



THE POLICE AND CRIME COMMISSIONER FOR SOUTH WALES

THE CHIEF CONSTABLE OF SOUTH WALES POLICE

MANUAL OF GOVERNANCE

CONTENTS:

Part 1	1a	Introduction
	1b	Definitions
Part 2		Code of Governance
Part 3		Scheme of Governance:
	3a	Hallmarks of Relationships
	3b	Scheme of Consent and Delegation
	3c	Decision Making and Accountability Framework
	3d	Financial Regulations
	3e	Standing Orders relating to Contracts
Part 4	4a	Information Management
	4b	Information Sharing Protocol

Introduction

This integrated Manual of Governance is the key document in the governance framework between the Police & Crime Commissioner and the Chief Constable. This document replaces the interim Manual adopted when the Police & Crime Commissioner took up post on 22nd November 2012.

The Commissioner and the Chief Constable have agreed that the day to day application of the content of this Manual will be informed and influenced by the principles set out in the “Hallmarks of Relationships” document (see Part 3a). These principles set out how the Commissioner and Chief Constable will undertake their respective roles in a way that fully respects each other’s responsibilities and independence whilst at the same time demonstrating their commitment to working *together* to ensure the best possible policing service for the people of South Wales.

South Wales Police is a single body of people which includes the Chief Constable and the Commissioner, each of whom are defined in law as a “corporation sole” with specific powers, duties and responsibilities. Together they seek to provide the best possible police service with a focus on cutting crime, keeping the communities of South Wales safe, meeting the needs of victims and providing a prompt and effective policing response. All staff – whether their formal employer is the Chief Constable or the Commissioner – are expected to have regard to the responsibilities of both corporations sole and to help them to fulfil their respective roles and visions to the full.

This Manual is made by the Police & Crime Commissioner and the Chief Constable in accordance with their respective powers pursuant to the Police Act 1996 (as amended by the 2011 Act). The Manual is to be read in conjunction with (and is consistent with) all other legal requirements on the Police & Crime Commissioner and the Chief Constable, specifically the provisions of:

- a) the Policing Protocol
- b) the Financial Management Code of Practice, and
- c) the Strategic Policing Requirement.

Officers and staff of the Chief Constable may be used to assist the Commissioner to exercise his functions and the Chief Constable is under a statutory duty to exercise direction and control in such a way as is reasonable to give that assistance. This Manual sets out some of the ways in which that assistance will be given.

The Manual also sets out a process to ensure that any action taken under delegated authority or ‘consent’ is properly recorded and undertaken in accordance with defined procedure. Both the Police & Crime Commissioner and the Chief Constable are committed to demonstrating the highest levels of transparency and accountability to the public.

THIS IS THE MANUAL OF GOVERNANCE FOR SOUTH WALES POLICE

WHICH WAS APPROVED AND ADOPTED ON DAY OF 2014

SIGNED:

POLICE AND CRIME COMMISSIONER FOR SOUTH WALES

SIGNED:

CHIEF CONSTABLE

PART 1 DEFINITIONS

The Act	The Police Reform and Social Responsibility Act 2011.
Annual Governance Statement	The Annual Governance Statement (the “Statement”) required by the Accounts and Audit (Wales) Regulations 2010 which the Commissioner and the Chief Constable have elected to publish with their respective Statements of Accounts in a single document. The Statement is a statutory document which explains the governance processes and procedures in place to enable the Commissioner and the Chief Constable respectively to carry out their functions effectively. The Statement highlights the Commissioner’s (and the Chief Constable’s) internal control environment, comments on its effectiveness and identifies future priorities.
Assistant Police and Crime Commissioner	The person or persons appointed by the Commissioner from time to time to fulfil the role of an Assistant Commissioner.
Best Value for Money	The most cost effective means of meeting the need, which takes account of whole life costs.
Call-off contract	An agreement for a fixed period against which one or more orders can be placed at any given time during the term of that Contract.
Chief Constable	The office of Chief Constable is an appointment under Section 2(2) of the Act. The Chief Constable is a corporation sole pursuant to Schedule 2, paragraph 2 of the Act. The Chief Constable shall have responsibility for the direction and control of a police force pursuant to Section 2(3) of the Act, which includes both its police officers and police staff.
Chief Officers/ Chief Officer Team	<p>References to the Chief Constable’s Chief Officer team shall (where the context permits) mean the following :</p> <ul style="list-style-type: none"> • Deputy Chief Constable • ACC Support • ACC Specialist Crime • ACC Territorial Policing • Chief Finance Officer, and • Director of Support Services <p>References to the Commissioner’s Chief Officer team shall (where the context permits) mean:</p> <ul style="list-style-type: none"> • Treasurer • Chief of Staff • Planning and Performance Manager
Chief of Staff	The officer appointed as head of the Police and Crime Commissioner’s staff with responsibility for the general administration of the Police and Crime Commissioner. This appointment is made under Paragraph 6(1) (a), Schedule 1 of the Act. This officer will undertake the role of ‘Chief Executive’ as outlined in the Act and is also designated the monitoring officer - under Section 5(1) of the Local Government and Housing Act 1989, with responsibility for ensuring the legality of the actions of the Police and Crime Commissioner and his staff. He is also the ‘proper officer’ for the recording of all decisions made by the Police and Crime Commissioner.

Chief Finance Officer	<p>The chief financial officer of the police force appointed in accordance with Schedule 2, paragraph 4 of the Act, who is responsible for the proper administration of the police force's financial affairs (section 112 to 114 of the Local Government Finance Act 1988). The Chief Finance Officer shall be responsible for:</p> <ul style="list-style-type: none"> a) ensuring that the financial affairs of the Force are properly administered and that the Financial Regulations are observed and kept up to date, b) reporting to the Chief Constable, the Police and Crime Commissioner, the Joint Audit Committee and the external auditor, any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable, c) reporting to the Chief Constable, the Police and Crime Commissioner, the Joint Audit Committee and to the external auditor where it appears that expenditure of the Chief Constable is likely to exceed the resources available to meet that expenditure, d) advising the Chief Constable on value for money in relation to all aspects of the force's expenditure, e) advising the Chief Constable and the Commissioner on the soundness of the budget in relation to the Force, f) liaising with the external auditor, g) producing statements of account for the Chief Constable, h) providing information to the Treasurer as required to enable the production of group accounts, and i) maintaining, in conjunction with the Deputy Chief Constable, an adequate and effective internal audit function for the Chief Constable. <p>The Chief Finance Officer is expected to work closely and constructively with the Treasurer.</p>
CIPFA Statement	The Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the role of the Chief Financial Officer of the Police and Crime Commissioner (the Treasurer) and the Chief Financial Officer of the Chief Constable.
Commissioner	The Police and Crime Commissioner for South Wales established under Section 1 of the Act, who is a corporation sole responsible for securing the maintenance of an efficient and effective police force for the South Wales area.
Contract	Any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase and/or sell goods, services or building works (including annual or call-off contracts) made on behalf of the Commissioner and/or the Chief Constable. This may be made orally or in writing.
Deputy Police and Crime Commissioner	The deputy police and crime commissioner appointed in accordance with section 18 and Schedule 1, paragraph 8 of the Act.
Director of Support Services	The senior advisor to South Wales Police in relation to human resourcing issues, who is responsible for the provision of a comprehensive service to the Chief Constable and the Commissioner.
Estimated Value	The anticipated costs of the goods, services or works to be supplied or carried out.
Financial Management Code of Practice	The Financial Management Code of Practice issued pursuant to section 17 of the Act and section 39A of the Police Act 1996, which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners and Chief Constables. As set out in section 17(4) of the Act and section 39A(7) of the Police Act 1996, the Commissioner and the Chief Constable must have regard to this code in carrying out their functions. The Code provides high level guidance to help ensure effective and constructive relationships in all financial matters.
Financial	The regulations drawn up by the Commissioner in consultation with the Chief

Regulations	Constable, the Treasurer, and the Chief Finance Officer to govern the respective responsibilities of the Commissioner and the Chief Constable on financial matters and the relationship between them on such issues.
Force	This refers to all constables (both regulars and specials) who are under the direction and control of the Chief Constable and also to all police staff who are employed by and under his direction and control by virtue of section 2(3) of the Act.
IPCC	Shall mean the Independent Police Complaints Commission.
Joint Audit Committee	Shall mean the joint audit committee established by the Commissioner and the Chief Constable in accordance with the provisions of the Financial Management Code of Practice.
Joint Legal Service	Both the Chief Constable and Commissioner may be jointly represented, in accordance with the Solicitors Regulation Authority Handbook even in the event of a conflict if both have a common interest or objective and have expressly agreed. However, in the rare event of significant conflict which does not fall within such permitted exemptions, both shall seek independent legal advice.
Leadership Team	Shall mean the leadership team of the Commissioner which shall be comprised of the Commissioner, the Deputy Police and Crime Commissioner, the Assistant Police and Crime Commissioner(s), the Treasurer, the Chief of Staff and the Planning and Performance Manager.
Police and Crime Panel	The Police and Crime Panel established and maintained in accordance with Section 28(1) of the Act to support the effective exercise of the functions of the Police and Crime Commissioner for the South Wales Police area.
Police and Crime Plan/Police and Crime Reduction Plan	The Police and Crime Reduction Plan issued (and as subsequently varied) for the South Wales Police area in accordance with Section 5 of the Act. Across England and Wales this Plan is normally referred to as the Police and Crime Plan, but in South Wales the word "Reduction" has been included in the title from the start to emphasise how central crime reduction – reducing offending and reoffending – is to the vision spelt out by the Commissioner and the Chief Constable.
Policing Protocol	The document issued by the Secretary of State pursuant to section 79 of the Act by means of the Policing Protocol Order 2011 which sets out how the functions of the Commissioner, the Chief Constable and the Police and Crime Panel are to be exercised.
Proper Officer	A proper officer is defined (in accordance with section 270(3) of the Local Government Act 1972), as, in relation to any purpose an officer appointed for the purpose.
Quotation	The amount stated (whether orally or in writing) as the price of the goods, services or works to be supplied or carried out. If a verbal offer is obtained it will be deemed to be of no effect unless confirmed in writing within five working days of the verbal offer being made.
Scheme of Governance	The scheme of governance prepared by the Commissioner in conjunction with the Chief Constable, which sets out those functions which the Commissioner has consented to the Chief Constable exercising and also those matters which the Commissioner and the Chief Constable have each respectively delegated to senior members of their own staff. The Scheme also sets out those powers which will be exercised by the Chief Constable, his officers and staff pursuant to the provisions

	of the Act and the Policing Protocol to assist the Commissioner in the discharge of his functions. This Scheme is set out in Part 3 of this Manual.
Stage 1 Transfer	This refers to the transfer of all assets, staff and liabilities from police authorities to Commissioner which occurred at midnight on 21 st November 2012 by way of statutory transfer.
Stage 2 Transfer	This refers to the transfer scheme, required as a consequence of the 2011 Act and approved by the Home Secretary, specifying the staff that transfer to the employment of the Chief Constable and those who continue to be directly employed by the Commissioner with effect from 1 st April 2014.
Standing Orders relating to contracts	The standing orders prepared by the Commissioner in consultation with the Chief Constable, the Treasurer, the Chief of Staff, and the CFO that govern the handling of contractual issues and the respective responsibilities of the Commissioner and the Chief Constable, in accordance with the provisions of the Scheme.
Strategic Policing Requirement	The strategic policing requirement is a statement of the collective capabilities that police forces across England and Wales will be expected to have in place in order to protect the public from cross-boundary threats such as terrorism, civil emergencies, public disorder and organised crime.
Tender	An offer made in writing (electronically or otherwise) by one party to another to execute, at an inclusive price or uniform rate, an order for the supply, purchase or disposal of goods or for the execution of work (including such information about price, performance and other terms and conditions as may have been required or are deemed appropriate for the particular proposed contract), the details of which have been submitted by the second party
Treasurer	<p>The chief financial officer with overall responsibility for the proper administration of the Commissioner's financial affairs (section 112 to 114 of the Local Government Finance Act 1988) in accordance with the Accounts and Audit (Wales) Regulations 2005. This appointment is made pursuant to Paragraph 6(1) (b), Schedule 1 of the Act. The Treasurer shall be responsible for:</p> <ul style="list-style-type: none"> (a) providing financial advice to the Commissioner on all aspects of its activities, including the strategic planning and policy making process, (b) ensuring that the financial affairs of the Commissioner are properly administered and that the Financial Regulations are observed and kept up to date and providing a treasury management function; (c) ensuring regularity, propriety and Value for Money (VFM) in the use of public funds, (d) ensuring that the funding required to finance agreed programmes is available from Central Government and Welsh Government funding, precept, other contributions and recharges (e) reporting to the Commissioner, the Police and Crime Panel, the Joint Audit Committee and to the external auditor any unlawful, or potentially unlawful, expenditure by the Commissioner or officers of the Commissioner (f) reporting to the Commissioner, the Police and Crime Panel, the Joint Audit Committee and to the external auditor where it appears that expenditure is likely to exceed the resources available to meet that expenditure, (g) advising the Commissioner on the robustness of the budget and adequacy of financial reserves, and in respect of any consequential medium and long term implications of budgetary issues, (h) ensuring production of the statements of accounts of the Commissioner (i) ensuring receipt and scrutiny of the statements of accounts of the Chief Constable, and ensuring production of the group statutory accounts (j) liaising with the external auditor and use reports of the external auditor to aid monitoring and submit external audit reports to the Home Office.

	<ul style="list-style-type: none"> (k) advising the Police and Commissioner on the application of value for money principles by the police force to support the Commissioner in holding the Chief Constable to account for efficient and effective financial management, (l) advising, in consultation with the Chief of Staff, on the safeguarding of assets, including risk management and insurance (m) arranging for the determination and issue of the precept, (n) maintaining an adequate and effective internal audit function, and (o) managing, in conjunction with the Chief of Staff, any grants awarded by the Commissioner pursuant to the Act.
--	--

PART 2 – CODE OF GOVERNANCE

Introduction

The purpose of this Code is to give clarity to the way the two corporations sole (the Commissioner and Chief Constable) will govern both jointly and separately, in order to do business in the right way, for the right reason at the right time.

The Commissioner must not restrict the operational independence of the police force and the Chief Constable who leads it. The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force. The Chief Constable is accountable to the law for the exercise of police powers and to the Commissioner for the delivery of efficient and effective policing, management of resources and expenditure by the police force.

The core statutory functions of a Commissioner in relation to policing are to secure the maintenance of the police force, secure that the force is efficient and effective, and hold the Chief Constable to account for the exercise of his functions and the functions of persons under his direction and control. The Commissioner is also required by the 2011 Act to work with all other designated bodies in order to reduce crime and disorder. The Commissioner also has responsibilities in relation to the efficiency and effectiveness of the criminal justice system locally.

Hallmarks of Relationships

This Code of Governance is supported by the Hallmarks of Relationships entered into by the Commissioner and the Chief Constable (which is set out at Part 3a of this Manual). These Hallmarks recognise the operational responsibilities of the Chief Constable within a policy and accountability framework that enables the Commissioner to pursue his policy intentions, for those to be reflected in the operational plans of the Force and for the Chief Constable to be held accountable for their delivery.

Context

The principal statutory framework within which these two corporation(s) sole will operate is:

- Police Reform and Social Responsibility Act 2011,
- Crime and Disorder Act 1998
- Policing Protocol Order 2011,
- Financial Management Code of Practice,
- Strategic Policing Requirement.

Core Principles

The core principles to be adopted by both corporations sole will abide by the **Nolan principles** for conduct in public life¹ which are as follows:

- **Selflessness:**

Decisions will be taken solely in terms of the public interest, and not for personal financial or other gain, whether for such person, their family or their friends.

- **Integrity:**

¹ The Policing Protocol requires all parties to abide by the seven Nolan principles of conduct for those in public life.

The Commissioner, the Chief Constable, their officers and staff will not place themselves under any financial or other obligation to outside individuals or organisations that may seek to influence them in the performance of their official duties.

- **Objectivity:**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, the Commissioner, the Chief Constable, their officers and staff will make choices on merit.

- **Accountability:**

The Commissioner, the Chief Constable, their officers and staff will be accountable for their decisions and actions to the public and will submit themselves to whatever scrutiny is appropriate to their office.

- **Openness:**

The Commissioner, the Chief Constable, their officers and staff will be as open as possible about all decisions and action they take. Reasons for decisions will be made available and information will be restricted only when so required by the wider public interest.

- **Honesty:**

The Commissioner, the Chief Constable, their officers and staff will have a duty to declare any private interests relating to public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

- **Leadership:**

The Commissioner, the Chief Constable, their officers and staff will promote and support these principles through leadership and by example.

The Chief Constable and the Commissioner also believe that the Police Service must show leadership by responding quickly and effectively to a variety of challenging circumstances, demonstrating an understanding of the needs of victims, engaging positively with all communities across South Wales and being pro-active in helping to cut offending and reoffending. The Chief Constable has set out his vision for policing which is reflected in the Police and Crime Reduction Plan as is the Commissioner's vision for crime reduction and partnership working.

The **Good Governance Standards for Public Services**² will also be applied. They are:

1 Good governance means focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

2 Good governance means members and officers working together to achieve a common purpose with clearly defined functions and roles

3 Good governance means promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

4 Good governance means taking informed and transparent decisions which are subject to effective scrutiny and managing risk

5 Good governance means developing the capacity and capability of members and officers to be effective

² These six core principles are taken from The Good Governance Standard for Public Services [2004] developed by the Independent Commission on Good Governance in Public Services with support from the Office for Public Management and CIPFA (as adapted for local government purposes).

To assist in developing the approach to good governance CIPFA/SOLACE issued Delivering Good Governance in Local Government: Framework in 2007. The CIPFA/SOLACE Joint Working Group reviewed the Framework and issued a revised edition in 2012, which incorporates a new Addendum,. The Addendum reflects Regulation 4(3) of the Accounts and Audit Regulations which requires all relevant bodies to prepare an annual governance statement rather than a statement on internal control.

6 Good governance means engaging with local people and other stakeholders to ensure robust local public accountability.

These principles will be applied in our policing context as follows:

1. ***Focusing upon the purpose of the Commissioner and the Chief Constable, and on outcomes for local people, and creating a vision for the local area.***

The Act requires the police and crime commissioner to issue a ***police and crime plan*** for one year beyond his term of office. It will outline the police and crime objectives (outcomes) and the strategic direction for the policing. Each corporation sole must have regard to the plan.

Collaboration agreements will set out those areas of business to be undertaken jointly with other Forces, Local Policing Bodies and others.

A ***medium term financial strategy*** will be jointly developed and thereafter reviewed quarterly to support delivery of these plans.

A ***commissioning framework*** will be developed by the police and crime commissioner, which will incorporate commissioning intentions and priorities.

2. ***Working together to achieve a common purpose with clearly defined functions and roles***

The Act sets out ***the functions of the police and crime commissioner and chief constable*** and the Policing Protocol sets out how these functions will be undertaken to achieve the outcomes of the Police and Crime Plan.

The Commissioner may appoint a deputy who will be a member of his staff as highlighted in the Act³. The role description approved by the Commissioner will incorporate functions delegated to the Deputy.

The Act requires the police and crime commissioner to have ***a chief executive⁴ and chief financial officer***. The chief executive, known as the Chief of Staff, will be the head of paid service and will undertake the responsibilities of monitoring officer⁵. The Chief Financial Officer will normally be referred to as the Treasurer.

The Act⁶ requires the chief constable to appoint ***a chief finance officer***.

The ***financial management code of practice and statement of roles⁷*** sets out the responsibilities of the respective chief financial officers for the Commissioner and the Chief Constable.

The ***scheme of governance (embodied within this Manual)*** highlights the parameters for key roles in the corporations sole including consents and delegations from the police and crime commissioner, financial regulations and contract standing orders.

The Chief Constable and the Commissioner have appointed a ***joint audit committee*** which they require to operate in line with guidance from CIPFA and the Financial Management Code of Practice⁸.

³ Section 18 (1) of the Act

⁴ Sch 1, 6 (1) a of the Act

⁵ Local Government and Housing Act, section 5,

⁶ PRSR Act 2011, schedule 2 (4).

⁷ Financial Management Code of Practice for the Police, section 4, & CIPFA statement on role of chief finance officers, 2011

⁸ Financial Management Code of Practice for the Police, section 11.1.3

3. ***Promoting the values for the Commissioner and Force and demonstrating the values of good governance through upholding high standards of conduct and behaviour***

The Policing Protocol requires all parties to abide by the seven ***Nolan principles***⁹ and also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust (which are reflected in the Hallmarks of Relationships).

In accordance with the Financial Management Code of Practice, the Commissioner and Chief Constable will ensure that the ***good governance principles*** are embedded within the way South Wales Police operates.

4. ***Taking informed and transparent decisions, which are subject to scrutiny and managing risk***

The Decision Making Framework in this Manual sets out the way in which decisions will be taken by the Commissioner and Chief Constable.

The ***Scheme of governance*** sets out the parameters for decision making, including the delegations, consents, financial limits for specific matters and standing orders for contracts.

The ***risk management strategies*** of the Commissioner and the Chief Constable establish how risk is embedded throughout the various elements of governance of the corporation(s) sole.

The Commissioner and the Chief Constable will ensure that information relating to decisions will be made readily available to local people.

5. ***Developing the capacity and capability of all to be effective in their roles***

The two corporations sole will set out ***learning and development strategies*** which will set the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for officers and members of staff.

6. ***Engaging with local people and other stakeholders to ensure robust public accountability***

The Policing Protocol¹⁰ highlights that the police and crime commissioner is ***accountable to local people*** and that he/she draws on this mandate to set and shape the strategic objectives for the force area in consultation with the chief constable.

The ***police and crime plan*** will clearly set out what the strategic direction and priorities are to be and how it will be delivered.

The police and crime commissioner and chief constable will develop arrangements for effective engagement with key ***stakeholders***, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction.

The publishing of an Annual Governance Statement for both the Commissioner and Chief Constable will provide transparency and assurance regarding the governance arrangements.

Framework / Instruments of governance

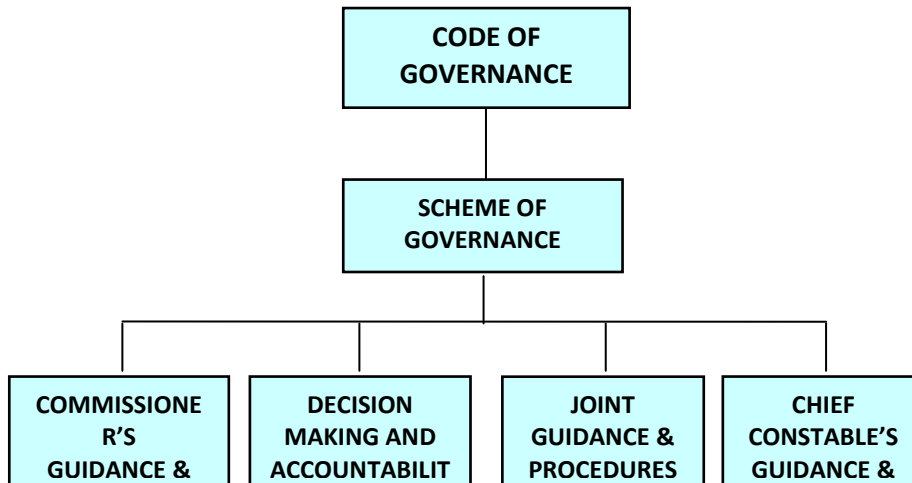
⁹ Standards in Public Life, 2005

¹⁰ Policing Protocol Order 2011, section 14

The governance framework within which both corporations sole will govern, both jointly and separately, will consist of:

- Code of governance – statutory framework which sets out how the core principles will be implemented,
- Scheme of governance – defines the parameters within which the corporations sole will conduct their business,

There will be both joint and separate guidance and procedures for each corporation sole, with protocols where they operate jointly.



ROLES AND RESPONSIBILITIES

GENERAL:

The Commissioner and the Chief Constable are each established in law as a corporation sole within the Act. As such, both are enabled by law to employ staff and hold funds in their official capacity. The Chief Constable is charged with the impartial direction and control of all constables and staff within his police force. Staff of the Commissioner are accountable to the Commissioner as the directly elected holder of that office.

As separate corporate entities created by statute, the Commissioner and the Chief Constable have those powers:

- expressly stated in legislation,
- necessarily and properly required for carrying into effect the purposes of their incorporation as set out in legislation, and/or
- that may be fairly regarded as incidental to, or consequential on, those things which legislation authorises.

Notwithstanding their distinct legal entities, the functions of the Commissioner and the Chief Constable are acknowledged to have such interdependence as to permit the sharing of significant areas of business support. Such sharing is not regarded as the provision of services by one to the other but rather a cooperative arrangement for the effective delivery of business support essential to the operation of both offices.

Anything that legislation does not expressly or impliedly authorise, is to be taken to be prohibited.

Powers are given to the Chief Constable by laws, orders, rules or regulations. Also national conditions of employment give powers to the Commissioner and the Chief Constable. This Manual does not attempt to identify all the statutory functions of the Commissioner, the Chief Constable and the other officers referred to herein, which are contained in specific legislation and regulations (including the Act), and due regard is to be given to the terms of the same.

There are legislative requirements upon the Commissioner and the Chief Constable to appoint certain officers: -

- The Commissioner must appoint a chief executive who has the duties of a head of paid service under section 4 of the Local Government and Housing Act 1989 and monitoring officer under section 5 of that Act.¹¹
- The Commissioner and the Chief Constable must each appoint a suitably qualified chief finance officer who is responsible for the proper administration of the Commissioner or Chief Constable's financial affairs, in accordance with sections 112 to 116 of the Local Government Finance Act 1988 (paragraph 6(1) and (4) of Schedule 1.¹²
- The roles of the two Chief Finance Officers must adhere to the CIPFA guidance contained within the CIPFA Statement on the role of the Chief Finance Officer and the five guiding principles therein, and to the Financial Management Code of Practice.

The Commissioner and the Chief Constable may appoint such other staff as each thinks appropriate to enable him to exercise his functions (or, in the case of the Chief Constable, to otherwise assist the police force)¹³.

The allocation of powers to staff pursuant to the Scheme will not prevent such person from referring a matter to the Commissioner and/or to the Chief Constable for decision if they wish or consider it appropriate.

The Commissioner and the Chief Constable will expect their respective staff to draw to their attention sensitive issues or any matter which may have a significant financial, legal, operational or reputational implication.

This Scheme also does not prejudice the ability of the Commissioner to arrange for his Deputy Commissioner to exercise any function of the Commissioner in accordance with section 18(1)(b)¹⁴, or similarly the ability of a Deputy Chief Constable to exercise and perform all or any of the functions of the Chief Constable pursuant to section 41 of the Act.

The Police and Crime Commissioner

- 1.1.1 The core statutory functions of a Commissioner are to secure the maintenance of the police force, secure that the force is efficient and effective, and hold the Chief Constable to account for the exercise of his functions and the functions of persons under his direction and control. The Commissioner also has specific responsibilities for the delivery of community safety and crime reduction, and has the ability to make crime and disorder reduction grants within the force area. The Commissioner also has responsibilities in relation to the efficiency and effectiveness of the criminal justice system locally. The Commissioner must not restrict the operational independence of the police force and the Chief Constable who leads it.

¹¹ Paragraph 6(1) of Schedule 1 and paragraphs 201 and 202 of Schedule 16

¹² Paragraph 4(1) and (3) of Schedule 2 and paragraphs 186 to 190 of Schedule 16 .

¹³ Paragraph 6(3) of Schedule 1 and paragraph 4(2) of Schedule 2

¹⁴ As restricted by the provisions of section 18(7) of the Act

- 1.1.2 The Commissioner is the legal contracting body who owns all the assets and liabilities, with responsibility for the financial administration of his office, including all borrowing limits.
- 1.1.3 The Commissioner is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. All funding for the Force will come via the Commissioner. How this money is allocated is for the Commissioner to determine in consultation with the Chief Constable and in accordance with any grant terms.
- 1.1.4 The Commissioner is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of medium term financial plans in consultation with the Chief Constable. He is responsible for approving the overall framework of accountability and control, and monitoring compliance. This includes:
- Police and Crime Plan
 - Financial strategy
 - Annual revenue budget
 - Capital programme
 - Medium term financial strategy
 - Treasury management strategy, including the annual investment strategy
 - Asset management strategy
 - Risk management strategy
 - Governance policies
- 1.1.5 The Commissioner is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions. The Commissioner is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
- 1.1.6 The Commissioner will be responsible for handling any complaints and conduct matters in relation to the Chief Constable, monitoring complaints against his staff, and monitoring the way in which South Wales Police complies with the requirements of the IPCC. The Chief Constable will manage all complaints against the Force, its officers and staff and will ensure that the Commissioner is kept informed. Serious complaints and matters to do with conduct must be passed to the Independent Police Complaints Commission in line with the law. Complainants who are dissatisfied have a right of appeal to the IPCC and not to the Police & Crime Commissioner.

The Deputy Police and Crime Commissioner (Deputy Commissioner)

- 1.1.7 The Deputy Commissioner may exercise any function conferred on him or her by the Commissioner, in accordance with section 18(1)(b) and as restricted by section 18(3)(b) of the Act.

The Chief Constable

- 1.1.8 The Chief Constable has the core function of preserving the Queen's Peace and enforcing the law through the officers of the force and its staff who are under his direction and control¹⁵
- 1.1.9 The Chief Constable will have day to day responsibility for financial management of the force within the framework of the agreed budget allocation, rules of virement, reporting arrangements and levels of authorisation issued by the Commissioner. In operating day to day financial management, the Chief Constable shall comply with the approved framework of accountability. The Chief Finance Officer will be responsible for the proper administration of the Chief Constable's financial affairs.

¹⁵ *R v Metropolitan Police Commissioner, ex p Blackburn* [1968] CA).

- 1.1.10 The Chief Constable will ensure that the financial management of any budget allocated to the force remains consistent with the objectives and conditions set by the Commissioner. The Chief Constable will discharge this through the Chief Finance Officer who will lead for the force on financial management.
- 1.1.11 When the Chief Constable intends to make a significant change of policy or seeks to move significant sums of their budget then the approval of the Commissioner should be sought.
- 1.1.12 The Chief Constable (through the Chief Finance Officer) shall prepare Financial Procedures which are consistent with and which supplement the Financial Regulations, and which provide detailed instructions on the operation of the specific financial processes. The Chief Constable shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.

The Chief of Staff

- 1.1.13 The Chief of Staff is responsible for the management and general administration of the Commissioner's Office.
- 1.1.14 The Chief of Staff is also the Commissioner's designated monitoring officer, pursuant to section 5(1) of the Local Government and Housing Act 1989 and fulfils the role of the Chief Executive as outlined in the Act.

The Treasurer

- 1.1.15 The Treasurer is responsible for proper financial administration and has a personal fiduciary responsibility to the local taxpayer.
- 1.1.16 The Treasurer's statutory responsibilities are set out in:
- Paragraph 6 of Schedule 1 to the Act 2011
 - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
 - The Accounts and Audit (Wales) (Amendment) Regulations 2010
 - S25 of the Local Government Act 2003.
- 1.1.17 The Treasurer has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Commissioner on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Commissioner's accounts, including group accounts.
- 1.1.18 The Treasurer is the Commissioner's professional adviser on financial matters. To enable him to fulfil these duties, and to ensure that the Commissioner is provided with adequate financial advice, the Treasurer:
- will be a key member of the Commissioner's Leadership Team, working closely with the Chief of Staff, helping the team to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest;
 - will be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the Commissioner, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and to ensure alignment with the Commissioner's financial strategy; and

- will lead the promotion and delivery by the Commissioner of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively and must ensure that the finance function is resourced to be fit for purpose.
- Will be actively involved in all strategic business decisions of the Commissioner and will advise in relation to risk management.
- Will act as the strategic lead for the shaping and delivery of the Commissioner's commissioning strategy.

The Chief Finance Officer

- 1.1.19 The Chief Finance Officer has responsibility for proper financial administration and has a personal fiduciary responsibility to the local taxpayer.
- 1.1.20 The Chief Finance Officer is responsible to the Chief Constable and to the Commissioner for all financial activities within the Force or contracted out under the supervision of the Force.
- 1.1.21 The responsibilities of the Chief Constable and the Chief Finance Officer are set out in:
- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Act 2011
 - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
 - The Accounts and Audit (Wales) (Amendment) Regulations 2010
- 1.1.22 The Chief Finance Officer has certain statutory duties which cannot be delegated, namely, reporting any unlawful or potentially unlawful expenditure by the Chief Constable or officers of the Chief Constable to the Chief Constable, the Commissioner and the external auditor, and preparing each year (in accordance with proper practices in relation to accounts) a statement of the Chief Constable's accounts. The Chief Finance Officer will also need to observe the locally agreed timetable for the compilation of the group accounts by the Commissioner.
- 1.1.23 The Chief Finance Officer is the Chief Constable's professional adviser on financial matters. To enable him to fulfil these duties the Chief Finance Officer:
- will be a key member of the Chief Constable's Chief Officer Team, helping it to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest;
 - will be actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer term implications, opportunities and risks are fully considered; and
 - will lead the promotion and delivery by the Chief Constable of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively and must ensure that the finance function is resourced to be fit for purpose.
- 1.1.24 It is recognised that the Financial Regulations (Part 3d) cannot foresee every eventuality. The Chief Finance Officer in consultation with the Treasurer, will be responsible for interpreting the Financial Regulations so as to ensure the efficient and effective operation of services.

The Joint Audit Committee

- 1.1.25 From the start, the Chief Constable and the Commissioner agreed to establish a Joint Audit Committee. This is consistent with the Financial Management Code of Practice which states that such a combined body should consider the internal and external audit reports of both the Commissioner and the Chief Constable. This Committee will advise the Commissioner and the Chief Constable according to good governance principles and will:
- provide independent assurance to the Commissioner and the Chief Constable regarding the adequacy of the risk management framework and the associated control environment,
 - provide independent scrutiny of the Chief Constable's and the Commissioner's financial performance,
 - oversee the financial reporting process adopted from CIPFA Audit Committees Practical Guidance for Local Authorities.
- 1.1.26 The Joint Audit Committee shall comprise between three and five members who are independent of the Commissioner and the Force. The initial five members were appointed jointly by the Commissioner and the Chief Constable following public advert and a joint interview process.
- 1.1.27 The Joint Audit Committee will have formal terms of reference, covering its core functions, which shall be formally adopted.
- 1.1.28 The Commissioner and Chief Constable shall both be represented at all meetings of the Joint Audit Committee.

3: SCHEME OF GOVERNANCE

Part 3a: HALLMARKS OF RELATIONSHIPS

1. Introduction

The Home Secretary required that Stage 2 Transfer Schemes in relation to police staff – made necessary by the terms of the Police Reform and Social Responsibility Act 2011 - were submitted for approval. Both the Commissioner and the Chief Constable were determined that the South Wales Stage 2 Transfer Scheme made a clear statement, being driven by a common understanding of relationships, partnership working and positive culture, rather than legal process.

The Commissioner and the Chief Constable are each a corporation sole, with the Chief Constable having operational independence and the Commissioner having overall responsibility for setting priorities (through the Police & Crime Plan) and for the budget and strategic relationships.

In South Wales, notwithstanding their formal ‘corporation sole’ status, the relationship between the Commissioner and the Chief Constable has, from the outset, been built on the basis of working together for the benefit of the people of South Wales, under the joint banner of ‘South Wales Police’.

Who employs the workforce is secondary to the core principle that the Chief Constable will exercise his direction and control over his staff in such a way as to enable and support the Commissioner to exercise his functions, and in this way staff will support both the Commissioner and the Chief Constable in the exercise of their functions. In the same spirit the Commissioner expects the members of his support team, notwithstanding that the Commissioner is their employer, to do all they can to support the Chief Constable as well as the Commissioner. In other words everyone in South Wales Police will have a clear duty to support and provide services as needed to both the Commissioner and the Chief Constable in delivering their respective statutory functions, delivering the outcomes set out in the Police and Crime Reduction Plan and in their ultimate joint responsibility of serving the public.

Any arrangements will therefore take due account of the following issues:

- a) What are the underlying relationships?
- b) What are we trying to achieve?
- c) How do we define our governance arrangements?
- d) How do we make it work? How do the Chief Constable and the Commissioner get what they require - individually and jointly- to fulfil their respective roles?

2. What are the underlying relationships?

The relationship between the Commissioner and Chief Constable is built on trust, confidence and transparency. All dealings between them will be on an ‘open book’ basis.

The governance arrangements adopted will be consistent with the need to ensure accountability both between the parties and also accountability to the public. A transparent and auditable approach will therefore apply¹⁶.

¹⁶ Prior to November 2012 the Police Authority was the sole legal entity, which was separate from the Chief Constable and the Force.

The Act created a quite different relationship to the relationship prior to November 2012 between the former Police Authority and the Chief Constable. The Act created two separate corporations sole, and the Commissioner and Chief Constable have decided to play to the potential strengths of the legal change rather than treating it as a problem.

There is no standard definition of 'open-book' - which is the chosen terminology within South Wales Police - but both parties are committed to the continuous review and assessment of the service provided (and any costs associated therewith) on a transparent basis, with open access being given to information, services and professional advice.

3. What are we trying to achieve?

In this context, the hallmarks for the governance of the relationship between the Commissioner and the Chief Constable will be based on the following:

- Supporting the best interests of the public they serve
- Ensuring that staff provide a consistent and quality service to both the Commissioner and the Chief Constable, as required and as a matter of day-to-day practice.
- Supporting the effective delivery of the statutory responsibilities of both the Commissioner and the Chief Constable while taking account of the requirements of the Policing Protocol, the Strategic Policing Requirement and the Financial Management Code of Practice
- Supporting the delivery of the Commissioner's Police and Crime Reduction Plan (which the Commissioner has issued but in respect of which the Chief Constable has been consulted) and the Force Delivery Plan (through which the Chief Constable sets out how he intends to achieve the outcomes set out in the Police and Crime Reduction Plan that fall within his remit, while contributing to other aspects of the Plan, for example through partnership working and development work).
- Recognising the roles and responsibilities of the Commissioner and the Chief Constable, and acknowledging areas where the Commissioner has a leading role
- Developing a culture of trust and joint endeavour
- Providing clarity of delivery and accountability
- Ensuring responsiveness in a timely manner; including the delivery of such information and services as will enable the Commissioner to discharge the duties of his office
- Ensuring quality of service; with a process to escalate any service failures for speedy resolution which will support the adoption of an 'Open Book' approach
- Maximising efficiency and minimising bureaucracy in decision making.
- Demonstrating 'Value for Money'
- Providing flexibility to meet operational need
- Taking account of and to being consistent with the risk appetite of both the Commissioner and the Chief Constable
- Facilitating collaboration between both the Commissioner and the Chief Constable
- Supporting wider collaboration and partnership/stakeholder engagement

These Hallmarks will be the subject of periodic review, to ensure that they continue to reflect the needs of both the Commissioner and the Chief Constable.

4. How do we define our governance requirements?

The governance arrangements will accord with the 2011 Act, the Statutory Policing Protocol, Home Office Financial Management Code of Practice and existing guidance on financial and governance matters.

This Manual of Governance comprising of a scheme of consent, scheme of delegation, financial regulations and standing orders relating to contracts will enable effective accountability and will govern the relationship between the Commissioner and the Chief Constable, but the operation of these documents will be firmly underpinned by these hallmarks of governance and relationships.

The Commissioner's Strategic Board chaired by the Commissioner, (and attended by the Deputy Commissioner and Assistant Commissioner) will hold the Chief Constable to account in securing the maintenance of an efficient and effective police service for South Wales, but will fully involve both the Chief Constable's Chief Officer team and the Commissioner's Leadership team in making policy and key decisions. The terms of reference for the Board are incorporated in this Manual of Governance. The Commissioner will hold the Chief Constable to account on delivering the Commissioner's objectives effectively and efficiently, through scrutiny of financial and performance reports from the Chief Constable and one off reports on specific areas of interest or concern. The Chief Constable, in turn, will hold his Chief Officers to account for their performance in the monthly Chief Constable Gold meetings

5. How do we make it work? How do the Chief Constable and the Commissioner get what they require - individually and jointly- to fulfil their respective roles?

Any services provided will be monitored on an ongoing basis to ensure they continue to provide an efficient, effective and a Value for Money service.

There will be a clearly defined process for resolving any issues regarding the service received between the Commissioner and the Chief Constable. An escalation process will ensure that any matters are addressed at the appropriate level, with issues being referred in the first instance for resolution between the respective Departmental Head and the Commissioner's Chief of Staff. It is anticipated that the majority of issues should be capable of resolution at this first stage.

Should a matter need to be escalated then it will be referred to the Assistant Commissioner and relevant Chief Officers. In the event that it remains unresolved, the issue will be considered by the Deputy Chief Constable and Deputy Commissioner; with escalation to the Commissioner and Chief Constable being a last resort. However the "Line of Sight" approach that has been a key principle of governance for some time will be combined with a "no surprises" rule that avoids the process of escalation being the cause of avoidable bureaucracy or delay in resolving issues.

These paragraphs describe the formality that is necessary to resolve problems when they arise, but in practice there is a day-to-day engagement between the Chief Constable and the Commissioner and their respective teams which is constructive and which is based on mutual respect and shared goals. A good understanding of each other's ways of working and the way in which each "corporation sole" delegates responsibilities and leadership on different issues is intended to keep disagreement and the need to resolve issues to a minimum.

It is the view of the Commissioner and the Chief Constable that members of their team should flag up potential issues for formal resolution as early as possible so that formal processes can be pursued quickly and efficiently when they are necessary.

6. Conclusion

Both the Commissioner and Chief Constable agree that, whilst being mindful of their respective roles and responsibilities, the importance of clear governance arrangements and the operational independence of the Chief Constable – a 'team' or 'co-operative' approach will be the key basic principle that underpins the organisational culture, and that of the workforce.

Background

A Decision Making and Accountability Framework will be vitally important to support both the Commissioner and the Chief Constable in their respective roles. The meeting structures outlined below have been developed to support the Commissioner and the Chief Constable in ensuring they have successful, robust and effective mechanisms for delivering policing services to the public of South Wales.

This framework will ensure that decisions are taken at the most appropriate level, ensuring transparency of information in relation to decisions. It will also (as set out in Part 4 of this Manual) ensure that such decisions are recorded in a uniform and consistent manner.

1: THE COMMISSIONER AND THE CHIEF CONSTABLE

An effective, constructive working relationship will be achieved where communication and clarity of understanding are at their highest. There needs to be a mutual understanding of, and respect for the statutory functions of each corporation sole which will enhance policing in South Wales.

The aim of this section is to be clear about responsibilities which will in turn ensure that officers, staff and the public alike are clear about the respective duties of the Commissioner and the Chief Constable. That is why the Police and Crime Reduction Plan is based on clarity as to who is responsible for what and who takes the lead in areas of shared responsibility.

Not all the aspirations set out in the Police and Crime Reduction Plan are for the police – or the police alone – to deliver. That is why, in the second iteration of the Police and Crime Reduction Plan, the Plan's objectives were set out within "four quartiles" :

- The first quartile refers to "policing priorities" which fall primarily to the Chief Constable although the Commissioner will seek to contribute to success in that section
- The second quartile refers to partnership working on which the Commissioner has a significant lead role but to which the Chief Constable and his team contribute significantly, both strategically and through local partnership working, including community safety partnerships, youth offending teams and developmental work such as with the 18-25 age group and violence reduction work
- The third quartile refers to developing work when the Commissioner and the Chief Constable are seeking to scope needs and methods for future working. Initial topics include the needs of the growing population of elderly people and the challenge of dealing with internet-enabled criminal activity.
- The fourth quartile refers to the Commissioner's duty under the Act¹⁷ to make arrangements with bodies in the Criminal Justice System for the exercise of functions so as to provide an efficient and effective criminal justice system for the South Wales police area.

This is intended to provide clarity about the planning framework within which each corporation sole will seek to carry out their duties.

Duty of the Commissioner

On behalf of the people of South Wales it is the duty of the Commissioner to maintain an effective and efficient police service and to hold the Chief Constable to account for the delivery of policing services. In order to achieve this, the Commissioner will:

- Set the strategic direction and police and crime objectives through the Police and Crime Reduction Plan
- Support and scrutinise the delivery of the police service against the Police and Crime Reduction Plan, and where necessary robustly challenge that delivery

¹⁷ Section 10(3) of the Act

- Support and scrutinise the efficiency and effectiveness of the policing, the management of resources and the expenditure by the police force to ensure that it continues to provide value for money
- Support and scrutinise the delivery of services identified within the Strategic Policing Requirement
- Report to the Police and Crime Panel on delivery, and provide an annual report against the Police and Crime Reduction Plan
- Set the level of the policing precept for South Wales following consultation with the Chief Constable and the Police and Crime Panel and having regard to decisions of Welsh Government
- Provide the Chief Constable with the money required to deliver policing.
- Provide the Chief Constable with the facilities and equipment required to deliver policing
- Work with the other Police and Crime Commissioners in Wales and more widely to identify, develop and implement agreements to have shared services that will enhance the capability, efficiency or quality of policing services
- Publish appropriate information to enable the public to assess the delivery and performance of the Commissioner and Chief Constable
- Monitor satisfaction with the quality of the policing service received, by scrutinising the complaints and the overall feedback about the service
- Manage complaints received about the Chief Constable

Duty of the Chief Constable

The Chief Constable will deliver effective policing services and will work with the Commissioner to deliver the Police and Crime Reduction Plan. He will be held to account for the delivery against the Plan for the policing services that are provided to the public. In order to discharge this duty the Chief Constable will:

- Lead the force in a way that is consistent with the attestation made by all constables on appointment and seek to ensure that it acts with impartiality
- Have regard to the Strategic Policing Requirement when exercising and planning the policing functions in respect of the Force's national and international policing responsibilities
- Support the Commissioner in the delivery of the strategy and objectives set out in the Police and Crime Reduction Plan
- Assist the Commissioner in planning the Force's budget
- Exercise his direction and control over his staff in such a way as to enable and support the Commissioner to exercise his functions
- Deliver such information and services as will enable the Commissioner to discharge the duties of his office
- Manage resources efficiently
- Notify and brief the Commissioner of any matter or investigation on which he may need to provide public assurance either alone or in conjunction with the Chief Constable
- Be the operational voice of policing in the Force area and regularly explain to the public the operational actions of officers and staff under his command
- Enter into collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency or effectiveness of policing, and with the agreement of their respective Commissioner.

- Remain politically independent of the Commissioner
- Manage all complaints against the Force, its officers and staff, except in relation to the complaints made against the Chief Constable, and ensure that the Commissioner is kept informed in such a way as to enable him to discharge his statutory obligations in relation to such complaints. Serious complaints and conduct matters must be passed to the Independent Police Complaints Commission in line with legislation
- In consultation with the Chief Finance Officer, have responsibility for the financial management of the Force within the framework of the agreed budget allocation and levels of authorisation issued by the Commissioner

Direction and Control – a definition

The Chief Constable is responsible for the direction and control of the police force. In order to provide clarity, the direction and control of a Chief Constable includes:

- Total discretion to investigate or require an investigation into crimes and individuals as he sees fit
- The ability to issue a warrant to an attested officer with which that officer may exercise their police powers
- Decisions in relation to the appointment and dismissal of officers under the direction and control of the Chief Constable and staff employed by the Chief Constable.
- Decisions concerning the configuration and organisation of policing resources, including the decision whether or not to deploy police officers and staff.
- Operational decisions to reallocate resources within the terms of the agreed financial regulations to meet demand; and
- The allocation of specific duties and responsibilities to officers within the Force area to meet the strategic priorities set by the Commissioner.

ARRANGEMENTS FOR REVIEW OF GOVERNANCE

- A formal review of the Manual of Governance will be undertaken annually.

The Police and Crime Commissioner

- The Treasurer, under delegated authority from the Commissioner, is responsible for corporate governance issues affecting the Commissioner and his office, including:
 - the review of the Manual of Governance and
 - Strategic co-ordination and planning, including risk management
- The Commissioner will produce an Annual Governance Statement which will be published on his website alongside the annual Statement of Accounts.
- The Annual Governance Statement will identify any significant areas of weakness in internal control and/or corporate governance.

The Chief Constable

- The Deputy Chief Constable, under delegated authority from the Chief Constable, is responsible for corporate governance issues affecting the Force, ensuring that appropriate reviews, both pro-actively and reactively, are carried out into key areas and highlighted, including:
 - Professional standards and performance
 - Strategic co-ordination and planning, including risk management and business continuity, and strategic assessments
 - Crime recording
- The Assistant Chief Constable (Support) is responsible for the management of information, including information security and data protection
- The Chief Constable will produce an Annual Governance Statement which will be published on the Force website alongside the annual Statement of Accounts. The Annual Governance Statement will identify any significant areas of weakness in internal control and/or corporate governance.

The Joint Audit Committee

- The Committee's terms of reference include reference to their role in respect of the corporate governance arrangements and in maintaining an overview of the regulatory framework.

The Governance Working Group

- Terms of Reference for this Group will be subject to agreement by the Commissioner's Strategic Board and the Group will make report to and recommendations to the Commissioner's Strategic Board
- The Group, which comprises senior officers from the Commissioner's Office and Force, will meet on a quarterly basis and be responsible for:
 - Maintaining an overview of compliance with the Manual during the year, including the system of internal control
 - Preparing the draft Annual Governance Statement(s)
 - Recommending any action plan(s) necessary to rectify significant areas of weakness
 - Monitoring the implementation of agreed action plans
- Reports from this Working Group will be presented to both the Chief Constable's Gold and the Commissioner's Strategic Board.

Internal audit

- There is a duty upon both the Commissioner and the Chief Constable to maintain an effective internal audit function. The Commissioner and the Chief Constable wish to minimise duplication and bureaucracy, and to maximise value for money, when designing their internal audit arrangements. The annual audit plan will be prepared in consultation with both the

Commissioner and the Chief Constable, and will be considered and approved by the Joint Audit Committee. This plan will also detail how reports are to be received, distributed and followed up.

- The primary role of internal audit is to give assurance to the Commissioner and Chief Constable, through their Deputy Chief Constable and respective chief finance officers, on the effectiveness of the controls in place to manage risks. To this end Internal Audit will deliver an annual opinion on the effectiveness of the controls reviewed by the Internal Audit team. This annual opinion, set out in the annual report of the Internal Auditor, will be one of the key sources of evidence in support of the Annual Governance Statement(s).
- Internal Audit will provide regular update reports to the Joint Audit Committee, including areas of concern.
- Major control weaknesses will be reported to the Force Risk Management Group and to the Joint Audit Committee.
- The review of both the corporate governance and risk management arrangements periodically feature in the annual audit plan. Corporate governance and risk management issues may arise through other reviews carried out by Internal Audit. In this case the issues will be dealt with initially in the relevant audit report. Significant governance failures identified through general audit work will also be referred to the Governance Working Group.

- **External Audit**

- The external auditor will audit the financial statements of the Commissioner and Chief Constable, as well as the Group accounts and will also review the Annual Governance Statement(s).
- External audit plans and reports, including the Annual Audit Letter, are considered by the Joint Audit Committee at appropriate times in the annual cycle of meetings.
- There is a duty upon both the Commissioner and the Chief Constable to respond to reports by the external auditor.

- **Her Majesty's Inspectorate of Constabulary (HMIC)**

- The role of HMIC is to promote the economy, efficiency and effectiveness of policing in England, Wales and Northern Ireland through inspection of police organisations and functions to ensure agreed standards are achieved and maintained; good practice is spread and performance is improved. It also provides advice and support to the tripartite partners (Home Secretary, Commissioners and Chief Constables).
- HMIC reports are sent to the Chief Constable and the Commissioner for consideration and appropriate action. HMIC, working alongside external audit, will play a key role in informing the Commissioner and the public on the efficiency and effectiveness of their forces and, in so doing, will facilitate the accountability of police and crime commissioners to the public.
- Commissioners have a duty in law to comment on any HMIC report which includes information on their force and to publish these along with any comments submitted by their Chief Constable. Commissioners must also send a copy of their published comments to the Home Secretary. The Commissioner will seek the views of the Chief Constable before responding.
- This process will be managed by the Chief of Staff (for the Commissioner) and the Deputy Chief Constable (for the Chief Constable).

MEETING STRUCTURE FOR DECISION MAKING AND ACCOUNTABILITY

Process and support (SPOC) for meeting structure:

It is accepted that both the Commissioner and the Chief Constable will want to maintain a separate process for collating and circulating reports for each meeting. Each process will identify a specific point of contact, who will:

- Collate the approved reports for their specific process area and ensure that contact details are correct at all times
- Circulate the approved reports within the relevant timescales
- Manage any late papers within the appropriate protocol,
- Only accept reports from other recognised points of contact.
- Ensure that the correct protocol has been followed with regard to restricted (Part 2) information, as outlined in Part 4 of this Manual
- Accurately record actions, outcomes and decisions from the key meetings as outlined in this Part 3C
- Ensure that all decisions are published (other than those excluded under Part 2).

1. CHIEF CONSTABLE AND POLICE & CRIME COMMISSIONER MEETINGS

To maintain an effective working relationship between the Chief Constable and the Police & Crime Commissioner, it is essential that there is regular contact between both offices.

This will be supported by weekly meetings between the Commissioner and the Chief Constable

Liaison with the Office of the Police & Crime Commissioner

Commissioner: Single Point of Contact

Chief of Staff

Chief Constable: Single Point of Contact:

Assistant Director, Head of Corporate Development

The Assistant Director, Head of Corporate Development will keep in regular contact with the Chief of Staff to ensure openness, transparency and open communication between the Chief Constable's office and the Commissioner's Office.

2. The Commissioner's Strategic Board

Purpose of meeting:

These meetings between the Commissioner and Chief Constable (and their senior officers) are a key element of the governance framework, and are scheduled to occur on a monthly basis. The agenda content will be agreed in advance between the Commissioner and the Chief Constable.

The Commissioner will use the Board to hold the Chief Constable to account for the performance against the Police and Crime Reduction Plan. The Board meetings aim to facilitate a successful and constructive working relationship between the Commissioner and the Chief Constable at a strategic level leading to the effective delivery of the Police and Crime Reduction Plan. The Board will also provide the Commissioner with a means of continuously monitoring whether the force is efficient and effective

Key issues to be addressed:

- Proposal of policy for agreement
- Proposal of in-year changes to agreed policy
- Monitor performance to policy

The Commissioner's Strategic Board shall monitor performance against and consider changes to:

- Police and Crime Reduction Plan
- Performance against the Force Delivery Plan
- Budget and Capital Programme – (Lead Officers: the Treasurer and the Chief Finance Officer)
- Equality and Diversity Strategy – (Lead Officers: the Deputy Commissioner and the Deputy Chief Constable)
- Communications Plan
- Risk Management Strategy - (Lead Officers: the Treasurer and the Chief Finance Officer)
- People, Learning and Development Strategy (Lead Officers: Chief of Staff and Director of Support Services)
- Asset Management Plan (Lead Officers: the Treasurer and the Chief Finance Officer)
- ICT Strategy
- Annual Procurement Plan (Lead Officers: the Treasurer and the Chief Finance Officer]

Commissioner's Single Point of Contact

Chief of Staff

Chief Constable's Single Point of Contact:

Assistant Director, Head of Corporate Development

Attendees:

- Police and Crime Commissioner
- Deputy Police and Crime Commissioner
- Assistant Police and Crime Commissioner(s)
- Chief of Staff
- Treasurer
- Chief Constable
- Deputy Chief Constable
- Chief Finance Officer
- Other Chief Officers, as required
- Assistant Director, Head of Corporate Development
- Assistant Director, Head of Joint Legal Services

Frequency:

Monthly.

Process:

- Papers will be provided to the Chief of Staff by 5pm, **SIX** working days prior to the meeting. All papers should be forwarded to the Chief of Staff electronically. A report template can be found at Part 4: Appendix A (Documents 1 and 2).
- Any papers received after this deadline **WILL NOT** be included in the meeting bundle
- The Chief of Staff will circulate papers electronically to attendees **THREE** working days before the meeting
- The circulation list will be restricted to the attendees listed above
- Requests for extra copies should be made to the Chief of Staff
- Late papers will only be accepted with the permission of the Commissioner (to be marked as a late paper and circulated on the day of the meeting).
- Secretariat support will be provided by the Commissioner's Office who will:
 - Draft agenda(s)
 - Collate papers
 - Circulate the agenda and papers
 - Record actions and decisions taken at the meeting(s)
 - Publish actions and decisions on the internet/intranet
 - Follow up actions in advance of the following meeting
- Quality assurance of the agenda and papers will be undertaken by the Chief of Staff.

Reporting / decision-making

These meetings will be minuted, and these minutes will (subject to the provisions of Part 4 of this Manual) be published on the Commissioner's website within 7 working days of the meeting.

All decisions will be reported through the decision log. It will be the responsibility of the Chief of Staff to ensure that all decisions made at meetings between the Commissioner and the Chief Constable are recorded in the decision log, along with the relevant supporting documentation. The decision log will be published on the Commissioner's website within 7 working days of the meeting.

These will be subject to the publication scheme and will comply with South Wales Police's Welsh Language Scheme.

3. Chief Constable's Gold Meeting

Purpose of Meeting:

- To agree the strategic direction of the Force in line with its Mission, Vision and Values.
- To monitor and facilitate performance against the Police and Crime Reduction Plan and the Force Delivery Plan.
- To monitor/expedite business with the Police and Crime Commissioner.

Secretariat Support:

Assistant Director, Head of Corporate Development
(Resilience: Assistant Director, Head of Joint Legal Services)

Attendees:

- Chief Constable,
- Deputy Chief Constable,
- Chief Officers,
- Assistant Director, Head of Corporate Governance
- Assistant Director, Head of Joint Legal Services

Frequency:

Monthly (to follow the COMPSTAT meeting within the Force and to precede the monthly meeting of the Commissioner's Strategic Board)

Process:

- Papers will be sent out 3 working days before the meeting
- The Executive Support Team will prepare the agenda, expedite the actions and record the decisions for each meeting.
- Quality assurance of the agenda and papers will be through the Assistant Director, Head of Corporate Development.
- The Assistant Director Head of Corporate Development and the Assistant Director Head of the Joint Legal Services will brief Chief Constable before each meeting
- Any late papers or any other business will need to be approved by the Chief Constable prior to the meeting..

Reporting / decision-making

These meetings will be minuted, and these minutes will (subject to the provisions of Part 4 of this Manual) be published on the South Wales Police intranet and external website.

All decisions will be reported through the decision log. It will be the responsibility of the Assistant Director, Head of Corporate Development to ensure that all decisions made at these meetings are recorded in the decision log, along with the relevant supporting documentation.

These will be subject to the Force publication scheme and will comply with the Force's Welsh Language Scheme.

4. Joint Audit Committee

Purpose of Meeting:

The Joint Audit Committee will provide an independent assurance function in respect of the arrangements for governance. This will include assurance on financial and non-financial performance where there is an implication for exposure to risk or where there may be a weakening of the internal control environment. The Committee is responsible for assurance on the overall adequacy of risk management arrangements and will oversee the financial reporting process. The Committee will deal with all matters on internal audit standards.

Secretariat Support:

Chief of Staff/members of the Commissioner's Office

Membership:

- The five members of the Joint Audit Committee appointed jointly by the Commissioner and the Chief Constable.

Other meeting attendees:

- Treasurer,
- Chief Finance Officer (Chief Constable),
- Chief of Staff,
- Assistant Director, Head of Corporate Finance
- Assistant Director, Head of Joint Legal Services
- Assistant Director, Head of Corporate Development,
- Internal & External Auditors.

Terms of Reference:

Audit Activity

- To approve the Annual Audit Plan.
- To consider the head of internal audit's annual report and opinion, and a summary of internal audit activity and the level of assurance it can give over the Commissioner's and Chief Constable's agreed Governance arrangements.
- To consider internal audit reports and a report on the implementation of agreed audit recommendations.
- To consider reports dealing with the management and performance of the providers of internal audit services.
- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance, i.e. the Commissioner and the Chief Constable including the Annual Governance Statement and to the Manual of Governance.
- To consider specific reports as agreed with the external auditor.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To commission and monitor the effectiveness of the work of the internal and external audit services.

Regulatory Framework

- To maintain an overview of the Manual and of any contract procedures rules, financial regulations and codes of conduct and behaviour.
- To review any issue referred to it by the statutory officers of either the Commissioner and/or the Chief Constable.
- To monitor the effective development and operation of corporate governance in both corporations sole.
- To oversee the production of the Commissioner's and Chief Constable's Annual Governance Statement and to recommend its adoption.
- To monitor Commissioner and Force policies on "Raising Concerns at Work" and the anti-fraud and corruption strategy, and the Commissioner and Chief Constable's complaints processes.

- To oversee the arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- To consider the Commissioner and Chief Constable's compliance with its own and other published audit standards and controls.

Financial Reporting

- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Commissioner/Chief Constable.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of accounts and to report these to the Commissioner and Chief Constable.
- To consider whether appropriate accounting policies have been followed and any changes to them.

Corporate Risk Management

- To monitor the effective development and operation of risk management for both the Commissioner and the Chief Constable.
- To approve the Commissioner's and Chief Constable's corporate risk management strategy and framework; ensuring that an appropriate framework is in place for assessing and managing key risks to the Commissioner and the Chief Constable.

Inspection and Review

- Considering HMIC reports, external review agency reports and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues for the Office of the Commissioner and/or South Wales Police.

Miscellaneous

- To receive any reports as necessary to the fulfilling of the statement of purpose and terms of reference
- To periodically review the effectiveness of the Committee in fulfilling its role

Frequency:

Quarterly

Process:

- Secretariat provided by the Commissioner's Office which will include preparation of the agenda, recording of decisions and taking of minutes.
- Quality assurance of agenda and papers will be by the Chief of Staff in conjunction with the Treasurer and the Chief Finance Officer.
- The Chief of Staff and/or the Treasurer will brief the Committee Chair before each meeting
- Any late papers or any other business will need to be approved by the Chair prior to the meeting.
- The minutes from the Committee will be forwarded to Commissioner and to the Chief Constable within 5 working days of the Committee meeting, and will be considered at both the Chief Constable's Gold meeting and at the Commissioner's Strategic Board.

Agenda: To be determined by the Committee Chair

5. Joint Planning and Performance Board

Purpose of meeting:

The Commissioner and Chief Constable have agreed that a joint approach to planning and performance should be developed, based on the fundamental principles that underpin the Police and Crime Reduction Plan, which are:

- Founded on an evidenced based approach
- Informed by meaningful engagement and consultation
- Recognising the importance of contributions by key stakeholders (for example, local authorities / health boards) and the role each has in delivering sustainable solutions

There is also an alignment between the planning process and the Medium Term Financial Strategy, as well as consideration of the impact of the Strategic Policing Requirement.

Monitoring performance is also a key part of the Commissioner's statutory responsibilities. Whilst current performance levels are reported at the monthly Commissioners Strategic Board meetings, there is a requirement to further scrutinise information to understand and address performance issues and provide the Commissioner with the basis to satisfy the public and the Police and Crime Panel on the force's response and his oversight.

In light of the "open book" approach agreed between the Commissioner and Chief Constable in the Hallmarks (Part 3a), a joint approach has been developed to oversee the planning process and performance management framework, co-ordinate the delivery of thematic reviews, as well as identify and strengthen the links between the performance and planning processes.

Overall strategic guidance and decision making will be provided by the Commissioner and Chief Constable, through the monthly Commissioner's Strategic Board meetings (to which updates will be provided from the Joint Planning and Performance Board).

Attendance

- Deputy Police and Crime Commissioner
- Assistant Police and Crime Commissioner
- Treasurer
- Commissioner's Planning and Performance Officer
- Deputy Chief Constable
- Assistant Chief Constable (Territorial Policing)
- Chief Finance Officer
- Assistant Director, Head of Corporate Governance
- Head of Corporate Secretariat Business Area

In addition to the above, invitations will be extended to the Assistant Director, Corporate Communications and others to attend meetings as and when required

Frequency

The Board will meet monthly, with meetings timed to ensure that the monthly reports are made in a timely manner for consideration at the Commissioner's Strategic Board meetings.

Thematic Reporting

In addition to the RAG rated Compstat style high level overview presentation, each Commissioner's Strategic Board will be provided with a thematic type presentation by the Chief Constable's team as an opportunity to "drill down" on areas of strategic importance, and provide the Commissioner with the opportunity to scrutinise critical areas of the delivery of outcomes in the Police and Crime Reduction Plan.

The Group will be responsible for co-ordinating the delivery of these themes, and for the ongoing monitoring of performance in these areas.

Additional topics for thematic review will be added to the programme as directed by the Commissioner and the Chief Constable, for example following a significant event or in response to widespread public concern, and it is proposed that the choice of themes could also be informed via the force Compstat meetings.

Terms of Reference:

- Develop a long-term joint planning process based on the fundamental principles of the Police and Crime Reduction Plan and linked to its priorities
- Provide direction and support for the respective planning teams of the Commissioner and the Chief Constable
- Recommend a framework and timescales for delivering/developing the Police and Crime Reduction Plan priorities in each individual year
- Monitor the delivery of the current year's planning process and of the priorities within the Police and Crime Reduction Plan
- Oversee the development and implementation of the joint planning process for forthcoming years
- Ensure that the planning process is aligned to the Medium Term Financial Strategy and the Strategic Policing Requirement
- Report progress to the Commissioner's Strategic Board and identify risks to the successful implementation of the Police and Crime Reduction Plan
- Ensure that the planning process captures, and seeks to promote, all relevant partner/stakeholder activity and is complementary to the Single Integrated Plan of each local authority in the South Wales police area, and other relevant plans
- Consider all communication and engagement requirements, making sure they are captured and reflected in existing communication strategies
- To identify any issues in relation to the wider Criminal Justice System including prosecution, courts, probation and supervision
- Review force performance targets and trends in line with the outcomes in the Police and Crime Reduction Plan
- To highlight areas of concern for escalation to the Commissioner's Strategic Board on a RAG rated basis.
- To review measures and targets to ensure they remain fit for purpose
- To recommend topics for a rolling programme of thematic in-depth reviews for detailed discussion at Commissioner's Strategic Board and to co-ordinate delivery of the same.
- To consider the findings of thematic reviews and test the rigour of same prior to referral to the Commissioner's Strategic Board.
- To ensure the links between performance and planning process are identified and communicated

6. Health Safety and Wellbeing Board

1. Purpose of the Board:

The Health Safety and Wellbeing Board is a Joint Advisory Board that shall act as a consultative and advisory body applicable to all individuals and groups of South Wales Police regarding, Health, Safety and Wellbeing.

2. Governance:

Chair:	Treasurer
Vice Chair:	ACC Territorial Policing
Secretary:	Director of Support Services

3. Terms of Reference:

- To provide a forum and system for raising strategic health, safety and wellbeing concerns regarding all aspects of health and safety management.
- To develop a standard agenda that ensures an analysis of the overall organisations performance with regard to safety, health and wellbeing.
- To provide effective coordination between the work of the Board and departments and Basic Command Units.
- Monitoring revised or forthcoming legislation to ensure compliance with legislation, guidance and best practise.
- To develop and approve health and safety policies and procedures in accordance with legislation and best practise and monitor their implementation through the results of audit and inspection.
- To approve the force audit programme, examine safety audit reports and agree key risk areas for future audit programmes (this includes any reports that may be provided by relevant enforcing authorities including the HSE, Local Authorities and Fire and Rescue Services).
- To produce detailed health and safety plans to achieve the health and safety objectives of South Wales Police.
- To monitor the allocation of resources for health and safety within South Wales Police.
- To monitor the introduction of any new measures, technologies or transformation change within South Wales Police which may substantially affect the health, safety and wellbeing of its officers and staff.
- To monitor and examine organisational health and wellbeing and incident trends of assaults/accidents and near misses at work and where appropriate, make recommendations to address the issue.
- To monitor the effectiveness of health and safety communications within South Wales Police.
- To monitor the effectiveness of health and safety training.

4. Support:

- The Health and Safety Adviser will act as meeting organiser and will liaise with a nominated Staff Officer from the Commissioner's office with regard to arrangements and administration.
- Minutes will be prepared by the Health Care and Safety Team and agreed with Staff Associations, the Chair and circulated to the members of the Board. They will be given to the Director of Support Services (as Board Secretary) for referral to the Chief Constable's Gold meetings.
- Board Minutes will be circulated locally via Board members for reference at departmental and BCU Health and Safety meetings.
- Board minutes will be uploaded onto the force intranet pages via Corporate Communications at the request of the force Health and Safety Adviser.

5 Frequency of Meetings:

Meetings of the Board will be held quarterly.

With the agreement of the Chair and Vice Chair (and at the request of the Secretary), a special meeting of the Board may be convened.

6. Papers:

- The agenda is to be agreed between the respective parties and is to be circulated by the Commissioner's office to all members seven clear days before the meeting.
- Written reports prepared by the originating side for consideration of inclusion on the agenda are to be submitted to the Health and Safety Adviser two weeks prior to the Board meeting and will be circulated within the aforementioned agenda.
- Urgent business other than that on the agenda may be introduced by agreement and by prior notification of the Board Chair.

7. Quorum:

No business shall be transacted at a meeting of the Health Safety and Wellbeing Board unless at least four of the members of the Board are present. (Two of these members should be Staff Association Representatives).

8. Approval of business:

- Conclusions shall be reached by agreement of the majority of HSW Board members present. This majority also refers to a majority agreement of the Staff Associations.
- All such agreement(s) of the Board will be subject to approval at Chief Constable Gold meetings (and, where appropriate, the Commissioner).
- In the event of all parties having no reservations or points of view which can be determined by the HSW Board, the matter will be discharged.

9. Reservation or Disagreement

In the event of remaining concerns held by Staff Associations where there may be reservations or disagreement about matters which have been the subject of consultation, Staff Associations may refer back to their respective branches and the agreed reservations will be submitted to the Treasurer.

PART 3c SCHEME OF CONSENT AND DELEGATION

1. INTRODUCTION

- 1.1** Section 18 of the Act permits a Commissioner to delegate his functions. The Commissioner is however prohibited from delegating his function(s) to:
- a) A constable (whether or not in England and Wales)¹⁸
 - b) Another police and crime commissioner
 - c) The Mayor's Office for Policing and Crime
 - d) The Deputy Mayor for Policing and Crime
 - e) The Mayor of London
 - f) The Common Council of the City of London
 - g) Any other person or body which maintains a police force
 - h) A member of staff of any person/body referred to in (a) to (g) above.
- 1.2** The Commissioner is also prevented from arranging for another person to exercise any of the following functions:
- a) issuing a police and crime plan
 - b) determining police and crime objectives
 - c) attending meetings of a police and crime panel in compliance with a requirements by the panel to do so (pursuant to section 29 of the Act)
 - d) preparing an annual report to a policing and crime panel
 - e) appointing and suspending the Chief Constable or calling upon the Chief Constable to retire or resign¹⁹
 - f) calculating a budget requirement (pursuant to section 43 of the Local Government Finance Act 1992).
- 1.3** This Scheme identifies those powers which may be exercised by the Commissioner but which, for the benefit of good practice, shall be exercised by his officers. It also sets out any constraints on those powers, including requirements to report back or advise the Commissioner, and addresses circumstances which will require consultation between the officers of the Commissioner and the Chief Constable.
- 1.4** The persons appointed as the Chief of Staff, the Treasurer and the Chief Finance Officer have statutory powers and duties relating to their positions, and therefore do not rely upon matters being delegated to them to carry out such powers and duties.
- 1.5** With the exception of any matters specifically reserved, any person (with appropriate authority) may delegate a matter further (subject to the restrictions of Section 18(6) Act which prohibits delegations to officers and staff employed by the Chief Constable)²⁰. The formal responsibility and accountability for the effective discharge of such sub-delegated powers shall remain with the person to whom the power was delegated by the Commissioner.
- 1.6** The Commissioner and/or the Chief Constable may also require that a specific matter is referred to them for decision and not dealt with pursuant to the specific provisions of this Scheme.
- 1.7** This Scheme also includes matters where the Chief Constable is acting in his own right and/or pursuant to the statutory duty upon the Chief Constable to exercise his power of direction and

¹⁸ This includes any Chief Constable

¹⁹ Any extensions to the Chief Constable's term of office will be a matter for the Commissioner in accordance with the Police Regulations 2003 (as amended by the Police (Amendment) Regulations 2006, the Police (Amendment) Regulations 2011 and the Police (Amendment No.4) Regulations 2012)

²⁰ In addition to the specific delegations in the Scheme authorising specified officers to undertake certain functions, there is case law (DPP v Haw [2007]) that where the responsibilities of an office created by statute are such that delegation is inevitable, there is an implied power to delegate. In such circumstances there is a presumption that, where statutory powers and duties are conferred, there is a power to delegate the same unless the statute conferring them expressly or by implication provides to the contrary

control in such a way as is reasonable to assist the Commissioner to exercise his functions (section 2(5) of the Act), and details delegations from the Chief Constable in support of this statutory obligation.

2. GENERAL PRINCIPLES

- 2.1 Paragraph 7(1) of Schedule 2 to the Act allows the Chief Constable to do anything incidental to the exercise of the Chief Constable's own functions (which encompasses the use of the Chief Constable's staff to provide services to support the Commissioner).

Specific examples of the provision of such support are detailed in the Financial Regulations (Part 3d) and the Standing Orders relating to Contracts (Part 3e). The provision of such services by staff and officers under the direction and control of the Chief Constable are provided in support of the Chief Constable's statutory obligation and are not exercised pursuant to a specific consent or delegation from the Commissioner.

- 2.2 The powers allocated pursuant to this Scheme must be exercised in accordance with the provisions of the:
- Financial Regulations (Part 3d)
 - Standing Orders relating to contracts (Part 3e)
 - Policies, principles, procedures, precedents, plans, strategies and budgets of the Commissioner and the Chief Constable, including without limitation the provisions of the Police and Crime Reduction Plan, each as current from time to time.
- 2.3 Any reference in this Scheme to any Statute or Statutory Instrument or any Section or Regulation thereof shall also be to the same as at any time amended or where such Act, Instrument, Section or Regulation has been replaced, consolidated or re-enacted, with or without amendment, such reference shall be to the provisions of the replacing, consolidating or re-enacting Statute or Instrument.
- 2.4 The Commissioner and the Chief Constable expect anyone exercising delegated powers or consents under this Scheme to draw to the attention of the Commissioner and/or the Chief Constable (as appropriate), any issue which is likely to be regarded by the Commissioner and/or the Chief Constable as novel, contentious or repercussive.
- 2.5 The Scheme does not attempt to list all matters which form part of everyday management responsibilities.

3. DUTIES UPON STATUTORY OFFICERS

- 3.1 All decisions made by officers pursuant to the provisions of this Scheme shall be properly documented and available for inspection at any time by the Commissioner and/or the Chief Constable, as appropriate.
- 3.2 Each of the officers referred to herein shall be responsible for ensuring that the provisions and obligations of this Scheme are properly drawn to the attention of members of staff under his direction and control.
- 3.3 Where a statutory officer is considering a matter that is within another statutory officer's area of responsibility, they should consult the other statutory officer before authorising the action (and references to statutory officers include any persons duly authorised to act on their behalf).
- 3.4 Officers must, when considering a professional or technical matter that is within the sphere of competence of another member of professional staff, consult with the appropriate person before authorising the action.

4. DELEGATIONS TO THE CHIEF OF STAFF:

- 4.1 To provide information to the Police and Crime Panel, as reasonably required to enable the Panel to carry out its functions.
- 4.2 To ensure, in consultation with the Chief Constable, that appropriate arrangements are made to gather the community's views on the policing of South Wales and the prevention of crime.
- 4.3 To consider, and approve in consultation with the Treasurer, the provision of indemnity and/or insurance to individual staff of the Commissioner.
- 4.5 To appoint and dismiss staff employed by the Commissioner pursuant to paragraph 6(2) of Schedule 1 of the Act, to make recommendations to the Commissioner relating to their Terms and Conditions of Service, to make all discretionary decisions under the Local Government's Pension Scheme in respect of those staff and to authorise, in accordance with the Terms and Conditions of Service for such staff, the suspension of staff and/or the termination of their employment, in all cases in consultation with the Director of Support Services and the Treasurer.
- 4.6 To approve payments by way of bonus, productivity or performance related payment schemes and honoraria payments in recognition of additional duties and responsibilities or similar special payments for staff employed by the Commissioner.
- 4.7 To approve requests from staff employed by the Commissioner to undertake additional outside work.
- 4.8 To approve the retirement of staff employed by the Commissioner on the grounds of ill health and (in conjunction with the Treasurer) to approve the payment of ordinary and ill health pensions and gratuities as appropriate, with due regard to the advice of a selected medical practitioner.
- 4.9 To acquire, in consultation with the Treasurer, vehicles, plant, equipment and services required by the Commissioner and to make any arrangements for their use, disposal and replacement as appropriate and as contemplated by the capital programme.
- 4.10 To enter into contracts, in consultation with the Treasurer, for the maintenance of equipment and operating system licences (following appropriate advice from the CFO) provided that the necessary financial provision has been made in the revenue budget.
- 4.11 To act as "Proper Officer" to deal with various administrative matters involving the Commissioner, including any issues arising in respect of the Data Protection Act, the Freedom of Information Act and the Elected Local Policing Bodies (Specified Information)(Amendment) Order 2012 .
- 4.12 In conjunction with the Treasurer to manage the budget required by the Commissioner to exercise his functions, and in particular:
 - (a) to place orders for goods and services and to incur expenditure for which provision has been made in the revenue budget;
 - (b) to invite and accept quotations and tenders for goods and services for which provision is included in the revenue budget.
- 4.13 To affix the Common Seal of the Commissioner and to sign on behalf of the Commissioner any document (including any contract or legal agreement) to give effect to any decisions made by the Commissioner.
- 4.14 To evaluate and sign on behalf of the Commissioner any indemnity required to enable the Commissioner to exercise any of its functions, provided that where the financial implications of giving of such an indemnity are anticipated be significant, such indemnity shall only be signed with the prior approval of the Treasurer.

- 4.15 To authorise the institution, defence, withdrawal or settlement of any claims or legal proceedings which are not covered in paragraph 7.5 below on behalf of the Commissioner in consultation with the Treasurer and the Head of the Joint Legal Service. Any decisions taken under this provision must be reported to the Commissioner as soon as practicable.
- 4.16 To consider any complaint made against the Chief Constable and where deemed appropriate to make arrangements for the appointment of an Investigating Officer to investigate the complaint.
- 4.17 To approve the provision of services to other organisations provided that the value of the same is not significant (in which case this must be referred to the Commissioner) and to ensure that the same comply with the provisions of section 15(3) of the Act (that the Commissioner may not enter into an agreement with another elected local policing body in respect of a matter which could be the subject of a collaboration agreement pursuant to section 22A of the Police Act 1996).
- 4.18 To issue exemption certificates to staff whose posts would otherwise be politically restricted under the Local Government and Housing Act 1989.
- 4.19 To appoint independent Custody Visitors and to terminate appointments if necessary.

5. DELEGATIONS TO THE TREASURER

- 5.1 To act as the Proper Officer to deal with various financial matters involving the Commissioner.
- 5.2 To manage all income received (including any collected pursuant to section 25 of the Police Act 1996) and to advise the Commissioner in consultation with the Chief Constable and the CFO as to the allocation of such funds.
- 5.3 To be responsible for the investment of the Commissioner's money and borrowing of money as necessary in accordance with the Treasury Management Strategy approved by the Commissioner.
- 5.4 To take all appropriate steps to ensure that the Commissioner's approved capital programme is implemented.
- 5.5 To authorise payments without prior approval (irrespective of whether or not provision has been made in the revenue budget) in relation to:
 - (a) payments required by statute;
 - (b) payments ordered by a court;
 - (c) payments due under any agreement entered into by or on behalf of the Commissioner.Any decisions taken under this provision must be reported to the Commissioner as soon as practicable.
- 5.6 To be responsible for all banking arrangements together with the authorisation, creation or closure of any account.
- 5.7 To authenticate cheques bearing lithograph signatures where such authentication is required under the Commissioner's banking arrangements.
- 5.8 To exercise the powers and duties pursuant to the Police (Property) Regulations 1997 (in conjunction with the Chief of Staff) and in so doing to:
 - (a) authorise, where appropriate, requests for the donation of unclaimed found property subject to prior consultation with the Commissioner;
 - (b) approve the retention of such property where it can be put to good use for police purposes;
 - (c) make periodic recommendations to the Commissioner as to how the proceeds of sales and any money to which the Regulations apply should be disbursed
- 5.9 To act as the 'Money Laundering Reporting Officer' pursuant to the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003.
- 5.10 To ensure adequate risk management processes are in place.

- 5.11 To be responsible for the effective management of the internal audit function and produce the audit plan for approval by the Audit Committee in accordance with the requirements of the Financial Management Code of Practice and both the CIPFA and Treasury Guidance.
- 5.12 To pay, in conjunction with the Deputy Chief Constable, damages, settlement amounts and costs in respect of legal proceedings (in accordance with the Act - Schedule 2, paragraph 8 and Schedule 17, Part 1, Paragraph 42).
- 5.13 To ensure that adequate procedures exist to ensure compliance by the Commissioner with the provisions of the Bribery Act 2010.
- 5.14 To accept offers of sponsorship and gifts on behalf of the Commissioner provided that decisions taken are in accordance with any national guidance or policy and any other guidance document which the Commissioner may from time to time determine.
- 5.15 To make payments of appellant's costs which fall to be met from the Police Fund under Paragraph 9 of Schedule 6 of the Police Act 1996.
- 5.16 In relation to telephone and radio communications and other technical services - to enter into line rental agreements relating to such facilities. To enter into or approve the granting of licences for the use of radio masts and to approve the payment of consideration to or by the Commissioner in respect of the same.
- 5.17 To ensure the administration of the local government pension scheme (LGPS) for staff employed by the Commissioner. In each instance, to ensure appropriate maintenance of such LGPS and the provision of the relevant accounts.
- 5.18 To prepare (and review annually) this Manual in conjunction with the Chief of Staff and in consultation with the Chief Constable, the Deputy Chief Constable and the CFO, and to monitor compliance with the terms of the same.
- 5.19 To affix the Common Seal of the Commissioner and to sign on behalf of the Commissioner any document (including any contract or legal agreement) to give effect to any decisions made by the Commissioner.

6. DELEGATIONS TO THE ASSISTANT COMMISSIONER

- 6.1 To chair and lead the work of the Joint Planning and Performance Group, whose work shall include developing the next iteration of the Police and Crime Reduction Plan as well as developing a process for monitoring performance in the delivery of the current iteration of the Plan and of Force performance in general.

7. CONSENTS TO THE CHIEF CONSTABLE

The Commissioner consents to the Chief Constable undertaking the following, subject at all times to compliance with the provisions of this Scheme and the Accountability arrangements set out herein:

- 7.1 To oversee the day to day financial management of the Force within the framework of any agreed budget allocation, the levels of authorisation and any objectives/ conditions specified by the Commissioner in respect of the same
- 7.2 To take all appropriate steps to ensure that the capital programme is implemented (in accordance with any conditions specified by the Commissioner).
- 7.3 To approve, in conjunction with the Commissioner all sponsorship, provided that any such decision is taken in accordance with any legislation, national guidance or policy and in accordance with the provisions of the Financial Regulations.

- 7.4 To settle any action (including payments into Court) which is covered by the public and employers liability insurance arrangements of the Commissioner and the Chief Constable, and to provide reports to the Treasurer on a quarterly basis detailing such settlements.
- 7.5 To settle any action (including payments into Court, and including Employment Tribunal cases) which is not covered by the insurance policies referred to in paragraph 7.4 above up to a value of £100,000. For the avoidance of any doubt the Commissioner's prior approval will be required in respect of all settlements which exceed £100,000. Any decisions taken under this provision must be reported to the Commissioner as soon as practicable thereafter.
- 7.6 To authorise ex gratia payments (where no legal obligation has been established) up to a value of £5,000 for damage and loss to property or for personal injury or costs incurred.

8. ASSISTANCE TO BE PROVIDED BY CHIEF CONSTABLE:

There is a statutory requirement upon the Chief Constable pursuant to section 2(5) of the Act to exercise direction and control over his staff in such a way as is reasonable to assist the Commissioner to exercise the Commissioner's functions. Accordingly it is agreed by the Commissioner that it shall be for the Chief Constable:

- 8.1 In accordance with the Financial Regulations and any authorisation from the Commissioner, to authorise the transfer or movement of budgets between budget headings on a temporary or permanent basis, save that the prior consent of the Commissioner shall be secured in the event that any such transfers do not accord with the policies of the Commissioner, where they may create a future commitment or where the resources to be transferred were originally provided to meet expenditure of a capital nature.
- 8.2 To oversee the institution and defence of legal proceedings on behalf of the Commissioner and/or the Chief Constable (which shall include the obtaining of legal advice and, where appropriate, the instruction of Counsel or other expert advice).
- 8.3 With the agreement of the Treasurer, to oversee the service of Notices to Quit and Notices to Terminate the use and occupation of land and property owned by the Commissioner and any Court proceedings to recover arrears of rent and other payments or to recover possession from occupiers and users.
- 8.4 To oversee the day to day management of the estate used by the Force and for this purpose to incur expenditure within the maintenance budget approved by the Commissioner (which shall include the management of all building works and civil engineering contracts).
- 8.5 To approve increases in rates of motor vehicle and subsistence allowances following national agreement.
- 8.6 To oversee the day to day procurement of and management of works, goods, services and consultancy contracts entered into by the Commissioner in accordance with the procurement strategy and plan agreed by the Commissioner.
- 8.7 To oversee the revision by the Chief Finance Officer to the fees and charges for services of members of the Force provided to public authorities and private persons on special occasions pursuant to section 25 of the Police Act 1996, provided that due regard is given to any national guidance and charging practices issued in respect of the same.
- 8.8 To oversee the allocation of housing to police and other staff by the Chief Finance Officer, and any associated matters including the recovery of possession which shall be undertaken by the Chief Finance Officer in conjunction with the Deputy Chief Constable.
- 8.9 To authorise the use of property owned by the Commissioner by outside bodies or staff associations in conjunction with the Chief Finance Officer and the Treasurer, provided that such use is temporary and that no tenancy or other legal interest is created.

- 8.10 To oversee any application for planning permission for the development of any property on behalf of the Commissioner which shall be managed by the Chief Finance Officer in conjunction with the Treasurer.
- 8.11 To oversee the development and implementation of asset management plans and the maintenance of an asset register and to ensure contingency plans for the security of assets and continuity of service in the event of disaster or system failure.
- 8.12 To oversee the management of the insurance function, and to arrange all necessary insurance cover.
- 8.13 To oversee the management, in accordance with the Asset Management Plan agreed by the Commissioner, the disposal of obsolete, non-repairable and surplus assets.
- 8.14 To oversee the management of land and property transactions in accordance with the Asset Management Plan agreed by the Commissioner.

9. DELEGATIONS FROM THE CHIEF CONSTABLE

The Chief Constable shall ensure that all necessary documents are in place to record any delegations from him to others in the force. Such delegations will include delegations to the Deputy Chief Constable, Assistant Chief Constables, the Director of Support Services and to his Chief Finance Officer:

9.1 THE DEPUTY CHIEF CONSTABLE

- 9.1.1 To be responsible for corporate governance issues affecting the Force, ensuring that appropriate reviews (both pro-actively and reactively) are carried out into key areas and highlighted, including:
 - Professional standards
 - Performance
 - Strategic co-ordination and planning
 - Risk management and business continuity
 - Strategic assessments
 - Crime recording
- 9.1.2. To institute and defend legal proceedings.
- 9.1.3 To seek Counsel's opinion or other expert advice and to retain Counsel whenever this is considered to be in the interest and to the benefit of the Commissioner and/or the Chief Constable.
- 9.1.4 To institute (following confirmation from the Chief Finance Officer) legal proceedings for the recovery of any debt.
- 9.1.5 To settle any action (including payments into Court) which is covered by the public and employers liability insurance arrangements of the Commissioner and the Chief Constable and to ensure that reports are provided to the Treasurer on a quarterly basis detailing such settlements.
- 9.1.6 To settle any action (including payments into Court, and including Employment Tribunal cases) which is not covered by the insurance policies referred to in paragraph 7.4 and 9.2.4 above up to a value of £100,000. For the avoidance of any doubt the Commissioner's prior approval will be required in respect of all settlements which exceed £100,000. Any decisions taken under this provision must be reported to the Commissioner as soon as practicable thereafter.
- 9.1.7 To authorise ex gratia payments (where no legal obligation has been established) up to a value of £5,000 for damage and loss to property or for personal injury or costs incurred.
- 9.1.8 To sign on behalf of the Commissioner and/or the Chief Constable any indemnity required to enable the Force to exercise any of its functions, provided that where the financial implications of giving of an indemnity are anticipated to be significant, such indemnity shall only be signed with the approval of the Treasurer.

9.1.9 To oversee the day to day management of the insurance function.

9.2. THE DIRECTOR OF SUPPORT SERVICES

9.2.1 To manage the numbers, locations, ranks and grading of police staff and of police officers within the overall workforce budget approved by the Commissioner (with the exception of chief officers).

9.2.2 To direct the human resources function in respect of staff employed by the Chief Constable and the Commissioner and to make recommendations to the Chief Constable and the Commissioner relating to their terms and conditions of Service and to authorise, in accordance with the terms and conditions of service for such staff, the suspension of staff and/or the termination of their employment.

9.2.3 To provide strategic advice and guidance to the Commissioner and the Chief Constable regarding the management of staffing resources and to ensure the professional competence of staff employed.

9.2.4 To implement national agreements on salaries, wages and conditions. Notwithstanding this, to undertake negotiations and reach agreement(s) with recognised Trade Unions and Staff Associations on any matters suitable for local determination.

9.2.5 To approve payments by way of bonus, productivity or performance related payment schemes and honoraria payments in recognition of additional duties and responsibilities or similar special payments.

9.2.6 To approve the number of designated first aiders and the payment of appropriate First Aid Allowances

9.2.7 To approve the appointment or secondment of police officers for central service or overseas duty.

9.3. THE CHIEF FINANCE OFFICER

9.3.1 To undertake the day to day financial management of the Force within the framework of any agreed budget allocation, the levels of authorisation and any objectives/ conditions specified by the Commissioner and the Chief Constable in respect of the same.

9.3.2 To take all appropriate steps to ensure that the capital programme is implemented (in accordance with any conditions specified by the Commissioner and the Chief Constable).

9.3.3 In accordance with the Financial Regulations and any authorisation(s) from the Commissioner and the Chief Constable, to transfer or move budgets between budget headings on a temporary or permanent basis, and to ensure that the Police and Crime Commissioner and Chief Constable are kept informed of the same, save that the prior consent of the Commissioner shall be secured in the event that any such transfers do not accord with the policies of the Commissioner, where they may create a future commitment or where the resources to be transferred were originally provided to meet expenditure of a capital nature.

9.3.4 To approve, in conjunction with the Chief Constable and the Commissioner, sponsorship, provided that any such decision is taken in accordance with any legislation, national guidance or policy and such approval must be in accordance with the provisions of the Financial Regulations.

9.3.5 To be responsible for the provision of payroll and general financial administration in relation to all people employed within South Wales Police and specifically in relation to police officers and persons employed by the Chief Constable and to do so in accordance with paragraph 6 of Schedule 2 of the PRSRA and regulations made pursuant to the same.

9.3.6 To ensure the administration of the police officer pension schemes (in accordance with the Police Pensions Act 1976) and the appropriate maintenance and provision of the relevant accounts. To

ensure that, subject to the prior approval of the Chief Constable, accurate and up to date information is provided to the Home Office in respect of the Force's pension account and future forecasts for police pension income and expenditure.

- 9.3.7 To ensure the administration of the local government pension scheme for employees. In each instance, to ensure appropriate maintenance of such Scheme and the provision of the relevant accounts.
- 9.3.8 To be responsible to the Commissioner for the management of the estate used by the Force, and for this purpose to incur expenditure within the maintenance budget approved by the Commissioner (which shall include the management of all building works and civil engineering contracts).
- 9.3.9 To implement increases in rates of motor vehicle and subsistence allowances following national agreement.
- 9.3.10 To be responsible for the procurement of and the day to day management, supervision and effective monitoring of works, goods, services and consultancy contracts entered into by the Commissioner, in accordance with the procurement strategy and plan agreed with the Commissioner. The Chief Constable, Chief of Staff, Treasurer and the Deputy Chief Constable are to be immediately informed should any contractual difficulties or disputes arise. The CFO shall have authority to sign such documentation to support these arrangements to the extent that this is authorised by the Commissioner in the Standing Orders relating to Contracts.
- 9.3.11 To make, in consultation with the Chief Constable and the Treasurer, revisions to the fees and charges for services of members of the Force lent to public authorities and private persons on special occasions pursuant to section 25 of the Police Act 1996, provided that due regard is given to any national guidance and charging practices issued in respect of the same.
- 9.3.12 To raise charges for any item of personal uniform and equipment held after replacement, the amount (if any) to be determined taking into account the age and condition of the article at the time of the loss, damage or replacement.
- 9.3.13 Where permitted by statute, to advise the Chief Constable in respect of the provision of services provided to other organisations (other than mutual aid pursuant to sections 24 and 26 of the Police Act 1996), and to determine appropriate fees and charges for the same, and (in conjunction with the Deputy Chief Constable) to ensure that appropriate insurance arrangements are in place].
- 9.3.14 To develop and implement asset management plans and to maintain an asset register which shall provide information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued, to ensure contingency plans for the security of assets and continuity of service in the event of disaster or system failure, and to maintain inventories in a format approved by the Treasurer.
- 9.3.15 To manage in conjunction with the Treasurer, and in accordance with the Asset Management Plan agreed by the Commissioner, the disposal of obsolete, non-repairable and surplus assets, and in respect of surplus police properties to agree the terms of such disposals in accordance with the recommendation of a qualified valuer.
- 9.3.16 To ensure that adequate procedures exist to ensure compliance by the Chief Constable with the provisions of the Bribery Act 2010.
- 9.3.17 To approve claims for reimbursement of removal expenses in accordance with Police Regulations.
- 9.3.18 To reimburse expenses in respect of voluntary transfers between forces below Chief Officer level in line with any determinations by the Secretary of State and in accordance with Police Regulations.
- 9.3.19 To determine appeals, as the 'Scheme Manager' against decisions of the senior officer of pension staff in respect of the Local Government Pension Scheme in accordance with the Occupational

Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996, as amended by the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008. The Chief Finance Officer shall consult with the Treasurer in relation to the same.

- 9.3.20 With the agreement of the Treasurer, to serve Notices to Quit and Notices to Terminate the use and occupation of land and property owned by the Commissioner and to institute Court proceedings to recover arrears of rent and other payments or to recover possession from occupiers and users.
- 9.3.21 To apply for planning permission for the development of any property on behalf of the Commissioner.
- 9.3.22 To manage land and property transactions in accordance with the Asset Management Plan agreed by the Commissioner and to agree the terms of such transactions in accordance with recommendations made by a qualified valuer and in consultation with the Treasurer. For this purpose land and property transactions include purchases, the taking and granting of leases or tenancies for a period not exceeding seven years, licences, wayleaves and easements, and the disposal of land and property no longer required by the Commissioner.
- 9.3.23 To settle, in conjunction with the Treasurer, dilapidation claims and compensation payments at the termination of leases and lettings in accordance with advice received from a qualified valuer.

Contents
INTRODUCTION
Section 1 - Financial Management
1.1 Financial Management Standards
1.2 Accounting Records and Returns
1.3 The Annual Statement of Accounts
Section 2 - Financial Planning
2.1 Financial Planning
2.2 Budgetary Control
2.3 Capital Programme
2.4 Maintenance of Balances and Reserves
Section 3 - Risk Management and Control of Resources
3.1 Risk Management and Control of Resources
3.2 Internal Control System
3.3 Audit Requirements
3.4 Preventing Fraud and Corruption
3.5 Assets
3.6 Treasury Management and Banking Arrangements
3.7 Staffing
3.8 Trust Funds
3.9 Administration of Evidential and Non Evidential Property
3.10 Gifts, Loans and Sponsorship
Section 4 - Systems and Processes
4.1 Systems and Processes Introduction
4.2 Income
4.3 Ordering and Paying for Work, Goods and Services
4.4 Payments to Employees and Members
4.5 Taxation
4.6 Corporate Credit Cards
4.7 Purchasing Cards
4.8 Ex Gratia Payments
Section 5 - Joint Working Arrangements
5.1 Joint Working Arrangements
5.2 External Funding
5.3 Work for External Bodies
Section 6 – Summary of Delegated Limits

INTRODUCTION

1. Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds. Section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 permit the Secretary of State to issue codes of practice to all Commissioners and Chief Constables, and the Home Office has issued the Financial Management Code of Practice.
2. The Commissioner is the recipient of all funding, including the government grant and precept and other sources of income, related to policing and crime reduction and all funding for a force must come via the Commissioner. How this money is allocated is a matter for the Commissioner in consultation with the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations (in conjunction with his Chief Finance Officer).
3. The Financial Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the Commissioner, the Chief Constable and their officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf. Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations, Financial Procedures and other internal regulatory documents and that they comply with them and that they are complied with.
4. A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.
5. The Commissioner and all employees have a general responsibility to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value. They have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.
6. Financial Regulations explain the working financial relationship between the Commissioner and the Chief Constable and their respective chief financial officers.
7. The Commissioner and Chief Constable are jointly responsible for approving or amending Financial Regulations. The Treasurer and Chief Finance Officer are responsible for maintaining a review of the Financial Regulations, and submitting any additions or amendments to the Commissioner and Chief Constable, after consulting with the Chief of Staff.
8. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings. Such cases shall be reported to the Treasurer and Chief Finance Officer who shall determine, after consulting with the Chief of Staff (as monitoring officer), whether the matter shall be reported formally to the Commissioner and/or Chief Constable.
9. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority. These are also summarised in Section 6.
 - Section 1 - Financial Management
 - Section 2 - Financial Planning
 - Section 3 - Risk Management and Control of Resources
 - Section 4 - Systems and Processes
 - Section 5 - Joint Working Arrangements



SECTION 1 - FINANCIAL MANAGEMENT

1.1 FINANCIAL MANAGEMENT STANDARDS

Why is this important?

- 1.1.1 The Commissioner, Chief Constable, all employees and officers have a duty to abide by the highest standards of probity (i.e. honesty, integrity, transparency, fairness and respect) in dealing with financial issues.

Responsibilities of the Police and Crime Commissioner and Chief Constable

The Chief Constable has a specific statutory duty under Section 35 of the Police Reform and Social Responsibility Act 2011 to secure that they and the persons under their direction and control secure good value for money in exercising their functions. The Police and Crime Commissioner is required to hold the Chief Constable to account, in particular, for their compliance with this duty.

Responsibilities of the Treasurer and Chief Finance Officer

An effective, cooperative and constructive working relationship between the Treasurer and the Chief Finance Officer is fundamental and is more likely to be achieved where communication and clarity of understanding are at their highest. Mutual understanding of and respect for each party's statutory functions will serve to enhance policing for local communities. It is expected that the principles of goodwill, professionalism, openness and trust will underpin the relationship and that all parties will do their utmost to make the relationship work. It is also acknowledged that good relationships between the Chief Finance Officers and the Chief of Staff are fundamentally important and need to be underpinned by the same principles.

The Manual of Governance and, in particular, the Hallmarks of Relationships, effectively set out the basis of the relationship between the Treasurer and Chief Finance Officer. It is not considered that a separate Information Sharing Protocol is necessary.

- 1.1.2 The Treasurer and the Chief Finance Officer each has a personal fiduciary duty to the local taxpayer by virtue of their appointment as the person responsible for the proper financial administration under the Police Reform and Social Responsibility Act 2011.
- 1.1.3 To ensure that proper practices are adhered to.
- 1.1.4 To advise on the key strategic controls necessary to secure sound financial management.
- 1.1.5 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
- 1.1.6 To advise the Commissioner and Chief Constable on value for money in relation to all aspects of expenditure.
- 1.1.7 To ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- 1.1.8 To ensure that all officers and staff are properly managed, developed, trained, resourced and have adequate support to carry out their financial duties effectively.

1.2 ACCOUNTING RECORDS AND RETURNS

Why is this important?

- 1.2.1 Maintaining proper accounting records is one of the ways in which the Commissioner and Chief Constable will discharge their responsibility for stewardship of public resources. The Commissioner and the Chief Constable each have a statutory responsibility to prepare annual accounts to present fairly their operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of South Wales Police resources.

Joint Responsibilities of the Treasurer and Chief Finance Officer

- 1.2.2 To determine the accounting policies and records for South Wales Police, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the Chief Constable and the Commissioner. All employees shall operate within the required accounting policies and published timetables.
- 1.2.3 To make proper arrangements for the audit of the accounts of the Commissioner and the Chief Constable in accordance with the Accounts and Audit (Wales) Regulations.
- 1.2.4 To ensure that all claims for funds including grants are made by the due date.
- 1.2.5 To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis.
- 1.2.6 To prepare and publish the audited accounts in accordance with the statutory timetable.

Responsibilities of the Chief Constable and Chief Finance Officer

- 1.2.7 To obtain the approval of the Treasurer before making any fundamental changes to accounting records and procedures or accounting systems.
- 1.2.8 To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
- 1.2.9 To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.

1.3 THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

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

- 1.3.2 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of South Wales Police resources.

Responsibilities of the Treasurer

- 1.3.3 To agree the timetable for final accounts preparation, in consultation with the Chief Finance Officer and external auditor.
- 1.3.4 To prepare, sign and date the group statement of accounts, stating that it presents fairly the financial position of the Commissioner and the Chief Constable at the accounting date and its income and expenditure for the financial year just ended.
- 1.3.5 To publish the approved and audited accounts of the Commissioner each year, in accordance with the statutory timetable.
- 1.3.6 To produce summary accounts for publication on the website.

Joint Responsibilities of the Treasurer and Chief Finance Officer

- 1.3.7 To select suitable accounting policies and apply them consistently.
- 1.3.8 To make judgements and estimates that are reasonable and prudent.
- 1.3.9** To comply with the relevant requirements of the Code of Practice on Local Authority Accounting.

Responsibilities of the Chief Finance Officer

- 1.3.10 To comply with accounting guidance provided by the Treasurer and supply appropriate information upon request within a reasonable timescale.
- 1.3.11 To prepare, sign and date the Chief Constable's statement of accounts, stating that it presents fairly the financial position of the Chief Constable at the accounting date and its income and expenditure for the financial year just ended.
- 1.3.12 To publish the approved and audited accounts of the Chief Constable each year, in accordance with the statutory timetable.
- 1.3.13 To file the Statement of Accounts with the Home Office.

Responsibilities of the Commissioner and the Chief Constable

- 1.3.14 To consider and approve the annual accounts in accordance with the statutory timetable.
- 1.3.15 To consider and respond to the Wales Audit Office's Annual Management Letter.

SECTION 2 - FINANCIAL PLANNING

2.1 FINANCIAL PLANNING

Why is this important?

- 2.1.1 The Commissioner and Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term.
- 2.1.2 South Wales Police is a complex organisation responsible for delivering a range of policing and other related activities. It needs to develop systems to enable resources to be allocated in accordance with priorities. Financial planning is essential if it is to function effectively.
- 2.1.3 The financial planning process should be directed within the Police and Crime Reduction Plan, the approved policy framework, the business planning process and the need to meet key objectives.
- 2.1.4 The planning process should be continuous and the planning period should cover at least 3 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows South Wales Police to plan, monitor and manage the way funds are allocated and spent.

Medium Term Financial Planning

Responsibilities of the Commissioner

- 2.1.5 To identify and agree, in consultation with the Chief Constable and other relevant partners and stakeholders, a medium term financial strategy which includes funding and spending plans for both revenue and capital and value for money. The strategy should take into account multiple years, the inter-dependencies of revenue budgets and capital investment, the role of reserves and consideration of risks. It should have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local Authorities. The strategy should be aligned with the Police and Crime Reduction Plan.

Responsibilities of the Treasurer and Chief Finance Officer

- 2.1.6 To determine the format and timing of the medium term financial plans to be presented to the Commissioner. The format is to comply with all legal requirements and with latest guidance issued by CIPFA and S25 of the Local Government Act 2003 and the Financial Management Code of Practice.
- 2.1.7 To prepare a medium term projection of proposed income and expenditure for submission to the Commissioner. When preparing the forecast, the Treasurer and Chief Finance Officer shall have regard to:
 - the Police and Crime Reduction Plan
 - policy requirements approved by the Commissioner as part of the policy framework
 - the Strategic Policing Requirement
 - unavoidable future commitments, including legislative requirements
 - initiatives already underway
 - revenue implications of the draft capital programme
 - proposed service developments and plans which reflect public consultation

- the need to deliver efficiency and/or productivity savings
- government grant allocations
- potential implications for local taxpayers
- the commissioning strategy of the Commissioner

2.1.8 To prepare a medium term forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding.

2.1.9 A gap may be identified between available resources and required resources. Requirements should be prioritised by the Chief Constable to enable the Commissioner to make informed judgements as to future funding levels and planning the use of resources.

Annual Revenue Budget

2.1.10 The revenue budget provides an estimate for the forthcoming year of the annual income and expenditure requirements for the police service and sets out the financial implications of the Commissioner's strategic policies. It provides the Chief Constable with authority to incur expenditure and is the basis on which the financial performance of both the Commissioner and the Force is monitored.

2.1.11 The Commissioner should consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget which will include a separate force budget. This will take into consideration funding from government and from other sources, and balance the expenditure needs of the policing service against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Local Government Act 2003) and be completed in accordance with the statutory timeframe.

2.1.12 The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Reduction Plan and the medium term financial strategy should be clearly identified.

Responsibilities of the Commissioner

2.1.13 To agree the planning timetable with the Chief Constable (which shall be implemented jointly by the Treasurer and Chief Finance Officer).

2.1.14 To seek the views of local people and the relevant ratepayers' representatives on the proposed expenditure (including capital expenditure) prior to the financial year to which the proposed expenditure relates.

2.1.15 To present the proposed budget and council tax precept to the Police and Crime Panel for consideration and to have regard to any report that the Panel may make.

2.1.16 To issue the council tax precept.

Responsibilities of the Treasurer

2.1.17 To determine the format of the revenue budget to be presented to the Commissioner. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.

2.1.18 To obtain timely and accurate information from billing authorities on the council tax base to inform budget deliberations.

- 2.1.19 To advise the Commissioner on the appropriate level of general balances, earmarked reserves or provisions to be held.
- 2.1.20 To submit a report to the Commissioner on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities. These indicators shall be consistent with the approved annual revenue budget and capital programme.
- 2.1.21 Upon approval of the annual budget, to submit the council tax requirement return to Central/Welsh Government and precept requests to appropriate bodies in accordance with the legal requirement.
- 2.1.22 To produce and issue to the billing authorities, in accordance with statutory requirements, the council tax information leaflet.

Responsibilities of the Chief Constable and Chief Finance Officer

- 2.1.23 To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the Treasurer.
- 2.1.24 To submit estimates in the agreed format to the Commissioner for approval, including details of council tax implications and precept requirements.

2.2 BUDGETARY CONTROL

Why is this important?

- 2.2.1 Budget management ensures that once the 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 both the Chief Constable and Commissioner to review and adjust their budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 2.2.2 The key controls for managing and controlling the revenue budget are that:
 - a) there is a nominated budget manager for each cost centre heading who is accountable for the budgets under his direct control; and
 - b) the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures.

Revenue Monitoring

Why is this important?

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

Responsibilities of the Chief Constable and Chief Finance Officer

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

Responsibilities of the Treasurer and the Chief Finance Officer

- 2.2.8 To co-ordinate a regular joint budget monitoring report for presentation to the Police and Crime Commissioner's Strategic Board, containing the most recently available financial information. To provide information to the Police and Crime Panel, as and when requested.

Virement

Why is this important?

- 2.2.9 A virement is an approved reallocation of resources between budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable chief officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the Commissioner and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.
- 2.2.10 The Chief Finance Officer (upon the instruction of the Chief Constable) should only be required to refer back to the Commissioner when virement would incur substantive changes in the policy of the Commissioner or where a virement might create a future year or continuing commitment. Revenue expenditure can only be funded from revenue funding.
- 2.2.11 Key controls for the scheme of virement are:
- a) it is administered by Chief Officers within delegated powers given to the Treasurer by the Police and Crime Commissioner and to the Chief Finance Officer by the Chief Constable. Any variation from this scheme requires the approval of the Commissioner.

- b) the overall budget is agreed by the Commissioner. Chief Officers and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget.
- c) virement does not create additional overall budget liability.
- d) each Chief Officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring.

Responsibilities

- 2.2.12 The Treasurer and the Chief Finance officer can approve any virement where the additional costs are fully reimbursed by other bodies.
- 2.2.13 For all other revenue budgets each Chief Officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels.

Force Budget

Up to £ 1,000,000

Over £1,000,000

Chief Finance Officer

Treasurer

Commissioner's own budget

Up to £50,000

Over £50,000

Treasurer

Commissioner

- 2.2.14 The approval of the Commissioner shall be required in all cases if the virement involves:
 - a) a substantial change in policy,
 - b) a significant addition to commitments in future years, or
 - c) where resources to be transferred were originally provided to meet expenditure of a capital nature,
 - d) the unplanned use of reserves (subject to 2.4.5 and 2.4.11 below).

2.3 CAPITAL PROGRAMME

Why is this important?

- 2.3.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to South Wales Police such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.
- 2.3.2 South Wales Police is able to undertake capital investment providing the spending plans are affordable, prudent, sustainable and demonstrate VFM. CIPFA's Prudential code sets out the framework under which spending plans are considered.
- 2.3.3 The capital programme is linked to the approved medium term financial strategy.

Responsibilities of the Chief Constable

- 2.3.4 To develop an asset management plan for approval by the Police and Crime Commissioner. To implement the approved asset management plan.

Responsibilities of the Treasurer, Chief Finance Officer and Chief Constable

- 2.3.5 To prepare a capital funding strategy for consideration and approval by the Commissioner.

Responsibilities of the Commissioner

- 2.3.6 To approve the asset management plan.
- 2.3.7 To approve the capital funding strategy.

Medium term Capital Programme

Responsibilities of the Chief Constable and the Chief Finance Officer

- 2.3.8 To prepare a rolling programme of proposed capital expenditure for consideration by the Commissioner. The total capital cost of each project will be identified and any additional revenue commitments.
- 2.3.9 To prepare project appraisals (i.e. the Business Cases) for all schemes in the draft medium term year capital programme and shall be submitted to the Treasurer and Commissioner for consideration and scheme approval. This will include all additional revenue and capital costs.
- 2.3.10 Each capital project shall have a named officer responsible for sponsoring the scheme, monitoring progress and ensuring completion of the scheme.
- 2.3.11 To identify, in consultation with the Treasurer, available sources of funding for the medium term capital programme, including the identification of potential capital receipts from disposal of property.
- 2.3.12 A gap may be identified between available resources and required capital investment. Requirements should be prioritised by the Chief Finance Officer in consultation with the Chief Constable to enable the Commissioner to make informed judgements as to which schemes should be included in the capital programme, the risk assessed level of funding required for each scheme and the potential phasing of capital expenditure.
- 2.3.13 All schemes within the draft medium term capital programme should incorporate an estimate of future price inflation where appropriate.

Responsibilities of the Treasurer

- 2.3.14 To make recommendations to the Commissioner on the most appropriate level of revenue support and appropriate levels of borrowing, under the Prudential Code, to support the capital programme.

Responsibilities of the Commissioner

- 2.3.15 To approve a fully funded medium term capital programme which is sustainable and in accordance with the prudential code.

Annual Capital Programme

Responsibilities of the Commissioner

- 2.3.16 To agree the annual capital programme, and how it is to be financed.

Responsibilities of the Chief Finance Officer

- 2.3.17 Approval of the annual capital programme by the Commissioner authorises the Chief Finance Officer to incur expenditure on schemes providing the detailed business case has been approved and expenditure on the scheme does not exceed the sum contained in the approved programme by more than 10% or £250,000 whichever is the lower amount. Such approval is subject to the underlying business case remaining viable. The Chief Finance Officer shall identify appropriate capital funding.
- 2.3.18 To ensure that finance leases or other credit arrangements are not entered into without the prior approval of the Treasurer.
- 2.3.19 To ensure that, apart from professional fees (e.g. feasibility studies and design fees), no other capital expenditure is incurred before the scheme is approved by the Commissioner.

Responsibilities of the Treasurer

- 2.3.20 Approval of the annual capital programme by the Commissioner authorises the Treasurer to incur expenditure on schemes providing the detailed business case has been approved and expenditure on the scheme exceeds the sum contained in the approved programme by more than 10% or £250,000 whichever is the lower amount. Such approval is subject to the underlying business case remaining viable. The Treasurer shall identify appropriate capital funding. The Treasurer shall notify the Commissioner whenever any such authorisation is given.
- 2.3.21 The Treasurer shall approve the detailed business case for all schemes itemised in the annual capital programme.

Monitoring of Capital Expenditure

Responsibilities of the Chief Constable

- 2.3.22 To ensure that adequate records are maintained for all capital contracts.

Responsibilities of the Chief Constable and the Chief Finance Officer

- 2.3.23 To monitor expenditure throughout the year against the approved programme.
- 2.3.24 To submit capital monitoring reports to the Commissioner on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme. The reports shall be in a format agreed by the Commissioner and Treasurer.
- 2.3.25 To prepare a business case for any new capital schemes [after the annual programme has been agreed] for submission to the Commissioner for consultation and approval. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.

Responsibilities of the Treasurer and Chief Finance Officer

- 2.3.26 To report on the outturn of capital expenditure as part of the annual report on the statutory accounts.

2.4 MAINTENANCE OF BALANCES AND RESERVES

Why is this important?

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

Responsibilities of the Treasurer

- 2.4.2 To advise the Commissioner on reasonable levels of balances and reserves.
- 2.4.3 To report to the Commissioner on the adequacy of reserves and balances before he approves the annual budget and council tax.
- 2.4.4 To approve appropriations to and from each earmarked reserve. These will be separately identified in the Statement of Accounts.
- 2.4.5 To approve the allocation of monies to and from general and specific reserves during the financial year to fund unexpected expenditure up to £250,000 on any single occasion and to notify the Commissioner as soon as possible of any such decision.

Responsibilities for the Chief Finance Officer

- 2.4.6 To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval.
- 2.4.7 To present (following consultation with the Chief Constable) a business case to the Treasurer and Commissioner for one-off expenditure items to be funded from earmarked and/or general reserves.

Responsibilities of the Commissioner

- 2.4.8 To approve a policy on reserves and balances and the funding strategy for the maintenance of reserves and general balances.
- 2.4.9 To approve the creation and allocation of each earmarked reserve including the purpose, usage and transactional basis of each reserve.
- 2.4.10 To approve the allocation of monies to and from general and specific reserves, as part of the annual budget setting process.
- 2.4.11 To approve the allocation of monies to and from general and specific reserves during the financial year to fund unexpected expenditure above £250,000 on any single occasion.

SECTION 3 - RISK MANAGEMENT AND CONTROL OF RESOURCES

3.1 RISK MANAGEMENT AND CONTROL OF RESOURCES

Why is this important?

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

Responsibilities of the Commissioner and Chief Constable

- 3.1.3 The Commissioner and Chief Constable are jointly responsible for approving the risk management policy statement and strategy, and for reviewing the effectiveness of risk management.

Responsibilities of Chief Officers

- 3.1.4 To manage risk within their own portfolios and promoting a culture of risk management awareness throughout South Wales Police and reviewing risk as an on-going process.
- 3.1.5 To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.
- 3.1.6 To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis.

Responsibilities of the Treasurer

- 3.1.7 To advise the Commissioner on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.
- 3.1.8 To arrange for an actuary to undertake a regular review of South Wales Police's own self insurance fund and, following that review, to recommend to the Commissioner a course of action to ensure that, over the medium term, the fund is able to meet all known liabilities.

Responsibilities of the Chief Finance Officer

- 3.1.9 To make all appropriate employees aware of their responsibilities for managing relevant risks.

- 3.1.10 To prepare the South Wales Police risk management policy statement and to ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk.

Responsibilities of the Deputy Chief Constable

- 3.1.11 To ensure, in consultation with the Treasurer and Chief Finance Officer, that appropriate insurance cover is provided.
- 3.1.12 To ensure that claims made by the Chief Constable or Commissioner against insurance policies are made promptly.
- 3.1.13 To ensure that employees, or anyone covered by South Wales Police insurance, is instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

Responsibilities of the Chief of Staff and the Treasurer

- 3.1.14 To evaluate and authorise any terms of indemnity that the Commissioner is requested to give by external parties.

3.2 INTERNAL CONTROL SYSTEM

Why is this important?

- 3.2.1 Internal control refers to the systems of control devised by management to help ensure South Wales Police objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that South Wales Police's assets and interests are safeguarded.
- 3.2.2 South Wales Police is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. The Commissioner and the Chief Constable have statutory obligations, and, therefore, require a system of internal control to identify, meet and monitor compliance with these obligations.
- 3.2.3 South Wales Police faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. A system of internal control is necessary to manage these risks. The system of internal control is established in order to provide achievement of:
- efficient and effective operations
 - reliable financial information and reporting
 - compliance with laws and regulations
 - risk management

Responsibilities of Chief Officers

- 3.2.4 To implement effective systems of internal control, in accordance with advice from the Treasurer and Chief Finance Officer. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.

- 3.2.5 To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.
- 3.2.6 To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.

Responsibilities of the Treasurer, Chief of Staff, Deputy Chief Constable and Chief Finance Officer

- 3.2.7 To produce an Annual Governance Statement for each of the Commissioner and the Chief Constable for consideration and approval by each of them respectively. Following approval, the Annual Governance Statement should be signed by the Chief Constable or Commissioner respectively.

3.3 AUDIT REQUIREMENTS

Internal Audit

Why is this important?

- 3.3.1 Internal audit is an assurance function that provides an independent and objective opinion to the organisation on its control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 3.3.2 The requirement for an internal audit function for local authorities is both explicit and implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their financial affairs". In the Police Service the Commissioner and Chief Constable are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit (Wales) (Amendment) Regulations 2010 which state that a "relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control". The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the CIPFA Code of Practice.
- 3.3.3 In fulfilling this requirement the Commissioner and Chief Constable should have regard to the Code of Practice for Internal Audit in Local Government in the United Kingdom issued by CIPFA. In addition, the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.
- 3.3.4 In addition to enabling the Commissioner and the Chief Constable to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, internal Audit is needed:
- to satisfy the Commissioner and the Chief Constable that effective internal control systems are in place; and
 - to satisfy the external auditor that financial systems and internal controls are effective and that the Police Fund is managed so as to secure value for money.

Responsibilities of the Joint Audit Committee

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

Responsibilities of the Treasurer, Deputy Chief Constable and the Chief Finance Officer

- 3.3.7 To ensure the provision of an adequate and effective internal audit service.
- 3.3.8 To approve the annual audit plan, having considered any comments that the Joint Audit Committee may make on the draft plan.

Responsibilities of the Chief Constable, Treasurer and the Chief Finance Officer

- 3.3.9 To ensure that internal auditors, having been security cleared, have the authority to:
- access South Wales Police premises at reasonable times
 - access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance
 - receive any information and explanation considered necessary concerning any matter under consideration
 - require any employee to account for cash, stores or any other asset under their control
 - access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
- 3.3.10 Internal Audit shall have direct access to all Chief Officers and employees, where necessary.

Responsibilities of the appointed Internal Auditor

- 3.3.11 To prepare an annual audit plan that conforms to the CIPFA Code of Practice.
- 3.3.12 To attend or be represented at meetings of the Joint Audit Committee and to present to each Committee a report on the progress in delivering the annual plan, the matters arising from completed audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.
- 3.3.13 To present an annual report to the Joint Audit Committee, including an opinion on the reliance that may be placed on the internal control framework and summarising the work completed during the financial year in support of this opinion.

Responsibilities of Chief Officers

- 3.3.14 To consider and respond promptly to control weaknesses, issues and recommendations in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report.

Responsibilities of the Chief Finance Officer

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

External Audit

Why is this important?

- 3.3.17 The Wales Audit Office (WAO) is responsible for appointing external auditors to each local authority in Wales, including police. The Code of Audit Practice prescribes the way in which auditors appointed by the WAO carry out their functions under the Public Audit (Wales) Act 2004. The external auditor has rights of access to all documents and information necessary for audit purposes.
- 3.3.18 The basic duties of the external auditor are defined in the Public Audit (Wales) Act 2004, and meet the requirements of the Code of Audit and Inspection Practice issued by the Auditor General for Wales under Section 16 of the 2004 Act. The Code sets out the auditor's objectives to review and report upon:
- the financial aspects of the audited body's corporate governance arrangements
 - the audited body's financial statements
 - aspects of the audited body's arrangements to secure Value for Money.
- 3.3.19 In auditing the annual accounts the external auditor must satisfy themselves that:
- the accounts are prepared in accordance with the relevant regulations;
 - they comply with the requirements of all other statutory provisions applicable to the accounts;
 - proper practices have been observed in the compilation of the accounts; and

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

Responsibilities of the Joint Audit Committee

- 3.3.20 The Joint Audit Committee will consider the internal and external audit reports of both the Commissioner and the Chief Constable.
- 3.3.21 The Joint Audit Committee will provide an independent assurance function in respect of the arrangements for governance. This will include assurance on financial and non-financial performance where there is an implication for exposure to risk or where there may be a weakening of the internal control environment. The Committee is responsible for assurance on the overall adequacy of risk management arrangements and will oversee the financial reporting process. The Committee will deal with all matters on internal audit standards.

Audit Activity

- To comment on the draft Annual Audit Plan.
- To consider the head of internal audit's annual report and opinion, and a summary of internal audit activity and the level of assurance it can give over the Commissioner's and Chief Constable's corporate governance arrangements.
- To consider internal audit reports and a report on the implementation of agreed audit recommendations.
- To consider reports dealing with the management and performance of the providers of internal audit services.
- To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance, i.e. the Commissioner and the Chief Constable including the Annual Governance Statement and the Manual of Governance
- To consider specific reports as agreed with the external auditor.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To commission and monitor the effectiveness of the work of the internal and external audit services.

Regulatory Framework

- To maintain an overview of the Manual in respect of contract procedures rules, financial regulations and codes of conduct and behaviour.
- To review any issue referred to it by the statutory officers of either the Commissioner and/or the Chief Constable.
- To monitor the effective development and operation of corporate governance in both corporations sole.
- To oversee the production of the Commissioner's and Chief Constable's Statement on Annual Governance and to recommend its adoption.
- To monitor Commissioner and Force policies on "Raising Concerns at Work" and the anti-fraud and corruption strategy, and the Commissioner and Chief Constable's complaints processes.
- To oversee the arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- To consider the Commissioner and Chief Constable's compliance with its own and other published audit standards and controls.

Financial Reporting

- To review the draft and final annual statement of accounts. Specifically, to consider whether

appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Commissioner/Chief Constable.

- To consider the external auditor's report to those charged with governance on issues arising from the audit of accounts and to report these to the Commissioner and the Chief Constable.
- To consider whether appropriate accounting policies have been followed and any changes to them.

Corporate Risk Management

- To monitor the effective development and operation of risk management for both the Commissioner and the Chief Constable.
- To approve the Commissioner and the Chief Constable's corporate risk management strategy and framework; ensuring that an appropriate framework is in place for assessing and managing key risks to the Office of the Commissioner and the Chief Constable.

Inspection and Review

- Considering reports from Her Majesty's Inspector of Constabulary, external review agencies and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues for the Office of the Commissioner and/or South Wales Police.

Miscellaneous

- To receive any reports as necessary to the fulfilling of the statement of purpose and terms of reference
- To periodically review the effectiveness of the Committee in fulfilling its role

Responsibilities of the Treasurer and the Chief Finance Officer

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

Responsibilities of the Chief Constable and Treasurer

- 3.3.24 To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to South Wales Police premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
- 3.3.25 To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.

3.4 PREVENTING FRAUD AND CORRUPTION

Why is this important?

- 3.4.1 South Wales Police will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside South Wales Police.
- 3.4.2 South Wales Police expectation of propriety and accountability is that officers and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 3.4.3 South Wales Police also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity.

Responsibilities of the Commissioner and Chief Constable

- 3.4.4 To adopt and adhere to the whistle blowing policy.
- 3.4.5 To approve and adopt a policy on registering of interests and the receipt of hospitality and gifts.
- 3.4.6 To maintain an effective anti-fraud and anti-corruption policy.
- 3.4.7 To ensure that adequate and effective internal control arrangements are in place.
- 3.4.8 To maintain a policy for the registering of interests and the receipt of hospitality and gifts covering both officers and employees. A register of interests and a register of hospitality and gifts shall be maintained for officers and employees.
- 3.4.9 To maintain a whistle blowing policy to provide a facility that enables officers, employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity, that they are not malicious and that appropriate action is taken to address any concerns identified. The Chief Constable shall ensure that all officers and employees are aware of any approved whistle blowing policy.
- 3.4.10 To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by all officers and employees.

3.5 ASSETS

Security

Why is this important?

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

Context

- 3.5.2 The Commissioner will own and fund all assets regardless of whether they are used by the Commissioner, by the Chief Constable or by both.
- 3.5.3 The Chief Constable is responsible for the direction and control of the force and will therefore have day-to-day management of all assets used by the force.
- 3.5.4 The Chief Constable in conjunction with the Commissioner will plan the budget and develop a medium term financial strategy. Both these processes will involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

Responsibilities of the Chief Finance Officer

- 3.5.5 To ensure that:
- a) an asset register is maintained to provide information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements.
 - b) assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.
 - c) lessees and other prospective occupiers of the Commissioner's land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate.
 - d) title deeds to the Commissioner's property are held securely.
 - e) no asset is subject to personal use by an employee without proper authority.
 - f) valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to South Wales Police.
 - g) all employees are aware of their responsibilities with regard to safeguarding South Wales Police assets and information, including the requirements of the Data Protection Act and software copyright legislation.

- h) assets no longer required are disposed of in accordance with the law and in accordance with the Asset Management Plan agreed by the Commissioner.
- i) all employees are aware of their responsibilities with regard to safeguarding the security of South Wales Police ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

Valuation

Responsibilities of the Chief Finance Officer

- 3.5.6 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the Treasurer. Assets are to be recorded when they are acquired. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local authority Accounting in the United Kingdom* and the requirements specified by the Treasurer.

<i>Land & Buildings</i>	<i>All values</i>
<i>Vehicles</i>	<i>All values</i>
<i>ICT hardware</i>	<i>All values</i>
<i>Plant & Equipment</i>	<i>£50,000</i>

Inventories

Responsibilities of the Chief Finance Officer

- 3.5.7 To ensure that inventories are maintained in a format approved by the Treasurer and Chief Finance Officer that record an adequate description of items with a value in excess of £1,000. Other items of equipment should also be recorded if they are deemed to be both desirable and portable (e.g. laptops).

Stocks and Stores

Responsibilities of the Chief Finance Officer

- 3.5.8 To make arrangements for the care, custody and control of the stocks and stores of South Wales Police and to maintain detailed stores accounts in a form approved by the Treasurer.
- 3.5.9 To undertake a complete stock check at least once per year either by means of continuous or annual stock-take. The stock-take shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change.
- 3.5.10 Discrepancies between the actual level of stock and the book value of stock may be written-off, in consultation with the Treasurer.
- 3.5.11 To write-off obsolete stock, in consultation with the Chief Constable and the Treasurer and in accordance with the asset management plan approved by the Commissioner.

Intellectual Property

Why is this important?

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

Responsibilities of the Chief Constable

- 3.5.15 To ensure that officers and employees are aware of these procedures.
- 3.5.16 To prepare guidance on intellectual property procedures and ensuring that officers and employees are aware of these procedures.

Responsibilities of the Chief Constable and Commissioner

- 3.5.17 To approve the intellectual property policy.

Asset Disposal (except for Land and Buildings)

Why is this important?

- 3.5.18 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and any policy that may be set by the Police and Crime Commissioner.

Responsibilities of the Chief Finance Officer

- 3.5.19 To dispose of assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the Chief Finance Officer (following instruction from the Chief Constable) shall consult with the Treasurer.

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

Responsibilities of the Treasurer and Chief Finance Officer

- 3.5.21 To ensure that income received for the disposal of an asset is properly banked and accounted for.

- 3.5.22 To ensure that appropriate accounting entries are made to remove the value of disposed assets from South Wales Police records and to include the sale proceeds if appropriate.

Asset Disposal (Land and Buildings)

Why is this important?

- 3.5.23 Land and buildings may often have significant values attached and may have alternative uses either internally or for other public sector partners. Land and buildings should be disposed of in accordance with the law and the Asset Management Plan approved by the Police and Crime Commissioner.

Responsibilities of the Chief Finance Officer

- 3.5.24 Where the disposal has been identified in the Asset Management Plan, to dispose of land and buildings at the appropriate time and at the most advantageous price, in accordance with the recommendation of a qualified valuer. Where this is not the highest offer, the Chief Finance Officer (following instruction from the Chief Constable) shall consult with the Treasurer. Where alternative public use is possible, the Chief Finance Officer and Treasurer shall produce an options appraisal comparing the social value with commercial value for the Commissioner to determine the preferred disposal option.

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

Responsibilities of the Treasurer and Chief Finance Officer

- 3.5.26 To ensure that income received for the disposal of an asset is properly banked and accounted for.

- 3.5.27 To ensure that appropriate accounting entries are made to remove the value of disposed assets from South Wales Police records and to include the sale proceeds if appropriate.
- 3.5.28 The Treasurer may approve the disposal of land and buildings, where the disposal has not been identified in the Asset Management Plan, with a disposal valuation of less than £50,000.

Responsibilities of the Police and Crime Commissioner

- 3.5.29 The Police and Crime Commissioner may approve the disposal of land and buildings, where the disposal has not been identified in the Asset Management Plan, with a disposal valuation of more than £50,000.

3.6 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Treasury Management

Why is this important?

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

Responsibilities of the Commissioner

- 3.6.3 To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).
- 3.6.4 To approve the annual treasury management strategy and annual investment Strategy.
- 3.6.5 To receive and approve quarterly treasury management performance monitoring reports.

Responsibilities of the Treasurer

- 3.6.6 To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance and to execute and administer treasury management in accordance with the CIPFA Code and the approved policy.
- 3.6.7 To prepare reports on the treasury management policies, practices and activities, including, as a minimum, an annual strategy, quarterly performance monitoring reports and an annual report.
- 3.6.8 To arrange borrowing and investments, in compliance with the CIPFA Code and the Treasury management policy and to ensure that all investments and borrowings are made in the name of the Police and Crime Commissioner for South Wales.

Banking Arrangements

Why is this important?

- 3.6.9 Banking activities are controlled by a single contract which aims to provide a wide range of complex and specialist banking services to South Wales Police. A consistent and secure approach to banking services is essential in order to achieve optimum performance from South Wales Police bankers and the best possible value for money.

Responsibilities of the Treasurer

- 3.6.10 To have overall responsibility for the banking arrangements for South Wales Police.
- 3.6.11 To produce a policy on the establishment and maintenance of bank accounts, in consultation with the Chief Finance Officer.
- 3.6.12 To authorise the opening and closing of all South Wales Police bank accounts. No officer or employee shall open a bank account unless they are performing a statutory function (e.g. treasurer of a charitable body) in their own right.
- 3.6.13 To undertake bank reconciliation on a timely and accurate basis.
- 3.6.14 To determine signatories on all South Wales Police bank accounts.

Imprest Accounts / Petty Cash

Why is this important?

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

Responsibilities of the Chief Finance Officer

- 3.6.16 To provide appropriate employees of South Wales Police with cash, bank imprests to meet minor expenditure on behalf of South Wales Police. The Chief Finance Officer in conjunction with the Chief Constable shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.
- 3.6.17 To prepare detailed Financial Procedures for dealing with petty cash, to be agreed with the Treasurer, and these shall be issued to all appropriate employees.

Money Laundering

Why is this important?

- 3.6.18 South Wales Police is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.
- 3.6.19 Suspicious cash deposits in any currency in excess of €15,000 (or equivalent) should be reported to the Serious Organised Crime Agency (SOCA).

- 3.6.20 South Wales Police will monitor its internal control procedures to ensure they are reliable and robust.

Responsibilities of the Treasurer

- 3.6.21 To be the nominated Money Laundering Reporting Officer (MLRO) for the Commissioner.
- 3.6.22 Upon receipt of a disclosure to consider, in the light of all information, whether it gives rise to such knowledge or suspicion.
- 3.6.23 To disclose relevant information to the Serious Organised Crime Agency (SOCA).

Responsibilities of Chief Finance Officer

- 3.6.24 To undertake appropriate checks to ensure that all new suppliers and counter parties are bona fide.
- 3.6.25 To be the nominated Money Laundering Reporting Officer (MLRO) for the Chief Constable.

Responsibilities of officers and employees

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

3.7 STAFFING

Why is this important?

- 3.7.1 Staffing costs form the largest element of the annual policing budget. An appropriate People, Learning and Development Strategy should exist, in which staffing requirements and budget allocations are matched. The Commissioner's Strategic Board is responsible for monitoring performance against and considering changes to the Strategy.

Responsibilities of the Chief Constable

- 3.7.2 To ensure that employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed by the Commissioner's Strategic Board, notably the People, Learning and Development Strategy and the Equality and Diversity Strategy.
- 3.7.3 To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs and to advise the Treasurer on decisions taken.

Responsibilities of the Chief Finance Officer

- 3.7.4 To advise the Commissioner and the Treasurer on the budget necessary in any given year to cover estimated staffing levels.

- 3.7.5 To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
- 3.7.6 To approve, in consultation with the Treasurer and the Director of Human Resources, policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for support staff.

Responsibilities of the Chief of Staff

- 3.7.7 To have the same responsibilities as the Chief Constable above for staff employed directly by the Commissioner.

3.8 TRUST FUNDS

Why is this important?

- 3.8.1 Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them e.g. South Wales Police Benevolent Fund.
- 3.8.2 The South Wales Police financial procedures and financial regulations should be viewed as best practice, which ought to be followed whenever practicable.
- 3.8.3 No employee shall open a trust fund without the specific approval of the Chief Constable, Treasurer and Chief Finance Officer.

Responsibilities of Trustees

- 3.8.4 All officers and/or employees acting as trustees by virtue of their official position shall ensure that accounts are audited as required by law and submitted annually to the appropriate body, and the Treasurer and/or Chief Finance Officer shall be entitled to verify that this has been done.

3.9 ADMINISTRATION OF EVIDENTIAL AND NON-EVIDENTIAL PROPERTY

Why is this important?

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

Responsibilities of the Chief Constable

- 3.9.2 To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his guardianship or supervision. These procedures shall be made available to all appropriate employees. For more detailed information please refer to the Evidential and Non-Evidential Standard Operating Procedure (SOP).
- 3.9.3 To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate officers and employees and shall make specific reference to the need for insurance of valuable items.
- 3.9.4 To issue separate Financial Procedures for dealing with cash, including seized cash under the Proceeds of Crime Act.

Responsibilities of all officers and employees

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

3.10 GIFTS, LOANS AND SPONSORSHIP

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

Why is this important?

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

Context

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

Responsibilities of the Commissioner

- 3.10.5 To approve, and update appropriately, the policy on gifts, loans and sponsorship.

Responsibilities of the Chief Finance Officer

- 3.10.6 To accept gifts, loans or sponsorship within policy guidelines agreed by the Commissioner and in consultation with the Chief Constable.
- 3.10.7 To refer all gifts, loans and sponsorship above £50,000 to the Commissioner for approval before they are accepted.
- 3.10.8 To present an annual report to the Commissioner listing all gifts, loans and sponsorship.
- 3.10.9 To maintain a central register, in a format agreed by the Treasurer, of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The register will be made available to the Treasurer, who shall satisfy himself that it provides a suitable account of the extent to which such additional resources have been received.
- 3.10.10 To bank cash from sponsorship activity in accordance with normal income procedures.

SECTION 4 - SYSTEMS AND PROCESSES

4.1 SYSTEMS AND PROCESSES – INTRODUCTION

Why is this important?

- 4.1.1 There are many systems and procedures relating to the control of South Wales Police assets, including purchasing, costing and management systems. South Wales Police is reliant on computers for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 4.1.2 The Treasurer and the Chief Finance Officer both have a statutory responsibility to ensure that South Wales Police financial systems are sound and must therefore be notified of any proposed new developments or changes.

Responsibilities of the Treasurer and the Chief Finance Officer

- 4.1.3 To make arrangements for the proper administration of South Wales Police financial affairs, including to:
- issue advice, guidance and procedures for officers and others acting on behalf of South Wales Police
 - determine the accounting systems, form of accounts and supporting financial records
 - establish arrangements for the audit of South Wales Police financial affairs
 - approve any new financial systems to be introduced

- approve any changes to existing financial systems

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

- systems are secure, adequate internal control exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice
- appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously
- a complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa
- systems are documented and staff trained in operations

4.1.5 To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems.

4.1.6 To establish a scheme of delegation, that will include provisions identifying staff authorised to act on behalf of the Commissioner and the Chief Constable in respect of income collection, placing orders, making payments and employing staff.

4.2 INCOME

Why is this important?

4.2.1 Income is vital to South Wales Police and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly.

Context

4.2.2 The Commissioner and the Chief Constable should consider the ACPO national charging policies and national guidance when applying charges under section 25 of the Police Act 1996. It should be kept in mind that the purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them. All such income is attributable to the Commissioner and should be banked accordingly.

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

4.2.4 When specifying resource requirements the Chief Constable must identify the expected income from charging. The Chief Constable should adopt ACPO charging policies in respect of mutual aid.

Responsibilities of the Chief Constable and Commissioner

4.2.5 To take account of the ACPO national charging policies and national guidance when applying charges under sections 24 and 25 of the Police Act 1996.

Responsibilities of the Chief Finance Officer and Treasurer

4.2.6 To make arrangements for the collection of all income due to South Wales Police and approve the procedures, systems and documentation for its collection, including the correct charging of VAT.

- 4.2.7 To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the Commissioner.
- 4.2.8 To ensure that all income is paid fully and promptly into the South Wales Police Bank Account. Appropriate details should be recorded on to paying-in slips to provide an audit trail.
- 4.2.9 To ensure income is not used to cash personal cheques or make other payments.

Responsibilities of the Chief Finance Officer:

- 4.2.10 To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.
- 4.2.11 To operate effective debt collection procedures.
- 4.2.12 To initiate, in consultation with the Chief of Staff, appropriate debt recovery procedures, including legal action where necessary.
- 4.2.13 To approve the write-off of bad debts up to the level shown below. Amounts for write-off above this value must be referred to the Treasurer or Commissioner, as appropriate, for approval, supported by a written report explaining the reason(s) for the write-off.

<i>Up to £20,000</i>	<i>Chief Finance Officer</i>
<i>£20,000- £50,000</i>	<i>Treasurer</i>
<i>Over £50,000</i>	<i>Commissioner</i>

- 4.2.14 To prepare detailed Financial Procedures for dealing with income, to be agreed with the Treasurer, and to issue them to all appropriate employees.

4.3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Why is this required?

- 4.3.1 Public money should be spent in accordance with the Commissioner's policies. The Commissioner and the Chief Constable each have a statutory duty to ensure financial probity and best value. The Commissioner's financial regulations and purchasing procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the Standing Orders relating to Contracts in Part 3e.

Responsibilities of the Chief Finance Officer

- 4.3.2 To draft and maintain a procurement policy covering the principles to be followed for the purchase of goods and services in consultation with the Treasurer.
- 4.3.3 To draft the Annual Procurement Plan before the start of the financial year for consideration by the Commissioner's Strategic Board. To report regularly to the Commissioner's Strategic Board on progress to plan.

- 4.3.4 To issue official orders for all work, goods or services to be supplied to South Wales Police, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the Treasurer. Orders must be in a form approved by the Chief Finance Officer.
- 4.3.5 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of South Wales Police contracts.
- 4.3.6 Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations and the provision of the Standing Orders relating to Contracts (Part 3e of this Scheme of Governance).
- 4.3.7 Payments are not to be made unless goods and services have been received by South Wales Police at the correct price, quantity and quality in accordance with any official order.
- 4.3.8 To ensure that payments are made to the correct person, for the correct amount, on time, in accordance with the principles set out by the Welsh Government and are recorded properly, regardless of the method of payment.
- 4.3.9 To ensure that VAT is recovered where appropriate.
- 4.3.10 To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- 4.3.11 To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, as set out in the Standing Orders relating to Contracts (Part 3e hereto).
- 4.3.12 To prepare, in consultation with the Treasurer, detailed Financial Procedures for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.

Responsibilities of the Chief Officers

- 4.3.13 To ensure that every officer and employee declares any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of South Wales Police and that such persons take no part in the selection of a supplier or contract with which they are connected.

4.4 GRANTS

Why is this required?

- 4.4.1 Grant payments can be an important way in which services are commissioned and can be a valid alternative to procurement. Controls need to ensure the grants further the purposes of the Police and Crime Commissioner and that the funding is used by the recipients for the purposes for which it is given.

Responsibilities of the Treasurer

- 4.4.2 To ensure the development of grant-making policies setting out the conditions and any restrictions applying to grants awarded. The Commissioner's policies may set priorities for activities or projects to be funded;
- 4.4.3 To ensure that procedures are in place for the review and approval of grant applications. Controls should include checks on the integrity of organisations or individuals to be funded;
- 4.4.4 To ensure that monitoring procedures are in place to check that grants have been used for agreed purposes.

4.5 PAYMENTS TO EMPLOYEES

Why is this required?

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

Responsibilities of the Chief Constable

- 4.5.2 To ensure the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former officers and employees.

Responsibilities of the Chief Finance Officer

- 4.5.3 To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.
- 4.5.4 To pay all valid travel and subsistence claims.
- 4.5.5 To pay salaries, wages, pensions and reimbursements by the most economical means.
- 4.5.6 To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
- 4.5.7 To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
- 4.5.8 To prepare detailed Financial Procedures for dealing with payments to officers and employees, to be agreed with the Treasurer, and these shall be issued to all appropriate officers and employees.

4.6 TAXATION

Why is this important?

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

Responsibilities of the Chief Finance Officer

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

- 4.6.3 To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC.

Responsibilities of the Treasurer and Chief Finance Officer

- 4.6.4 To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations.
- 4.6.5 To provide details to the HMRC regarding the construction industry tax deduction scheme.
- 4.6.6 To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.

4.7 CORPORATE CREDIT CARDS

Why is this important?

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

Responsibilities of the Chief Finance Officer

- 4.7.2 In conjunction with the Treasurer to provide Financial Instructions to all cardholders.
- 4.7.3 To authorise and maintain control over the issue of cards.

Responsibilities of Credit Card Holders

- 4.7.4 To ensure that purchases are in accordance with approved policies e.g. catering, hospitality.
- 4.7.5 To provide receipted details of all payments made by corporate credit card each month, including nil returns, to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.

4.8 PURCHASING CARDS

Why is this important?

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

Responsibilities of the Chief Finance Officer

- 4.8.2 To provide detailed financial procedures to card holders.
- 4.8.3 To authorise and maintain control over the issue of cards.
- 4.8.4 To reconcile the purchase card account to the ledger on a monthly basis.

Responsibilities of Purchasing Card Holders

- 4.8.5 To be responsible for ordering and paying for goods and services in accordance with the Force procurement policy, contract standing orders and all procedures laid down by the Chief Finance Officer.

4.9 EX GRATIA PAYMENTS

Why is this important?

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

Responsibilities of the Chief Finance Officer

- 4.9.2 To make ex gratia payments, on a timely basis, to members of the public 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 South Wales Police.

<i>Up to £5,000</i>	<i>Deputy Chief Constable</i>
<i>Over £5,000</i>	<i>Commissioner</i>

- 4.9.3 To maintain details of ex gratia payments in a register:

- 4.9.4 To make ex gratia payments, on a timely basis, up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

<i>Up to £5,000</i>	<i>Deputy Chief Constable</i>
<i>Over £5,000</i>	<i>Commissioner</i>

SECTION 5 - JOINT WORKING ARRANGEMENTS

5.1 JOINT WORKING ARRANGEMENTS

Why is this important?

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

- Partnerships
- Consortia
- Collaboration.

5.1.2 Partners engaged in joint working arrangements have common responsibilities:

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

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

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

5.1.4 The South Wales Police element of all joint working arrangements must comply with these Financial Regulations.

Partnerships

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

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

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

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

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

Statutory Based

5.1.8 These are partnerships that are governed by statute. They include, for example, Crime and Disorder Reduction Partnerships, Youth Offending Teams and Local Service Boards. Whilst the partnership may have a statutory basis this does not mean that the partnership is a legal entity that can directly employ staff or enter into contracts.

Strategic

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

Ad-hoc

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

Context

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

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

Responsibilities of the Commissioner

- 5.1.13 To ensure that partnership decisions are consistent with the partnership priorities and other objectives set out in the Police and Crime Reduction Plan for South Wales.
- 5.1.14 To have regard to relevant priorities of local partners when considering and setting the Police and Crime Reduction Plan and when considering the annual Force Delivery Plan submitted by the Chief Constable.
- 5.1.15 To make appropriate arrangements to take account of partnership priorities when commissioning services from either the force or external providers.

Responsibilities of Chief Officers

- 5.1.16 To follow any guidance manual established for local partnerships.
- 5.1.17 To consult, as early as possible, the Chief Finance Officer and the Treasurer to ensure the correct treatment of taxation and other accounting arrangements.
- 5.1.18 To produce a Memorandum of Understanding setting out the appropriate governance arrangements for the project. This document should be signed by the Chief of Staff.

Consortium Arrangements

- 5.1.19 A consortium is a long-term joint working arrangement with other bodies, operating with a formal legal structure approved by the Commissioner.

Responsibilities of Chief Officers

- 5.1.20 To contact the Chief of Staff before entering into a formal consortium agreement, to establish the correct legal framework and to obtain the consent of the Commissioner.
- 5.1.21 To consult, as early as possible, the Chief Finance Officer and the Treasurer to ensure the correct treatment of taxation and other accounting arrangements.
- 5.1.22 To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
- 5.1.23 To produce a Memorandum of Understanding setting out the appropriate governance arrangements for the project. This document should be signed by the Chief of Staff.

Responsibilities of the Commissioner

- 5.1.24 To consider and, if appropriate, approve South Wales Police participation in the consortium arrangement.

Collaboration

- 5.1.25 Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the Act 2011, Chief Constables and Commissioners have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more police force or Commissioners. Any collaboration which relates to the functions of a police force must first be agreed with the Chief Constable of the force concerned.
- 5.1.26 The Commissioners shall jointly hold their Chief Constables to account for any collaboration in which their force is involved.
- 5.1.27 Any such proposal must be discussed with the Treasurer and Chief Finance Officer in the first instance.

5.2 EXTERNAL FUNDING

Why is this important?

- 5.2.1 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of South Wales Police. Funds from external agencies provide additional resources to enable South Wales Police to deliver its policing objectives. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the South Wales Police overall plan.
- 5.2.2 The main source of such funding for South Wales Police will tend to be specific government grants, additional contributions from local authorities (e.g. for PCSO's ANPR, CCTV) and donations from third parties (e.g. towards capital expenditure). All income streams are banked on behalf of the Commissioner and are attributable to the Commissioner.

Responsibilities of Chief Officers

- 5.2.3 To pursue actively any opportunities for additional funding where this is considered to be in the interests of South Wales Police.

Responsibilities of the Chief Constable and the Commissioner

- 5.2.4 To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.
- 5.2.5 To ensure that funds are acquired only to meet policing needs and objectives or to prevent crime, reduce re-offending and improve community safety.
- 5.2.6 To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- 5.2.7 To ensure that any conditions placed on South Wales Police in relation to external funding are in accordance with the approved policies of the Commissioner. If in doubt or if there is a conflict, this needs to be taken to the Commissioner for resolution.

Responsibilities of the Treasurer and Chief Finance Officer

- 5.2.8 To advise the Commissioner and the Chief Constable in advance of decisions and to ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met.

5.3 WORK FOR EXTERNAL BODIES

Why is this required?

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

Responsibilities of the Chief Constable

- 5.3.2 To ensure that proposals for assistance are costed, that no contract is subsidised by South Wales Police and that, where possible, payment is received in advance of the delivery of the service so that South Wales Police is not put at risk from any liabilities such as bad debts.
- 5.3.3 To ensure that appropriate insurance arrangements are in place.
- 5.3.4 To ensure that all contracts are properly documented.
- 5.3.5 To ensure that such contracts do not impact adversely on the services provided by South Wales Police.
- a) The submission of tenders for the supply of goods and/or services should be approved in accordance with the provisions of Standing Orders relating to Contracts (Part 3e hereto).

SECTION 6 - SUMMARY OF DELEGATED LIMITS

6.1 SUMMARY OF DELEGATED LIMITS

Virement

- 6.1.1 The Treasurer and Chief Finance Officer may approve any virement where the additional costs are fully reimbursed by other bodies.
- 6.1.2 For all other revenue budgets each Chief Officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels:

Force Budget

Up to £ 1,000,000

Over £1,000,000

Chief Finance Officer

Treasurer

Commissioner's own budget

Up to £50,000

Over £50,000

Treasurer

Commissioner

Annual Capital Programme

- 6.1.3 Approval of the annual capital programme by the Commissioner authorises the Chief Finance Officer to incur expenditure on schemes providing the detailed business case has been approved and expenditure on the scheme does not exceed the sum contained in the approved programme by more than 10% or £250,000 whichever is the lower amount. Such approval is subject to the underlying business case remaining viable. The Chief Finance Officer shall identify appropriate capital funding.
- 6.1.4 Approval of the annual capital programme by the Commissioner authorises the Treasurer to incur expenditure on schemes providing the detailed business case has been approved and expenditure on the scheme exceeds the sum contained in the approved programme by more than 10% or £250,000 whichever is the lower amount. Such approval is subject to the underlying business case remaining viable. The Treasurer shall identify appropriate capital funding. The Treasurer shall notify the Commissioner whenever any such authorisation is given.

Asset valuation

- 6.1.5 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the Treasurer. Assets are to be recorded when they are acquired by South Wales Police. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* and the requirements specified by the Treasurer.

Land & Buildings

All values

Vehicles

All values

ICT hardware

All values

Plant & Equipment

£50,000

Inventories

Responsibilities of the Chief Constable

- 6.1.6 To ensure that inventories are maintained in a format approved by the Treasurer that record an adequate description of items with a value in excess of £1,000. Other items of equipment with should also be recorded if they are deemed to be both desirable and portable (e.g. laptops).

Asset Disposal

- 6.1.7 The Treasurer may approve the disposal of land and buildings, where the disposal has not been identified in the Asset Management Plan, with a disposal valuation of less than £50,000.
- 6.1.8 The Police and Crime Commissioner may approve the disposal of land and buildings, where the disposal has not been identified in the Asset Management Plan, with a disposal valuation of more than £50,000.

Money Laundering

- 6.1.9 Suspicious cash deposits in any currency in excess of €15,000 (or equivalent) should be reported to the Serious Organised Crime Agency (SOCA).
- 6.1.10 Large cash bankings from a single source over €15,000 should be reported to the Treasurer. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9).

Gifts, Loans and Sponsorship

- 6.1.11 To refer all gifts, loans and sponsorship above £50,000 to South Wales Police to the Commissioner for approval before they are accepted.

Income

- 6.1.12 To approve the write-off of bad debts, in consultation with the Chief of Staff or the Treasurer, up to the level shown below. Amounts for write-off above this value must be referred to the Commissioner for approval, supported by a written report explaining the reasons for the write-off.

<i>Up to £10,000</i>	<i>Chief Finance Officer</i>
<i>£10,000 to £50,000</i>	<i>Treasurer</i>
<i>Over £50,000</i>	<i>Commissioner</i>

Ex-gratia Payments

- 6.1.13 To make ex-gratia payments, on a timely basis, to members of the public 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 South Wales Police.

<i>Up to £5,000</i>	<i>Deputy Chief Constable</i>
<i>Over £5,000</i>	<i>Commissioner</i>

6.1.14 To make ex-gratia payments, on a timely basis, up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

Up to £5,000

Deputy Chief Constable

Over £5,000

Commissioner

INTRODUCTION

Contract Standing Orders are an essential part of a Scheme of Governance and are designed to ensure that contracts are let in a way which:

- obtains best value for money.
- maintains the highest standards of propriety.
- complies with legal requirements.
- complies with the Commissioner's policies.

There must be sufficient competition to ensure that prices paid to contractors are not excessive and there must be checks and balances to guard against impropriety in the letting of public contracts. Similarly there must be procedures for ensuring that the legal basis of contracts is sound but at the same time promote efficiency. These Standing Orders provide the framework within which these various objectives can be achieved.

BACKGROUND AND CONTEXT

1. A contract is an agreement between two parties for the supply of goods and/or services. Employees should avoid giving verbal commitments to suppliers as this can constitute a contract. The terms and conditions to be applied to the contract provide clarity and protection to the participants, and the specification of the requirement should be clearly understood by both parties. Their length and complexity are likely to depend on the extent of cost and complexity of the goods or services to be supplied.
2. All employees engaged in the acquisition and delivery of the following, shall make every effort to ensure that the best value for money is achieved:
 - a) goods or materials;
 - b) services and consultancy;
 - c) building works;
 - d) the supply of goods or services to third parties which provide South Wales Police with an income.
3. Such efforts shall continue throughout the lifetime of any contract to ensure that best value for money is maintained in the quality and standard of all goods, services and works supplied and in the review of proposals to change or vary any feature of any contract during its lifetime.

KEY CONTROLS

4. No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in these Standing Orders, or any statute or the EU Directive.
5. Competition shall be encouraged from potential providers in relation to the supply of goods, services, building works, etc.
6. Every contract concluded shall also comply with:
 - a) the EU Treaty;
 - b) any relevant Directives of the EU for the time being in force in the United Kingdom including any requirement for aggregation;
 - c) any laws of the United Kingdom including any Act of Parliament requiring the letting of contracts by competitive tendering or relating to Best Value or Social Value; and

- d) the requirement of the Code of Practice for Local Authorities on Data Transparency to publish copies of contracts and tenders to businesses and to the voluntary community and social enterprise sector on the website.

Where any European law or the laws of England and Wales conflicts with these Standing Orders, then that law shall take precedence.

7. These Standing Orders will not apply in the following instances:
 - Grants issued by the Commissioner
 - Contracts for the sale, purchase or lease of land and property
 - Contracts of employment.
 - Contracts for the investment or sale of monies or securities.
 - The engagement or instruction of Counsel.
 - The engagement of costs draughtsmen or expert witnesses within or in contemplation of legal proceedings.
8. Subject to compliance with the above and subject to paragraphs 60 to 67 below, exemption from any of the following provisions of these Standing Orders may only be made by direction of the Commissioner or the Treasurer. The Commissioner shall be informed regularly of the circumstances of every exemption made.
9. In addition to adhering to the above, any member of staff who is engaged in any activities or processes leading to the award of a contract or in its subsequent delivery, shall:
 - a) show no undue favour to or discriminate against any contractor or potential contractor;
 - b) carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information);
 - c) not breach the requirements of the Policy for Gifts and Gratuities, Hospitality, Discounts, Travel and other Potential Conflicts of Interest.
10. These Standing Orders shall apply, irrespective of whether the contract is financed with monies provided by the Commissioner or any other person or body (e.g. grants from local councils, Welsh Government, central government and other partnership monies).

POWER TO DELEGATE

11. Officers to whom express delegations are made pursuant to these Standing Orders may delegate these further subject to paragraph 1.5 of the Scheme of Consent and Delegation. The officer to whom express delegation is given must maintain a record of further delegations.

FAILURE TO COMPLY

12. It is an implied condition of all officers involved with any contract that they must at all times observe the provisions of these Standing Orders. If any Officer fails to comply with the provisions of these Standing Orders, disciplinary action may be taken. Any Officer signing contracts without authority will not only infringe these Standing Orders but may also incur personal liability.

RESPONSIBILITIES OF CHIEF OFFICERS

13. Chief Officers are responsible for ensuring that all officers and staff are properly informed of and comply with these Standing Orders including any Codes of Practice, Guidance or Protocols that may be issued or included on the Force Intranet System (Connect), together with any amendments that may be made thereto from time to time.
14. The Chief of Staff is responsible for monitoring compliance with Contract Standing Orders.

15. The Treasurer is responsible for monitoring that proper value for money is obtained.

OFFICERS INTERESTS

16. Any officer or member of staff having any interest whatsoever which might reasonably be considered as likely to influence his or her judgement in contract matters, must declare such interest to his or her Divisional Commander or Departmental Head who will forward the information to the Chief Constable and Chief of Staff respectively. The Chief of Staff will record the declaration in a register. This requirement applies equally to all officers of both the Commissioner and the Force.

SELECTION CRITERIA

17. Unless otherwise approved by the Commissioner, the selection of organisations to be invited to quote or tender under these Standing Orders (and in relation to open tenders the evaluation of such organisations) shall be based on a combination of technical capacity, quality and financial standing, in accordance with the principles of the EU directives.

Small and Medium Enterprises: Where the nature or value of goods, services or works would represent a suitable opportunity for an SME, this shall be advertised as such in accordance with paragraph 49 of these Standing Orders. The Commissioner may reserve certain contracts if in his opinion, such contracts would be suitable for award to sheltered workshops or within the context of sheltered employment programmes where most of the employees are disabled persons, who by the nature of their disabilities cannot carry on occupations under normal circumstances. Advice should be sought from the Procurement Department prior to placing such advertisements.

INVITATIONS TO TENDER

18. All tenders issued by the Commissioner shall consist of instructions to tenderers regarding submission information, terms, conditions and specification with a pricing schedule to be returned in accordance with the conditions specified.
19. Completed tenders shall be submitted by the date and time and in the manner stated in the instruction for invitation to tender (electronic being the preferred method).

FRAMEWORK AGREEMENTS

20. Where the Commissioner is able to utilise a pre-existing framework agreement procured by a central purchasing body, other public sector bodies or the Commissioner's themselves, then the Commissioner may benefit from using these agreements without initialising a separate formal tender process.
21. The process for using, establishing and/or maintaining a framework agreement must first be approved in writing by the Procurement Department.
22. Care must be taken prior to utilising existing framework agreements to ensure that they are appropriate and fit for purpose for the Commissioner's needs, and the advice of the Procurement Department shall be sought in every case.
23. Before procuring from or entering into a framework agreement, the Authorised Officer must be satisfied that:
 - The term of the arrangement shall be or is for a period of no longer than four years duration.
 - The terms and conditions of the arrangement do not compromise the Commissioner's contractual requirements.
 - Full and proper competition in respect of the creation of the framework has taken or will take place in accordance with the relevant EU rules and the terms of these Standing Orders.
 - The Procurement Department have provided written confirmation that such framework arrangement is available to the Commissioner.
24. When purchasing from (calling off) a framework agreement, the Authorised Officer (in consultation with the Procurement Department) must adhere to the process set out under the existing framework agreement terms.

OPENING OF TENDERS

25. All tenders shall be opened at one time, which shall be as soon as practicable after the time appointed for their opening in the invitation to tender.
26. The Commissioner delegates to the Treasurer the discretion to permit the consideration of tenders which do not comply strictly with the above rules, subject to the reasoning behind any exercise of discretion being properly recorded.

EVALUATION OF TENDERS

27. Assessment criteria may be made on appropriate technical, qualitative and financial grounds which are appropriate to the contract concerned. These should be agreed before the Tender is issued in consultation with an appropriate stakeholder group, agreed with the Head of Procurement, which should include financial and technical/practitioner representation.

28. Evaluations of the Tender submissions are to be carried out by the stakeholder group based on the agreed criteria which shall be applied to all tenderers fairly, transparently and consistently.
29. Additional interviews, presentations and site visits for larger contracts may be included. Such decisions should be made prior to the invitation of tenders, not when adjudicating received offers.
30. Those members of staff involved in the evaluation process should be mindful of the current policy on gifts, loans and hospitality.

AUTHORISED OFFICERS

31. The correct contracting party for all contracts entered into by South Wales Police is the Police and Crime Commissioner for South Wales. The only person(s) who may enter into a contractual agreement which legally binds the Commissioner is the Chief of Staff or the Treasurer or the duly authorised persons, as specified in the Appendix hereto.
32. The affixing of the Common Seal shall only be attested by the Treasurer, the Chief of Staff or a person authorised by either of them. A record of all documents which are sealed shall be kept by the Chief of Staff and the record shall be signed by the person who shall have attested the seal.
33. Designated representatives of the force ("Authorised Officers") shall, subject to the provisions of the Commissioner's Financial Regulations and to the provisions of these Standing Orders and to such directions as may be given by the Commissioner from time to time, have authority to enter into contracts of a Level 1 threshold value (as set out in Appendix 1).

BUDGET AUTHORISATION

34. Before entering into any contractual commitment on behalf of the Commissioner, the relevant Authorised Officer must ensure that there is sufficient approved budget in the current financial year to meet the commitment being made.
35. No contract shall be let unless the expenditure involved has been included in an approved capital or revenue budget, or has been otherwise approved by or on behalf of the Commissioner.

PURCHASING PROCEDURES AND RETENTION OF RECORDS

36. Except as provided in Standing Orders 60 and 61, before any contract is entered into, tenders or quotations must be sought in one of the ways described in these Standing Orders and the detailed administrative procedures of which are more particularly prescribed in the Codes of Practice, Guidance or Protocols that will be issued or included on the Force's intranet system (Connect).
37. In all instances (no matter the value) full written records of each contract must be maintained, including all quotations/tenders received and all correspondence (including notes of telephone calls and meetings) relating to the selection of suppliers and award of contract, for a period of not less than 6 years after the date of the expiry of the contract (12 years if the contract is under seal).
38. In relation to contracts whose total value exceed the relevant EU threshold, due diligence checks may be undertaken of such supplier(s) prior to awarding the contract(s). Advice and guidance from the Procurement Department must be sought as to whether this is required.

CONTRACT VALUE THRESHOLDS

39. Value for Money must be demonstrated for all contracts whose total value are below the Level 1 Threshold. Good purchasing practice is to be followed, and fully recorded. A written or electronic quotation needs to be obtained prior to any purchase.
40. Contracts whose total value is within the Level 2 Threshold shall only be made after competitive quotations (which shall either be electronic, written or evidenced in writing) have been sought from not less than three suitable persons.
41. Contracts whose total value is within the Level 3 Threshold, shall be made only after tenders have been sought in accordance with the provisions of these Standing Orders.
42. Contracts whose total value exceed or are likely to exceed the relevant EU threshold shall be made only after tenders have been invited as described in these Standing Orders and in accordance with such European tendering rules.
43. Contracts which fall within the scope of European Community Directives shall be made only after the relevant Directive and any associated UK Statutory Instruments have been complied with. For details of current financial limits relating to the European Community Directive advice must be sought from the Force Procurement Department.

TOTAL VALUE OR AMOUNT OF CONTRACTS

44. Value of contract shall be ascertained by aggregate, and not annual, value. A project shall not be divided into a number of separate contracts in order to avoid the limitations imposed by statute, EC directives or these Standing Orders.
45. A call-off contract (see paragraph 24 above) shall be treated as one contract under these Standing Orders.
46. Contracts must not be artificially under or over-estimated where the effect is to avoid the application of these Standing Orders.
47. Where an individual item of expenditure or the carrying out of works and/or the supply of goods, materials or services is within the levels specified in paragraphs 39 to 43 above, but it is known that the projected expenditure on items/services within the same category is likely to exceed any such level during the course of the financial year, then tenders must be sought to appoint a contractor in accordance with the appropriate procedure for the level of expenditure to be incurred.

PRE TENDER MARKET RESEARCH AND CONSULTATION

48. The Procurement Department may review the market for a proposed procurement through discussions with suppliers and other research, but no person may:
 - Base any specification upon one supplier's offering such as to distort competition.
 - Make any indication or commitment to suppliers that their offering may be preferred by the Commissioner.
 - Suggest any procurement route which is inconsistent with the provisions of these Standing Orders.
 - Enter into negotiations about price where a competitive procurement process has yet to take place in accordance with the terms of these Standing Orders.

OPEN COMPETITIVE OR RESTRICTED TENDERING

49. At least 14 days notice must be given either:
 - (i) in one or more local newspapers or

(ii) use shall be made of free advertising available to the Commissioner (including without limitation use of electronic websites (including sell2wales) and Contrax Weekly.

50. Where the estimated value of the contract exceeds the relevant EU threshold, notice must be given as specified in paragraph 49 above and also in the Official Journal of the European Economic Community..
51. The notice(s) must state the nature and purpose of the contract, invite tenders for its execution (and in the case of an Open procedure specify the last date and time when tenders must be received). The notice shall direct potential contractors to the location where full information about the tendering opportunity can be found, (such as the etenderwales website).
52. In relation to the Restricted procedure only, after the expiry of the specified period, invitations to tender should be sent to not less than five of the persons who have applied for permission to tender selected by the appropriate Chief Officer, or, if fewer than five pass the qualification criteria made public in the pre-qualification questionnaire, to all such persons.
53. The process of selecting prospective contractors must be fair and transparent, be seen to show no favour and be fully documented.
54. The criteria for short listing must be established and publicised to interested parties within the tender or pre-qualification documents.

SELECTIVE TENDERING FROM STANDING LIST

55. Where permitted by law a list may be kept of persons to be invited to tender for contracts for the supply of goods or services or materials or specified categories, values or amounts or for the execution of specified categories of works. It should be noted that pursuant to the Force's dynamic purchasing system all persons on the list must be invited to provide quotations upon each occasion.
56. The list shall be compiled and maintained by or under arrangements approved by the Chief of Staff or the Treasurer.
57. Appeals by any person against deletion from or refusal to be included in the list must be referred to the Chief of Staff.
58. The list must be reviewed at intervals not exceeding three years and notices inviting applications for inclusion in it shall be published on the electronic websites utilised by South Wales Police or, if relevant, in one or more newspapers and journals (including where appropriate the Official Journal of the European Economic Community) circulating among such persons as undertake contracts of the specified values and amounts or the type of work required.
59. The Chief of Staff may approve deletions and additions to the list between review dates.

TENDERS OR QUOTATIONS NOT REQUIRED

60. For contracts falling within the Level 2 Threshold nothing in these Standing Orders shall require tenders or quotations to be invited if the appropriate Chief Officer is satisfied that:
 - (a) There is no effective competition for the work, goods or materials required by reason of the fixing of prices or charges under statutory authority; or
 - (b) The work, goods or materials required are of such a special nature that no advantage would accrue by inviting competitive tenders or there is only one supplier; or
 - (c) The work, goods or materials are urgently required and loss, injury or damage could be entailed by delay in advertising.

61. For contracts falling within the Level 3 threshold, nothing in these Standing Orders shall require tenders or quotations to be invited if the appropriate Chief Officer following consultation with and with the approval of the Treasurer is satisfied that:
- (a) There is no effective competition for the work, goods or materials required by reason of the fixing of prices or charges under statutory authority; or
 - (b) The work, goods or materials required are of such a special nature that no advantage would accrue by inviting competitive tenders or there is only one supplier; or
 - (c) The work, goods or materials are urgently required and loss, injury or damage could be entailed by delay in advertising.
- For contracts falling within the Level 4 threshold, nothing in these Standing Orders shall require tenders or quotations to be invited if the appropriate Chief Officer following consultation with and with the approval of the Commissioner is satisfied that:
- (a) There is no effective competition for the work, goods or materials required by reason of the fixing of prices or charges under statutory authority; or
 - (b) The work, goods or materials required are of such a special nature that no advantage would accrue by inviting competitive tenders or there is only one supplier; or
 - (c) The work, goods or materials are urgently required and loss, injury or damage could be entailed by delay in advertising.
62. Provided that in each instance specified in paragraphs 60 and 61 above:
- (a) Such action does not contravene any statutory or EU requirement; and
 - (b) Details of the contract are reported to the Commissioner where the value of the contract exceeds the Level 2 Threshold; and
 - (c) Adequate documentation is retained for all contracts where tenders are not required.
63. Tenders or quotations are also not required to be invited where:
- (a) direct purchasing arrangements have previously been agreed by the Commissioner; or
 - (b) the Commissioner is a member of a consortium created for the purpose of acquiring goods or materials of the relevant type; or
 - (c) the Commissioner has access to direct purchasing arrangements entered into by another agency (including valid Framework agreements open to the Commissioner). Where best value for money can be substantiated, the acquisition of goods or materials, the provision of services and the execution of building works may be made through an appropriate framework contract awarded by another authority or public body where the conditions of contract identify the South Wales Police Commissioner and/or the Force to be contract participant(s). The use of such contracts must be first agreed by the Force Procurement Department.
64. Some tenders may also qualify for a specific exclusion from the requirements of the EU Procurement Directives on grounds of national security. Confirmation must be obtained from the Force's Procurement Department in the first instance regarding whether such exclusion applies to the proposed purchase.
65. Any application for exemption from tendering, submitted pursuant to the provisions of paragraphs 60 or 61, shall be in the form approved by the Commissioner from time to time.
66. For the avoidance of doubt, the provisions of these Standing Orders (with the exception of the tendering and quotation requirements) must be fully complied with in relation to all contracts to which paragraphs 60 or 61 apply.

67. Where these Standing Orders do not specifically require that written tenders or quotations are obtained it is the responsibility of all staff to ensure and demonstrate that good purchasing practice is followed to ensure maximum value for money.

CONTRACTS MADE UNDER THE POLICE Act 1996 (EQUIPMENT) REGULATIONS 2011

68. Certain commodities must be obtained exclusively by the use of the arrangements specified in the Regulations if such commodities are to be for Police use and irrespective of their value. As these requirements are subject to change, current details of the commodities included can be obtained from the Force Procurement Department.

For all purchases including these commodities advice and guidance on the use of the arrangement must be sought in the first instance from the Force Procurement Department. In the event that any future amendments are made to the Regulations or if future Regulations are issued regarding the procurement of certain commodities for police use, such commodities as are specified therein shall be deemed to be included in this paragraph 69.

SUBMISSION OF TENDERS AND QUOTATIONS

69. Where an electronic tendering system is used, the procedure set out in paragraph 71 below need not be followed provided that: -

- (a) the electronic tendering system utilised has safeguards built in which prevent:
 - (i) access to tenders submitted prior to the time set for opening, and
 - (ii) any amendment of an opened tender by any recipient.
- (b) the system must also contain further safeguards, which shall include:
 - (i) a non-amendable log of actions.
 - (ii) in the case of electronic tenders, an electronic file must be delivered to a designated secure electronic tendering system in line with the instructions given in the tender notice.
 - (iii) Tender documents must clearly state the tender evaluation criteria, with appropriate scoring system and weightings.
 - (iv) The electronic tender system must record the exact time and date a supplier opens the invitation to tender and enables the Commissioner to demonstrate that a prospective contractor has received the tender.
- (c) every invitation to tender or quote shall state:
 - (i) that the Commissioner does not bind itself to accept the lowest or any tender or quotation.
 - (ii) the terms and conditions that will apply to the final contract to be made when the successful tenderer has been selected. Attempts by tenderers to replace or amend the Commissioner's terms and conditions may constitute grounds for rejection of that tender or quotation.
 - (iii) the tender evaluation criteria, with appropriate scoring system and weightings.

70. Where an electronic tendering system is not used, every invitation to tender or quote shall state:

- (a) the place where, time and method(s) by which the tender or quotation should be delivered.
- (b) that no tender or quotation will be considered unless submitted in a plain sealed envelope bearing either the label provided or bearing the words "Tender/Quotations for" followed by the subject to which it relates. There must be no name or mark to identify the sender, including company advertising logo. Any external wrapping used by a courier service must not reveal the name of the sender. Postal franking machines should not be used if the tenderer could be identified there from.

- (c) that tenders submitted by Fax or E-mail will not be considered unless specified as being acceptable in the tender documentation (for the avoidance of doubt this particular condition will not apply to quotations for contracts whose total value are within or below the Level 2 Threshold).
 - (d) that the Commissioner does not bind their self to accept the lowest or any tender or quotation.
 - (e) the terms and conditions that will apply to the final contract to be made when the successful tenderer has been selected. Attempts by tenderers to replace or amend the Commissioner's terms and conditions may constitute grounds for rejection of that tender or quotation.
 - (f) the tender evaluation criteria, with appropriate scoring system and weightings.
71. In the event of an electronic tender which satisfies the provisions of 71 above, a designated officer in Procurement shall open the tender(s) which shall be retained in the electronic system.
72. In relation to any changes made to non-electronic tenders or quotations, the Chief Finance Officer shall ensure:
- (a) that there are proper controls to ensure that tender and quotation documents are sent to all invitees, and that the details sent are correct and complete.
 - (b) that any amendments to tender or quotation documents required during the tender/quotation period are provided to all invitees in writing.
 - (c) that invitees are required to provide written notification that they have received the tender/quotation documents, including any tender/quotation amendments, and that they will be submitting a tender/quotation by the due date.
 - (d) that records are kept of all amendments issued in the tender/quotation period and of the invitees' notification of receipt.
 - (e) that where acknowledgement of receipt is not received from an invitee, wherever administratively expedient, confirmation is pursued that the details were received.

CUSTODY, RECORDING AND OPENING OF QUOTATIONS AND TENDERS

Level 3 Threshold and below

73. Where the estimated value of the contract does not exceed the Level 3 Threshold (and unless the electronic e-tendering system is used), quotations or tenders (depending upon the value of the same) shall be received by, and shall be opened by, the Procurement Department in the presence of at least two members of staff. Details of such quotations shall be duly recorded and signed by two persons.

Level 4 Threshold

74. Subject to paragraphs 70 and 71 (which shall apply in the event of an electronic tender) tenders received under this provision shall be opened at the same time in the presence of the Treasurer or the Chief of Staff (or an officer designated by either to act on his/her behalf). Either of these two persons shall sign and date the document listing the tenders and witnessing that they were opened in their presence. All tenders shall be endorsed with a number, the date of opening and initialled by the two persons present.

LATE TENDERS/QUOTATIONS

75. No tenders or quotations (whatever the value of the contract) received after the specified date and time will be considered unless the Chief of Staff forms the opinion that special circumstances exist which would allow this to take place. The reasons for this shall be formally recorded and reported to the Commissioner.

EXAMINATION OF TENDERS/QUOTATIONS

76. Where examination of tenders/quotations reveals clerical errors or discrepancies which would affect the tender/quotation figure(s) in an otherwise successful tender/quotation, the tenderer shall be advised accordingly and afforded an opportunity of confirming, or adjusting or withdrawing his offer. If the tenderer withdraws, the evaluation scores should be re-calculated to ascertain the most successful tender.
77. If an adjustment is made, acceptance of the revised tender/quotation may only be authorised by the Chief Officer concerned (and following consultation with the Treasurer in the event that the estimated value of the contract falls within the Level 4 Threshold).
78. When tenders/quotations have been invited in accordance with a predetermined specification or description then those tenders/quotations which do not so comply shall be rejected.
79. In relation to an open tender/quotation procedure, where a tenderer fails on a question which has been clearly marked as being a pass/fail question, such tenderer shall be excluded from further marking and not considered in the final overall scoring.

ACCEPTANCE OF TENDERS

80. Provided that in all other respects it represents best value to the Commissioner, a tender may be accepted by the Chief Finance Officer, where it is the most economically advantageous tender (see paragraph 84 below) received if payment is to be made by the Commissioner, or the highest if payment is to be received by the Commissioner.
81. To ascertain whether a tender is the most economically advantageous tender (MEAT), the criteria and weightings for such evaluation must be specified in advance and published in the tender documents. A robust evaluation of the tender must also have been undertaken by an appropriate 'Evaluation Panel'. Such Evaluation Panel must contain representatives of:
 - (i) the client division or department; and
 - (ii) the procurement department; and
 - (iii) (if the tender relates to a specialist subject area) representatives of that department (e.g. ICT).

CLARIFICATION WITH POTENTIAL CONTRACTORS

82. The appropriate Chief Officer may enter into dialogue with all tenderers as required in the following circumstances (and provided that in all cases the relevant EC directives and UK Statutes and Statutory Instruments are complied with):
 - (a) When tenders or quotations are not invited prior to the making of a contract in the special circumstances within the provisions of Standing Orders.
 - (b) After the receipt of tenders or quotations if in the opinion of the Chief Officer responsible for the tendering/quotation process:
 - (i) the lowest tender or quotation received exceeds the planned budget or reasonable cost for the goods or services being sought; or
 - (ii) none of the tenders or quotations received represent good value for money; or
 - (iii) one or more of the potential contractors have failed to understand the invitation to tender; or
 - (iv) non-material alterations to the terms and conditions or specification of the goods or services is likely to result in cost savings or improved value for money; or

- (v) such clarification is necessary to ensure that a tenderer has constructed their bid correctly and/or has fully understood the specification.

- 83. No detailed prices, conditions or terms submitted by one tenderer shall be revealed to another tenderer during any negotiations.

NOTIFICATION OF RESULTS

- 84. Unsuccessful tenderers may be advised as to the general reasons for their failure to be awarded a contract, but under no circumstances shall the details of the submission of other tenderers be disclosed without the prior approval of the Force's Procurement Department to ensure compliance with EC Directives or the laws of England and Wales.

NOMINATED SUB-CONTRACTORS AND SUPPLIERS

- 85. In relation to services or works to be performed or goods or materials to be supplied by nominated sub-contractors or suppliers as the case may be, such sub-contractors must be first approved by the Head of Procurement who must be satisfied as to their method of selection.

FORM OF CONTRACT

- 86. Every contract shall be in writing and on behalf of the Commissioner. Additionally:
 - (a) A contract whose value is less than the Level 1 Threshold may be completed by use of an official order form,
 - (b) A contract whose value is more than the Level 1 Threshold but does not exceed the Level 3 Threshold shall be the subject of a formal contract prepared or approved by the Force Procurement Department,
 - (c) A contract whose value exceeds the Level 3 Threshold shall be the subject of a formal contract prepared by the Force Procurement Department and approved by Joint Legal Services.
- 87. All transactions made using an approved Force Purchasing Card must be in accordance with these contract standing orders with the following exceptions:

A purchasing card order may be placed by:

- telephone
 - post
 - sending card and order details by fax
 - ordering over the internet provided the site is secure (usually indicated by "https:" or by a padlock at the bottom of the screen)
 - in person at a business premises.
- 88. All contracts for information technology or information technology equipment shall be let only after consultation with the Force's Information Communications Technology Department. In the case of tenders, such consultation shall take place prior to the issue of the tender documentation.

CONTENTS OF CONTRACTS

- 89. All contracts shall specify:
 - (a) the nature and extent of the work and services to be carried out, or the quantity and description of goods and materials to be supplied.
 - (b) the price to be paid with a statement of discounts or other deductions or variations.
 - (c) the time or times within which the contract is to be performed or the goods delivered.

90. Where appropriate, the contractor shall indemnify the Commissioner in respect of and insure against any third party risks and if required shall produce the policy of insurance to a competent representative or employee of the Commissioner for examination.
91. Where appropriate every formal contract shall provide for losses suffered by the Commissioner as a result of non-performance or poor performance by the contractor in the execution of the contract to be paid or allowed by the contractor to the Commissioner.
92. All contracts must contain a clause prohibiting the contractor from assigning or subletting a contract, or any part of it, without first securing the written consent of the Commissioner.
93. In every written contract for the supply of goods or materials a clause shall be inserted to secure that should the contractor fail to deliver the goods or materials or any portion thereof within the time or times specified in the contract, the Commissioner, without prejudice to any other remedy for breach of contract, shall be at liberty to determine the contract either wholly or to the extent of such default and to purchase other goods, or materials, as the case may be, of the same or similar description to make good (a) such default or (b) in the event of a contract being wholly determined, the goods or materials remaining to be delivered. The clause shall further secure that all monies (if any) paid for such goods or materials shall be recoverable from the contractor and the amount by which the cost of so purchasing other goods or materials exceeds the amount which would have been payable to the contractor shall be recoverable from the contractor.
94. In order for the Commissioner to comply with best practice and legislation, successful Contractors shall be required to provide details, where appropriate, of the Company's compliance with Corporate and Social Responsibilities.
95. All contractors shall be expected to provide details of their Business Continuity Plan where appropriate.
96. All Contractors, where this is relevant to the goods and/or services to be provided, shall be expected to comply with the Force Security Policy.
97. All Contractors' staff deployed on force premises shall be required to comply with appropriate policies.
98. Every contract prepared by South Wales Police shall contain a clause as follows:
- a) "The contractor shall not unlawfully discriminate within the meaning and scope of the provisions of the Acts currently in force.
 - b) The contractor shall take all reasonable steps to secure the observance of the provisions of sub-clause (a) of this clause by all servants, employees or agents of the contractor and all sub-contractors employed in the execution of the contract."
99. In every contract for the execution of works, the supply of goods or materials or the provision of services, shall be inserted the following clause:
"The contractor shall comply in all respects with the provisions of the Data Protection Act and will indemnify the Commissioner against all actions, costs, expenses, claims, proceedings and demands which may be made or brought against the Commissioner for breach of statutory duty under the Act which arises from the use, disclosure or transfer of personal data by the contractor and his servants and agents".
100. There shall be two identical contracts for signature or execution. All contracts shall be signed/executed by the Contractor first. The last party to sign/execute the contract shall be the

Commissioner. All contracts shall be signed/executed in accordance with the provisions of Appendix 1.

101. Any orders under call-off contracts for the supply of goods, materials and services must be approved by the Procurement Department (for Levels 1 and 2), the Chief Finance Officer (Level 3) or the Treasurer (Level 4) in accordance with the contract values specified in Appendix 1, provided that the organisation supplying the goods, materials or services has won the right to supply the goods, materials and/or services in accordance with the appropriate procedure set out in these Standing Orders.
102. Once signed and dated, or otherwise executed, for and on behalf of the Commissioner in accordance with these Standing Orders, one signed copy of the contract shall be returned to the Contractor for their records and the second signed copy shall be retained by the Procurement Department on behalf of the Commissioner in a secure place for a period of not less than 6 years after the date of expiry of the contract (12 years if the contract is under seal). Contracts exceeding the Level 3 Threshold in value shall be stored by Joint Legal Services.

SECURITY FOR PERFORMANCE

103. Where the contract is expected to exceed the Level 3 Threshold the Treasurer (in consultation with the Chief Finance Officer) will be requested to consider whether security should be obtained and, if so, the nature and amount. This may take the form of a performance guarantee bond, a parent company or occasionally a deposit of money. This provision shall not however prevent the taking of such guarantees for contracts of a lesser value where the Treasurer may consider it appropriate to do so.

COMPLIANCE WITH STANDARDS

104. Subject to sub-paragraph 108 below where an appropriate EU Standard, ISO Standard, British Standard Specification or British Standard Code of Practice issued by the British Standards Institution is current at the date of tender, every contract shall require as a minimum that all goods and materials as the case may be, used or supplied and all workmanship shall be in accordance with that standard unless the Commissioner for some specific reason decides otherwise.
105. Goods and materials meeting an international standard recognised in another member State of the European Union may also be acceptable provided that the alternative standards specify appropriate standards of safety, suitability and fitness for purpose.

CANCELLATION OF CONTRACTS

106. There shall be inserted in every written contract a clause empowering the Commissioner to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if:
 - (a) the contractor shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward:
 - (i) for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the Commissioner; or
 - (ii) for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Commissioner; or
 - (iii) if the like acts shall have been done by any persons employed by him or acting on his behalf whether with or without the knowledge of the contractor; or

- (b) in relation to any contract with the Commissioner, the contractor or any person employed by him or acting on his behalf shall have committed any offence under the Prevention of Corruption Acts 1889 - 1916; or shall have given any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.

- 107. Where a Contractor is failing to provide the agreed service evidence shall be required in order to terminate the agreement.
- 108. Should a contract no longer be required, written notification shall be given to the Procurement Department who shall in turn notify the Commissioner, Treasurer and the Chief Finance Officer.
- 109. Consideration shall be given to notice periods and consequences of early termination where applied.

APPOINTMENT OF CONSULTANTS

- 110. The appointment of any architect, contract administrator, engineer, surveyor or other professional as a consultant with responsibility for supervising a contract on the Commissioner's behalf is also conditional on the following:
 - (a) that he/she complies with all the Commissioner's Standing Orders as though he/she were a Chief Officer.
 - (b) that at the request of the Chief Constable, the Chief of Staff or the Treasurer, he/she produces all the records maintained by him in relation to the contract.
 - (c) that he/she passes all those records to the Chief Constable, Chief of Staff or the Treasurer on completion of the contract.
 - (d) that, where considered appropriate, he/she produces evidence of and maintains professional indemnity insurance throughout the currency of the contract.
 - (e) that the contract contains an express provision that all documents and materials and all rights (including all intellectual property rights and ownership) therein which are prepared by or for the consultant for use, or intended use in relation to the performance of the contract or which otherwise arise out of the performance by the consultant of its duties there under are assigned to and shall vest in the Commissioner absolutely.

CONTRACT AUDIT

- 111. Internal Audit, on behalf of the Treasurer, shall at all reasonable times have access to all documents maintained by the Chief Constable, the Chief of Staff, Architect, Contract Administrator, Engineer, Surveyor or Consultant, and wherever possible have site access facilities during which they can expect information and explanation(s) on demand during the currency of the contract.

AUCTIONS OF PROPERTY

- 112. The appropriate Chief Officer or an officer designated by him or her may bid at auctions for items of any description required for any of the Commissioner's functions provided:
 - (a) the terms have been approved following the taking of legal advice, and
 - (b) the bid does not exceed the sum indicated by the Commissioner or appropriate Chief Officer acting under Delegated Powers or where no such sum has been indicated the amount allowed in the Commissioner's approved estimates (subject to any allowance under the Commissioner's Financial Regulations) for that purpose.

EXTENSION OR VARIATION OF CONTRACTS

113. Any proposal to extend or vary any contract must be referred for decision if the proposed extension or variation would result in a net increase to the original value of the contract by more than 10% and/or exceed the cash thresholds below:
- £50,000 or less – Chief Finance Officer
 - £50,001 - £250,000 - Treasurer
 - Over £250,000 - Commissioner
114. For the avoidance of doubt, the provisions of paragraph 118 do not apply: -
- a) To contractual fluctuation clauses in contracts, and
 - b) Where the extension of time is expressly provided for under the terms of the original contract
115. Any variation which extends or varies a contract shall be made in writing.

CONTRACTS REGISTER

116. A record of all contracts let with a value in excess of £10,000²¹ shall be maintained by the Head of Procurement.

CONTRACT MONITORING

117. Where appropriate contracts shall be monitored and measured by the way of performance indicators and regular review meetings involving the Contractor and Practitioner representation.
118. Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the Chief Officer in consultation with the Head of Procurement where the amount involved is less than £50,000. Above this amount the Commissioner shall approve all such waivers.

TRANSPARENCY

119. The Government has set out the need for greater transparency across its operations to enable the public to hold public bodies to account. This includes commitments relating to public expenditure, intended to help achieve better value for money.
120. As part of the transparency agenda, the Government has made the following commitments with regard to procurement and contracting:
- All new contracts over the value of £10,000 to be published on-line
 - All items of spending over £500 to be published online
 - All new contracts to be published in full
121. All suppliers and those organisations looking to bid for public sector contracts should be made aware that if they are awarded a new contract, the resulting contract between the Commissioner and that supplier will be published.

²¹ The Elected Local Policing Bodies (Specified Information) (Amendment) Order 2012

122. In some circumstances, limited redactions will be made to some contracts before they are published in order to comply with existing law and for the protection of national security.

PART 4a INFORMATION MANAGEMENT

4.1a Background

The Good Governance Standard for Public Services states that a robust decision making framework is dependant on the provision of clear and concise information. As such it is essential that all information is presented in a consistent and succinct format that provides both the Police Commissioner and the Chief Constable with the necessary information to allow them to make informed decisions.

Although upholding the principles of openness and transparency, there will be occasions when information must remain confidential and may be excluded from publication. These are known as Part 2 Items and are outlined in more detail in section 4.3 below.

4.2a Police and Crime Commissioner

Decision-making is a significant element of the Commissioner's role and he must demonstrate integrity and honesty in his decision-making process, as any decision made may be legally challenged, based on the grounds that it was unlawful, unreasonable or unfair. The decision-making process is often as important as the decision itself.

Police and Crime Commissioners will be expected to adopt rigorous standards of probity, regularity and transparency in their decision-making, and everyone connected with the decision-making process will be responsible for abiding by the principles of good decision-making.

The ultimate responsibility for providing a robust review and scrutiny check within the decision-making process will fall to the Chief of Staff, who will fulfil the role of monitoring officer, and to the Treasurer. Both roles are part of the legal framework for ensuring the specific duty to report any contravention of the law, maladministration, or any other deviation from the core principles of good governance.

A robust decision-making framework is also dependant on clear and concise information, such as financial, performance and risk information, allied to the advice provided by the relevant officer of the Commissioner.

All information provided as part of the decision-making process should be fit for purpose, relevant, concise and enable the Commissioner to have an understanding of the background issues to allow for an informed and considered decision. The decision report templates to be used are appended at Appendix 2.

The statutory requirements for the recording and publication of information requires specific elements to ensure integrity, such as:

- A statement of the Commissioner's policy in relation to the making of decisions of significant public interest
- Details of public meetings relating to a decision
- Details of decisions of significant public interest
- Registers of interests, gifts or hospitality of the Commissioner and his staff

The Freedom of Information Act 2000 provides a further level of public access to information, reinforcing the requirement to publish information regarding decision-making activities, and recognising the need to be open and transparent about decisions of significant public interest.

Cognisance must also be taken of the Freedom of Information Act 2000, Data Protection Act 1998 and Elected Local Policing Bodies (Specified Information) Order 2011, which set minimum standards for publication of information. Any information published will also have to be bilingual in accordance with the Welsh Language Act.

4.3a PART 2 Matters

Although upholding the principles of openness and transparency, there will be occasions when information must remain confidential and may be required to be excluded from publication, also known as Part 2 items. Further information on this is outlined in Appendix 3.

The use of 'Restricted' in accordance with the Government Protective Marking Scheme will indicate the nature of the content of the report, where anything classified as restricted or above cannot be made publicly available.

Each item forwarded from the Chief Constable to the Commissioner that is identified as containing material appropriate for Part 2 needs to be justified separately to the Chief of Staff and a certificate must be prepared when any exemption request is made. [Appendix 3].

It is the responsibility of each point of contact within the governance process to ensure that the correct procedure is followed. Part 2 (publicly exempted) items should be provided separately from Part 1 (publicly accessible) reports and clearly marked "**PART 2**", with the relevant certificate attached. Force reports identified as a Part 2 item should have a minimum GPMS marking of "Restricted".

4.4a Confidential / Exempt Information

There will be circumstances when information may be required to be excluded from the Press and Public and will not form part of information published on the World Wide Web.

The local government access to information rules on exempt information (Local Government Act 1972) do not, as a matter of law, apply to the Commissioner or the Chief Constable. However, the Commissioner and Chief Constable wish to work within the spirit of the Act. Therefore the following will apply:

- For reports at the Commissioner Strategic Board meetings – the outcomes of which may be published, the Chief of Staff will determine whether to withhold publication based upon the exemptions contained in the Freedom of Information Act and the Data Protection legislation.
- For information provided by the Chief Constable the government protective marking scheme will apply. Where a document falls into the category for "not protectively marked" those words need not appear and the Commissioner has requested that they do not appear.

PART 4b INFORMATION SHARING PROTOCOL

GENERAL

1.1. The Commissioner and the Chief Constable will share information where appropriate to fulfil the purposes of this Manual subject to any reasonable conditions imposed for good and clear reasons by the party providing the information in respect of such disclosure. Any decision not to share information is a potential breach of the “Open Book Principle” agreed by the Chief Constable and the Commissioner, and should be recorded and drawn to the attention of the Treasurer.

1.2. The Financial Management Code of Practice also specifically provides that:

“As set out in section 36 of the Act, a Chief Constable must give the relevant Police and Crime Commissioner such information on policing matters that the body may require. As a result, the Chief Finance Officer of the Police and Crime Commissioner must have full access to all relevant financial information. The details of this should be set in a locally agreed Information Sharing Protocol to be agreed by the two Chief Finance Officers in consultation with the Chief Executive.”

Each Chief Finance Officer has a personal fiduciary duty by virtue of his or her appointment as the person responsible for proper financial administration under the Act. This includes requirements and formal powers to safeguard lawfulness and propriety in expenditure (section 114 of the Local Government Finance Act 1988, as amended by paragraph 188 of Schedule 16 to the Act). Nothing in this Protocol will fetter either the Treasurer or the CHIEF FINANCE OFFICER in the discharge of their fiduciary duties.

DATA PROTECTION LEGISLATION

1.3. The Commissioner and the Chief Constable shall endeavour to ensure compliance with Data Protection and Data Sharing legislation through proper application of the governance arrangements contemplated in this Manual.

1.4. For the purposes of the Data Protection Act 1998 the Commissioner and the Chief Constable shall each remain the data controller for any personal data recorded under their respective control.

FREEDOM OF INFORMATION ACT

1.5. For the purposes of the Freedom of Information Act 2000 if either the Commissioner or the Chief Constable should receive a FOI request then the Commissioner or Chief Constable (as appropriate) will be responsible for responding to that request and with any subsequent compliance arrangements required by legislation or regulations.

1.6. Any FOI requests received by either the Commissioner or the Chief Constable which relate to or touch upon the subject matter of this Manual or any matters arising from it would be brought to the attention of the other party as soon as practicable, and where necessary the Commissioner and the Chief Constable will provide reasonable assistance to the other in order to facilitate a timely and compliant response to the FOI request or any subsequent compliance requirement. The Chief Constable and the Commissioner have stated publicly that if material can and/or should be in the public domain it is their policy that it should be made available on the website as soon as possible, subject only to public interest considerations.

ACCESS TO INFORMATION

1.7. Both parties agree that, during the term of this Manual, or at any time thereafter, neither they nor any of their employees, agents (including volunteer staff) or sub-contractors, shall divulge, furnish or make accessible to anyone any confidential information unless:

- 4.7.1b the confidential information is already in the public domain or subsequently comes into the public domain through no fault of the other party;
- 4.7.2b the confidential information rightfully becomes available to the other party from sources not bound by obligations of confidentiality
- 4.7.3b the confidential information was available to the other party on a non-confidential basis prior to its disclosure to such party;
- 4.7.4b the other party is required by compulsion of law to disclose

CONFIDENTIAL NEGOTIATIONS

- 1.8. The parties agree that all discussions and negotiations between them shall be carried out on a strictly confidential basis and any statements (either written or oral) to be made in relation to the existence of the negotiations between the parties shall be subject always to written agreement by both parties and the overarching provisions of this Manual.

DISCLOSURE BY AGREEMENT

- 1.9. The disclosure of confidential information is a matter for discussion and agreement between the Commissioner and Chief Constable.

WAIVER

- 1.10. Any limitation or waiver of the right of confidentiality contemplated in the provisions of this Manual only applies to the relationship between the Commissioner and the Chief Constable and all staff will remain subject to an obligation of confidentiality in respect of third parties.

PUBLIC INTEREST DISCLOSURE ACT

- 4.11b Nothing in this Information Sharing Protocol should prevent any personnel employed either by the Commissioner or the Chief Constable from disclosing information which they are entitled to disclose under the Public Interest Disclosure Act 1998 provided that such disclosures are made in accordance with the provisions of that Act.

Appendix 1 – Summary of Contract Thresholds

Threshold Level	Total Contract Value (or Annual Value with Supplier)	Quotation/ Tender Process	Responsible for procurement	Opening of Quotation/Tenders	Contract Documentation	Approval of Contract (Signature Required)
1	Up to £10,000	A written or electronic quotation Demonstration of value for money	Authorised Officer	Authorised Officer/ Budget Holder	Issue by Purchase Order or use of Purchasing Card with South Wales Police terms and conditions	Authorised Officer
2	£10,001 - £40,000	At least 3 written or electronic quotations	Authorised Officer with support from Procurement Department	Procurement department and Authorised Officer but relevant Procurement officer for e-tenders	Written contract approved by Procurement Department	Head of Department/ BCU Commander
3	Above £40,000 and below £250,000	Follow tender process outlined in Standing Orders (and where the total value exceeds the EU Threshold. In accordance with EU Regulations)	Procurement Department	Procurement Department	Written form of contract approved by Procurement.	Chief Finance Officer
4	Over £250,000	Follow tender process outlined in Standing Orders (and where the total value exceeds the EU Threshold. In accordance with EU Regulations)	Procurement Department (with support from Joint Legal Services)	Chief of Staff or Treasurer (or designated Procurement officer in relation to e-tenders only)	Written form of contract approved by Joint Legal Services. Completed under seal (if deemed appropriate by the Chief of Staff).	Treasurer or Chief of Staff

Appendix 2 – DOCUMENT 1

POLICE AND CRIME COMMISSIONER FOR SOUTH WALES DECISION RECORD		
Decision Reference:		Decision Classification
Date:		
Title:		
Executive Summary:		
Decision:		
Signature:		Date:
Police and Crime Commissioner Declaration: I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter.		
Signature:		Date:
Supporting Documents		Disclosure Considerations: None.
Considerations	Financial Impact	
	Legal implications	
	Equality implications	
	Human Rights implications	
	Welsh Language implications	

Report to the Police and Crime Commissioner Part 1 – non confidential items <i>(all sections to be completed by the submitting author. Part 2 section to be completed only if there are items that are required to be exempt from public access.)</i>	
Purpose of report:	<i>Tick appropriate box (✓)</i>
Information to note	<input type="checkbox"/>
Decision required	<input checked="" type="checkbox"/>
1 Introduction and background: Recommendation	
2 Financial Considerations:	
3 Legal Considerations:	
4 Other Considerations:	
5 Links to plans and strategies:	
6 Risk and Impact:	
7 Supporting Documentation:	
8 Public access to information: <i>The author is required to outline any restrictions on the publication of information contained in this form. For example:</i> <i>The information in this form is subject to the Freedom of information Act 2000 and other legislation. PART 1 of this form will be made available on the website of the Police and Crime Commissioner within 7 working days of approval. Any facts and advice that should not be made automatically available on request should not be included in PART 1 but included on a separate PART 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.</i> Is the publication of this approval deferred?: If yes, for what reason?:	

Until what date?:

Is there a PART 2 form?:

If so, please complete PART 2 and complete an exemption form.

•

9 Originating officer declaration (approval partners)

Tick to indicate approval (✓)

Drafting Officer:

☐

Chief Executive:

☐

Sponsoring Chief Officer/Director:

☐

Advisers:

☐

10 Recommendation (if decision required):

11 Officer Approval

Chief Executive / Chief Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

Signature:

Date:

Report to the Police and Crime Commissioner Part 2 – confidential items
1 Introduction and background:
2 Financial Considerations:
3 Legal Considerations:
4 Links to plans and strategies:
5 Risk and Impact: <i>To include consideration of Equality Impact Assessment / Risk Assessment / Human Rights</i>
6 Supporting documentation: <i>Electronic link to associated and relevant documentation</i>

Appendix 2 – DOCUMENT 2

Report to the Police and Crime Commissioner Part 2 – confidential items
1 Introduction and background:
2 Financial Considerations:
3 Legal Considerations:
4 Links to plans and strategies:
5 Risk and Impact: <i>To include consideration of Equality Impact Assessment / Risk Assessment / Human Rights</i>
6 Supporting documentation: <i>Electronic link to associated and relevant documentation</i>

Appendix 2 – DOCUMENT 3

Report template

POLICE AND CRIME COMMISSIONER FOR SOUTH WALES DECISION RECORD <i>(this section to be completed by the Commissioner's Office only)</i>		
Decision Reference:		Decision Classification
Date:		
Title:		
Executive Summary:		
Decision Maker: <i>Name and role</i>		
Decision: That the South Wales Police and Crime Commissioner		
Commissioner Declaration: I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter. Any such interests are recorded below.		
Signature:		Date:
Supporting Documents		Disclosure Considerations:
Considerations	Financial Impact	
	Legal implications	
	Equality implications	
	Human Rights implications	
	Welsh Language implications	

Appendix 3 - EXEMPT INFORMATION CATEGORIES AND QUALIFICATIONS

Exempt Information	Qualification
1. Information relating to a particular individual.	Public interest test applies (see below)
2. Information which is likely to reveal the identity of an individual.	Public interest test applies (see below)
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).	<p>Information falling within Paragraph 3 is not exempt information by virtue of that paragraph if it is required to be registered under –</p> <ul style="list-style-type: none"> • the Companies Act 1985; • the Friendly Societies Act 1974; • the Friendly Societies Act 1992; • the Industrial and Provident Societies Acts 1965 to 1978; • the Building Societies Act 1986; or the Charities Act 1993. <p>Public interest test applies (see below).</p>
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations in connection with any labour relations matter arising between South Wales Police or a minister of the Crown and employees of, or office holders under, South Wales Police.	Public interest test applies (see below).
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.	
6. Information which reveals that South Wales Police proposes: (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.	Public interest test applies (see below).
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.	Public interest test applies (see below).

The author must complete a public interest test document for consideration by the relevant responsible officer. If the decision is that the public interest is that the report should be exempt then it will be printed as an exempt document. It is this certificate that will be considered when determining if the report should be dealt with in the absence of the public.

EXEMPTION FROM DISCLOSURE OF DOCUMENTS
Report:
Author:
MEETING AND DATE OF MEETING:
I have considered grounds for exemption of information contained in the report referred to above and make the following recommendation to the Proper Officer [Chief of Staff].
<i>Exemptions applying to the report:</i> <i>Factors in favour of disclosure:</i> <i>Prejudice which would result if the information were disclosed:</i> <i>My view on the public interest test is as follows:</i>
Recommended decision on exemption from disclosure: Date: Signed: Post:
I accept/do not accept the recommendation made above. Chief of Staff Date: