the Chief Executive to ensure that the Treasurer receives information on any unlawful expenditure or potentially unlawful expenditure.
- 3C.184 The CFO is responsible for reporting any unlawful expenditure or potentially unlawful expenditure by the Chief Constable or the officers of the Chief Constable to the Commissioner, Monitoring Officer and to the external auditor.
- 3C.185 It is the responsibility of the Chief Constable to ensure that the CFO receives information on any unlawful expenditure or potentially unlawful expenditure.
- 3C.186 In addition, to the requirements the CFO and Treasurer will ensure each other, and the Chief Executive are aware of any unlawful or potentially unlawful expenditure.

### Responsibilities

3C.187 The Chief Executive and the CFO must ensure that:

- a. Assets are only used for the purposes of the Force and the Commissioner and are available for use when required and are properly accounted for.
- b. An asset register is maintained that provides information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements.
- c. Assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.
- d. Lessees and other prospective occupiers of land owned by the Commissioner are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate.
- e. Title deeds to Commissioner property are held securely.
- f. No Commissioner or Chief Constable asset is subject to personal use by an employee without proper authority.

- g. Valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to the Force or Commissioner.

3C.188 For all operational assets used by the Force the above responsibilities will lie with the Chief Constable's CFO.

### Valuation

3C.189 The Chief Constable shall maintain an asset register for all fixed assets with a value in excess of the limits shown in paragraphs 3C.288 to 3C.317, in a form approved by the Treasurer. Assets are to be recorded when they are acquired by the Commissioner or the Chief Constable and this record updated as changes occur with respect to location, condition and ownership. Assets are to be valued:

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

### Inventories

### Responsibilities

3C.190 The Chief Executive and the Chief Constable shall ensure that inventories are maintained that record an adequate description of portable and desirable items (with a value in excess of the amount shown in paragraphs 3C.288 to 3C.317).

3C.191 There shall be at least an annual check of all items on the inventory in order to verify location, review, and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. The annual check is to be undertaken by the responsible budget holder and must be independently reviewed.

### Stocks and Stores

3C.192 The Chief Constable shall make arrangements for the care, custody and control of the stocks and stores and maintain detailed stores accounts in a form approved by the CFO. Stocks are to be maintained at reasonable levels so as to balance the need for availability and the risk of obsolescence.

3C.193 Discrepancies between the actual level of stock and the book value of stock may be written off by the CFO up to the level shown in paragraphs 3C.288 to 3C.317. Amounts for write off above this value must be referred to the relevant governance board for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.

3C.194 Obsolete stock may be written off by the CFO up to the level shown in paragraphs 3C.288 to 3C.317. Amounts for write off above this value must be referred to the relevant governance board for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.

### Intellectual Property

3C.195 The Chief Executive, in conjunction with the Director of Legal, Reputation Risk and the Chief Constable, are jointly responsible for preparing guidance on intellectual property procedures and ensuring that staff are aware of these procedures. Any such policies should be approved by the Commissioner.

### Asset Disposal

3C.196 All disposals of surplus land and buildings must be approved by the Commissioner.

3C.197 When making any decision to dispose of assets the Commissioner must have regard to the right of the Chief Constable to have unfettered access to operational assets. The Commissioner shall consult the governance board and notify the Chief Constable. The Commissioner will have regard to the views expressed by the governance board and the Chief Constable but the final decisions will be a matter for the Commissioner, this will include the disposal of land and buildings.

3C.198 The CFO may approve the disposal of vehicles and items of equipment up to the estimated value shown in paragraphs 3C.288 to 3C.317. Disposals above this value are to be referred to the Commissioner as set out in paragraphs 3C.288 to 3C.317.

3C.199 Assets shall be disposed of when in the best interests of the Commissioner and in the most economically advantageous way. Where this is not the highest offer, the CFO shall prepare a report for the Treasurer and the relevant reference meeting or board, if appropriate, outlining the reasons and seeking approval for disposal at the lower value.

3C.200 Items above the estimated value shown in paragraphs 3C.288 to 3C.317 shall be disposed of by public auction or sealed bids after advertisement.

3C.201 Assets shall not be sold to serving officer, staff, volunteers or contractors except in the following circumstances:

- a. Items disposed of in an open and competitive process.
- b. Disposal of police houses to serving officers who are the existing tenant following independent valuation of the property.

- c. Where a competitive process is not possible the value should be established by an external and independent third party.

### **Disposal Method – Not Land or Buildings**

3C.202 When identified as surplus, assets shall be disposed of by one of the following methods:

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

### **Disposal Method – Land or Buildings**

#### **Police Houses**

3C.203 Police houses will be disposed of:

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

3C.204 Acceptance of a lower price will be subject to report and approval by the Treasurer.

#### **Other Land and Buildings**

3C.205 All other land and buildings identified as surplus will be reported to the relevant governance board who will be asked to recommend the method of valuation and disposal strategy.

### **Disposal of Assets to Charitable Organisations**

3C.206 Disposal of assets to a registered charity or voluntary (not for profit) organisation will be subject to the approval of the Commissioner advised by the Treasurer.

#### **Other Disposal Options**

3C.207 Any variation to the disposal of assets outlined above will require the approval of the Commissioner, if novel, contentious or sensitive.

### **Treasury Management and Banking Arrangements**

3C.208 The Commissioner has adopted CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).

### **Responsibilities**

3C.209 The Commissioner is responsible for approving the Treasury Management Policy and the Annual Treasury Management Strategy.

3C.210 The Treasurer shall prepare regular reports for the Commissioner on treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year report and an annual report after its close, in the form prescribed in its Treasury Management Practices.

3C.211 The Commissioner delegates responsibility for the execution and administration of treasury management decisions to the Treasurer, who will act in accordance with the policy statement and Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

3C.212 The Treasurer shall have overall responsibility for banking arrangements. The Treasurer, in consultation with the CFO, shall determine a policy for the secure operation of bank accounts. All bank accounts shall be in the name of the Commissioner unless authorised by the Treasurer and Chief Executive.

3C.213 The opening of covert bank accounts must be approved by the Treasurer in consultation with the CFO.

### **Money Laundering**

3C.214 The Commissioner and the Force are alert to the possibility that they may become the subject of an attempt to involve them in a transaction involving the laundering of money.

3C.215 Suspicious cash deposits in any currency in excess of the agreed limit should be reported to the Treasurer. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act.

3C.216 Internal control procedures will be monitored to ensure they are reliable and robust in terms of the prevention of money laundering.

### **Responsibilities**

3C.217 The Treasurer will be the nominated Money Laundering Reporting Officer (MLROs) for the Commissioner and the Force.

3C.218 All employees have a responsibility to notify the Treasurer as soon as they receive information which may result in them knowing or having reasonable



grounds for knowing or suspecting of money laundering, fraud or use of the proceeds of crime through police funds and accounts.

## Staffing

3C.219 Police officers are crown servants, the staff of the OPCC are employees of the Commissioner and police staff of the Chief Constable are employees of the Chief Constable. Delegated responsibilities with regard to staffing, redundancy and pensions matters are set out in Part 3B of the Code of Corporate Governance – the Scheme of Delegation and Consent.

3C.220 The Chief Executive is responsible for:

- a. Providing overall management of staff within the OPCC and ensuring that there is a proper use of the evaluation, or other agreed system, for determining the remuneration of a job;
- b. Ensuring that the staffing budget of the OPCC provides an accurate forecast of staffing levels that it accords with the approved staffing policies of the Commissioner.
- c. Advising the Commissioner on the budget provision necessary to cover estimated staffing levels;
- d. Ensuring that employees are appointed and employed in accordance with the agreed personnel policies of the OPCC and that service records are properly maintained.

3C.221 The Chief Constable is responsible for:

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

- 3C.222 Decisions with regard to the application of those discretions provided within Local Government Pensions Scheme and Public Service Pension Act will be subject to delegated limits as set out in paragraphs 3C.288 to 3C.317.
- 3C.223 Redundancy of police staff where the consequential redundancy payments exceed the limits set out in paragraphs 3C.288 to 3C.317 will be approved by the Commissioner.
- 3C.224 Decisions in relation to Police Pensions are set out in Section 3B of the Scheme of Governance.

### **Custody of Unofficial Funds and Private Property**

- 3C.225 The Chief Constable must ensure that suitable policies are developed for the safe custodianship of unofficial funds. This should include a central register of such funds and annual confirmation from the management bodies of funds that accounts have been audited and accepted as such. Processes and procedures should also be in place to ensure that staff responsible for such funds are aware and comply with their obligations.

### **Evidential and Non Evidential Property**

- 3C.226 Police activities may involve the seizure of cash, drugs, guns and other assets. The Chief Constable is required to exercise a duty of care and safeguard found or seized property pending decisions on its ownership, or private property of an individual e.g. a suspect in custody. This should include the development of policies and procedures for the safekeeping of private property of a person, other than a member of staff, under his or her guardianship or supervision or found or seized property. The Chief Constable must ensure that in the event of any loss of such property, consequential costs arising from any loss, restoration of intrinsic value, or liability claims which result in disbursements from police fund and considered significant by the statutory CFO, are reported to the Resources Board.

## **Systems and Procedures**

### **General**

- 3C.227 The Treasurer and the CFO, are responsible for determining the accounting systems, procedures, form of accounts and the supporting financial records for the Commissioner and the Force respectively as set out in paragraphs 3C.26 to 3C.120 of these regulations.
- 3C.228 The Treasurer is responsible for the proper operation of the financial processes in the OPCC and should ensure that sufficient guidance, procedures and training is provided to employees acting on the Commissioner's behalf.

- 3C.229 The CFO is responsible for the proper operation of the financial processes in the Forces and should ensure that sufficient guidance, procedures and training is provided to employees acting on their behalf.
- 3C.230 The Chief Executive and the Chief Constable are responsible for ensuring that computer and other systems are compliant in accordance with data protection legislation and that staff are aware of their responsibilities under freedom of information legislation.
- 3C.231 The Chief Executive and Chief Constable should ensure that levels of authority have been established within the OPCC and Force and are operating effectively. These levels of authority should identify staff authorised to act on the Chief Constable's behalf, in respect of payments, income collection and placing orders, together with the limits of their authority. These will be found within the Scheme of Governance and Financial Regulations.
- 3C.232 As set out in relevant paragraphs below the Chief Constable is responsible for providing some financial and administrative support services to the Commissioner. In addition to the requirements set out in the regulations below any relevant clauses included in the Service Level Agreement for the Provision of Support Services will also apply to the operation of those services on behalf of the Commissioner.

## **Income**

### **Responsibilities**

- 3C.233 The Treasurer and CFO shall make arrangements for the collection of all income due to the Commissioner including the appropriate and correct charging of VAT.
- 3C.234 The Treasurer and CFO shall ensure that all income is paid fully and promptly into the designated bank account. Appropriate details should be recorded on paying-in slips to provide an audit trail.

### **Fees and Charges**

- 3C.235 The Force's policy on fees and charges will be approved by the governance board to include the Commissioner. The Chief Constable shall review scales of fees and charges at least annually and report any changes to the governance board and the Commissioner for approval.
- 3C.236 All charges should be at full cost recovery and in compliance with the NPCC National Policing Charging Guidelines except where regulations require otherwise or with the express approval of the governance board.

### **Write Off of Bad Debt**

- 3C.237 Income due to the Commissioner shall not be written off until the Chief Executive or Chief Constable (as appropriate) are satisfied that all reasonable steps have been taken for its recovery.
- 3C.238 Write off can only be when there is no realistic prospect of recovery once all reasonable avenues for recovery have been exhausted.
- 3C.239 Individual amounts of income due the Commissioner may be written off up to the levels shown in paragraphs 3C.288 to 3C.317. Amounts for write-off above this value must be referred to the governance boards for approval, supported by a written report explaining the reasons for the write-off.
- 3C.240 Any write-off of capital sums due or interest income in relation to treasury management activity must be referred to the Commissioner for write off.
- 3C.241 For any activity for which the police is able to levy a charge that is not covered by a statutory charging level, the Force will use the NPCC guidance where applicable.
- 3C.242 An annual schedule of fees and charges will be presented to the Commissioner on an annual basis as part of the budget setting process

### **Ordering and Paying for Goods and Services**

- 3C.243 Public money should be spent with demonstrable probity and in accordance with policies the duty to ensure effective Police Service duty to ensure value for money and all relevant laws and good practice

### **Personal Interests**

- 3C.244 The Commissioner and every officer of the OPCC and the Force has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decision on behalf of the Commissioner.

### **Responsibilities**

- 3C.245 The CFO is responsible for maintaining a purchasing policy covering the principles to be followed for the purchase of goods and services. This policy will apply equally to the Commissioner and the Force. The policy will be in accordance with the Standing Orders for Tenders and Contracts.
- 3C.246 The key controls of the Commissioner and the Chief Constable will set out the proper processes to be followed when ordering and paying for goods and services. These key controls will be in line with the purchasing policy and will include robust arrangements to ensure all goods and services are ordered only by appropriate persons and are correctly recorded.
- 3C.247 It is the responsibility of all budget holders to ensure that the purchasing policy and key controls are complied with at all times.

3C.248 The exchequer and payment function will be provided by the CFO. The Treasurer and the CFO will be responsible for ensuring that correct instructions are given to the Finance Department with regard to payments to suppliers.

3C.249 The CFO is responsible for ensuring that payment mechanisms are in line with all legislation and national guidance and that a different person authorises the payment from the person who approved the order and that there is an appropriate separation of duties. Deviation from this would require the approval of the CFO.

### **Procurement Policy**

3C.250 It is important that procurement arrangements encourage competition by seeking quotations from a number of suppliers whenever this is practicable and cost effective. In addition the Commissioner must comply with procurement legislation. The Financial Regulations shall determine the limit at which procurement procedures are followed. Procurement Regulations for the South West Police Procurement Department is attached at Part 3D of the Scheme of Governance. These procurement procedures must be adhered to at all times.

3C.251 The value of a contract must not be sub-divided or underestimated for the purpose of reducing the total value of the contract in order to bring the procurement exercise below the financial control thresholds so as to avoid the Force's procedural requirements.

3C.252 The Commissioner delegates the responsibility for procurement to the relevant board and Chief Constable as detailed within paragraphs 3C.288 to 3C.317.

### **Fuel Cards and Other Purchasing Cards**

3C.253 Fuel cards and other purchasing cards are an alternative method of buying and paying for relatively low value goods which generate a high volume of invoices. All fuel cards and purchasing cards will be controlled by the Finance Department. The CFO is responsible for ensuring that the proper practices are in place for the control of fuel cards and purchasing cards and the reconciliation of any associated control accounts. The Treasurer is responsible for ensuring the proper practices are in place for the control of fuel cards and purchasing cards held by the OPCC.

### **Payments to Employees**

3C.254 The payroll function will be provided by the Finance Department. The Chief Executive and the Chief Constable will be responsible for ensuring that correct instructions are given to the Finance Department payroll team for payments to staff and the members of the Commissioner's Meetings/ Panels.

3C.255 The key controls of the Commissioner and the Chief Constable will set out the proper processes to be followed when making payments to employees. It is the responsibility of all budget holders to ensure that the key controls in relation to payments to employees are complied with at all times.

## **Taxation**

### **Responsibilities**

3C.256 The Finance Department maintains the tax records for the Commissioner and the Force and makes all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate. This includes the requirement to ensure that legislative and regulatory changes are identified and implemented accordingly.

3C.257 The Treasurer is responsible for advising the Commissioner on taxation issues and the impact of changes in legislation and the CFO is responsible for advising the Chief Constable on such matters.

### **Liability Claims**

3C.258 The Commissioner has external insurance for public and employers liability and in addition maintains a self-insurance fund to meet claims below the policy excess. The Director of Legal, Reputation and Risk manages all claims against the Force and Commissioner. On occasion, the Force insurers will require that claims are handled externally due to the financial value of those claims.

3C.259 The limits for the approval of payment of such claims are set out in paragraphs 3C.288 to 3C.317.

### **Ex Gratia Payments**

3C.260 The Force can make ex-gratia payments up to the level shown in paragraphs 3C.288 to 3C.317 in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate, or is conducive or incidental to, the discharge of any of the functions of the Commissioner. The Chief Constable shall maintain details of such payments in a register.

3C.261 Amounts greater than those specified in paragraphs 3C.288 to 3C.317 must be referred to the Commissioner for approval.

### **Crime and Disorder Reduction Grants**

3C.262 The Commissioner must include in the Police and Crime Plan, any Crime and Disorder Reduction Grants they intend to make.

3C.263 The Chief Executive is responsible for ensuring that the payment of a Crime and Disorder Reduction Grant is in alignment with the Police and Crime Plan and that any attached conditions have been or are being complied with.

## Co-operative Working and Commissioning

### Co-operative Working

3C.264 Subject to the constraints that may be placed on individual funding streams, a Commissioner is free to pool funding as they and their partners see fit. A Commissioner can enter into any local contract collectively with other partners, including non-police bodies.

### Responsibilities

3C.265 The Commissioner, in exercising their functions, must:

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

### Commissioning

3C.266 The Commissioner may commission services and award grants to organisations or bodies that they consider will support their community safety priorities in accordance with their police and crime plan. In doing this the Commissioner may:

- a. Act alone as the commissioner of services;
- b. Or act co-operatively to commission services jointly with other bodies.

3C.267 Where appropriate and in line with the objectives set out in the Police and Crime Plan the Commissioner may make grants in support of local priorities.

### Responsibilities

3C.268 The Commissioner is responsible for publishing a Commissioning Strategy and a Commissioning Protocol that will set out the objectives of their commissioning activity and governance of the commissioning process.

3C.269 When the Commissioner acts as a commissioner of services, they will be responsible for agreeing the shared priorities and outcomes expected to be delivered either through a contract or a grant agreement with each provider.

3C.270 The Chief Executive is responsible for developing and maintaining a Commissioning Protocol that will support the objectives set out in the Police



and Crime Plan and the Commissioning Strategy. This will include a financial framework with approved authorisation levels.

- 3C.271 Where the mechanism for commissioning is the award of a contract for service provisions the Chief Executive is responsible for seeking appropriate procurement advice on the procurement process and the procurement activity will be in line with the Standing Orders for Tenders and Contracts.
- 3C.272 The Chief Executive is responsible for ensuring that commissioning expenditure does not exceed the budgeted level to achieve the objectives set out in the Police and Crime Plan.
- 3C.273 When working jointly with other bodies to commission services the Chief Executive will ensure that these Financial Regulations and Standing Orders for Tenders and Contract apply to the joint procurement activity or will set out in a formal decision why the Financial Regulations or Standing Orders for Tenders and Contracts can be varied.
- 3C.274 The Chief Constable is also able to commission services and make payments to organisations and bodies that they consider will support their policing function. This will be in alignment with the commissioning protocol.

### Collaboration

- 3C.275 The Commissioner has the duty to enter into collaboration agreements with other policing bodies and partners that improve the efficiency of effectiveness of policing for one or more policing bodies or Forces in consultation with the Chief Constable. Where the collaboration agreement relates to the functions of the Force, the prior agreement of the Chief Constable must be obtained.
- 3C.276 The Commissioner is responsible for approving any proposed Section 22 or Section 23 collaboration agreement between the Chief Constable and another Chief Constable. The Chief Constable is accountable to the Commissioner for the outcomes of any such collaboration agreements.
- 3C.277 The Treasurer is responsible for advising whether a proposed collaboration agreement is in alignment with the Police and Crime Plan and the Medium Term Financial Strategy and the long term sustainability of policing in the area. The Chief Executive must be consulted prior to entering into any collaboration agreement.

### Consortia

- 3C.278 Where the Commissioner judges that it is appropriate to enter into a long-term joint working arrangement with other bodies, operating with a formal legal structure, specific legal and procurement advice will be obtained. In such circumstances it will be necessary to update the Financial Regulations to acknowledge any new structures that exist within the consortium and ensure that all contractual conditions are met.



## Other External Arrangements and Sponsorship

### External Funding

3C.279 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Commissioner and Chief Constable.

### Responsibilities

3C.280 The Chief Executive and the Chief Constable are responsible for actively pursuing any opportunities for additional funding where this is considered to be in the interests of the Force and Commissioner. In addition they are responsible for ensuring that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.

### Sponsorship

3C.281 The Home Office Financial Management Code of Practice sets out guidance with regard to the acceptance of sponsorship and external funding.

### Responsibilities

3C.282 The Commissioner will maintain a Sponsorship Policy (in consultation with the Chief Constable) that is in line with; the Home Office Financial Management Code of Practice, Section 93 of the Police Act 1996 and the Bribery Act 2010.

3C.283 The Chief Executive and Chief Constable must ensure that any conditions placed on the Force in relation to external funding are in accordance with the approved policies of the Commissioner and in particular the Sponsorship Policy of the Commissioner.

3C.284 The Chief Executive and the Chief Constable are responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Commissioner's accounts.

### Working for Third Parties

3C.285 The Force provides services to outside bodies as part of their normal obligations, for which charges are made. Arrangements should be in place to ensure that any risks associated with these pieces of work are minimised and that such work is not ultra vires.

### Responsibilities

3C.286 The Chief Constable is responsible for ensuring that proposals for assistance are costed, that proper contract arrangements are established within delegated limits and that no contracts are subsidised by the police funds. All work for third parties will be reviewed by the Director of Legal, Reputation and Risk and the Senior Insurance Officer to ensure that any liabilities are recognised, and appropriate insurance cover is arranged.

## Delegated Limits

### Financial Limits

3C.287 All delegations apply within the approved budgetary provision only.

### Purchasing Limits

### Contract Awards, Variations and Extensions

3C.288 The limits for contract awards, variations and extensions, are set out below. These limits should be applied in the context of the additional guidance provided and based upon the total contract value for the life of the contract. The Commissioner and Chief Constable must be consulted on any items considered novel, contentious or sensitive.

Area	Entity	Limit	Approval by
Award of contracts	Commissioner	Up to £500,000 p.a to a maximum of £2m total value	OPCC Treasurer
		Over £500,000 p.a. or a maximum of £2m total value	Commissioner
	Chief Constable	Up to £500,000 p.a to a maximum of £2m total value	Chief Constable's CFO
		Over £500,000 p.a. or a maximum of £2m total value	Chief Constable

3C.289 From time to time there will be a requirement to vary contracts through a formal contract change control, the limits below apply in this situation.

Area	Entity	Limit	Approval by
Approve contract change	Commissioner	Up to £200,000 p.a. up to a maximum of £800,000 total value	OPCC Treasurer
		Over £200,000 p.a. or a maximum of £800,000 total value	Commissioner
	Chief Constable	Up to 200,000 p.a. up to a maximum value of £800,000 total value	Chief Constable's CFO
		Over £200,000 p.a. or a maximum of £800,000 total value	Chief Constable

3C.290 A number of contracts will have an option to extend the initial contract period. In such circumstances a recommendation paper for the approval to extend a contract will be provided prior to signature, unless the original approval included potential extensions. Limits for approval of extensions are:

Area	Entity	Limit	Approval by
Approve contract Renewals and Extensions	Commissioner	Up to £200,000	OPCC Treasurer
		Over £200,000	Commissioner
	Chief Constable	Up to £200,000	Chief Constable's CFO
		Over £200,000	Chief Constable

3C.291 In exceptional circumstances it may be necessary to waive Contract Standing Orders. On these occasions the decision must be recorded and made in consultation with the relevant Section 151 officer.

Area	Entity	Limit	Approval by
Approve the waiving of Contract Standing Orders	Commissioner	Up to £50,000	OPCC Treasurer
		Over £50,000	Commissioner in consultation with the Treasurer
		Up to £50,000	Chief Constable's CFO

	Chief Constable	Over £50,000	Chief Constable in consultation with the CFO
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### Approval for Contracts

3C.292 The Chief Executive of the OPCC will maintain a list of those supplies or works where the Chief Constable has consent to enter into contracts as set out in Part 3 of the Scheme of Governance (Approval by for Functions, Scheme of Consent or Delegation of Functions). The Chief Constable may only enter into contracts for the supply of good or works contained on this list.

### Notification of Relief Events

Area	Entity	Approval by
From time to time suppliers may require to formally notify the Force of contractual relief events. In such circumstances notification of all relief events should be submitted to the following.	Commissioner	OPCC Chief Executive
	Chief Constable	Chief Constable's CFO

### Budget Virements

3C.293 The procedure for virements between the categories as set out in the Medium Term Financial Strategy is set out at paragraphs 3C.86 to 3C.87 of these regulations, the financial limits that apply to the virements set out below must be applied in the context of the overall guidance within the financial regulations. All virements over £100,000 will be reported to the Resources Board.

Area	Budget	Limit	Approval by
Approve virements over the limit specified	OPCC for OPCC budgets	£100,000 for each approved subjective budget line	Commissioner
	Chief Constable for Force staffing budgets	£250,000 for each approved subjective budget line (all staffing budget to be grouped as one budget line)	Commissioner
	Chief Constable for Force non	£250,000 for each approved subjective budget line	Commissioner

Area	Budget	Limit	Approval by
	staffing budgets		

3C.294 Below the limits above approval will be with the Treasurer for the OPCC budgets and the CFO for the Chief Constable's budgets.

### Capital Programme

3C.295 Detailed estimates for each scheme in the approved capital programme shall be prepared by the responsible officer before tenders are sought or commitments made. The estimate for each scheme will be approved by the relevant board at the same time that the full business case is approved. Variations to project budgets that can be met from within the total capital programme may be approved as set out below. Major Headings are defined by the Treasurer and the CFO.

3C.296 Any increase in the budget outside of the capital programme must be identified and approved by the Treasurer. Any increase in the overall capital programme must be identified and approved by the Commissioner.

Area	Entity	Limit	Approval by
Virements within major headings		All	Treasurer in consultation with the CFO
Virement between major headings		All	Commissioner with the Resources Board

### Capitalisation of Expenditure and Assets Registers

3C.297 The Chief Constable and the Commissioner shall maintain asset registers for all fixed assets (or programmes/classes of assets) under their respective control with a value in excess of the limits shown below.

Area	Entity	Limit	Approval by
Capitalise expenditure and record on asset register	Commissioner	£20,000	N/A

### Property Leases

3C.298 The following limits shall apply to the approval of new property leases:

Delegation	Entity	Limit	Approval by
Approval of property leases, finance leases or other credit arrangements	Commissioner	All	Treasurer in agreement with the Resources Board

3C.299 All renewals of property leases will be reported on an annual basis to the Resources Board. Novel contentious on exceptional basis.

### Asset Disposal – Land and Buildings

3C.300 The following limits shall apply to the approval of property disposals. Any disposal of an asset must not fetter the Chief Constable in providing policing across the force area.

Delegation	Entity	Limit	Approval by
Agreement to dispose of property assets	Commissioner	All	Commissioner in agreement with the Resources Board

3C.301 It is assumed that all Devon and Cornwall property assets that are brought forward for approval of disposal will have followed the consultation process set out in the agreed process for estates rationalisation and decision making.

### Asset Disposal – Other Fixed Assets

3C.302 The following limits shall apply to the approval of non-property fixed asset disposals.

Delegation	Entity	Limit	Approval by
Agreement to dispose of non-property fixed assets including method of disposal	Commissioner Assets for use of Chief Constable	Up to £30,000	Chief Constable's CFO
		£30,001 and over	Chief Constable's CFO with approval of the Resources Board
	Commissioner Assets for use of the Commissioner	Up to £30,000	OPCC Treasurer
		£30,001 and over	OPCC Treasurer after consultation with the Resources Board

### Asset Disposal – Method of Disposal

3C.303 Assets shall be disposed by public action or sealed bids after advertisement. Assets on value below £30,000 can be disposed of by an alternative approach by the Treasurer. Alternative methods for disposal above £30,000 will be referred to the Resources Board.

### Stocks and Inventories

3C.304 Inventories will be maintained that record an adequate description of portable and desirable items (not already recorded on an asset register) for items with a value of more than the limit stated.

Area	Entity	Limit	Approval by
Inventories	All entities	£6,000	N/A

3C.305 Discrepancies between the actual level of stock and the book value of stock may be written off are as set out below. These limits also apply to the level for obsolete class of stock that may be written off. The key classes of stock are: Vehicles, Uniform and Equipment.

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

### Liability Claims

3C.306 Joint Legal Services shall be authorised to make payments in settlement of liability claims for the Chief Constable and Commissioner for Devon and Cornwall (including costs) up to the value shown below in conjunction as required, with relevant insurer. All such claims will have been approved for payments as set out in the Joint Legal Services Department Memorandum of Understanding for taking instructions in Liability Claims.

Area	Entity	Limit	Approval by
Liability Claims	Commissioner or Chief Constable	Up to £100,000	DCC and reported to the Resources Board
		£100,001 and over	Treasurer or Chief Executive and reported to the Resources Board

## Non Insurance Claims / Employment Matters

3C.307 Non insurable employment claims will be approved for payment as set out below:

Value of the Total Reserve	Authoriser
£0 - £10,000	Head of HR Operations
£10,000 - £25,000	Executive Lead on Human Resources
£25,000 - £100,000	Deputy Chief Constable
£100,000 and above	Deputy Chief Constable and the Chief Executive or Treasurer of the OPCC for the Force named in litigation.

## Income

3C.308 The approval of individual bad debts\* will be as follows:

Area	Entity	Limit	Approval by
Write off of bad debts *	Commissioner	Up to £25,000	Chief Constable's CFO or OPCC Chief Executive as appropriate
		£25,001 and over	OPCC Treasurer after consultation with the Resources Board

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

## Cash Receipts and Money Laundering

3C.309 Cash banking and cash receipts will be subject to the controls outlined in the money laundering policy.

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

## Retirement and Redundancy

### Pension Discretions

3C.310 The Commissioner and the Chief Constable will maintain and publish policies and/or regulations with regard to the application of those discretions provided within Local Government Pensions Scheme and Public Service Pensions Act.



3C.311 Any decisions with regard to enhancements or application of the discretions will be referred to the CFO and the Treasurer.

### Employment Termination Costs

3C.312 The overall cost of any staff reduction exercise will be notified to the CFO in liaison with the Treasurer to ensure that adequate financial provision is in place.

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

### Ex Gratia Payments

3C.313 Ex gratia payments up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the Chief Constable or the Commissioner.

Area	Entity	Limit	Approval by
Ex Gratia Payments	Commissioner or Chief Constable	Up to £10,000	Chief Constable's CFO or OPCC Chief Executive as appropriate
		£10,001 and over	OPCC Treasurer in consultation with the OPCC CEO and/or Chief Constable's CFO

3C.314 Any payment ex gratia or otherwise relating to damage or loss will be subject to the liability limits set out in paragraph 3C.306 above.

### Gifts and Sponsorship

3C.315 This section of financial regulations relates to Corporate Gifts and Sponsorship only.

3C.316 Personal gifts and hospitality are recorded and managed via the Professional Standards Department for which there are specific policies. All such instances must be referred there.

3C.317 The following limits apply to the acceptance of corporate gifts and sponsorship.

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