

***THE POLICE AND CRIME COMMISSIONER
FOR SOUTH WALES***

***THE CHIEF CONSTABLE OF SOUTH WALES
POLICE***

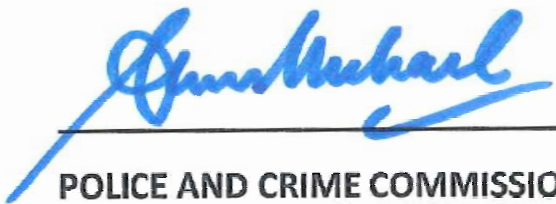
***MANUAL OF CORPORATE
GOVERNANCE***

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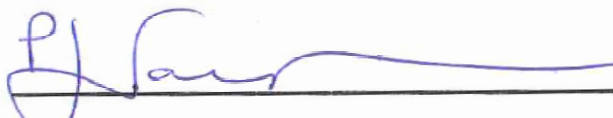
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THIS IS THE MANUAL OF CORPORATE GOVERNANCE FOR SOUTH WALES POLICE
WHICH WAS APPROVED AND ADOPTED ON 30 DAY OF November 2012

SIGNED


POLICE AND CRIME COMMISSIONER

SIGNED


CHIEF CONSTABLE

PART 1

DEFINITIONS

Authorised Officer	Such Chief Officer, or other officer duly authorised by them, with delegated authority in respect of a particular contract or type or group of contracts. All such designation of Authorised Officers shall be recorded in writing.
Best Value for Money	The most cost effective means of meeting the need, which takes account of whole life costs.
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' or 'CC'	The Office of Chief Constable is an appointment under Section 2(2) of the PRSRA. The Chief Constable is a corporation sole pursuant to Schedule 2, paragraph 2 of the PRSRA. The Chief Constable shall have responsibility for the direction and control of a police force pursuant to Section 2(3) of the PRSRA, which includes both police officers and the civilian staff of the Force.
Chief Executive	The officer appointed as head of the Police and Crime Commissioner's staff with responsibility for the general administration of the Police and Crime Commissioner. This appointment is made under Paragraph 6(1) (a), Schedule 1 of the PRSRA. This officer is also designated the monitoring officer, under Section 5(1) of the Local Government and Housing Act 1989, with responsibility for ensuring the legality of the actions of the Police and Crime Commissioner and his/her staff, and the 'proper officer' for the recording of all decisions made by the Police and Crime Commissioner.
Chief Officers	When referred to as a generic term in the Standing Orders Relating to Contracts this shall, where the context so permits, mean the Chief Executive, CFO (PCC) and CFO (CC).
CFO (PCC)	The chief financial officer with overall responsibility for the proper administration of the Police and Crime 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 PRSRA. The CFO (PCC) shall be responsible for: (a) providing financial advice to the Police and Crime Commissioner on all aspects of its activities, including the strategic planning and policy making process, (b) ensuring that the financial affairs of the Police and Crime Commissioner are properly administered and that the Financial Regulations are observed and kept up to date 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 Police and Crime Commissioner, the Police and Crime Panel, the Joint Audit Committee and to the external auditor any unlawful, or potentially unlawful, expenditure by the Police and Crime Commissioner or officers of the Police and Crime Commissioner (f) reporting to the Police and Crime Commissioner, the Police and Crime Panel,

	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 Police and Crime Commissioner on the robustness of the budget and adequacy of financial reserves, and in respect of any consequential medium and long term implications of budgetary issues, (h) ensuring production of the statements of accounts of the Police and Crime Commissioner (i) ensuring receipt and scrutiny of the statements of accounts of the Chief Constable, and ensuring production of the group statutory accounts (j) liaising with the external auditor and use reports of the external auditor to aid monitoring and submit external audit reports to the Home Office. (k) advising the Police and Commissioner on the application of value for money principles by the police force to support the Police and Crime Commissioner in holding the Chief Constable to account for efficient and effective financial management, (l) advising, in consultation with the Chief Executive, on the safeguarding of assets, including risk management and insurance (m) arranging for the determination and issue of the precept, (n) maintaining an adequate and effective internal audit function, and (o) managing, in conjunction with the Chief Executive, any grants awarded by the Police and Crime Commissioner pursuant to the PRSRA.
CFO (CC)	The chief financial officer of the police force appointed in accordance with Schedule 2, paragraph 4 of the PRSRA, who is responsible for the proper administration of the police force's financial affairs (section 112 to 114 of the Local Government Finance Act 1988). The CFO (CC) shall be responsible for: 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 Police and Crime 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, and h) providing information to the CFO (PCC) as required to enable the production of group accounts.
CIPFA Statement	The CIPFA Statement on the role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Financial Officer of the Chief Constable.
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 Police and Crime 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 PRSRA.
Director of Human Resources	The Chief Constable's senior advisor in relation to human resourcing issues, who is responsible for the provision of a comprehensive service to the Chief Constable, and also to the Police and Crime Commissioner in accordance with the terms hereof.
Director of Corporate and Legal Services	The Chief Constable's senior legal officer, who is responsible for the provision of a comprehensive legal service to the Chief Constable, and also to the Police and Crime Commissioner in accordance with the terms hereof
Estimated Value	The anticipated costs of the goods, services or works to be supplied or carried out:
Financial Management Code of Practice	The Financial Management Code of Practice issued pursuant to section 17 of the PRSRA and section 39A of the Police Act 1996, which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners and Chief Constables. As set out in section 17(4) of the PRSRA and section 39A(7) of the Police Act 1996, the Police and Crime Commissioner and the Chief Constable must have regard to this code in carrying out their functions.
Financial Regulations	The regulations drawn up by the Police and Crime Commissioner in consultation with the Chief Constable, the CFO (PCC), Chief Executive, and the CFO (CC) to govern the respective responsibilities of the Police and Crime Commissioner and the Chief Constable on financial matters and the relationship between them on such issues.
Force	This refers to all constables (both regulars and specials) who are under the direction and control of the Chief Constable and also all police staff who are under his/her direction and control by virtue of section 2(3) of the PRSRA.
IPCC	Shall mean the Independent Police Complaints Commission.
Joint Audit Committee	Shall mean the joint audit committee established by the CC and the PCC in accordance with the provisions of the Financial Management Code of Practice.
Officers	Shall collectively mean the Chief Executive, CFO (PCC) and the CFO (CC), together with all staff under their control and direction.
OPCC	Shall mean the office of the Police and Crime Commissioner
Police and Crime Commissioner or 'PCC'	The Police and Crime Commissioner established under Section 1 of the PRSRA, who is a corporation sole responsible for securing the maintenance of an efficient and effective police force for the South Wales area.
Police and Crime Panel	The Police and Crime Panel established and maintained in accordance with Section 28(1) of the PRSRA to support the effective exercise of the functions of the Police and Crime Commissioner for the South Wales police area.
Police and Crime Plan	The police and crime plan issued (and as subsequently varied, if applicable) for the South Wales police area in accordance with Section 5 of the PRSRA.

Policing Protocol	The document issued by the Secretary of State pursuant to section 79 PRSRA and by means of the Police Protocol Order 2011 which sets out how the functions of the Police and Crime 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.
PRSRA	The Police Reform and Social Responsibility Act 2011.
Quotation	The amount stated (whether orally or in writing) as the price of the goods, services or works to be supplied or carried out. If a verbal offer is obtained it will be deemed to be of no effect unless confirmed in writing within five working days of the verbal offer being made.
Scheme of Delegation	The scheme of delegation prepared by the PCC in conjunction with the CC, which sets out those powers that may be exercised by senior members of staff, and which is set out in Part 3a of this Scheme of Governance.
Stage 1 Transfer	This refers to the transfer of all assets, staff and liabilities from police authorities to PCC, and this will occur at midnight on 21 st November 2012 by way of statutory transfer.
Stage 2 Transfer	The Home Secretary intends to direct each PCC to consult with their CC and submit a transfer scheme that will set out which staff will be transferred to the employment of the CC and which will remain in the employ of the PCC. This is referred to as Stage 2, and such Stage 2 transfers must be implemented by no later than 1 st April 2014.
Standing Orders relating to contracts	The standing orders prepared by the Police and Crime Commissioner in consultation with the Chief Constable, the CFO (PCC), Chief Executive, and the CFO (CC) governing the handling of contractual issues and the respective responsibilities of the Police and Crime Commissioner and the Chief Constable.
SPR	The strategic policing requirement (SPR) is a statement of the collective capabilities that police forces across England and Wales will be expected to have in place in order to protect the public from cross-boundary threats such as terrorism, civil emergencies, public disorder and organised crime.
SWP	When used as a generic term, shall refer to the PCC, the Office of the PCC (OPCC) and the Force.
Tender	An offer made in writing by one party to another to execute, at an inclusive price or uniform rate, an order for the supply, purchase or disposal of goods or for the execution of work (including such information about price, performance and other terms and conditions as may have been required or are deemed appropriate for the particular proposed contract), the details of which have been submitted by the second party

- Where this is not already expressly provided for herein, the expression 'he' shall refer to both male and female.

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

PART 2 – CODE OF CORPORATE GOVERNANCE

Introduction

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

The PCC must not restrict the operational independence of the police force and the Chief Constable who leads it. The core statutory functions of a PCC are to secure the maintenance of the police force, secure that the force is efficient and effective, and hold the CC to account for the exercise of his/her functions and the functions of persons under his/her direction and control.

Context

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

- Police Reform and Social Responsibility Act 2011,
- 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:**

The Police and Crime 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 Police and Crime Commissioner, the Chief Constable, their officers and staff will make choices on merit.

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

- **Accountability:**

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

The **Good Governance Standards for Public Services**² will also be applied, which 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
- 6 Good governance means engaging with local people and other stakeholders to ensure robust local public accountability.

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.

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

1. ***Focusing upon the purpose of the PCC and the Force, and on outcomes for local people, and creating a vision for the local area.***

The Act³ 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 Act⁴ sets out ***the functions of the police and crime commissioner and chief constable*** and the protocol⁵ sets out how these functions will be undertaken to achieve the outcomes of the police and crime plan.

The police and crime commissioner may appoint a deputy who will be a member of his staff as highlighted in the Act⁶. The role description approved by the police and crime commissioner will incorporate functions delegated within the scheme of corporate governance.

The Act requires the police and crime commissioner to have ***a chief executive⁷ and chief financial officer***. The chief executive will be the head of paid service and will undertake the responsibilities of monitoring officer⁸.

The Act⁹ requires the chief constable to appoint ***a chief finance officer***.

The ***financial management code of practice and statement of roles¹⁰*** sets out the responsibilities of chief financial officers for both police and crime commissioner and chief constable.

³ Police Reform and Social Responsibility Act 2011

⁴ PRSR Act 2011, section 5 – 8,

⁵ Policing Protocol Order 2011

⁶ PRSR Act 2011, section 18 (1)

⁷ PRSR Act, sch 1, 6 (1) a,

⁸ Local Government and Housing Act, section 5,

⁹ PRSR Act 2011, schedule 2 (4).

¹⁰ Financial Management Code of Practice for the Police, section 4, & CIPFA statement on role of chief finance officers, 2011

The ***scheme of corporate governance*** highlights the parameters for key roles in the corporations sole including delegations from the police and crime commissioner, financial regulations and contract standing orders.

A joint ***audit committee*** will operate in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Financial Management Code of Practice¹¹.

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

The Policing Protocol 2011 requires all parties to abide by the seven ***Nolan principles***¹² and these will be central to the conduct and behaviour of all. It also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust.

In accordance with the Financial Management Code of Practice the Police and Crime Commissioner and Chief Constable will ensure that the ***good governance principles*** are embedded within the way the organisations operate.

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

The Decision Making Framework in Part 4 of this Manual sets out the way in which decisions will be taken by the police and crime commissioner and chief constable.

The ***scheme of corporate 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 Police and Crime Commissioner and the Chief Constable establish how risk is embedded throughout the various elements of corporate governance of the corporation(s) sole.

The Police and Crime 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***

Both corporation sole's ***learning and development strategies*** 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.

¹¹ Financial Management Code of Practice for the Police, section 11.1.3

¹² Standards in public life, 2005

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

The Policing Protocol¹³ 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.

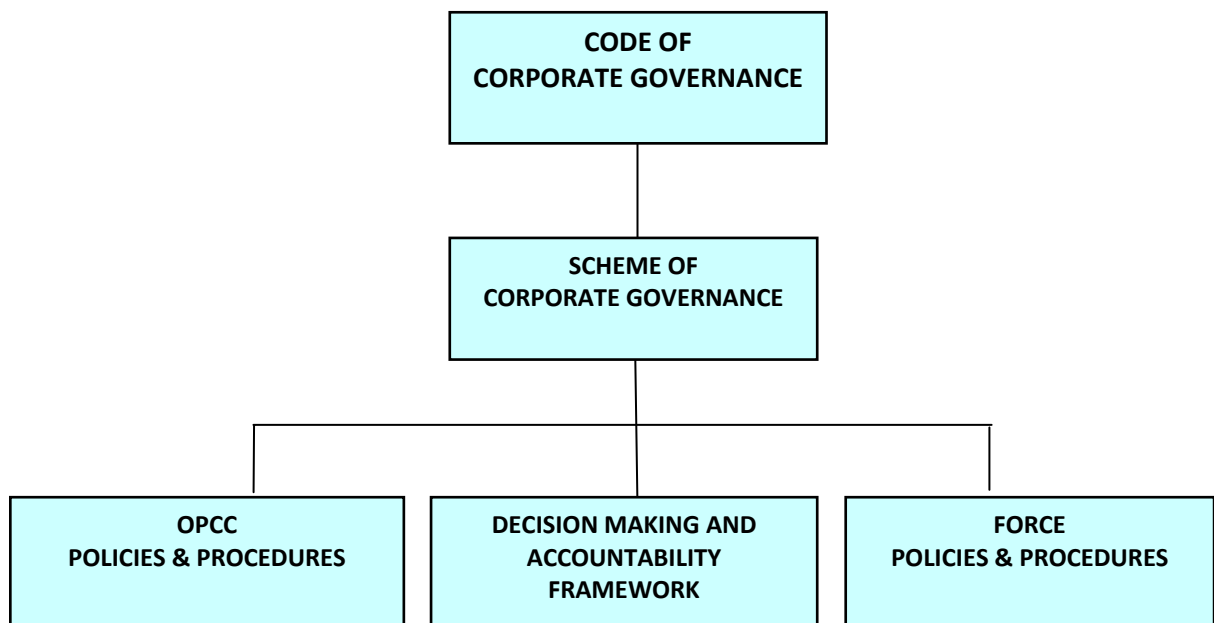
The ***police and crime plan*** will clearly set out what the strategic direction and priorities are to be and how it will be delivered.

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.

Framework / Instruments of governance

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

- Code of corporate governance – statutory framework and sets out how the core principles will be implemented,
- Scheme of corporate governance – defines the parameters within which the corporations soles will conduct their business,
- Separate policy and procedures for each corporation sole, with protocols where they operate jointly.



¹³ Policing Protocol Order 2011, section 14

ROLES AND RESPONSIBILITIES

GENERAL:

Each PCC and their respective CC is established in law as a corporation sole within the PRSRA. As such, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. Staff of the PCC are accountable to the directly elected holder of that office.

As separate corporate entities created by statute, a PCC or CC will have those powers:

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

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 PCC or the CC or, in the case of police regulations, the Secretary of State for the Home Department. This Scheme does not attempt to identify all the statutory functions of the Police and Crime Commissioner, the Chief Constable and the other officers referred to herein, which are contained in specific legislation and regulations (including the PRSRA), and due regard is to be given to the terms of the same.

There are legislative requirements upon the PCC and the CC to appoint certain officers: -

- The PCC 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.¹⁴
- The PCC and the CC must each appoint a suitably qualified chief finance officer who is responsible for the proper administration of the PCC or CC's financial affairs, in accordance with sections 112 to 116 of the Local Government Finance Act 1988 (paragraph 6(1) and (4) of Schedule 1.¹⁵
- The roles of the two CFOs must adhere to the CIPFA guidance contained within the CIPFA Statement on the role of the CFO (PCC) and the CFO (CC) and the five guiding principles.

The PCC and the CC may appoint such other staff as each thinks appropriate to enable him/her to exercise his/her functions (or, in the case of the CC, to otherwise assist the police force)¹⁶.

¹⁴ Paragraph 6(1) of Schedule 1 and paragraphs 201 and 202 of Schedule 16 PRSRA

¹⁵ Paragraph 4(1) and (3) of Schedule 2 and paragraphs 186 to 190 of Schedule 16 PRSRA.

¹⁶ Paragraph 6(3) of Schedule 1 and paragraph 4(2) of Schedule 2 PRSRA

The allocation of powers to staff pursuant to this Scheme will not prevent such person from referring a matter to the PCC and/or to the CC for decision if they wish or consider it appropriate. The PCC and the CC will expect their respective staff to draw to his/her 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 PCC to arrange for his/her deputy police and crime commissioner (if appointed) to exercise any function of the PCC in accordance with section 18(1)(b)¹⁷, or similarly the ability of a deputy CC to exercise and perform all or any of the functions of the CC pursuant to section 41 of the PRSRA.

The Police and Crime Commissioner

- 1.1.1 The core statutory functions of a PCC are to secure the maintenance of the police force, secure that the force is efficient and effective, and hold the CC to account for the exercise of his/her functions and the functions of persons under his/her direction and control. The PCC must not restrict the operational independence of the police force and the Chief Constable who leads it.
- 1.1.2 The PCC is the legal contracting body who owns all the assets and liabilities, with responsibility for the financial administration of his/her office, including all borrowing limits.
- 1.1.3 The PCC 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 PCC. How this money is allocated is for the PCC to determine in consultation with the Chief Constable, and in accordance with any grant terms.
- 1.1.4 The PCC is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of medium term financial plans in consultation with the Chief Constable. 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

¹⁷ As restricted by the provisions of section 18(7)] of the PRSRA

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

1.1.6 The PCC will be responsible for handling any complaints and conduct matters in relation to the Chief Constable, monitoring complaints against officers and staff, and complying with the requirements of the IPCC

The Deputy Police and Crime Commissioner (DPCC)

1.1.7 The DPCC may exercise any function conferred on him by the PCC, in accordance with section 18(1)(b) and as restricted by section 18(3)(b) of the PRSRA.

The Chief Constable

1.1.8 The CC 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/her direction and control¹⁸

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 PCC. In operating day to day financial management, the Chief Constable shall comply with the approved policies and framework of accountability. The Chief Constable shall appoint a CFO (CC) to be responsible for the proper administration of the Chief Constable's financial affairs.

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 PCC. The Chief Constable will discharge this through the CFO (CC) who will lead for the force on financial management, and who will have specific delegations from the PCC in this respect during the Stage 1 transfer period.

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 PCC should be sought.

1.1.12 The Chief Constable (though the CFO(CC)) shall prepare Financial Procedures to supplement the Financial Regulations and 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.

¹⁸ *R v Metropolitan Police Commissioner, ex p Blackburn* [1968] CA).

The Chief Executive

- 1.1.13 The Chief Executive is responsible for the leadership and general administration of the OPCC.
- 1.1.14 The Chief Executive is also the PCC's designated monitoring officer, pursuant to section 5(1) of the Local Government and Housing Act 1989.

The Chief Financial Officer – PCC

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

The CFO (CC)

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

- 1.1.20 The CFO (CC) is responsible to the Chief Constable for all financial activities within the Force or contracted out under the supervision of the Force.
- 1.1.21 The CFO's (CC) responsibilities are set out in:
- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the PRSRA 2011
 - Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
 - The Accounts and Audit (Wales) (Amendment) Regulations 2010
- 1.1.22 The CFO (CC) has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the force on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Chief Constable's accounts. The CFO (CC) will need to observe the locally agreed timetable for the compilation of the group accounts by the CFO (PCC).
- 1.1.23 The CFO (CC) is the Chief Constable's professional adviser on financial matters. To enable him/her to fulfil these duties the CFO (CC) :
- must 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 PCC's strategic objectives sustainably and in the public interest;
 - must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer term implications, opportunities and risks are fully considered; and
 - must lead the promotion and delivery by the Chief Constable of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively and must ensure that the finance function is resourced to be fit for purpose..
- 1.1.24 It is recognised that the Financial Regulations (Part 3b) cannot foresee every eventuality. The CFO (CC), in consultation with the CFO (PCC), 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 The Financial Management Code of Practice states that the PCC and Chief Constable should establish a joint audit committee. This should be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable. This committee will advise the PCC and the Chief Constable according to good governance principles and will:
- provide independent assurance to the PCC and the CC regarding the adequacy of the risk management framework and the associated control environment,
 - provide independent scrutiny of the Force's and the OPCC's financial and 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 PCC and the Force.
- 1.1.27 The Joint Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis.
- 1.1.28 The PCC and Chief Constable shall be represented at all meetings of the Joint Audit Committee.

PART 3 – SCHEME OF GOVERNANCE

PART 3a SCHEME OF DELEGATION

1. INTRODUCTION

- 1.1** Section 18 of the PRSRA permits a PCC to delegate his/her functions. The PCC is however prohibited from delegating his/her function(s) to:
- a) A constable (whether or not in England and Wales)¹⁹
 - b) Another PCC
 - 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 PCC 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 PRSRA)
 - d) Preparing an annual report to a policing and crime panel
 - e) Appointing and suspending the CC or calling upon the CC to retire or resign
 - f) Calculating a budget requirement (pursuant to section 43 of the Local Government Finance Act 1992).
- 1.3** This Scheme identifies those powers which may be exercised by the Police and Crime Commissioner and the Chief Constable but which, for the benefit of good practice, shall be exercised by their respective officers. It also sets out any constraints on those powers, including requirements to report back or advise the Police and Crime Commissioner and/or the Chief Constable, and addresses circumstances which will require consultation between the officers of the Police and Crime Commissioner and the Chief Constable.
- 1.4** The persons appointed as the Chief Executive and the Chief Finance Officers will 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) PRSRA which prohibits delegations to officers and staff employed by the Chief Constable)²⁰.

¹⁹ This includes any Chief Constable

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

- 1.6 The Police and Crime Commissioner and/or the Chief Constable may also require that a specific matter is referred to him/her for decision and not dealt with pursuant to the specific provisions of this Scheme.

2. GENERAL PRINCIPLES

- 2.1 The powers allocated to the Chief Executive, CFO (PCC) and CFO (CC) shall be exercised in accordance with the provisions of the:
- Financial Regulations (Part 3b of this Scheme)
 - Standing Orders relating to contracts (Part 3c of this Scheme)
 - Policies, principles, procedures, precedents, plans, strategies and budgets of the Police and Crime Commissioner and the Chief Constable, including without limitation the provisions of the Police and Crime Plan, each as current from time to time.
- 2.2 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.
- 2.3 The PCC expects anyone exercising delegated powers under this Scheme to draw to the attention of the PCC, any issue which is likely to be regarded by the PCC as novel, contentious or repercussive.
- 2.4 The Scheme does not attempt to list all matters which form part of everyday management responsibilities.

3. DUTIES UPON OFFICERS

- 3.1 All decisions made by officers pursuant to the provisions of this Scheme shall be properly documented and available for inspection at any time by the Police and Crime 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/her direction and control.
- 3.3 Where a statutory officer is considering a matter that is within another statutory officer's area of responsibility, the should consult the other statutory officer before authorising the action (and references to statutory officers include officers authorised by the 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 EXECUTIVE:

- 4.1 To appoint and dismiss staff employed by the Police and Crime Commissioner (who are not under the control and direction of the Chief Constable) pursuant to paragraph 6(2) of Schedule 1 PRSRA, to make recommendations to the Police and Crime

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 Human Resources and the CFO (PCC).

- 4.2 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 Police and Crime Commissioner.
- 4.3 To approve requests from staff employed by the Police and Crime Commissioner (who are not under the direction and control of the Chief Constable to undertake additional outside work.
- 4.4 To make awards under any approved staff suggestion scheme of the OPCC.
- 4.5 To approve the retirement of staff employed by the Police and Crime Commissioner on the grounds of ill health and (in conjunction with the CFO (PCC)) 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.
- 4.6 To acquire in consultation with the CFO (PCC) vehicles, plant, equipment and services required by the Police and Crime Commissioner and to make any arrangements for their use, disposal and replacement as appropriate and as contemplated by the capital programme.
- 4.7 To enter into contracts in consultation with the CFO (PCC) for the maintenance of equipment and operating system licences, following appropriate advice from the CFO (CC) and the Director of Corporate and Legal Services, provided that the necessary financial provision has been made in the revenue budget.
- 4.8 To act as "Proper Officer" to deal with various administrative matters involving the Police and Crime Commissioner, including without limitation 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 .
- 4.9 In conjunction with the CFO (PCC) to manage the budget required by the Police and Crime Commissioner to exercise his/her 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.
- 4.10 To affix the Common Seal of the Police and Crime Commissioner and to sign on behalf of the Police and Crime Commissioner any document to give effect to any decisions made by the Police and Crime Commissioner.
- 4.11 To evaluate and sign on behalf of the Police and Crime Commissioner any indemnity required to enable the Police and Crime 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 CFO (PCC).

- 4.12 To authorise the institution, defence, withdrawal or settlement of any claims or legal proceedings on behalf of the Police and Crime Commissioner in consultation with the Director of Corporate and Legal Services (and the CFO (PCC) in the event that the financial implications of such proceedings are anticipated to exceed the insured amount. Any decisions taken under this provision must be reported to the Police and Crime Commissioner as soon as practicable.
- 4.13 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.
- 4.14 To prepare (and review annually) this Scheme in conjunction with the CFO (PCC) and in consultation with the Chief Constable and the CFO (CC), and to monitor compliance with the terms of the same.
- 4.15 To prepare and review periodically (in consultation with the Chief Constable, the CFO (PCC), the Director of Corporate and Legal Services and the CFO (CC)) amendments to the Financial Regulations and the Contract Standing Orders of the Police and Crime Commissioner, and to monitor compliance with the terms of the same.
- 4.16 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 Police and Crime Commissioner) and to ensure that the same comply with the provisions of section 15(3) of the PRSRA (that the Police and Crime 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).

5. DELEGATIONS TO THE CHIEF FINANCE OFFICER (PCC)

- 5.1 To act as the Proper Officer to deal with various financial matters involving the Police and Crime Commissioner.
- 5.2 To manage all income received (including any collected pursuant to section 25 of the Police Act 1996) and to advise the Police and Crime Commissioner in consultation with the Chief Constable and the CFO (CC) as to the allocation of such funds.
- 5.3 To be responsible for the investment of the Police and Crime Commissioner's money and borrowing of money as necessary in accordance with the Treasury Management Strategy approved by the Police and Crime Commissioner.
- 5.4 To take all appropriate steps to ensure that the Police and Crime 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 Police and Crime Commissioner.

Any decisions taken under this provision must be reported to the Police and Crime 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 Police and Crime Commissioner's banking arrangements.
- 5.9 To exercise the powers and duties pursuant to the Police (Property) Regulations 1997 (in conjunction with the Chief Executive) and in so doing to:
 - (a) authorise, where appropriate, requests for the donation of unclaimed found property subject to prior consultation with the Police and Crime 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 Police and Crime Commissioner as to how the proceeds of sales and any money to which the Regulations apply should be disbursed
- 5.10 To act as the 'Money Laundering Reporting Officer' pursuant to the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003.
- 5.11 To ensure adequate risk management processes are in place.
- 5.12 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.
- 5.13 To pay, in conjunction with the Director of Corporate and Legal Services, damages, settlement amounts and costs in respect of legal proceedings (in accordance with PRSRA Schedule 2, paragraph 8 and Schedule 17, Part 1, Paragraph 42).
- 5.14 To prepare, in conjunction with the Chief Executive and the CFO (CC) , an information sharing protocol (ISP) in accordance with paragraph 4.3 of the Financial Management Code of Practice.
- 5.15 To determine appeals, as the 'Scheme Manager' against decisions of the senior officer of pension staff in respect of the LGPS in accordance with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996, as amended by the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008.
- 5.16 To ensure that adequate procedures exist to ensure compliance by the Police and Crime Commissioner with the provisions of the Bribery Act 2010.
- 5.17 To accept offers of sponsorship and gifts on behalf of the Police and Crime Commissioner provided that decisions taken are in accordance with any national

guidance or policy and any other guidance document which the Police and Crime Commissioner may from time to time determine.

6. DELEGATIONS TO THE DIRECTOR OF CORPORATE AND LEGAL SERVICES

- 6.1 To provide advice, institute and defend legal proceedings on behalf of the Police and Crime Commissioner and/or the Chief Constable when requested to do so.
- 6.2 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 Police and Crime Commissioner and/or the Chief Constable.
- 6.3 To institute on the instructions of the Chief Executive legal proceedings for the recovery of any debt due to the Police and Crime Commissioner.
- 6.4 On the instruction of the Chief Executive, to serve Notices to Quit and Notices to Terminate the use and occupation of land and property owned by the Police and Crime Commissioner and to institute Court proceedings to recover arrears of rent and other payments or to recover possession from occupiers and users.
- 6.5 To settle any action (including payments into Court) which is covered by the public and employers liability insurance arrangements of the Police and Crime Commissioner, and to provide reports to the Chief Executive on a quarterly basis detailing such settlements.
- 6.6 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 6.5 above, up to a limit of £25,000. For the avoidance of any doubt the Police and Crime Commissioner's approval will be required in respect of all settlements over £25,000. Any decisions taken under this provision must be reported to the Police and Crime Commissioner as soon as practicable thereafter.
- 6.7 To evaluate and sign on behalf of the Police and Crime 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 CFO (PCC).
- 6.8 To affix the common seal of the Chief Constable and to sign any document to give effect to any decisions made by him/her.
- 6.9 To undertake the day to day management of the insurance function of the Chief Constable and the Police and Crime Commissioner.
- 6.10 To authorise ex gratia payments (where no legal obligation has been established) up to a value of £1,000 for damage and loss to property or for personal injury or costs incurred.

7. DELEGATIONS TO THE DIRECTOR OF HUMAN RESOURCES

- 7.1 To manage the numbers, locations, ranks and grading of staff under the direction and control of the Chief Constable and of police officers within the overall workforce

budget approved by the Police and Crime Commissioner (with the exception of chief officers).

- 7.2 To direct the human resources function in respect of staff employed by the Police and Crime Commissioner (who are under the control and direction of the Chief Constable) in accordance with Schedule 15, paragraph 7 of the PRSRA and to make recommendations to the Chief Constable 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.
- 7.2 To provide strategic advice and guidance regarding the management of staffing resources and to ensure the professional competence of all staff employed by the Police and Crime Commissioner and the Chief Constable.
- 7.2 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 in respect of staff employed by the Police and Crime Commissioner and the Chief Constable.
- 7.3 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 in respect of the Chief Constable's employees
- 7.4 To approve the number of designated first aiders and the payment of appropriate First Aid Allowances
- 7.5 To approve the appointment or secondment of police officers for central service or overseas duty.

8. DELEGATION TO THE CHIEF FINANCE OFFICER (CC) :

- 8.1 To ensure the day to day financial management of the Force within the framework of any agreed budget allocation, the levels of authorisation and any objectives/conditions specified by the Police and Crime Commissioner in respect of the same.
- 8.2 To take all appropriate steps to ensure that the capital programme is implemented (in accordance with any conditions specified by the Police and Crime Commissioner).
- 8.3 In accordance with the Financial Regulations and any authorisation from the Police and Crime Commissioner, 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 Police and Crime Commissioner shall be secured in the event that any such transfers do not accord with the policies of the Police and Crime 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.
- 8.4 To approve, in conjunction with the Chief Constable and CFO (PCC) all sponsorship, provided that any such decision is taken in accordance with any national guidance or

policy and any other guidance document which the Police and Crime Commissioner may from time to time determine.

- 8.5 To be responsible for the provision of payroll and general financial administration in relation to police officers and persons employed by the Chief Constable and/or the Police and Crime Commissioner, in accordance with paragraph 13 of Schedule 1 and paragraph 6 of Schedule 2 of the PRSRA and regulations made pursuant to the same.
- 8.6 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.
- 8.7 To ensure the administration of the local government pension scheme (LGPS) for staff employed by the Police and Crime Commissioner. In each instance, to ensure appropriate maintenance of such LGPS and the provision of the relevant accounts.
- 8.8 To be responsible for the management of the estate used by the Force (including the maintenance of property owned by the Police and Crime Commissioner), and for this purpose to incur expenditure within the maintenance budget approved by the Police and Crime Commissioner.
- 8.9 To implement increases in rates of motor vehicle and subsistence allowances following national agreement.
- 8.10 To be responsible for the day to day administration, supervision and effective monitoring of all building, civil engineering, information technology, goods, services and consultancy contracts entered into by the Police and Crime Commissioner. The Chief Constable, Chief Executive, CFO (PCC) and Director of Corporate and Legal Services are to be immediately informed should any contractual difficulties or disputes arise.
- 8.11 To make, in consultation with the Chief Constable, 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.
- 8.12 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.
- 8.13 To advise the Chief Executive and 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 Director of Corporate and Legal Services) to ensure that appropriate insurance arrangements are in place.
- 8.14 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.

- 8.15 To arrange for the provision of telephone and radio communications and other technical services and to enter into line rental agreements relating to facilities, provided that the necessary financial provision has been made in the revenue budget.
- 8.16 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 Police and Crime Commissioner in respect of the same.
- 8.17 To make arrangements, in consultation with the Chief Constable, for the administration of any car loan scheme or car leasing scheme in accordance with any conditions imposed by the Police and Crime Commissioner
- 8.18 To allocate housing to police and other staff, and to deal with any associated matters including the recovery of possession.
- 8.19 To authorise the use of property owned by the Police and Crime Commissioner by outside bodies or staff associations, provided that such use is temporary and that no tenancy or other legal interest is created.
- 8.20 To apply for planning permission for the development of any property on behalf of the Police and Crime Commissioner.
- 8.21 To submit proposals for and make objections to the rating valuation lists.
- 8.22 To develop and implement asset management plans on behalf of the Police and Crime Commissioner and the Chief Constable, to ensure that an asset register is maintained to provide the Police and Crime Commissioner and the Chief Constable with information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued, and to ensure contingency plans for the security of assets and continuity of service in the event of disaster or system failure, and to maintain inventories in a format approved by the CFO (PCC).
- 8.23 To authorise, within any policies approved by the Police and Crime Commissioner in conjunction with the Chief Constable, the CFO (PCC), 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.
- 8.24 To authorise land and property transactions not exceeding £25,000 in value and to agree the terms of such transactions in accordance with recommendations made by a qualified valuer. For this purpose land and property transactions include purchases, the taking and granting of leases or tenancies for a period not exceeding seven years, licences, wayleaves and easements, and the disposal of land and property no longer required by the Police and Crime Commissioner.
- 8.25 In relation to paragraphs 8.24 and 8.25, the sale of land and buildings may take place by public auction, public tender or private treaty. The disposal method shall be the one which, in the view of the CFO (CC) having received appropriate advice from a qualified Valuer, maximises value for money to the Police and Crime Commissioner.
- 8.26 To settle dilapidation claims and compensation payments at the termination of leases and lettings in accordance with advice received from a qualified valuer.

- 8.27 To ensure that adequate procedures exist to ensure compliance by the Chief Constable with the provisions of the Bribery Act 2010.
- 8.28 To approve claims for reimbursement of removal expenses in accordance with Police Regulations and to administer a scheme for the reimbursement of removal expenses
- 8.29 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.
- 8.30 To determine appeals, as the 'Scheme Manager' against decisions of the senior officer of pension staff in respect of the LGPS in accordance with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996, as amended by the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008.

PART 3b

FINANCIAL REGULATIONS

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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 PRSRA 2011 and section 39 of the Police Act 1996 permit the Secretary of State to issue codes of practice to all PCCs and Chief Constables, and the Home Office has issued the Financial Management Code of Practice.
2. The PCC is the recipient of all funding, including the government grant and precept and other sources of income, related to policing and crime reduction and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.
3. The Financial Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, 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 PCC and all employees have a general responsibility to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value. They have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.
6. Financial Regulations explain the working financial relationship between the PCC and the Chief Constable and their respective chief financial officers.
7. The PCC and Chief Constable are jointly responsible for approving or amending Financial Regulations. The CFO (PCC) is responsible for maintaining a review of the 'Financial Regulations' element of the Scheme of Governance, and submitting any additions or amendments to the PCC and Chief Constable, after consulting with the Chief Constables Chief Financial Officer (CFO CC) and the Chief Executive.
8. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings. Such cases shall be reported to CFO (PCC) who shall determine, after consulting with the Monitoring Officer, whether the matter shall be reported to the PCC and/or 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 - Management of risk and resources
- Section 4 - Systems and procedures
- Section 5 - Joint Working Arrangements
- Section 6 - Summary of delegated limits

SECTION 1 - FINANCIAL MANAGEMENT

1.1 FINANCIAL MANAGEMENT STANDARDS

Why is this important?

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

Responsibilities of the CFO (PCC) and CFO (CC)

- 1.1.2 To ensure the proper administration of the financial affairs of SWP.
- 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 ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- 1.1.7 To ensure that all officers and staff are properly managed, developed, trained 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 PCC and Chief Constable will discharge their responsibility for stewardship of public resources. SWP has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of SWP resources.

Joint Responsibilities of the CFO (PCC) and CFO (CC)

- 1.2.2 To determine the accounting procedures and records for SWP, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the Chief Constable. All employees shall operate within the required accounting policies and published timetables.

- 1.2.3 To make proper arrangements for the audit of the PCC's accounts in accordance with the Accounts and Audit (Wales) (Amendment) Regulations 2010.
- 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 CFO (CC)

- 1.2.7 To obtain the approval of the CFO (PCC) 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 SWP has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom ("The Code"). The accounts will comprise separate statements for the PCC, 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 SWP resources.

Responsibilities of the CFO (PCC)

- 1.3.3 To draw up the timetable for final accounts preparation, in consultation with the CFO (CC) and external auditor.
- 1.3.4 To prepare, sign and date the statement of accounts, stating that it presents fairly the financial position of SWP 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 SWP each year, in accordance with the statutory timetable.
- 1.3.6 To produce summary accounts for publication on the website.

Joint Responsibilities of the CFO (PCC) and CFO (CC)

- 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 Code of Practice on Local Authority Accounting.

Responsibilities of the CFO (CC)

- 1.3.10 To comply with accounting guidance provided by the CFO (PCC) and supply appropriate information upon request within a reasonable timescale.

Responsibilities of the PCC

- 1.3.11 To consider and approve the annual accounts in accordance with the statutory timetable.

SECTION 2: FINANCIAL PLANNING

Why is this important?

- 2.1.1 The PCC and Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term.
- 2.1.2 SWP is a complex organisation responsible for delivering a range of policing 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 by the approved policy framework, the business planning process and the need to meet key objectives.
- 2.1.4 The planning process should be continuous and the planning period should cover at least 3 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows SWP to plan, monitor and manage the way funds are allocated and spent.

Medium Term Financial Planning

Responsibilities of the PCC

- 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 Plan.

Responsibilities of the CFO (PCC) and CFO (CC)

- 2.1.6 To determine the format and timing of the medium term financial plans to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA and S25 of the Local Government Act 2003.
- 2.1.7 To prepare a medium term projection of proposed income and expenditure for submission to the PCC. When preparing the forecast, the CFO(CC) shall have regard to:
 - the police and crime plan
 - policy requirements approved by the PCC as part of the policy framework
 - the strategic policing requirement
 - unavoidable future commitments, including legislative requirements
 - initiatives already underway

- revenue implications of the 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
- any commissioning strategy of the PCC

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 PCC 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 of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCC's strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the Force.

2.1.11 The PCC should consult with the 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 Plan and the medium term financial strategy should be clearly identified.

Responsibilities of the PCC

2.1.13 To agree the planning timetable with the Chief Constable.

2.1.14 To obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates.

2.1.15 To present the proposed budget and council tax precept recommendations to the Police and Crime Panel for approval.

Responsibilities of the CFO (PCC)

- 2.1.16 To determine the format of the revenue budget to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
- 2.1.17 To obtain timely and accurate information from billing authorities on the council taxbase to inform budget deliberations.
- 2.1.18 To advise the PCC on the appropriate level of general balances, earmarked reserves or provisions to be held.
- 2.1.19 To submit a report to the PCC on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities. These indicators shall be consistent with the approved annual revenue budget and capital programme.
- 2.1.20 Upon approval of the annual budget, to submit the council tax requirement return to central/welsh government and precept requests to appropriate bodies in accordance with the legal requirement.
- 2.1.21 To produce and issue to the billing authorities, in accordance with statutory requirements, the council tax information leaflet.

Responsibilities of the Chief Constable and CFO (CC)

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

2.2 BUDGETARY CONTROL

Why is this important?

- 2.2.1 Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling both the Chief Constable and PCC to review and adjust their budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 2.2.2 The key controls for managing and controlling the revenue budget are that:
 - a) there is a nominated budget manager for each cost centre heading who is accountable for the budgets under his direct control; and

- b) the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures.

Revenue Monitoring

Why is this important?

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

Responsibilities of the Chief Constable and CFO (CC)

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

Responsibility of the CFO (PCC)

- 2.2.8 To co-ordinate a joint budget monitoring report for presentation to the Police and Crime Panel, as necessary, containing the most recently available financial information.

Virement

Why is this important?

- 2.2.9 A virement is an approved reallocation of resources between budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable chief officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.
- 2.2.10 The CFO (CC) (upon the instruction of the CC) should only be required to refer back to the PCC when virement would incur substantive changes in the policy of the PCC or where a virement might create a future year or continuing commitment. Revenue expenditure can only be funded from revenue funding.
- 2.2.11 Key controls for the scheme of virement are:
- a) it is administered by chief officers within delegated powers given to the CFO (CC) by the PCC. Any variation from this scheme requires the approval of the PCC.
 - b) the overall budget is agreed by the PCC. Chief officers and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget.
 - 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 CFO (CC) upon the instruction of the Chief Constable may use revenue provision to purchase capital items or carry out capital works (subject to obtaining prior approval from the PCC where the proposed transfer exceeds £250,000) and explaining the revenue consequences.
- 2.2.13 The CFO (CC) can approve any virement where the additional costs are fully reimbursed by other bodies.
- 2.2.14 For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels

Force Budget

Up to £ 1,000,000

CFO (CC)

Over £1,000,000

CFO (PCC)

PCC's own budget

Up to £250,000

CFO (PCC)

Over £250,000

PCC

- 2.2.15 The approval of the PCC shall be required 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.

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 SWP 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 SWP 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 financial strategy.

Responsibilities of the Chief Constable

- 2.3.4 To develop and implement asset management plans.

Responsibilities of the CFO (PCC), CFO (CC) and Chief Constable

- 2.3.5 To facilitate a capital strategy for consideration and approval by the PCC.

Responsibilities of the PCC

- 2.3.6 To approve the asset management strategy.
- 2.3.7 To approve the annual financial strategy.

Medium term Capital Programme

Responsibilities of the Chief Constable & CFO (CC)

- 2.3.8 To prepare a rolling programme of proposed capital expenditure for consideration by the PCC. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.

- 2.3.9 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 CFO (PCC) and PCC 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 CFO (PCC), 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 CFO (CC) in consultation with the Chief Constable to enable the PCC 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.
- 2.3.14 Approval of the medium term capital programme by the PCC in February each year authorises the CFO (CC) to seek planning permissions, incur professional fees and preliminary expenses as appropriate.

Responsibilities of the CFO (PCC)

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

Responsibilities of the PCC

- 2.3.16 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 PCC

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

Responsibilities of the CFO (CC)

- 2.3.18 Approval of the annual capital programme by the PCC authorises the CFO(CC) to incur expenditure on schemes providing the detailed project appraisal 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 which ever is the lower amount.
- 2.3.19 To ensure that finance leases or other credit arrangements are not entered into without the prior approval of the CFO (PCC).
- 2.3.20 To ensure that, apart from professional fees (e.g. feasibility studies and planning fees), no other capital expenditure is incurred before the scheme is approved by the PCC.

Monitoring of Capital Expenditure

Responsibilities of the Chief Constable

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

Responsibilities of the Chief Constable and CFO (CC)

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

Responsibilities of the CFO (PCC) and CFO (CC)

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

2.4 MAINTENANCE OF BALANCES AND RESERVES

Why is this important?

- 2.4.1 The PCC must 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 the organisation to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.

Responsibilities of the CFO (PCC)

- 2.4.2 To advise the PCC on reasonable levels of balances and reserves.
- 2.4.3 To report to the PCC on the adequacy of reserves and balances before he approves the annual budget and council tax.
- 2.4.4 To approve appropriations to and from each earmarked reserve. These will be separately identified in the Annual Statement of Accounts.

Responsibilities for the CFO (CC)

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

Responsibilities of the PCC

- 2.4.7 To approve a policy on reserves and balances and the funding strategy for the maintenance of reserves and general balances.
- 2.4.8 To approve the creation and allocation of each earmarked reserve including the purpose, usage and transactional basis of each reserve..
- 2.4.9 To approve the allocation of monies to and from general reserves, as part of the annual budget setting process.

SECTION 3

RISK MANAGEMENT AND BUSINESS CONTINUITY

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 SWP. 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 SWP and to ensure the continued corporate and financial well being of SWP. In essence it is, therefore, an integral part of good business practice.

Responsibilities of the PCC and Chief Constable

- 3.1.3 The PCC 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 prepare the SWP risk management policy statement and for promoting a culture of risk management awareness throughout SWP 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 CFO (PCC)

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

Responsibilities of the CFO (CC)

- 3.1.9 To ensure, in consultation with the CFO (PCC), that appropriate insurance cover is provided.
- 3.1.10 To ensure that claims made by SWP against insurance policies are made promptly.
- 3.1.11 To make all appropriate employees aware of their responsibilities for managing relevant risks.
- 3.1.12 To ensure that employees, or anyone covered by SWP insurance, is instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- 3.1.13 To ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk.

Responsibilities of the Chief Executive

- 3.1.14 To evaluate and authorise any terms of indemnity that SWP 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 SWP objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that SWP's assets and interests are safeguarded.
- 3.2.2 SWP is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. SWP has statutory obligations, and, therefore, requires a system of internal control to identify, meet and monitor compliance with these obligations.
- 3.2.3 SWP 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 CFO (PCC) and CFO (CC). These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
- 3.2.5 To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.
- 3.2.6 To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.

Responsibilities of the PCC, Chief Constable, Chief Executive, CFO(PCC) and CFO(CC)

- 3.2.7 To produce an Annual Governance Statement for consideration and approval by the PCC. Following approval, the Annual Governance Statement should be signed by the Chief Executive, CFO (PCC), CFO (CC), Chief Constable and PCC.

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 either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their financial affairs". In the Police Service the PCC and Chief Constable are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit (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 PCC 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 PCC and the Chief Constable to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, internal Audit is needed:

- to satisfy the PCC and the Chief Constable that effective internal control systems are in place; and
- to satisfy the external auditor that financial systems and internal controls are effective and that the Police Fund is managed 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 CFO (PCC) and CFO (CC)

3.3.7 To ensure the provision of an adequate and effective internal audit service.

Responsibilities of the Chief Constable, CFO (PCC) and CFO (CC)

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

- access SWP 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 SWP asset under their control
- access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.

3.3.9 Internal Audit shall have direct access to all Chief Officers and employees, where necessary.

Responsibilities of the appointed Internal Auditor

3.3.10 To prepare an annual audit plan that conforms to the CIPFA Code of Practice. The CFO (PCC) and CFO (CC) are jointly responsible for approving the plan and any subsequent revisions. The plan shall be submitted to the Joint Audit Committee for endorsement.

3.3.11 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.

3.3.12 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

3.3.13 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 CFO (CC)

3.3.14 To ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the CFO (PCC) and internal audit prior to implementation.

- 3.3.15 To notify the CFO (PCC) immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of SWP 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 CFO (CC) and the appointed Internal Auditor.

External Audit

Why is this important?

- 3.3.16 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.
- 3.3.17 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.
- 3.3.18 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

- 3.3.19 The Joint Audit Committee (JAC) will consider the internal and external audit reports of both the PCC and the Chief Constable.

- 3.3.20 The JAC 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 endorse 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 PCC'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 PCC and the Chief Constable including the Annual Governance Statement and any changes to the local code 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 constitution 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 the PCC and/or the Force statutory officers.
- To monitor the effective development and operation of corporate governance in both corporations sole.
- To oversee the production of the PCC's and Chief Constable's Statement on Annual Governance and to recommend its adoption.
- To monitor OPCC and Force policies on "Raising Concerns at Work" and the anti-fraud and corruption strategy.
- To oversee the arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- To consider the PCC 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 PCC/Chief Constable.

- To consider the external auditor' report to those charged with governance on issues arising from the audit of accounts and to report these to the OPCC 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 within the OPCC and Force.
- Approving the OPCC and Force corporate risk management strategy and framework; ensuring that an appropriate framework is in place for assessing and managing key risks to the OPCC and Force.

Inspection and Review

- Considering HMIC, 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 PCC 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 CFO (PCC) and CFO (CC)

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

Responsibilities of the Chief Constable and CFO (PCC)

- 3.3.22 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 SWP premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
- 3.3.23 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 SWP will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside SWP.
- 3.4.2 SWP 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 SWP 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 PCC 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 SWP holds assets in the form of land, property, vehicles, equipment, furniture and other items, together worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, that there are arrangements for the security of both assets and information required for service operations and that proper arrangements exist for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

Context

- 3.5.2 The PCC will initially own and fund all assets regardless of whether they are used by the PCC, by the force or by both bodies. However, with consent from the PCC, Chief Constables can acquire property (other than land or buildings) and this should be set out in the Scheme of Governance (by Stage 2).
- 3.5.3 The Chief Constable is responsible for the direction and control of the force and should therefore have day-to-day management of all assets used by the force.
- 3.5.4 The PCC should consult the Chief Constable in planning the budget and developing a medium term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

Responsibilities of the CFO (CC)

- 3.5.5 To ensure that:
- a) an asset register is maintained to provide SWP with information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements.
 - b) assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.
 - c) lessees and other prospective occupiers of SWP 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 SWP property are held securely.

- e) no SWP 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 SWP.
- g) all employees are aware of their responsibilities with regard to safeguarding SWP assets and information, including the requirements of the Data Protection Act and software copyright legislation.
- h) assets no longer required are disposed of in accordance with the law and the regulations of SWP.
- i) all employees are aware of their responsibilities with regard to safeguarding the security of SWP ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

Valuation

Responsibilities of the CFO (CC)

- 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 CFO (PCC). Assets are to be recorded when they are acquired by SWP. 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 CFO (PCC).

<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 CFO (CC)

- 3.5.7 To ensure that inventories are maintained in a format approved by the CFO (PCC) and CFO (CC) 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 CFO (CC)

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

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 SWP policy that if any Intellectual Policy is created by the employee during the course of employment, then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within SWP 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 SWP decides 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 PCC 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 PCC

- 3.5.17 To approve the intellectual property policy.

Asset Disposal

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 in consultation with the PCC.

Responsibilities of the CFO (CC)

- 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 CFO (CC) (following instruction from the Chief Constable) shall consult with the CFO (PCC).
- 3.5.20 All asset disposals shall be recorded in the asset register or inventory as appropriate.

Responsibilities of the CFO (PCC) and CFO (CC)

- 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 SWP records and to include the sale proceed if appropriate.

3.6 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Treasury Management

Why is this important?

- 3.6.1 SWP is a large organisation that handles hundreds of millions of pounds in each financial year. It is important that SWP money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the SWP capital sum.
- 3.6.2 SWP 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 PCC

- 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 CFO (PCC)

- 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 SWP.

Banking Arrangements

Why is this important?

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

Responsibilities of the CFO (PCC)

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

Responsibilities of the CFO (CC)

- 3.6.16 To provide appropriate employees of SWP with cash, bank imprests to meet minor expenditure on behalf of SWP. The CFO(CC) 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 CFO (PCC), and these shall be issued to all appropriate employees.

Money Laundering

Why is this important?

- 3.6.18 SWP 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 SWP will monitor its internal control procedures to ensure they are reliable and robust.

Responsibilities of the CFO (PCC)

- 3.6.21 To be the nominated Money Laundering Reporting Officer (MLRO) for SWP.
- 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 CFO (CC)

- 3.6.24 To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide.

Responsibilities of officers and employees

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

3.7 STAFFING

Why is this important?

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

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 PCC.

Responsibilities of the CFO (CC)

- 3.7.3 To advise the PCC on the budget necessary in any given year to cover estimated staffing levels.
- 3.7.4 To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs.
- 3.7.5 To 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 CFO (PCC), 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 Executive

- 3.7.7 To have the same responsibilities as above for staff employed directly by the PCC.

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. SWP Benevolent Fund.
- 3.8.2 The SWP 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, CFO (PCC) and CFO (CC).

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 CFO (PCC) and/or CFO (CC) shall be entitled to verify that this has been done.

3.9 ADMINISTRATION OF EVIDENTIAL & NON-EVIDENTIAL PROPERTY

Why is this important?

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

Context

- 3.10.3 Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.
- 3.10.4 Gifts, loans and sponsorship can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.
- 3.10.5 The total value of gifts, loans and sponsorship accepted, should not exceed 1% of the SWP gross expenditure budget annually.

Responsibilities of the PCC

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

Responsibilities of the CF0 (CC)

- 3.10.7 To accept gifts, loans or sponsorship within agreed policy guidelines and in consultation with the Chief Constable.
- 3.10.8 To refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.
- 3.10.9 To present an annual report to the PCC listing all gifts, loans and sponsorship.

- 3.10.10 To maintain a central register, in a format agreed by the CFO (PCC), of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The register will be made available to the CFO (PCC), who shall satisfy himself that it provides a suitable account of the extent to which such additional resources have been received.
- 3.10.11 To bank cash from sponsorship activity in accordance with normal income procedures.

SECTION 4 SYSTEMS & PROCESSES - INTRODUCTION

Why is this important?

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

Responsibilities of the CFO (PCC) and CFO (CC)

- 4.1.3 To make arrangements for the proper administration of SWP financial affairs, including to:
- issue advice, guidance and procedures for officers and others acting on behalf of SWP
 - determine the accounting systems, form of accounts and supporting financial records
 - establish arrangements for the audit of SWP 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, which will include provisions identifying staff authorised to act upon the Chief Constable's behalf 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 SWP and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly.

Context

- 4.2.2 The PCC and Chief Constable should adopt 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 PCC and should be banked accordingly.
- 4.2.3 PCCs should ensure that there are arrangements in place to ensure that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels PCCs should 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 will 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 PCC

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

Responsibilities of the CFO (CC) and CFO (PCC)

- 4.2.6 To make arrangements for the collection of all income due to SWP 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 PCC.
- 4.2.8 To ensure that all income is paid fully and promptly into the SWP 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 CFO (CC)

- 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 Executive, appropriate debt recovery procedures, including legal action where necessary.
- 4.2.13 To approve the write-off of bad debts, in consultation with the Chief Executive or the CFO (PCC), up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.

<i>Up to £20,000</i>	<i>CFO (CC)</i>
<i>£20,000- £50,000</i>	<i>CFO (PCC)</i>
<i>Over £50,000</i>	<i>PCC</i>

- 4.2.14 To prepare detailed Financial Procedures for dealing with income, to be agreed with the CFO (PCC), 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 PCC's policies. SWP has a statutory duty to ensure financial probity and best value. The PCC's financial regulations and purchasing procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the Standing Orders relating to Contracts in Part 3c.

Responsibilities of the CFO (CC)

- 4.3.2 To maintain a procurement policy covering the principles to be followed for the purchase of goods and services.

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

- 4.3.12 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 SWP and that such persons take no part in the selection of a supplier or contract with which they are connected.

4.4 PAYMENTS TO EMPLOYEES AND MEMBERS

Why is this required?

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

Responsibilities of the Chief Constable

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

4.5 TAXATION

Why is this important?

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

Responsibilities of the CFO (PCC)

- 4.5.2 To ensure the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements.
- 4.5.3 To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC.

Responsibilities of the CFO (PCC) and CFO (CC)

- 4.5.4 To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations.

- 4.5.5 To provide details to the HMRC regarding the construction industry tax deduction scheme.
- 4.5.6 To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.

4.6 CORPORATE CREDIT CARDS

Why is this important?

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

Responsibilities of the Chief Constable

- 4.6.2 In conjunction with the CFO (PCC) to provide Financial Instructions to all cardholders.

Responsibilities of the CFO (CC)

- 4.6.3 To authorise and maintain control over the issue of cards.

Responsibilities of credit card holders

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

4.7 PURCHASING CARDS

Why is this important?

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

Responsibilities of the CFO (CC)

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

Responsibilities of Purchasing Card Holders

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

4.8 EX GRATIA PAYMENTS

Why is this important?

- 4.8.1 An ex gratia payment is a payment made by SWP 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 CFO (CC), Chief Executive and PCC

- 4.8.2 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 SWP.

<i>Up to £1,000</i>	<i>Director of Corporate and Legal Services</i>
<i>Over £1,000</i>	<i>PCC</i>

- 4.8.3 To maintain details of ex gratia payments in a register:
- 4.8.4 To make ex gratia payments, on a timely basis, up to the 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 £1,000</i>	<i>Director of Corporate and Legal Services</i>
<i>Over £1,000</i>	<i>PCC</i>

PART 5 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 SWP 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 SWP
- 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 SWP 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
- achieve it to 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 (CDRPs) and Local Service Boards (LSBs).

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

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

Responsibilities of the PCC

5.1.13 To have regard to relevant priorities of local partners when considering and setting the 5 year Police and Crime Plan and the annual delivery plan.

5.1.14 To make appropriate arrangements to commission services from either the force or external providers.

Responsibilities of Chief Officers

- 5.1.15 To follow any guidance manual established for local partnerships.
- 5.1.16 To consult, as early as possible, the CFO (CC) and the CFO (PCC) to ensure the correct treatment of taxation and other accounting arrangements.
- 5.1.17 To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the Chief Executive.

CONSORTIUM ARRANGEMENTS

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

Responsibilities of Chief Officers

- 5.1.19 To contact the Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework.
- 5.1.20 To consult, as early as possible, the CFO (CC) and the CFO (PCC) to ensure the correct treatment of taxation and other accounting arrangements.
- 5.1.21 To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
- 5.1.22 To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the Chief Executive.

Responsibilities of the PCC

- 5.1.23 To approve SWP participation in the consortium arrangement.

COLLABORATION

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

5.2 EXTERNAL FUNDING

Why is this important?

- 5.2.1 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of SWP. Funds from external agencies provide additional resources to enable SWP 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 SWP overall plan.
- 5.2.2 The main source of such funding for SWP 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 by the PCC and are attributable to the PCC.

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 SWP.

Responsibilities of the Chief Constable and the PCC

- 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.

Responsibilities of the CFO (PCC) and CFO (CC)

- 5.2.5 To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met.

Responsibilities of the Chief Constable

- 5.2.6 To ensure that funds are acquired only to meet policing needs and objectives.
- 5.2.7 To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- 5.2.8 To ensure that any conditions placed on SWP in relation to external funding are in accordance with the approved policies of the PCC. If there is a conflict, this needs to be taken to the PCC for resolution.

5.3 WORK FOR EXTERNAL BODIES

Why is this required?

- 5.3.1 SWP 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 SWP and that, where possible, payment is received in advance of the delivery of the service so that SWP 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 SWP.
- 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 3c hereto).

6 SUMMARY OF DELEGATED LIMITS

Virement

- 6.1 The CFO (CC) may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC approval where the proposed transfer exceeds £250,000 and explaining the revenue consequences.
- 6.2 The CFO (CC) can approve any virement where the additional costs are fully reimbursed by other bodies.
- 6.3 For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels.

Force Budget

Up to £1,000,000

Over £1,000,000

CFO (CC)

PCC

PCC's own budget

Up to £250,000

Over £250,000

CFO (PCC)

PCC

Asset valuation

- 6.4 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the CFO (PCC). Assets are to be recorded when they are acquired by SWP. 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 CFO (PCC)

Land & Buildings

All values

Vehicles

All values

ICT hardware

All values

Plant & Equipment

£50,000

Inventories

Responsibilities of the Chief Constable

- 6.5 To ensure that inventories are maintained in a format approved by the CFO (PCC) 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).

Money Laundering

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

Gifts, Loans and Sponsorship

- 6.8 To refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.

Income

- 6.9 To approve the write-off of bad debts, in consultation with the Chief Executive or the CFO (PCC), up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reasons for the write-off.

<i>Up to £20,000</i>	<i>CFO (CC) and/or CFO (PCC)</i>
<i>£20,000 to £50,000</i>	<i>CFO (PCC)</i>
<i>Over £50,000</i>	<i>PCC</i>

Ex-gratia Payments

- 6.10 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 SWP.

<i>Up to £1,000</i>	<i>Director of Corporate and Legal Services</i>
<i>Over £1,000</i>	<i>PCC</i>

- 6.11 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 £1,000</i>	<i>Director of Corporate and Legal Services</i>
<i>Over £1,000</i>	<i>PCC</i>

PART 3c STANDING ORDERS RELATING TO CONTRACTS

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 PCC'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 SWP 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; 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:
- Contracts for the sale and purchase 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, exemption from any of the following provisions of these Standing Orders may only be made by direction of the PCC or the CFO (PCC). The PCC shall be informed of the circumstances of every exemption made at the earliest opportunity thereafter.
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 PCC 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 to an Authorised Officer. The Head of Procurement will maintain a record of all employees to whom delegated powers have been assigned.

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. The 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 Information System (FIS), together with any amendments that may be made thereto from time to time.
14. The Chief Executive is responsible for monitoring compliance with Contract Standing Orders.
15. The CFO (PCC) 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 Executive respectively. The Chief Executive will record the declaration in a register. This requirement applies equally to all officers of both the PCC and the Force.

SELECTION CRITERIA

17. Unless otherwise approved by the PCC, the selection of organisations to be invited to quote or tender under these Standing Orders 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 (in the opinion of the PCC) a suitable opportunity for an SME, this shall be advertised as such in accordance with paragraph 52 of these Standing Orders. The PCC may reserve certain contracts if in his/her 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 handicapped 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 PCC 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) and shall comply with the public sector requirement around being anonymous prior to opening of the document.

FRAMEWORK AGREEMENTS

20. Where the PCC is able to utilise a pre-existing framework agreement procured by a central purchasing body, other public sector bodies or the PCC's themselves, then the PCC 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 PCC'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 PCC's contractual requirements.
 - Full, open 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 PCC.
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. Only officers authorised by the Chief Executive shall be eligible to open tenders where the estimated value of the purchase exceeds the EU Threshold.

27. Any tender received after the other tenders have been opened shall be returned promptly to the tenderer. The tender may be opened to ascertain the name of the tenderer, but no details of the tender shall be disclosed.
28. Where examination of tenders reveals clerical errors or discrepancies which would affect the tender figure(s) in an otherwise successful tender, the tenderer should be afforded an opportunity of confirming, withdrawing or correcting his offer (the correction of genuine errors is permitted for tenders which are compliant in all other aspects). This should be documented, including the reason(s) for referral back to the tenderer.
29. The PCC delegates to the Chief Executive 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

30. 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.
31. 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.
32. 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.
33. Those members of staff involved in the evaluation process should be mindful of the current policy on gifts, loans and hospitality.

AUTHORISED OFFICERS

34. The correct contracting party for all contracts entered into by South Wales Police is the Police and Crime Commissioner (South Wales). The only person(s) who may enter into a contractual agreement which legally binds the PCC is the Chief Executive or the CFO (PCC) or their duly authorised representatives, and as provided in Standing Order 94 and the Appendix hereto.
35. The affixing of the Common Seal shall only be attested by the Chief Executive or a person authorised by him/her. A record of all documents which are sealed shall be kept by the Chief Executive and the record shall be signed by the person who shall have attested the seal.
36. Authorised Officers shall, subject to the provisions of the PCC's Financial Regulations and to the provisions of these Standing Orders and to such directions as may be given by the PCC from time to time, have authority to enter into contracts of a Level 1 threshold value (as set out in the Appendix hereto).

BUDGET AUTHORISATION

37. Before entering into any contractual commitment on behalf of the PCC, the relevant Authorised Officer must ensure that there is sufficient approved budget in the current financial year to meet the commitment being made.
38. 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 PCC.

PURCHASING PROCEDURES AND RETENTION OF RECORDS

39. Except as provided in Standing Orders 64 and 65, 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 Information System (FIS).
40. 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).
41. 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

42. Contracts whose total value are below the Level 1 Threshold may be made without competitive tendering or quotations, but good purchasing practice is to be followed, and fully recorded, in all cases to ensure maximum value for money. A written or electronic quotation needs to be obtained prior to any purchase.
43. 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.
44. Contracts whose total value is within the Level 3 Threshold, shall be made only after tenders have been sought from not less than three suitable persons.
45. 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.
46. 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

47. 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.
48. A call-off contract (see paragraph 24 above) shall be treated as one contract under these Standing Orders.
49. Contracts must not be artificially under or over-estimated where the effect is to avoid the application of these Standing Orders.
50. 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 42 to 45 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

51. 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 PCC.
 - 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

52. 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 PCC (including without limitation use of electronic websites (including [sell2wales](#)) and [Contrax Weekly](#)).
53. Where the estimated value of the contract exceeds the relevant EU threshold, notice must be given as specified in paragraph 43 above and also in the Official Journal of the European Economic Community..
54. The notice(s) must state the nature and purpose of the contract, invite tenders for its execution and specify the last date and time when tenders must be received. The notice shall direct potential contractors to the location where full information about the tendering opportunity can be found, (such as the [etenderwales](#) website). Tenders must be invited from all those who respond stating they wish to tender.

55. 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 persons have applied and are considered suitable, to all such persons.
56. The process of selecting prospective contractors must be fair and transparent, be seen to show no favour and be fully documented.
57. 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

58. 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.
59. The list shall be compiled and maintained by or under arrangements approved by the Chief Executive or the CFO (PCC).
60. Appeals by any person against deletion from or refusal to be included in the list must be referred to the Chief Executive.
61. Not less than five of the persons on the standing list must be invited to tender. The process of selecting prospective contractors must:
 - be seen to show no favour,
 - ensure that adequate rotation occurs; and
 - be fully documented.
62. 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.
63. The Chief Executive may approve deletions and additions to the list between review dates.

TENDERS OR QUOTATIONS NOT REQUIRED

64. 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.
- 65. 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 PCC, 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.
- 66. Provided that in each instance specified in paragraphs 64 and 65 above:
 - (a) Such action does not contravene any statutory or EC requirement; and
 - (b) Details of the contract are reported to the PCC 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.
- 67. Tenders or quotations are also not required to be invited where:
 - (a) direct purchasing arrangements have previously been agreed by the PCC; or
 - (b) the PCC is a member of a consortium created for the purpose of acquiring goods or materials of the relevant type; or
 - (c) the PCC has access to direct purchasing arrangements entered into by another agency (including valid Framework agreements open to the PCC). 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 SWP PCC and/or the Force to be contract participant(s). The use of such contracts must be first agreed by the Force Procurement Department.
- 68. 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.
- 69. Any application for exemption from tendering, submitted pursuant to the provisions of paragraphs 64 or 65, shall be in the form approved by the PCC from time to time.
- 70. 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 64 or 65 apply.
- 71. Tenders or quotations are also not required where the contract is to be let to the Direct Labour Organisation (DLO) or any Direct Service Organisation (DSO) of the

PCC, and the total contract value (including the value of any sub-contracts) is within the Level 2 Threshold or below.

72. 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.

73. The following 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.

- Body Armour – Patrol
- Motor Vehicles
- Commoditised computer hardware
- Commercial, off-the-shelf computer software.

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.

SUBMISSION OF TENDERS AND QUOTATIONS

74. Where an electronic tendering system is used, the procedure set out in paragraph 75 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 PCC to demonstrate that a prospective contractor has received the tender.
75. 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 PCC does not bind itself 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 PCC'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.
76. In the event of an electronic tender which satisfies the provisions of 74 above, a designated officer in Procurement shall open the tender(s) which shall be retained in the electronic system.
77. In relation to any changes made to non-electronic tenders or quotations, the Chief Executive 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

78. 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

79. Where the estimated value of the contract falls within the Level 4 Threshold all tenders are to be received by the Chief Executive, and recorded in a book to be kept

for the purpose. Such tender shall be retained in secure custody unopened until the time appointed for their opening, unless the electronic e-tendering system is used.

80. Subject to paragraph 74 (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 CFO (PCC) and the Chief Executive or an officer designated by him/her. 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

81. No tenders or quotations (whatever the value of the contract) received after the specified date and time will be considered unless the Chief Executive 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 PCC.

EXAMINATION OF TENDERS/QUOTATIONS

82. 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/her offer. If the tenderer withdraws, the next tender/quotation in competitive order shall be examined and dealt with in the same way.
83. If an adjustment is made, acceptance of the revised tender/quotation may only be authorised by the Chief Officer concerned, and this must be following consultation with the Chief Executive in the event that the estimated value of the contract falls within the Level 4 Threshold.
84. 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.

ACCEPTANCE OF TENDERS

85. Provided that in all other respects it represents best value to the PCC, a tender may be accepted by the appropriate Chief Officer, where it is the most economically advantageous tender (see paragraph 88 below) received if payment is to be made by the PCC, or the highest if payment is to be received by the PCC.
86. The appropriate Chief Officer, may accept a tender other than the lowest tender if payment is to be made by the PCC provided that the tender sum to be accepted does not exceed the lowest tender by more than 25%, and the appropriate Chief Officer is satisfied it represents the most economically advantageous tender (as specified in paragraph 86 below). The appropriate Chief Officer shall also ensure that the relevant 'award criteria' are specified in the tender documentation issued.
87. Any proposal to accept a tender, other than in accordance with paragraphs 85 and 86 hereof must be considered by the PCC. Any tender accepted in accordance with

paragraph 86 shall subsequently be reported by the Chief Officer concerned to the PCC.

88. 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

89. 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 tender has constructed their bid correctly and/or has fully understood the specification.
90. In all negotiations where the value of the contract is expected to exceed the Level 3 Threshold, a report must be submitted to the Chief Executive and/or the CFO (PCC) before concluding negotiations. For the avoidance of any doubt no fewer than two Officers shall be present at all times during such negotiations and adequate written records must be maintained of all proceedings, meetings and dealings with potential contractors.
91. No detailed prices, conditions or terms submitted by one tenderer shall be revealed to another tenderer during any negotiations.

NOTIFICATION OF RESULTS

92. 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

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

FORM OF CONTRACT

94. Every contract shall be in writing and on behalf of the PCC. 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 or approved by the Force Procurement Department (and if the total value exceeds £250,000.00 by the Joint Legal Service).
95. 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.
96. 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

97. 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.

98. Where appropriate, the contractor shall indemnify the PCC 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 PCC for examination.
99. Where appropriate every formal contract shall provide for losses suffered by the PCC 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 PCC.
100. 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 PCC.
101. 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 PCC, 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.
102. In order for the PCC 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 i.e. Environmental Policy.
103. All contractors shall be expected to provide details of their Business Continuity Plan where appropriate.
104. All Contractors shall be expected to comply with the Force Security Policy.
105. All Contractors' staff deployed on force premises shall be required to comply with appropriate policies.
106. Every contract shall specify:
 - a) the work, materials, matters or things to be supplied or carried out;
 - b) the price to be paid, with a statement of discounts or other deductions; and
 - c) the time or times within which the contract is to be performed.
107. Every contract 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.”
108. 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 PCC against all actions, costs, expenses, claims, proceedings and demands which may be made or brought against the PCC 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”.
109. 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 PCC. All contracts shall be signed/executed in accordance with the provisions of the Appendix hereto.
110. Any orders under call-off contracts for the supply of goods, materials and services must be approved in writing by Authorised Officer, Departmental Head, the CFO(CC) or the Chief Executive (depending upon the value of such order) in accordance with the contract values specified in the Appendix, 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.
111. Once signed and dated, or otherwise executed, for and on behalf of the PCC 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 PCC 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 the PCC.

SECURITY FOR PERFORMANCE

112. Where the contract is expected to exceed the Level 3 Threshold the Chief Executive or the CFO (PCC) 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 bank guarantee 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 Chief Executive or the CFO (PCC) may consider it appropriate to do so.

COMPLIANCE WITH STANDARDS

113. Subject to sub-paragraph 114 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 PCC for some specific reason decides otherwise.

114. 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

115. There shall be inserted in every written contract a clause empowering the PCC 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 PCC; 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 PCC; or
 - (iii) if the like acts shall have been done by any persons employed by him/her or acting on his/her behalf whether with or without the knowledge of the contractor; or
 - (b) in relation to any contract with the PCC, the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Prevention of Corruption Acts 1889 - 1916; or shall have given any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.
116. Where a Contractor is failing to provide the agreed service evidence shall be required in order to terminate the agreement.
117. Escalation processes include reporting any defaults during the Contract Review Meetings which should include Procurement representation.
118. Should a contract no longer be required, written notification shall be given to the Procurement Department who shall in turn notify the PCC, CFO (PCC) and CFO (CC).
119. Consideration shall be given to notice periods and consequences of early termination where applied.

APPOINTMENT OF CONSULTANTS

120. The appointment of any architect, contract administrator, engineer, surveyor or other professional as a consultant with responsibility for supervising a contract on the PCC's behalf is also conditional on the following:
- (a) that he/she complies with all the PCC's Standing Orders as though he/she were a Chief Officer.

- (b) that at the request of the Chief Constable, the Chief Executive or the CFO (PCC), he/she produces all the records maintained by him/her in relation to the contract.
- (c) that he/she passes all those records to the Chief Constable, Chief Executive or the CFO (PCC) 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 PCC absolutely.

CONTRACT AUDIT

- 121. Internal Audit, on behalf of the CFO (PCC), shall at all reasonable times have access to all documents maintained by the Chief Constable, the Chief Executive, 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

- 122. 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 PCC'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 PCC or appropriate Chief Officer acting under Delegated Powers or where no such sum has been indicated the amount allowed in the PCC's approved estimates (subject to any allowance under the PCC's Financial Regulations) for that purpose.

DISPOSAL OF SURPLUS OR OBSOLETE GOODS

- 123. Surplus or obsolete goods and materials belonging to the PCC may be disposed of by the appropriate Chief Officer subject to compliance with Financial Regulations.

SPONSORSHIP AGREEMENTS

- 124. All contracts where sponsorship is involved must be undertaken in accordance with the force guidelines/protocols relating to sponsorship in place from time to time, and shall subsequently be reported by the Chief Officer concerned to the PCC.

EXTENSION OR VARIATION OF CONTRACTS

- 125. Any proposal to extend or vary any contract must be referred to the PCC for decision if the proposed extension or variation would result in a net reduction or net increase to the original value of the contract of more than 10%.

126. For the avoidance of doubt, the provisions of paragraph 125 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
127. Any variation which extends or varies a contract shall be made in writing.

CONTRACTS REGISTER

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

CONTRACT MONITORING

129. Where appropriate contracts shall be monitored and measured by the way of performance indicators and regular review meetings involving the Contractor and Practitioner representation.
130. 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 PCC shall approve all such waivers.

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

Threshold Level	Total (or Annual) Value	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 SWP 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.	CFO (CC)
4	Over £250,000	Follow tender process outlined in Standing Orders	Procurement Department (with support from Joint Legal Services)	Chief Executive (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 PCC).	Chief Executive

PART 4 DECISION MAKING AND ACCOUNTABILITY

4.1 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 & Crime Commissioner and the Chief Constable with the necessary information to allow them to make informed decisions.

A Decision Making and Accountability Framework will be vitally important to support both the Police & Crime Commissioner and the Chief Constable in their respective roles. The meeting structures outlined below have been developed to support the Police & Crime 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 ensure that such decisions are recorded in a uniform and consistent manner.

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. 4.

4.2 Police and Crime Commissioner

Decision-making is a significant element of the Police and Crime Commissioner's role and the Office of the Police and Crime Commissioner must demonstrate integrity and honesty in their 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 within the Office of the Police and Crime Commissioner 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 Executive, who will fulfil the role of monitoring officer, and the Chief Financial Officer (PCC). 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 within the Office of the Police and Crime Commissioner.

All information provided as part of the decision-making process should be fit for purpose, relevant, concise and enable the Police and Crime Commissioner to have an understanding of the background issues to allow for an informed and considered decision.

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

- A statement of the Police and Crime 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 Police and Crime Commissioner and 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 should 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.

4.3 Process

It is accepted that both the OPCC and the Chief Constable will want to maintain a separate process for collating and circulating reports for each meeting. This document provides an overview of the meeting structure and required support.

Detailed operating procedures for both offices will be dealt with separately.

In order for the framework to be effective, it is critical that each process provide a specific point of contact. It will be the responsibility of each point of contact to:

- Collate the approved reports for their specific process area
- Circulate the approved reports within the relevant timescales
- Ensure that any late papers are managed within the appropriate protocol,
- Only accept reports from other recognised points of contact. Reports provided from any other source will not be accepted
- Ensure that the correct protocol has been followed with regard to restricted (Part 2) information, as outlined in section
- Ensure that contact details are correct at all times
- Provide accurate and timely information to both the Police and Crime Commissioner and the Chief Constable
- Accurately record actions, outcomes and decision from the key meetings as outlined overleaf
- Ensure all decisions are published (other than those excluded under Part 2).

4.4 Confidential Items (PART 2)

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 B.

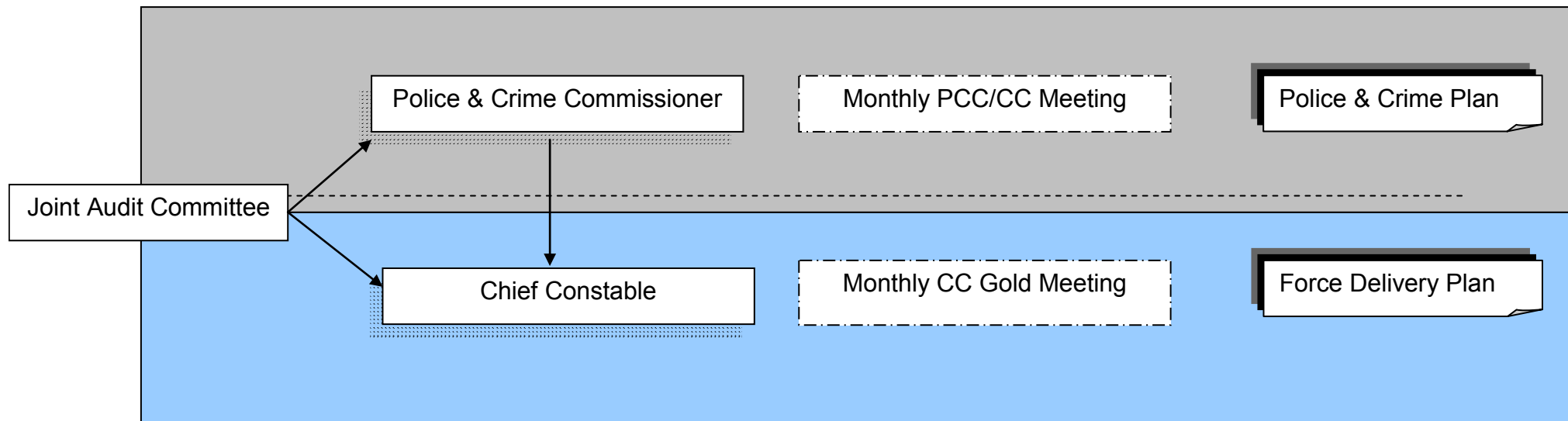
The use of 'Restricted' in accordance with the Government Protective Marking Scheme will indicate the nature of the content of the report, where anything classified as restricted or above cannot be made publicly available.

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

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".

4.5 Meeting Structure

The diagram below provides a brief outline of the proposed meeting structure between the Police & Crime Commissioner and the Chief Constable.



4.6 CHIEF CONSTABLE AND POLICE & CRIME COMMISSIONER

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 to support both the Chief Constable and the Police & Crime Commissioner in their respective roles.

4.6.1 Liaison with the Office of the Police & Crime Commissioner

Office of the Police & Crime Commissioner Single Point of Contact

Chief Executive

Force Single Point of Contact:

Assistant Director, Head of Corporate Governance

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

The frequency and structure of these meetings will be defined following the election of the Police & Crime Commissioner and an understanding of their requirements.

4.6.2 Meetings with Police & Crime Commissioner

Purpose of meeting:

The meetings between the Police and Crime Commissioner and Chief Constable 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 Police & Crime Commissioner and the Chief Constable.

The basis of these meetings will be for the Police and Crime Commissioner to hold the Chief Constable to account for performance against the Police and Crime Plan.

Office of the Police & Crime Commissioner Single Point of Contact

Chief Executive

Force Single Point of Contact:

Assistant Director, Head of Corporate Governance

Attendees:

- Police and Crime Commissioner
- Deputy Police and Crime Commissioner
- Chief Executive, Office of the Police and Crime Commissioner
- Chief Financial Officer, Office of the Police and Crime Commissioner
- Relevant officers of the OPCC
- Chief Constable
- Chief Officers from South Wales Police, as required
- Assistant Director, Head of Corporate Governance

Frequency:

Monthly, with at least four of these meetings being held in public.

Process:

- Papers will be required by 5pm, **SIX** working days prior to the meeting. All papers should be forwarded to the Chief Executive electronically. A report template can be found at Appendix A (Documents 1 and 2).
- Any papers received after this deadline **WILL NOT** be included in the meeting bundle
- The Office of the Police and Crime Commissioner 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 Executive
- Late papers will only be accepted with the permission of the Police and Crime Commissioner, to be marked as a late paper and circulated on the day of the meeting.
- Secretariat support will be provided by the Office of the Police and Crime Commissioner to:
 - Draft agenda
 - Collate papers
 - Circulate agenda & papers
 - Record actions and decisions taken at the meetings
 - Publish actions and decisions on the internet/intranet
 - Follow up actions in advance of the following meeting

- Quality assurance of agenda and papers will be through the Chief Executive and relevant officers from the Office of the Police and Crime Commissioner

Reporting / decision-making

These meetings will be minuted, and these minutes will be published on the Police and Crime 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 Executive to ensure that all decisions made at meetings between the Police and Crime 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 website of the Office of the Police and Crime Commissioner within 7 working days of the meeting.

4.7 CHIEF CONSTABLES' 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 & Crime plan and Force Delivery Plan.

To monitor/expedite business with the Police & Crime Commissioner.

Secretariat Support:

Assistant Director, Head of Corporate Governance

(Resilience Deputy Head of Legal Services)

Attendees:

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

Frequency:

Monthly (2nd Friday of every month, following COMPSTAT and preceding the monthly meeting with the Police & Crime Commissioner)

Process:

- Papers will be sent out 3 working days before the meeting
- The Corporate Secretariat Team will prepare the agenda, expediting of actions and recording of decisions for each meeting.
- Quality assurance of agenda and papers will be through the Assistant Director Head of Corporate Governance.
- The Assistant Director Head of Corporate Governance will brief Chief Constable before each meeting
- Any late papers or any other business needs to be approved by the Chief Constable prior to the meeting.
- The implementation of decisions will be monitored through the monthly Chief Officer Silver meetings.

Reporting / decision-making

These meetings will be minuted, and these minutes will be published on the South Wales Police intranet and external website within 7 working days of the meeting

All decisions will be reported through the decision log. It will be the responsibility of the Assistant Director, Head of Corporate Governance to ensure that all decisions made at these meetings are recorded in the decision log, along with the relevant supporting documentation. This will be subject to the Force publication scheme and will comply with the Force Welsh Language Scheme.

4.8 JOINT AUDIT COMMITTEE

Purpose of Meeting:

The Audit Committee will provide an independent assurance function in respect of the arrangements for governance including risk management, financial reporting and internal audit standards.

Secretariat Support:

Office of the Chief Executive

Attendees:

- Committee members,
- Chief Finance Officer (PCC),
- Chief Finance Officer (CC),
- Chief Executive,
- Director of Corporate & Legal Services
- Assistant Director, Head of Corporate Governance,
- Internal & External Auditors.

Frequency:

Quarterly

Process:

- Papers will be sent out 3 working days before the meeting
- Secretariat provided by either the OPCC or the Corporate Secretariat Team and will include preparation of the agenda, recording of decisions and taking of minutes.
- Quality assurance of agenda and papers will be through the Assistant Director, Head of Corporate Governance
- The Chief Executive and/or the CFO (PCC) will brief Committee Chair before each meeting
- Any late papers or any other business needs to be approved by the Chair prior to the meeting.
- The minutes from the Committee will be forwarded to the Chief Constable and PCC within 5 working days of the Committee.

Agenda:

To be determined by the Committee Chair

APPENDIX A – DOCUMENT 1

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	☐
Decision required	☐
1 Introduction and background: <i>Full summary of background / information provided / decision required</i>	
2 Financial Considerations:	
3 Legal Considerations:	
4 Other Considerations:	
5 Links to plans and strategies:	
6 Risk and Impact: <i>To include consideration of Equality Impact Assessment / Risk Assessment / Human Rights</i>	
7 Supporting Documentation: <i>Electronic link to associated and relevant documentation</i> •	
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?: Yes/No If yes, for what reason?: Until what date?: Is there a PART 2 form?: <i>If so, please complete PART 2 and complete an exemption form.</i> •	

9 Originating officer declaration (approval partners)

Tick to indicate approval (☒)

Drafting Officer: ☐

Chief Executive: ☐

Sponsoring Chief Officer/Director: ☐

Advisers: ☐

10 Recommendation (if decision required):

This section needs to outline the recommendations to the Police and Crime Commissioner

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:

Appendix A – 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 A – DOCUMENT 3

Report template

POLICE AND CRIME COMMISSIONER FOR SOUTH WALES DECISION RECORD <i>(this section to be completed by the OPCC 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		
PCC 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 B:**EXEMPT INFORMATION CATEGORIES AND QUALIFICATIONS**

Exempt Information	Qualification
12. Information relating to a particular individual.	Public interest test applies (see below)
13. Information which is likely to reveal the identity of an individual.	Public interest test applies (see below)
14. Information relating to the financial or business affairs of any particular person (including the authority holding that information).	Information falling within Paragraph 14 is not exempt information by virtue of that paragraph if it is required to be registered under – • 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. • Public interest test applies (see below).
15. Information relating to any consultations or negotiations, or contemplated consultations or negotiations; in connection with any labour relations matter arising between the Authority or a minister of the Crown and employees of, or office holders under, the Authority.	Public interest test applies (see below).
16. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.	
17. Information which reveals that the Authority 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).
18. 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 Executive].
<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 Executive Date: