



**Kent
Police**

THE KENT POLICE SERVICE

**THE OFFICE OF THE
POLICE AND CRIME
COMMISSIONER AND
THE KENT POLICE
FORCE**

FINANCIAL REGULATIONS

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OVERVIEW

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. This includes the Policing Protocol 2011 issued by the Home Office but in addition, the Home Office has issued a Financial Management Code of Practice which has a statutory bases under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners (PCCs) and Chief Constables. The current code of practice came into effect on 1 November 2013 and may be updated from time to time.
2. Each PCC and their respective Chief Constable is established in law as a corporation sole within the 2011 Act. As such, both are enabled by law to employ staff and hold funds in their official capacity. However, for Kent, the current overall Scheme of Consent reflecting the relationship between the PCC and the Chief Constable, holds that all assets, liabilities, contracts, income and reserves is in the name of the PCC. Accordingly, it is the combined Group Account, comprising the financial operations of both the PCC and the CC, which is the senior most important account. As a result, the PCC is ultimately responsible for the group account as is the PCC's CFO under the relevant legislation. 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 ultimately accountable to the directly elected holder of that office. However, there is a unity of purpose to see an effective approach to crime, good governance and community safety generally in the local area.
3. The public accountability for the delivery and performance of the police service is placed into the hands of the PCC on behalf of their electorate. The PCC draws on their mandate to set and shape the strategic objectives of their force area in consultation with the Chief Constable. They are accountable to the electorate; the Chief Constable is accountable to their PCC. The Police and Crime Panel within each force area is empowered to maintain a regular check and balance on the performance of the PCC in that context.
4. As referred to above and reflecting, the wider context set out above, a scheme of consent has been drawn up to enable the Force and the Office of the Commissioner to function in an efficient and effective manner. It is intended to strike a balance between giving the Chief Constable, Chief Executive and the PCC's Chief Financial Officer reasonable managerial freedom and retaining the Commissioner's ability both to hold the Force to account and to give leadership direction to the Office of the Commissioner. The Financial Regulations set out in this document should be seen as an important part of the wider scheme of consent.
5. The PCC may appoint a Deputy PCC who may exercise any function of the PCC except those that are excluded under statute.
6. 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. The PCC will receive professional advice from the PCC's Chief Executive and CFO. How this money is allocated is a matter for the PCC or in accordance with any grant terms. The Chief Constable will also provide professional advice and recommendations and will always be consulted in the production of the PCC's Police and Crime Plan.

7. The PCC and the Chief Constable are both required to appoint a Chief Financial Officer.

FINANCIAL REGULATIONS

8. To conduct its business effectively, the Kent Police Service, meaning both the office of the PCC and the Force, needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. The Regulations contained herein have been drawn up in such a way as to ensure that the financial matters of the Kent Police Service are conducted properly and in compliance with all necessary requirements but, also reflecting respect for the different and shared roles of the PCC and their Chief Constable.
9. The 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 staff member and officer of the service and anyone acting on their behalf.
10. 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.

STATUS

11. These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework of the Kent Police Service that includes the Policing Protocol, codes of conduct, The Code of Ethics; Scheme of Consent and schemes of delegation as well as policies and Financial Guidelines.
12. The PCC and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
13. Financial Regulations explain the working financial relationship between the PCC and the Chief Constable and their respective Chief Financial Officers.
14. The PCC is responsible for approving or amending Financial Regulations subject to consultation with the Chief Constable. The PCC CFO is responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the PCC, after consulting with the Chief Constable and the Force CFO.
15. More detailed Financial Guidelines to support these Regulations, shall be issued by the Chief Constable after consultation with the Force CFO and PCC CFO
16. Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.

17. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to both respective CFO's who shall determine, after consulting with the Chief Executive in his role as Monitoring Officer, whether the matter shall be reported to the PCC and/or Chief Constable.
18. Under the Code of Ethics, the PCC and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.

CONTENT

19. 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 7.
 - Section 1 - Financial management
 - Section 2 - Financial planning
 - Section 3 - Management of risk and resources
 - Section 4 - Systems and procedures
 - Section 5 - External arrangements
 - Section 6 - Contract regulations
 - Section 7 - Summary of delegated limits

DEFINITIONS WITHIN THE REGULATIONS

20. For the purposes of these Regulations the service' when used as a generic term, shall refer to:
 - The Police and Crime Commissioner
 - The Office of the PCC
 - The Force
21. The Commissioner's Chief finance officer is the 'PCC'S CFO'
22. The Chief Constable's Chief finance officer is the 'Force CFO'
23. The Chief Executive also fulfils the statutory Monitoring Officer role for the Office of the PCC
24. The 'Force' shall refer to the Chief Constable, police officers, police staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under his /her direction.
25. Chief Officers when referred to as a generic term shall mean the Chief Constable, Deputy Chief Constable, Deputy Chief Officer, Director of Essex and Kent Support Services, Assistant Chief Constables, Director of Human Resources, Director of Corporate Communications, the Chief Executive and both the PCC's CFO and the Force CFO.
26. 'Employees' when referred to as a generic term shall refer to police officers, police staff and other members of the wider police family.
27. The expression 'authorised officer' refers to employees authorised by a chief officer.

28. The expression 'contract' refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the PCC, the Force or their affiliated bodies.
29. The expression 'best value for money' shall mean the most cost-effective means of meeting the need and takes account of whole life costs and social value.
30. The expression 'he' shall refer to both male and female.
31. Within these Regulations, most of the references have been made to the responsibilities of the Chief Constable since most of the day to day financial management is vested with that post. However, where resources are under the control of the Chief Executive or the PCC's CFO, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Executive or PCC'S CFO unless explicitly excluded and detailed elsewhere.
32. The terms Chief Constable, Chief Executive and PCC's CFO 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, made to an appropriate level and the member of staff given sufficient authority, training and resources to undertake the duty in hand.

1.1 FINANCIAL MANAGEMENT

The Police and Crime Commissioner (PCC)

1.1.1 The PCC has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the police to account on behalf of the public. The PCC is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. Details of the local arrangements relating to income, such as that collected under section 25 of the Police Act 1996, should be set out in local schemes of consent. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The statutory officers of the Chief Constable and the PCC will provide professional advice and recommendations.

The PCC shall appoint a Chief Financial Officer (the PCC's Chief Finance Officer) to be responsible for the proper administration of the commissioner's financial affairs and that includes ensuring proper financial management arrangements are in place for the Group Account as well as the Office of the PCC. The PCC shall also appoint a Monitoring Officer who may also act as the Chief Executive.

1.1.2 The PCC is responsible for approving the policy framework and total police 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. In relation to these Financial Regulations this includes:

- Police and Crime Plan
- Financial strategy
- Annual budget
- Capital Strategy
- Medium term financial plan
- Treasury management strategy, including the annual investment strategy
- Reserves strategy
- Asset management strategy
- Risk management strategy
- Governance policies

1.1.3 The PCC is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.

1.1.4 The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.

1.1.5 The PCC shall provide their CFO with such staff, accommodation and other resources as are in their opinion sufficient to allow their duties under this section to be performed

1.1.6 The PCC may appoint a Deputy PCC (DPCC) who may exercise any function of the PCC except those that are excluded under statute.

The Chief Constable

- 1.1.7 The Chief Constable is responsible for maintaining the Queen's Peace and has direction and control over the Force's officers and staff. The Chief Constable holds office under the Crown but is appointed by the PCC.
- 1.1.8 The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, his constables and staff, remain operationally independent in the service of the public.
- 1.1.9 To help ensure the effective delivery of policing services and to enable the Chief Constable to have impartial direction and control of all constables and staff within their force, the Chief Constable should have day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.
- 1.1.10 The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The Chief Constable shall appoint a Force Chief Finance Officer to be responsible for the proper administration of the Chief Constable's financial affairs.
- 1.1.11 When the Chief Constable intends to make significant change of policy or seeks to move significant sums of their budget then the approval of the PCC has to be sought subject to the limits set out.
- 1.1.12 The Chief Constable is responsible for the day to day financial management of the Force within the framework of the budget, financial regulations, rules of virement and reporting arrangements. In operating day to day financial management, the Chief Constable shall comply with the approved policies and framework of accountability including Financial Regulations.
- 1.1.13 The Chief Constable shall prepare detailed Financial Guidelines to supplement and support the Financial Regulations and provide detailed instructions on the operation of the specific financial processes delegated to the Chief Constable. The Chief Constable shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.

The Independent Joint Audit Committee

- 1.1.14 The Home Office Financial Management Code of Practice states that the PCC and Chief Constable should establish an independent audit committee. This should be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable. This committee will advise the PCC and the Chief Constable according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In establishing the Joint Audit Committee, the PCC and CC shall have regard to CIPFA Guidance on Audit Committees
- 1.1.15 The Joint Audit Committee shall comprise between three to five members who are independent of the PCC and the Force.

1.1.16 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

1.1.17 The PCC and Chief Constable shall be represented at all meetings of the Joint Audit Committee.

THE PCC'S CFO

1.1.18 The PCC's CFO will have overall responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.

1.1.19 The PCC's CFO statutory responsibilities are set out in:

- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
- The Accounts and Audit Regulations 2011
- Have regard to the Cipfa Role of the CFO in Policing document

1.1.20 The PCC's CFO is the professional adviser on financial matters and shall be responsible for:

- ensuring that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date;
- ensuring regularity, propriety and Value for Money (VfM) in the use of public funds;
- ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges;
- Reporting to the PCC, the Police and Crime Panel and to the external auditor:
 - any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC;
 - when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure;
- advising the PCC on the robustness of the estimates and the adequacy of financial reserves;
- preparing the annual statement of accounts, in conjunction with the Force CFO;
- ensuring the provision of an effective internal audit service, in conjunction with the Force CFO;
- securing the treasury management function, including loans and investments;
- advising, in consultation with the Chief Executive on the safeguarding of assets, including risk management and insurance
- arranging for the determination and issue of the precept
- liaising with the internal and external auditor; and
- advising the PCC on the application of value for money principles by the police force to support the PCC in holding the Chief Constable to account for efficient and effective financial management.

1.1.21 The PCC'S CFO, in consultation with the Chief Executive, Force CFO and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of the Kent Police Service.

1.1.22 The PCC'S CFO 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.

1.1.23 The PCC'S CFO is the PCCs professional adviser on financial matters. To enable them to fulfil these duties and to ensure the PCC is provided with adequate financial advice the PCC'S CFO:

- 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;
- 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 Force CFO

1.1.24 The Force CFO is the Chief Constable's Chief Finance Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer

1.1.25 The Force CFO is responsible to the Chief Constable for all financial activities within the Force or contracted out under the supervision of the Force.

1.1.26 The Force CFO responsibilities are set out in:

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

1.1.27 The Force CFO is responsible for:

- ensuring that the financial affairs of the force are properly administered and that these financial regulations are observed and kept up to date;
- Reporting to the Chief Constable, the PCC, the CFO to the PCC and to the external auditor:
 - any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable;
 - when it appears that any expenditure of the Chief Constable is likely to exceed the resources available to it to meet that expenditure
- advising the Chief Constable on value for money in relation to all aspects of the force's expenditure;

- advising the Chief Constable and the PCC on the soundness of the budget in relation to the force;
- liaising with the internal and external auditor;
- produce the statement of accounts for the Chief Constable and to assist in the production of group accounts for the Kent Police Service.

1.1.28 The Force CFO 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 Force CFO will need to agree observe the locally agreed timetable for the compilation of the group accounts by the PCC'S CFO.

1.1.29 The Force CFO is the Chief Constable's principle professional adviser on financial matters. To enable him to fulfil these duties the Force CFO:

- must be a key member of the Chief Constable's Management Team, helping it to develop and implement strategy and to resource and deliver the 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;
- 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.

1.1.30 It must be recognised that financial regulations cannot foresee every eventuality. The Force CFO, in consultation with the CFO to the PCC, shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.

The Chief Executive

1.1.31 The Chief Executive is responsible for the leadership and general administration of the PCC's office

1.1.32 The Chief Executive is also the PCC's designated monitoring officer, appointed under section 5(1) of the Local Government and Housing Act 1989.

1.1.33 The monitoring officer is responsible for:

- ensuring the legality of the actions of the PCC and their officers.
- ensuring that procedures for recording and reporting key decisions are operating effectively
- advising the PCC and officers about who has authority to take a particular decision
- advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework
- advising the PCC on matters relating to standards of conduct

1.2 FINANCIAL MANAGEMENT STANDARDS

Why is this important?

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

Responsibilities of the PCC'S CFO and Force CFO

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

1.3 ACCOUNTING RECORDS AND RETURNS

Why is this important?

- 1.3.1 Maintaining proper accounting records is one of the ways in which the PCC and Chief Constable will discharge their responsibility for stewardship of public resources. The Kent Police Service 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 the Kent Police Service resources.

Joint Responsibilities of the PCC'S CFO and Force CFO

- 1.3.2 To determine the accounting procedures and records for the Kent Police Service, 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.
- 1.3.3 To make proper arrangements for the audit of the PCC's and Force's accounts in accordance with the Accounts and Audit Regulations 2011.
- 1.3.4 To ensure that all claims for funds including grants are made by the due date
- 1.3.5 To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis
- 1.3.6 To prepare and publish the audited accounts in accordance with the statutory timetable.

Responsibilities of the Chief Constable and Force CFO

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

1.4 THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

- 1.4.1 The Kent Police Service 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.
- 1.4.2 The PCC and are responsible for approving their respective annual accounts.
- 1.4.3 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 the Kent Police Service resources.

Responsibilities of the PCC'S CFO

- 1.4.4 To ensure coordination of the preparation of the accounts and to duly, sign and date the group statement of accounts, stating that it presents fairly the financial position of the Kent Police Service at the accounting date and its income and expenditure for the financial year just ended
- 1.4.5 To publish the approved and audited accounts of the Kent Police Service each year, in accordance with the statutory timetable
- 1.4.6 To select, after consultation with the Force CFO, suitable accounting policies and apply them consistently

Joint Responsibilities of the PCC'S CFO and FORCE CFO

- 1.4.7 To make judgements and estimates that are reasonable and prudent
- 1.4.8 To comply with the Code of Practice on Local Authority Accounting

Responsibilities of the Force CFO

- 1.4.9 To prepare on behalf of the PCC CFO all accounts including to draw up the timetable for final accounts preparation, in consultation with the PCC's CFO and external auditor
- 1.4.10 To comply with accounting guidance provided by the PCC'S CFO and supply him with appropriate information upon request within a reasonable timescale.

Responsibilities of the PCC & CC

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

2.1 FINANCIAL PLANNING

Why is this important?

- 2.1.1 The Kent Police Service 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
- 2.1.2 The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives
- 2.1.3 The planning process should be continuous, and the planning period should cover at least 5 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows the PCC and Force to plan, monitor and manage the way funds are allocated and spent.
- 2.1.4 It is recognised that the impact of financial planning in the police service will be constrained by the quality of information made available by central government on resource allocation.

Medium Term Financial Planning

- 2.1.5 The PCC and Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing as a minimum a medium-term revenue forecast (5 years) and capital/ investment programme (5 years) and reserves forecast covering the same 5-year period.

Responsibilities of the PCC

- 2.1.6 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. The strategy should consider 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 PCC'S CFO and CC CFO

- 2.1.7 The PCC CFO shall 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.
- 2.1.8 The CC CFO and the PCC CFO shall prepare a medium term forecast of proposed income and expenditure for submission to the PCC. When preparing the forecast, the CC CFO 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

2.1.9 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.

2.1.10 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

2.1.11 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.

2.1.12 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.

2.1.13 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

2.1.14 To agree the planning timetable with the Chief Constable

2.1.15 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.

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

Responsibilities of the PCC'S CFO

2.1.17 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

2.1.18 To obtain timely and accurate information from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations

- 2.1.19 To advise the PCC on the appropriate level of general balances, earmarked reserves or provisions to be held.
- 2.1.20 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 annual revenue budget and capital programme approved by the PCC.
- 2.1.21 Upon approval of the annual budget, to submit the council tax requirement return to central government and precept requests to appropriate bodies in accordance with the legal requirement.
- 2.1.22 To produce and issue to the billing authorities, in accordance with statutory requirements, the council tax information leaflet.

Responsibilities of the Chief Constable and Force CFO

- 2.1.23 To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PCC'S CFO.
- 2.1.24 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, The Kent Police Service 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 the Kent Police Service in total does not overspend, the Chief Constable and PCC's CFO are required to manage expenditure within their budget allocations, subject to the rules of virement.

Responsibilities of the Chief Constable and Force CFO

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 PCC'S CFO 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 PCC's CFO 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 their CFO.

Virement

Why is this important?

- 2.2.8 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.
- 2.2.9 The Chief Constable should only be required to refer back to the PCC when the virement would incur substantive changes in the policy of the PCC or might create a future year or continuing commitment. Revenue expenditure can only be funded from revenue funding.
- 2.2.10 Key controls for the scheme of virement are:
- It is administered by chief officers within delegated powers given by the PCC. Any variation from this scheme requires the approval of the PCC
 - 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
 - virement does not create additional overall budget liability.

Responsibilities

- 2.2.11 The Chief Constable may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC approval where the proposed transfer exceeds £500,000.
- 2.2.12 The Force CFO can approve any virement where the additional costs are fully reimbursed by other bodies.
- 2.2.13 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 £ 100,000

Over £100,000

Force CFO

PCC'S CFO

PCC's own budget

Up to £100,000

Over £100,000

PCC'S CFO

PCC

- 2.2.14 Consultation with the PCC'S CFO and specific approval shall be required if the virement involves: (The PCC CFO will consult with the PCC on these matters as per the agreed protocols set between the PCC and the PCC CFO)
- a substantial change in policy
 - a significant addition to commitments in future years
 - 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 the Kent Police Service 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 The Kent Police Service is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. CIPFA's prudential code sets out the framework under which the PCC will consider his spending plans.
- 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 PCC'S CFO and Chief Constable

- 2.3.5 To prepare a financial 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

Minimum 5 Year Capital Programme

Responsibilities of the Chief Constable & Force CFO

- 2.3.8 To prepare a rolling programme of proposed capital expenditure for consideration by the PCC with each scheme identifying the total capital cost of the project.
- 2.3.9 To prepare project appraisals for all schemes in the draft 5 Year Capital Programme and shall be submitted to the PCC'S CFO 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 PCC'S CFO, available sources of funding for the minimum 5-year capital programme, including the identification of potential capital receipts from disposal of property.

2.3.12 A gap may be identified between available resources and required capital investment. Requirements should be prioritised by the Chief Constable to enable the PCC to make informed judgements as to which schemes should be included in the capital programme, the minimum level of funding required for each scheme, the potential phasing of capital expenditure and sources of funding the programme including borrowing.

2.3.13 Approval of the 5-year capital programme by the PCC in February each year authorises the Chief Constable to seek planning permissions, incur professional fees and preliminary expenses as appropriate.

Responsibilities of the PCC'S CFO

2.3.14 To make recommendations to the PCC on the most appropriate level of revenue support and funding options, to support the capital programme.

Responsibilities of the PCC

2.3.15 To approve a fully funded medium-term capital programme.

Monitoring of Capital Expenditure

Responsibilities of the Chief Constable

2.3.16 To ensure that adequate records are maintained for all capital contracts

Responsibilities of the Chief Constable and Force CFO

2.3.17 To monitor expenditure throughout the year against the approved programme.

2.3.18 To submit capital monitoring reports to the PCC and the PCC CFO 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 with the PCC and PCC's CFO.

2.3.19 To prepare a business case for all new capital schemes [after the annual programme has been agreed] for submission to the PCC for consultation and approval. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.

Responsibilities of the PCC'S CFO and Force CFO

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

Responsibilities of Budget Holders and Project Managers

2.3.21 To report on expenditure and to forecast responsibly the end of year out turn position on a regular basis in line with local Financial Guidelines.

2.4 MAINTENANCE OF BALANCES AND RESERVES

Why is this important?

- 2.4.1 The PCC after consultation with the CFO to the PCC must decide the level of general reserves he wishes to retain before he 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 PCC'S CFO

- 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; in accordance with statutory requirements.
- 2.4.4 To approve appropriations to and from each earmarked reserve. These will be separately identified in the Annual Statement of Accounts.

Responsibilities of the Chief Constable

- 2.4.5 To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval.
- 2.4.6 To present a business case to the PCC'S CFO 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, including a lower parameter for the level of general balances
- 2.4.8 To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.
- 2.4.9 To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.
- 2.50 Use of balances and reserves, uses will be normally determined as part of the preparation and approval of the revenue and capital budget each year. Other requests for use of balances or reserves, will be determined by the PCC but with regard to the advice of the PCC'S CFO.

3.1 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 the Kent Police Service. 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 the PCC and to ensure the continued corporate and financial well-being of the Kent Police Service. 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 Kent Police Service risk management policy statement and for promoting a culture of risk management awareness throughout the Kent Police Service and reviewing risk as an ongoing 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

Joint Responsibilities of the PCC'S CFO and the CC's CFO

- 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 the Kent Police Service'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 Chief Constable

- 3.1.9 To ensure, in consultation with the PCC'S CFO, that appropriate insurance cover is provided.

- 3.1.10 To ensure that claims made by the Kent Police Service 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 the Kent Police Service 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 the Kent Police Service 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 the Kent Police Service objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Kent Police Service assets and interests are safeguarded.
- 3.2.2 The Kent Police Service is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. The Kent Police Service has statutory obligations, and, therefore, requires a system of internal control to identify, meet and monitor compliance with these obligations.
- 3.2.3 The Kent Police Service 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 PCC'S CFO and Force CFO. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
- 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 Chief Executive, Chief Constable and both CFOs

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

3.3 AUDIT REQUIREMENTS

Internal Audit

Why is this important?

- 3.3.1 Internal audit is an important assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 3.3.2 The requirement for an internal audit function for local authorities is either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their financial affairs". In the Police Service the PCC and Chief Constable are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit Regulations 2011 (as amended) 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 Independent Joint Audit Committee

- 3.3.5 To approve the terms of reference within which internal audit operates. In terms of internal audit, the ToR will include the following key activities and responsibilities:
- Advising the PCC and Chief Constable on the appropriate arrangements for internal audit and approving the Internal Audit Strategy.
 - Approving (but not directing) the internal audit annual programme.
 - Overseeing and giving assurance to the PCC and Chief Constable on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.

- Considering the Head of Internal Audit's Annual Report and annual opinion on the internal control environment for the PCC and Force; ensuring appropriate action is taken to address any areas for improvement.
- Reviewing and monitoring the effectiveness of the Kent Police Service policies on fraud, irregularity and corruption.

3.3.6 To approve the internal audit strategy, which sets out:

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

Responsibilities of the PCC and Chief Constable

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

Responsibilities of the PCC, Chief Constable, PCC'S CFO and Force CFO

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

- access the Kent Police Service 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 Kent Police Service 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 Head of Internal Audit

3.3.10 To prepare - in consultation with the PCC, Chief Constable, PCC'S CFO and Force CFO - an annual audit plan that conforms to the CIPFA Code of Practice, for consideration by the Independent Audit Committee.

3.3.11 To attend meetings of the Independent Audit Committee and to present to each Committee a report on the progress in delivering the annual plan, the matters arising from 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 Independent Audit Committee, including an opinion on the effectiveness of the internal control environment in the Kent Police Service.

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 Force CFO

- 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 PCC's C F O and internal audit prior to implementation.
- 3.3.15 To notify the PCC'S CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Kent Police Service 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 Head of Internal Audit as appropriate and keep him informed of progress. At the conclusion of the investigation the Head of Internal Audit shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure that the risk of recurrence is minimised. The operation of this Regulation shall be in accordance with the agreed protocol between the Head of Professional Standards, the Force CFO and the Head of Internal Audit.

External Audit

Why is this important?

- 3.3.16 The Public Sector Audit Appointments Ltd (PSAA) is responsible for appointing external auditors to each local authority, including police. The Code of Audit Practice prescribes the way in which auditors appointed by PSAA carry out their functions. 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 derived principally from the Local Audit and Accountability Act 2014 and from the Accounts and Audit Regulations 2015. This requires PSAA to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditor's objectives to review and report upon:
- the financial aspects of the audited body's corporate governance arrangements
 - the audited body's financial statements
 - aspects of the audited body's arrangements to secure Value for Money.
- 3.3.18 In auditing the annual accounts, the external auditor must satisfy themselves, in accordance with Section 5 of the 1998 Act, 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.

3.3.19 The 1998 Act sets out other specific responsibilities of the auditor, for example under section on financial reporting.

Responsibilities of the Independent Audit Committee

3.3.20 To approve the annual work plan and fee

3.3.21 To receive and respond to the annual governance statement

3.3.22 To receive the annual audit letter

Responsibilities of the PCC'S CFO and Force CFO

3.3.23 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.

3.3.24 To provide the Home Office with a copy of the annual audit letter

Responsibilities of the Chief Constable and PCC'S CFO

3.3.25 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 the Kent Police Service premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.

3.3.26 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 The Kent Police Service will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside the Kent Police Service.
- 3.4.2 The Kent Police Service expectation of propriety and accountability is that the PCC and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 3.4.3 The Kent Police Service 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 wrong-doing policy and the Code of Ethics.
- 3.4.5 To approve and adopt a policy on registering of interests and the receipt of hospitality and gifts

Responsibilities of the Chief Constable and PCC

- 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 the PCC and employees. A register of interests and a register of hospitality and gifts shall be maintained for the PCC and employees.
- 3.4.9 To maintain a wrong-doing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity that they are not malicious, and that appropriate action is taken to address any concerns identified. The Chief Constable shall ensure that all employees are aware of any approved wrong-doing 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 members and employees.

3.5 ASSETS

Security

Why is this important?

- 3.5.1 The Kent Police Service 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 consent.
- 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 Chief Constable

- 3.5.5 To ensure that:
- a) asset registers are maintained to provide the Kent Police Service with information about assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements
 - b) assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place
 - c) lessees and other prospective occupiers of the Kent Police Service land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate
 - d) title deeds to the Kent Police Service property are held securely
 - e) Kent Police Service assets are not subject to personal use by an employee without proper authority. Any individual so authorised must be made aware that such use may incur additional tax liabilities

- f) valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to the Kent Police Service
- g) all employees are aware of their responsibilities with regard to safeguarding the Kent Police Service 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 financial regulations (being mindful of any data integrity issues & policies set by the Kent Police Service)
- i) all employees are aware of their responsibilities with regard to safeguarding the security of Kent Police Service ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies
- j) to recommend disposal of surplus property and secure best value subject to consultation with the PCC CFO.

Valuation

Responsibilities of the Chief Constable

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

Land & Buildings	all values
Vehicles including bicycles	all values
ICT software and hardware	£12,000
Plant & Equipment	£12,000
Desktop and laptop computers	all values

Stocks and Stores

Responsibilities of the Chief Constable

- 3.5.7 To make arrangements for the care, custody and control of the stocks and stores of the Kent Police Service and to maintain detailed stores accounts in a form approved by the PCC's CFO.
- 3.5.8 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.

3.5.9 Discrepancies between the actual level of stock and the book value of stock should be thoroughly investigated and reported to the Force CFO. They may ultimately be written-off in consultation with the PCC's CFO.

3.5.10 To write-off obsolete stock, in consultation with the Force CFO or PCC's CFO

Intellectual Property

Why is this important?

3.5.11 Intellectual property is a generic term that includes inventions and writing.

3.5.12 It is the Kent Police Service 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 the Kent Police Service may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.

3.5.13 In the event that the Kent Police Service decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an intellectual property policy. Matters should only proceed after legal and procurement advice.

Responsibilities of the Chief Constable

3.5.14 To ensure that employees are aware of these procedures.

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

Responsibilities of the Chief Constable and PCC

3.5.16 To approve the intellectual property policy

Asset Disposal

Why is this important?

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

Responsibilities of the Chief Constable

3.5.18 To dispose of assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the Chief Constable shall consult with the PCC'S CFO.

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

- 3.5.20 To ensure that a full search of the property is made, and all data removed prior to the sale or disposal of the property. A full, signed audit trail of each property must be retained for inspection.

Responsibilities of the PCC'S CFO and Force CFO

- 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 the Kent Police Service records and to include the sale proceed if appropriate.
- 3.5.23 To ensure that the search referred to in 3.5.20 has been undertaken and has been verified.

3.6 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Treasury Management

Why is this important?

- 3.6.1 Kent Police Service is a large organisation that handles hundreds of millions of pounds in each financial year. It is important that Kent Police Service money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the capital sum and ensuring it is available as required to pay staff and suppliers.
- 3.6.2 Treasury Management is a responsibility of the Police and Crime Commissioner. The PCC 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
- 3.6.5 To receive and approve regular treasury management performance monitoring reports

Responsibilities of the PCC'S CFO

- 3.6.6 To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance
- 3.6.7 To prepare reports on the PCCs 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 execute and administer treasury management in accordance with the CIPFA Code and the PCCs policy.
- 3.6.9 To arrange borrowing and investments, in compliance with the CIPFA Code
- 3.6.10 To ensure that all investments and borrowings are made in the name of the Kent Police and Crime Commissioner.

Banking Arrangements

Why is this important?

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

Responsibilities of the PCC'S CFO

- 3.6.12 To have overall responsibility for the banking arrangements for Kent Police Service.
- 3.6.13 To produce a policy on the establishment and maintenance of bank accounts, in consultation with the Force CFO.
- 3.6.14 To authorise the opening and closing of all Kent Police Service bank accounts. No other employee shall open a bank account unless they are performing a statutory function (e.g. PCC's CFO of a charitable body) in their own right

Responsibilities of the Force CFO

- 3.6.15 To undertake bank reconciliations on a timely and accurate basis.
- 3.6.16 To determine signatories on all Kent Police Service bank accounts and ensure these are up to date.

Imprest Accounts / Petty Cash

Why is this important?

- 3.6.17 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 Kent Police accounts and correctly reimbursed to the account holder.

Responsibilities of the Chief Constable

- 3.6.18 To provide appropriate employees of Kent Police Service with cash or bank imprest to meet minor expenditure on behalf of Kent Police Service providing there is no suitable more efficient alternative. 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.
- 3.6.19 To prepare detailed Financial Guidelines for dealing with petty cash, to be agreed with the PCC's Chief Finance Officer, and these shall be issued to all appropriate employees.

Responsibilities of the Chief Constable's Chief Finance Officer

- 3.6.20 To ensure reconciliations of these petty cash accounts are properly and regularly undertaken
- 3.6.21 To ensure spot checks are undertaken randomly at least once per year by appropriate staff to verify the propriety of transactions, the reporting of these balances and that the physical balance held is equal to what is recorded and expected.

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 HR policies, budgets and strategies agreed by the PCC.
- 3.7.3 To advise the PCC on the budget necessary in any given year to cover estimated staffing levels
- 3.7.4 To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs
- 3.7.5 To 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 PCC'S CFO, 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.
- 3.8.2 The Kent Police Service 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 and PCC'S CFO

Responsibilities of Trustees

- 3.8.4 All employees acting as trustees by virtue of their official position shall ensure that accounts are audited as required by law and submitted annually to the appropriate body, and the PCC'S CFO and/or Force CFO 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 employees and shall make specific reference to the need for insurance of valuable items.
- 3.9.4 To issue separate Financial Guidelines for dealing with cash, including seized cash under the Proceeds of Crime Act

Responsibilities of all 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 Kent Police Service gross expenditure budget annually.

Responsibilities of the PCC

3.10.6 To approve the policy on gifts, loans and sponsorship

Responsibilities of the Chief Constable

3.10.7 To accept gifts, loans or sponsorship within agreed policy guidelines.

3.10.8 To refer all gifts, loans and sponsorship above £10,000 to the PCC for approval before they are accepted.

Responsibilities of the Force CFO

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 PCC'S CFO, 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 PCC'S CFO, 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.

4.1 SYSTEMS & PROCESSES - INTRODUCTION

Why is this important?

- 4.1.1 There are many systems and procedures relating to the control of Kent Police Service assets, including purchasing, costing and management systems. Kent Police Service 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 PCC'S CFO and Force CFO both have a statutory responsibility to ensure that Kent Police Service financial systems are sound and should therefore be notified of any proposed new developments or changes.

Responsibilities of the PCC'S CFO and the Force CFO

- 4.1.3 To decide for the proper administration of Kent Police Service financial affairs, including to:
- issue advice, guidance and procedures for officers and others acting on behalf of Kent Police Service
 - determine the accounting systems, form of accounts and supporting financial records
 - establish arrangements for the audit of Kent Police Service 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 secured, adequate internal control exists 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, 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 Kent Police Service 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 NPCC national charging policies and national guidance when applying charges under section 25 of the Police Act 1996. It should keep in mind that the purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them.
- 4.2.3 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 ongoing resource requirements are not dependant on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.
- 4.2.4 When specifying resource requirements, the Chief Constable will identify the expected income from charging. The Chief Constable should adopt NPCC charging policies in respect of mutual aid.

Responsibilities of the Chief Constable and PCC

- 4.2.5 To adopt the NPCC national charging policies and national guidance when applying charges under section 25 of the Police Act 1996

Responsibilities of the Force CFO and PCC'S CFO

- 4.2.6 To make arrangements for the collection of all income due to Kent Police Service 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 Kent Police Service Income Bank Account. Appropriate details should be recorded 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 Force CFO

- 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 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 PCC'S CFO, 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.
- | | |
|---------------|--|
| Up to £25,000 | by the Force CFO |
| Over £25,000 | by the PCC-CFO notified by the Force CFO |
- 4.2.14 To prepare detailed Financial Guidelines for dealing with income, to be agreed with the PCC CFO, 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 Force's policies. Kent Police Service has a statutory duty to ensure financial probity and best value. The Kent Police Service financial regulations and purchasing procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the contract regulations in Section 5.

Responsibilities of the Deputy Chief Officer

- 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 Kent Police Service, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PCC'S CFO. Orders must be in a form approved by the PCC'S CFO.
- 4.3.4 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Kent Police Service contracts.
- 4.3.5 Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations.
- 4.3.6 Payments are not to be made unless goods and services have been received by Kent Police Service 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 (i.e. with the payment terms) 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 cost centre and GL Account combination and any exceptions are corrected.
- 4.3.10 To ensure that all purchases made through e-procurement follow the relevant rules, regulations and procedures.
- 4.3.11 To prepare, in consultation with the PCC'S CFO, detailed Financial Guidelines for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.

Responsibilities of the Force CFO

- 4.3.12 To ensure that every member and employee declares any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of Kent Police Service 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

Why is this required?

- 4.4.1 Employee costs are the largest item of expenditure for most 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 PCC'S CFO, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees.
- 4.4.3 To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.
- 4.4.4 To pay all valid travel and subsistence claims or financial loss allowance.
- 4.4.5 To pay salaries, wages, pensions and reimbursements by the most economical means.
- 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 Guidelines for dealing with payments to employees, to be agreed with the PCC's CFO, and these shall be issued to all appropriate employees.

4.5 TAXATION

Why is this important?

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

Responsibilities of the PCC's CFO and the Force CFO

- 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
- 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 has 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 or staff in approved roles 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 Force CFO to provide Financial Guidelines and the relevant finance policies to all cardholders.

Responsibilities of the Force CFO

- 4.6.3 To authorise and maintain control over the issue of cards.
- 4.6.4 To publish all expenditure on the Force's website in accordance with the Transparency Agenda.

Responsibilities of the PCC's CFO

- 4.6.5 To ensure proper management of all credit card expenditure of the PCC and office staff; including compliance with any transparency agenda requirements.

Responsibilities of credit card holders

- 4.6.6 To ensure that purchases are in accordance with approved Force or OPCC policies if they differ and the Code of Ethics.
- 4.6.7 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 EX GRATIA PAYMENTS

Why is this important?

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

Responsibilities of the Chief Constable

- 4.7.2 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 Kent Police Service

Up to £500	Budget holder
£500 - £2,500	Force CFO
£2,500 - £5,000	Notify PCC-CFO
Over £5,000	PCC

- 4.7.3 To ensure all employees are instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in any insurance claim.

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

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

Up to £500	Budget holder
£500 - £2,500	Notify PCC-CFO
£2,500 - £5,000	Notify PCC-CFO
Over £5,000	PCC

5.1 CONTRACT REGULATIONS

What is a contract?

- 5.1.1 A contract is an agreement between two parties which is intended to be enforceable by the law for the supply of goods works and/or services. Employees should avoid giving verbal commitments to suppliers as this can constitute a contract.
- 5.1.2 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.

Why are these important?

- 5.1.3 All employees engaged in the following activities, shall make every effort to ensure that the best value for money is achieved for the acquisition and delivery of:
 - a) goods or materials;
 - b) services and consultancy;
 - c) building works;
 - d) the supply of goods or services to third parties which provide Kent Police Service with an income.
- 5.1.4 Such efforts shall also 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.

7F PROCUREMENT COLLABORATION

- 5.1.5 Kent Police Group is now part of the 7F Procurement Collaboration. Contract Regulations for the 7F collaboration form part of the Kent Police Group Financial Regulations and are included as Appendix A to this document.

6.1 JOINT WORKING ARRANGEMENTS

Why is this important?

6.1.1 Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private service providers.

6.1.2 Joint working arrangements can take a number of different forms, each with its own governance arrangements. In Kent Police Service these are grouped under the following headings:

- Partnerships
- Consortia
- Collaboration

6.1.3 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

6.1.4 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 Kent Police Service
- 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

6.1.5 The Kent Police Service element of all joint working arrangements must comply with these Financial Regulations

PARTNERSHIPS

6.1.6 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

6.1.7 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.

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

Statutory based

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

Strategic

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

Ad-hoc

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

Context

6.1.12 As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the PCC, in exercising their 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.

- 6.1.13 When the PCC acts as a commissioner of services, they 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 Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.

Responsibilities of the PCC

- 6.1.14 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.
- 6.1.15 To publish an annual Commissioning Strategy
- 6.1.16 To make appropriate arrangements to commission services from either the force or external providers

Responsibilities of Chief Officers

- 6.1.17 To follow all relevant guidance.
- 6.1.18 To consult, as early as possible, the Force CFO and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements
- 6.1.19 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

- 6.1.20 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

- 6.1.21 To contact the Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework.
- 6.1.22 To consult, as early as possible, the Force CFO and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements
- 6.1.23 To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
- 6.1.24 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

- 6.1.25 To approve Kent Police Service participation in the consortium arrangement including signing if satisfied any relevant section 22 or equivalent agreements.

COLLABORATION

- 6.1.26 Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the Police Reform and Social Responsibility Act 2011, Chief Constables and 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.
- 6.1.27 The PCCs shall jointly hold their Chief Constables to account for any collaboration in which their force is involved
- 6.1.28 Any such proposal must be discussed with the PCC'S CFO and Force CFO in the first instance.

6.2 EXTERNAL FUNDING

Why is this important?

6.2.1 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 Kent Police Service. Funds from external agencies provide additional resources to enable Kent Police Service to deliver its 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 Police and Crime Plan.

6.2.2 The main source of such funding for Kent Police Service will tend to be specific government grants, additional contributions from local authorities (e.g. for ANPR, CCTV and PCSOs) and donations from third parties (e.g. towards capital expenditure)

Responsibilities of Chief Officers

6.2.3 To pursue actively any opportunities for additional funding where this is considered to be in the interests of Kent Police Service.

Responsibilities of the Chief Constable and the PCC

6.2.4 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 PCC'S CFO and Force CFO

6.2.5 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

6.2.6 To ensure that funds are acquired only to meet policing needs and objectives

6.2.7 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

6.2.8 To ensure that any conditions placed on Kent Police Service 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.

6.3 WORKS FOR EXTERNAL BODIES

Why is this required?

- 6.3.1 Kent Police Service 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

- 6.3.2 To ensure that proposals for assistance are costed, that no contract is subsidised by Kent Police Service and that, where possible, payment is received in advance of the delivery of the service so that Kent Police service is not put at risk from any liabilities such as bad debts.
- 6.3.3 To ensure that appropriate insurance arrangements are in place.
- 6.3.4 To ensure that all contracts are properly documented
- 6.3.5 To ensure that such contracts do not impact adversely on the services provided by Kent Police Service
- 6.3.6 The submission of tenders for the supply of goods and/or services should be approved as follows:
- a) For tenders up to £500,000 by the Chief Constable after consultation with the Head of Procurement
 - b) Between £500,000 and £1,000,000 by the Chief Constable in consultation with the PCC CFO
 - c) Over £1,000,000 the prior approval of the PCC is required.

Appendix A

**Seven Force Procurement
Contract Standing Orders**

September 2019

1. GLOSSARY OF TERMS

1.1. These terms will have the following meanings in the Standing Orders:

CC Chief Finance Officers (CC CFOs)	The Chief Finance Officers of the Chief Constables.
Chief Constable (CCs)	The Chief Constable of Bedfordshire Police, the Chief Constable of the Cambridgeshire Constabulary, the Chief Constable of Essex Police, the Chief Constable of the Hertfordshire Constabulary, the Chief Constable of Kent Police, the Chief Constable of the Norfolk Constabulary and the Chief Constable of the Suffolk Constabulary.
Chief Officers	Officers who are members of the Chief Officer's team of Bedfordshire, the Chief Officer's team of Cambridgeshire, the Chief Officer's team of Essex, the Chief Officer's team of Hertfordshire, the Chief Officer's team of Kent, the Chief Officer's team of Norfolk and the Chief Officer's team of Suffolk.
Constabulary	Police officers, including the special constabulary, and police staff under the direction and control of the CCs.
Framework Agreement	An enabling agreement, which establishes the terms (in particular the terms as to price and where appropriate, quantity) under which individual contracts (call-offs) can be made throughout the period of the agreement (normally a maximum of four years).
Officers	All police officers and police staff of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk Constabularies/Police and staff of the PCCs and PFCC(s).
PCC Chief Finance Officers (PCC CFOs)	The Chief Finance Officer of the PCCs and PFCC(s).
PCR 2015	The Public Contracts Regulations 2015, as amended and any subsequent amendments thereto.
Police and Crime Commissioners (PCCs) and Police, Fire and Crime Commissioner(s) (PFCC(s))	The Bedfordshire Police and Crime Commissioner, the Cambridgeshire Police and Crime Commissioner, the Essex Police, Fire and Crime Commissioner, the Hertfordshire Police and Crime Commissioner, the Kent Police and Crime Commissioner, the Norfolk Police and Crime Commissioner and the Suffolk Police and Crime Commissioner.
Procurement Function	The 7 Force Single Procurement function operated by the 7 Force procurement team.
Procurement Policy and Procedures	All Procurement Policies and Procedures published by the Procurement Function.
Reserved Matters	Matters which are reserved by a Policing Body, acting reasonably, to be progressed and delivered locally. Reserved Matters will typically entail the procurement of goods or services that are novel, politically sensitive or particularly important locally to a Policing Body, e.g. election pledge matters, and shall be matters where the Policing Body reasonably believes that the requirements can best be procured locally. These must only be undertaken in exceptional circumstances

	as this is contrary to the objectives for creating the Function as defined in the agreed FBC. To ensure transparency across the Policing Bodies, all instances of reserved matters must be notified by the relevant party to the Strategic Governance Board in advance for their awareness. The Policing Body that instigates the Reserved Matter will authorise and approve any contract award. The Policing Body that instigates the Reserved Matter will be liable for any Claims and any liabilities therefrom will not be shared across the remaining Forces.
Seven Force Head of Strategic Procurement	The individual appointed to run the Procurement Function.
Single Force Requirement	Where a single Force has a requirement for goods or services and which is not a Reserved Matter and will be undertaken by the Function. The procurement process may be allocated to a member of staff geographically based and not always by an existing member of the single home Force requesting the goods or services.
Single Tender Action (STA)	The selection of a supplier to provide goods, works or services without competition.
Standing Orders	These contract standing orders.

2. INTRODUCTION

- 2.1. In Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk, the 7 Force Procurement Function has been created to support police procurement activity.
- 2.2. These contract standing orders will apply to all procurements that are being carried out by the 7 Force Procurement Function, unless exceptional circumstances exist. This is in-line with the intent set-out in para 6.6 of the Business Case of having a single set of harmonised contract standing orders, where possible.
- 2.3. All contracts and orders for goods, works or services made by or on behalf of the PCCs and PFCC(s), with the exception of contracts/leases, for the lending or borrowing of money, land and contracts of service for employment purposes, shall be made in accordance with these Standing Orders.
- 2.4. All contracts shall comply with statutory requirements including, but not limited to, UK and other applicable legislation and relevant Government guidance.
- 2.5. The PCCs, PFCC(s) and Chief Constables require all procurement activity to be undertaken in a transparent, fair and consistent manner, ensuring the highest standards of probity and accountability. All procurement undertaken on behalf of the PCCs, PFCC(s) and CCs will operate under robust principles and procedures to ensure best value.
- 2.6. No exceptions shall be made to these Standing Orders other than for those reasons stated in paragraph 5.
- 2.7. Professional and legal advice on procurement matters must be directed through the Procurement Function which will decide the appropriate route for response or escalation.
- 2.8. All Officers shall comply with these Standing Orders; any failure to do so may result in disciplinary action.
- 2.9. Any specific delegation of these Standing Orders to an officer may be exercised by their deputy or by another officer specifically designated in writing by the officer in accordance with any general directions issued by them.
- 2.10. Any dispute regarding the interpretation of these Standing Orders will be referred to the Strategic Governance Board in the first instance. If the dispute cannot be resolved within 1 month, it will be escalated to the PCCs and the PFCC(s) and their decision will be final.

3. COMPETITIVE PROCUREMENT

- 3.1. For goods, works or services the acceptance of quotations and bids will be based on the principle of best overall value for money, i.e. the most economically advantageous offer.
- 3.2. Estimated value is deemed to be the aggregate whole life cost (inclusive of consumables, maintenance and disposal) to the joint organisations that is reasonably anticipated over the time of provision. If the lifetime is unknown, then the aggregate cost should be based on forty-eight (48) months. Requirements must not be disaggregated in order to avoid competitive procurement under any circumstances.
- 3.3. Where the estimated aggregated value of a proposed contract is in excess of EU thresholds, tender procedures will be in accordance with the PCR 2015. For those with aggregated values of less than EU thresholds, the principles of the PCR 2015 will be followed unless it is not practical to do so (for example, to obtain goods or

services for an urgent operational requirement). Permission from the Seven Force Head of Strategic Procurement or nominated Deputy must be obtained in this instance and a report setting out the rationale must be presented to the next Strategic Governance Board. The Seven Force Head of Strategic Procurement has responsibility to publish details of the processes to be followed.

- 3.4. Criteria for the award of contracts shall be recorded in advance of the invitation to tender and strictly observed by Officers evaluating the bids. The criteria cannot be altered once the tender is advertised. The criteria may include cost and qualitative elements and shall take into account whole life costs.
- 3.5. Evaluation models used to select the successful tender shall generally be weighted such that the overall percentage score allocated to cost is not less than 50%. In exceptional circumstances the Procurement Function staff at Tier 1 and 2 may agree an alternative cost/quality ratio after discussing with the lead stakeholder on that programme, if the deliverables are complex or critical in nature. Any changes are to be recorded for audit purposes. For Reserved Matters undertaken by a local Force, they may set their own evaluation criteria.
- 3.6. The evaluation of bids must be objective, systematic, thorough and fair. Decision makers should be aware that the records of the decision-making process may be subject to scrutiny at a later date.
- 3.7. The tables at 3.9 and 3.14 describe the procedure and authority levels dependent on the estimated value of the total procurement, (not an individual Force value). A high-level overview of the tender/award governance flow-chart, above and below £1million, is detailed in Appendix 1.
- 3.8. If there is already a corporate contract in place for the goods, works or services required, it is mandatory to use it. The Procurement Function will advise. For the avoidance of doubt, local Force staff must still approve all of their individual respective written quotation requests and ensure that they obtain best value for their own Force. (Where possible, this is to include a quotation from a local supplier.) This is because of the different ERP systems across the various Forces and the wider Function, at an individual level, not having common access to them.
- 3.9. **Procurement competition procedures and authority levels for Bedfordshire, Cambridgeshire, Hertfordshire, Kent and Essex. The procedures and authority levels only apply to Norfolk and Suffolk above the £50k threshold. For values up to £50k in Norfolk and Suffolk see 3.13 and 3.14.**

Estimated Value	Procurement Procedure	Level of Delegated Authority	Purchase Order sign-off
£0 - £5,000	1 written quote.	Tier 6 Procurement Personnel level staff as detailed in the S22a and FBC function structure chart	Approval locally by officers with relevant authority in accordance with financial instructions/approval procedures and above as per the levels of delegated authority

£5,000 - £50,000	3 written quotes or use of Compete For to undertake a mini-competition. FOC Tender portal focused on SME supplier market with over 185k suppliers registered and must include a local supplier where possible.	Tiers 4 and 5 Procurement Personnel level staff as detailed in the S22a and FBC function structure chart	Approval locally by officers with relevant authority in accordance with financial instructions/approval procedures and above as per the levels of delegated authority
£50,000 - £100,000	Competitive tender. Request for Work Form confirming Budget and Stakeholder (business strategic lead) approval required before commencement.	Tier 3 Procurement Personnel level staff as detailed in the S22a and FBC function structure chart	Approval locally by officers with relevant authority in accordance with financial instructions/approval procedures and above as per the levels of delegated authority
£100,000 - £150,000	Competitive tender. Request for Work Form confirming Budget and Stakeholder (business strategic lead) approval required before commencement.	Tier 2 Procurement Personnel level staff as detailed in the S22a and FBC function structure chart	Approval locally by officers with relevant authority in accordance with financial instructions/approval procedures and above as per the levels of delegated authority
£150,000 - £250,000	Competitive tender. Request for Work Form confirming Budget and Stakeholder (business strategic lead) approval required before commencement.	Tier 1 7F Head of Procurement or nominated deputy level staff as detailed in the S22a and FBC function structure chart	7F Head of Procurement or nominated deputy
£250,000 - £1,000,000	Competitive tender. Request for Work Form confirming Budget and Stakeholder (business strategic lead) approval required before commencement.	Relevant Chief Officer/Director from respective Force who has delegated authority to enter into Contract	Relevant Chief Officer/Director from respective Force who has delegated authority to approve their own Purchase Order.
Above £1,000,000	Competitive tender. Request for Work Form confirming Budget, (business strategic lead) and Strategic Governance Board approval prior to commencement required before commencement.	Under seal of each PCC/PFCC once confirmation from Strategic Governance Board that a compliant tender exercise has been completed and they are satisfied that best value has been achieved. PCC/PFCC approval must be obtained.	Under seal of each participating PCC/PFCC

- 3.10. In all cases where it is estimated that spend will be within 10 – 15% of the threshold limit set out above, consideration should be given to undertaking the procurement activity in accordance with the quotation/tender requirements at the higher (next) band level.
- 3.11. An Officer with authority to authorise requisitions or contracts committing the expenditure does so with the consent of and on behalf of the PCCs and PFCC(s).
- 3.12. The authority levels shall apply to variations to contract, i.e. any additional costs resulting from the variation must be aggregated with the original contract value for the purposes of authorisation.
- 3.13. The table at 3.14 describes the procedure and authority levels dependent on the estimated value of the total procurement, (not an individual Force value) for Norfolk and Suffolk up to £50k in value. Above £50k in value, Norfolk and Suffolk are in alignment with the processes and values agreed under 3.9.
- 3.14 **Procurement competition procedures and authority levels for Norfolk and Suffolk up to £50k in total value. (Above £50k in value then table 3.9. applies.) These procedures and authority levels shall apply in any procurement where the financial resources of Norfolk or Suffolk are being committed.**

Estimated Value	Procurement Procedure	Level of Delegated Authority	Purchase Order sign-off
£500 - £3,000	Evidence of more than one price comparison shall be obtained, preferably in writing (including email) or obtained from catalogues or price lists. Evidence shall be attached to the requisition. Where possible, at least 1 quotation should be from a local supplier.	Requisitions to be approved locally by officers with relevant authority in accordance with financial instructions Contracts must be signed by a minimum of a Tier 4 Procurement personnel as detailed in the S22a and FBC function structure chart	Approval locally by officers with relevant authority in accordance with financial instructions/approval procedures and above as per the levels of delegated authority
£3,000 - 20,000	At least three quotations shall be obtained in writing. Evidence of competition shall be attached to the requisition. Where possible, at least 1 quotation should be from a local supplier	Requisitions to be approved locally by officers with relevant authority in accordance with financial instructions Contracts must be signed by a minimum of a Tier 4 Procurement personnel as detailed in the S22a and FBC function structure chart	Approval locally by officers with relevant authority in accordance with financial instructions/approval procedures and above as per the levels of delegated authority

£20,000 – 50,000	<p>At least three quotations received through an e-tendering system shall be obtained. This may include either the CompeteFor portal or e existing e-tendering system.</p> <p>Where possible, at least 1 quotation should be from a local supplier</p>	<p>Requisitions to be approved locally by officers with relevant authority in accordance with financial instructions /procedures</p> <p>Contracts must be signed by a minimum of a Tier 4 Procurement personnel as detailed in the S22a and FBC function structure chart</p>	<p>Approval locally by officers with relevant authority in accordance with financial instructions/approval procedures and above as per the levels of delegated authority</p>
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4. FINANCIAL AND CONTRACTUAL DELEGATIONS

- 4.1. The PCC CFOs and CC CFOs will be responsible for determining authorised signatories within the PCCs, PFCC(s) and Constabularies. Those authorised signatories and sub delegation rules will be described and documented in the each PCC and PFCC's respective Financial Regulations and Procurement Procedures. They will ensure that suitable segregation of responsibilities are observed, that purchases are compliant with the PCR 2015 and any procedures, and that sufficient funding and resources are available within the revenue budget or capital programme.

5. EXCEPTIONS TO NORMAL PROCEDURES/SINGLE TENDER ACTION

5.1. Exceptions

5.1.1. Tenders are not required in the following circumstances:

- 5.1.1.1. purchases through government agency or other consortium or similar body where legally entitled to do so and in accordance with the approved purchasing methods of such a consortium or body; or
- 5.1.1.2. purchases at public auctions; or
- 5.1.1.3. internal PCC, PFCC or Constabulary business where one part of the PCC, PFCC or Constabulary provides a service to the other; or
- 5.1.1.4. for works (emergency property repairs) up to £5,000 where no corporate contract exists and are commissioned by the Estates Department of the relevant force for urgent requirements not covered by existing contracts.

5.1.2 All exceptions to normal procedures must be approved by the lead PCC CFO and full justification recorded.

5.2. Single Tender Action (STA)

- 5.2.1. STA should only be used in exceptional circumstances. Tier 1 or 2 procurement staff must endorse the route to market prior to seeking permission to commence activity. Legal advice must also be obtained if

the procurement value is over the relevant OJEU threshold and to clarify our exemption from/compliance with the Public Contracts Regulations 2015. The PCC CFOs or CC CFOs or their delegated authorities will consider requests for exceptions to normal procedures under the following circumstances:

- 5.2.1.1. where it can be evidenced that only one supplier is able to carry out the work or service or to supply goods for technical reasons or because of exclusive rights;
 - 5.2.1.2. extensions to an existing contract where there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience and it is legal to do so;
 - 5.2.1.3. the contract has been classified as secret by the CC CFOs making the use of a particular contractor essential or a limited competition to a select list of contractors and the avoidance of advertising requirements in the public domain;
 - 5.2.1.4. the contract is required so urgently that competition is impracticable, e.g. when an operational need arises which requires immediate action. However failure to take action within appropriate timescales due to poor planning does not constitute grounds for an urgency exception.
- 5.2.2. Where, for any reason not covered by para 5.2.1, an exception is sought to be made to the application of normal procurement procedures, then the PCC CFOs may approve the exception. Post activity exception will only be granted for operationally imperative, or other emergency situations.
- 5.2.3. The 7F Procurement Function must report quarterly to the Strategic Governance Board any Single Tender Actions not dealt with locally under Reserved Matters.

6. COMPETITIVE PROCUREMENT USING TENDERS

- 6.1. The Procurement Function has responsibility to ensure appropriate Procurement Policy and Procedures are published covering matters such as:
 - 6.1.1. the procedures to be applied in respect of the whole tendering process i.e. initial tender, specifications and standards, and evaluation and appointment of contractors and consultants;
 - 6.1.2. processes regarding the use of sub-contractors;
 - 6.1.3. processes regarding variations to contract;
 - 6.1.4. the process to be undertaken in relation to declarations of interest in a contract;
 - 6.1.5. the procedures to be followed in relation to collaborative contracts;
 - 6.1.6. the adoption of Framework Agreements;
 - 6.1.7. the procedures to be followed in applying for an exception to Standing Orders, including:
 - 6.1.7.1. the formal procedure to be adopted to evidence alternative provision is not available;
 - 6.1.7.2. the formal justification of emergency provision;

- 6.1.8. the achievement of value for money, and the minimisation of risk to the PCCs, the PFCC(s) and Constabulary.
- 6.2. If during a procurement process it is identified that an individual Force (or Forces) are put in a detrimental position (economical or from an operational efficiency perspective) this is to be escalated to the lead stakeholder to resolve, or take to the next monthly Strategic Governance Board.
- 6.3. The Procurement Policy and Procedures will set out arrangements for the recording and retention of information in relation to procurement activity.
- 6.4. The Procurement Policy will also detail the arrangements for reporting procurement activity to meet the requirements of the PCCs, the PFCC(s) and Constabularies together with addressing the need to publish information in accordance with Government requirements.
- 6.5. Contents of the Policies and Procedures will be agreed by the PCC CFOs and CC CFOs.

7. TENDER CUSTODY AND OPENING

Electronic Tendering

- 7.1. Tenders will be received through a proprietary e-tendering solution, which ensures managed opening and version controls with all processes and actions being fully auditable except in extraordinary circumstances i.e. system failure.

Tender custody and opening if non-electronic means are utilised

- 7.2. In the event of operating by non-electronic means, tenders shall be stored in a secure and confidential manner as required by the sealed bid procedure.
- 7.3. The opening of these tenders and recording of details shall be subject to the following regulations:
 - 7.3.1. They shall not be opened before the appointed time.
 - 7.3.2. They shall be opened at one time by not less than two persons one of which will be a CC CFO or other Chief Officer in the absence of a CC CFO.
 - 7.3.3. The appropriate tender details shall be recorded on the Tender Opening Certificate, which shall be ruled off (to prevent the addition of further entries) and then signed by each member of the tender opening panel.
- 7.4. Once the tenders have been opened they must be circulated only to those directly involved in tender evaluation and contract letting activities prior to awarding the contract.

8. FORM OF CONTRACT

- 8.1. All contracts shall be in the name of one or more of the PCCs and/or PFCC(s), as indicated in the table below. Where applicable, each of the relevant joint forces shall be a named party to the contract, ensuring joint and several liability. Suitable clauses reflecting the joint procurement shall also be included in the contract.

Total Contract Value	Parties to contract
£0 - £1,000,000	1 PCC/PFCC on behalf of all PCCs/PFCCs. In this case, the contracting PCC/PFCC will be the only authority with privity of contract with the supplier, and therefore will be required to enforce the contract terms on behalf of all collaborating PCCs/PFCCs. All PCCs/PFCCs will, however, have the express right to receive the benefit of the works, goods or services being delivered under the contract.
Above £1,000,000	All of the collaborating PCCs/PFCCs will be signatories to the contract, meaning that they each have joint and several liability to enforce the terms of the contract against the supplier (and joint and several liability to have the terms enforced against them by the supplier, if applicable). All PCCs/PFCCs will also have the express right to receive the benefit of the works, goods or services being delivered under the contract.

- 8.2. Contracts shall be in writing. If appropriate, legal advice should be sought in relation to contracts through the Procurement Function in the first instance.
- 8.3. Every contract shall specify the:
- 8.3.1. goods, works, or services to be provided;
 - 8.3.2. consideration;
 - 8.3.3. time within which the contract is to be performed; and
 - 8.3.4. terms and conditions for payment (and any early payment mechanism if applicable.)
- 8.4. Every contract shall ensure that the contractor indemnifies the Commissioner against all losses in connection with injury to or death of any person, or damage to property, happening as a result of or in connection with the carrying out of the contract. The contractor shall also be required to effect and maintain insurance which provides both the contractor and the employer with full cover in respect of any liability against which the contractor is required to indemnify the employer. The CCs shall stipulate the minimum amount of insurance after consultation with the PCC CFOs.
- 8.5. Liquidated Damages: Each contract should be reviewed for the appropriate inclusion of liquidated damages.
- 8.6. Default Clauses: Contracts which are estimated to exceed £50,000 shall provide that should the contractor default in the terms of the contract, the PCCs and PFCC(s), without prejudice to any remedy for breach of contract, shall be at liberty to purchase other goods, works or services as appropriate of the same or similar description to make good any default. Every contract shall provide that the amount by which the cost of purchasing other goods, works or services (including the expenses of acquiring the new supplier) exceeds the amount which would have been payable to the contractor shall be recoverable from the contractor.

- 8.7. Transfer or Assignment of Contracts: Every contract which is estimated to exceed £50,000 shall prohibit the contractor from assigning the contract or sub-letting any portion of the contract work without the written consent of the CC.
- 8.8. Prevention of Corruption: In every contract a clause shall be inserted to secure that the PCCs and PFCC(s) shall be entitled to cancel any contract and to recover from the contractor the amount of any loss resulting from such cancellations if the contractor or any person employed by them or acting on their behalf (whether with or without the knowledge of 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 for doing something in relation to the obtaining or execution of any contract with the PCCs and PFCC(s), or shall have committed any offence under the Bribery Act 2010, or shall have given any fee or reward the receipt of which is an offence under subsection 2 of Section 117 of the Local Government Act 1972.
- 8.9. Exclusion of third party rights: Unless precluded by statute every contract shall exclude the ability of third parties to claim the same rights and remedies as those enjoyed by the main parties to the contract. The rights of permitted successors to or assignees of the rights of a party shall not be excluded.
- 8.10. Milestone or stage payments: For large complex projects milestone or stage payments may be agreed subject to the approval of the Seven Force Head of Strategic Procurement (or such other person as may be delegated by them).
- 8.11. Parent company guarantee: For contracts over fifty thousand pounds (£50,000) a parent company guarantee should be considered depending on the risk profile of the contract.
- 8.12. Bank bond or guarantee: For contracts over one million pounds (£1,000,000) a bank bond or guarantee should be considered depending on the risk profile of the contract.

9. AWARD OF CONTRACT

- 9.1. Tender analysis should be completed using criteria determined prior to issue of tender documentation.
- 9.2. The Procurement lead must record the reasons and analysis that led to the acceptance of the best value offer. A detailed Contract Award Report, approved by the lead stakeholder, is to be completed for all tenders above £50,000 and for any STA irrespective of value.
- 9.3. The Procurement lead is empowered to recommend the acceptance of tenders.
- 9.4. The Contract is to be signed on behalf of the PCCs and PFCC(s) in accordance with the tables at paragraphs 3.9 and 3.14 above.
- 9.5. A minimum period of ten (10) calendar days must be allowed as a standstill period between the notification of an award decision and contract commencement for all over EU value contracts. (This period is extended to the next working day when the final day falls on a non-working day). Where a Framework Agreement is used and if expediency is required, this requirement can be removed if authorised by a Tier 1 or Tier 2 member of the function.
- 9.6. A voluntary standstill period will be applied on below threshold tender activity if required.
- 9.7. Where there is no difference between tenders to make an informed decision the contract shall be subject to further clarification.

10. COLLABORATIVE CONTRACTS AND FRAMEWORK AGREEMENTS

- 10.1. Where tenders are undertaken that include other police forces or public sector organisations outside of the 7 Forces, they will be invited on a lead PCC/PFCC basis and comply with these Standing Orders.

11. REVIEW

- 11.1. These Standing Orders will be reviewed at least on an annual basis by the PCC CFOs and CC CFOs and comments fed into the Strategic Governance Board for consideration if change is required.

Appendix 1.



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SCHEDULE 6

SEVEN FORCE HEAD OF STRATEGIC PROCUREMENT JOB DESCRIPTION

JOB DESCRIPTION

Post:	Head of Strategic Procurement (Seven Force Collaboration)
Grade:	
District/Department:	Seven Force Collaboration Programme team
Sector/Section:	Procurement
Location:	Local force, travel required.
Reporting to:	Nominated Chief Officer
Duration:	Permanent



Job Evaluation Ref:

Principal purpose of the role

Direct and lead a comprehensive procurement function ensuring the alignment of strategies, infrastructure, systems and contracts in order to deliver an efficient, cost effective service across the seven forces. Act as Head of Profession for the function across the seven forces as the senior advisor to the seven Chief Officer teams, Police and Crime Commissioners and their Chief Executives influencing and contributing to the strategic direction of the procurement function across the seven forces in order to ensure that the service supports the strategic plans and objectives of all seven forces.

Main activities of the role *(This list is not exhaustive)*

- Design, develop and lead a procurement function across seven forces, engaging with key stakeholders, such as Police and Crime Commissioners and Chief Officers, ensuring that the function is fit for purpose and provides an efficient and comprehensive procurement service across the seven forces.
- Develop and implement a single strategy for the procurement service, including the development and implementation of unified policy and processes and governance ensuring adherence to legal regulations, compliance with regional and national procurement strategies and that it supports each of the seven forces objectives and Police and Crime Commissioner's (PCC) Police and Crime plans.
- Lead complex contract negotiations and develop a strategy to enable the monitoring, review and management of contracts across the seven forces in order to deliver increased value for money against service delivery, environmental, safety and other criteria.
- Provide specified management information on contracts on a timely basis to PCCs in order to ensure effective management and control over all contracts. Information will also be provided to PCCs to enable them to satisfy their statutory obligations e.g. the Specified Information Order.
- Lead, manage and develop departmental staff across the seven forces, acting as Head of Profession, providing leadership and guidance and ensuring that all training standards and performance measures are met.
- Using internal and external market information, together with the timetable for contract renewal, the postholder will identify potential pipeline opportunities; exploiting synergies and taking advantage of standardisation, aggregation and advance procurement techniques.
- The postholder will investigate and promote localised cross sector co-operation (Fire and Rescue and other local public sector bodies) to ensure regional police collaboration can work in tandem with OPCC electoral boundary shared services and opportunity.
- Ensure the region is represented as 'one voice' in the national arena; to exploit opportunity and support national change programmes such as CLEP and the Police ICT Company.
- Develop a programme of standards and governance that increases transparency, simplifies regulation and embeds a commercial culture across the organisations.

Necessary Experience

The post holder will be able to demonstrate significant experience of procurement and contract management including negotiation and management of contracts of significant value.

As the head of profession, extensive knowledge and understanding of contract law and the application of EU Public Procurement Regulations and legislation is essential, as well as preparing specifications and of preparing and evaluating tenders, including those operating under framework arrangements and EU directives.

The post holder will be MCIPS qualified (Membership of the Chartered Institute of Purchasing supplies) with experience at senior management level. Strong negotiating, influencing, interpersonal and communication skills are essential to the role.

He/she will provide innovative thinking and impetus to drive through change and develop and enhance an integrated function across the seven forces.

Substantial senior leadership experience and a strong track record of achievement in delivering organisational change, encompassing both structural and cultural aspects, in a complex and demanding operational environment.

Proven success in working in a political environment with senior stakeholders (Chief Officer and Chief Executive level) showing sound judgment and impact.

Significant experience of translating business needs into commercial procurement strategies that drive enhanced business outcomes for the organisations as a whole.

Proven experience of managing change and merging functions to create integrated services is essential.

Competency and Values Framework for policing:

Values:

Impartiality

I take into account individual needs and requirements in all of my actions. I understand that treating everyone fairly does not mean everyone is treated the same. I always give people an equal opportunity to express their views. I communicate with everyone, making sure the most relevant message is provided to all. I value everyone's views and opinions by actively listening to understand their perspective. I make fair and objective decisions using the best available evidence. I enable everyone to have equal access to services and information, where appropriate.

Integrity

I always act in line with the values of the police service and the Code of Ethics for the benefit of the public. I demonstrate courage in doing the right thing, even in challenging situations. I enhance the reputation of my organisation and the wider police service through my actions and behaviours. I challenge colleagues whose behaviour, attitude and language falls below the public's and the service's expectations. I am open and responsive to challenge about my actions and words. I declare any conflicts of interest at the earliest opportunity. I am respectful of the authority and influence my position gives me. I use resources effectively and efficiently and not for personal benefit.

Public Service

I act in the interest of the public, first and foremost. I am motivated by serving the public, ensuring that I provide the best service possible at all times. I seek to understand the needs of others to act in their best interests. I adapt to address the needs and concerns of different communities. I tailor my communication to be appropriate and respectful to my audience. I take into consideration how others want to be treated when interacting with them. I treat people respectfully regardless of the circumstances. I share credit with everyone involved in delivering services.

Transparency

I ensure that my decision-making rationale is clear and considered so that it is easily understood by others. I am clear and comprehensive when communicating with others. I am open and honest about my areas for development and I strive to improve. I give an accurate representation of my actions and records. I recognise the value of feedback and act on it. I give constructive and accurate feedback. I represent the opinions of others accurately and consistently. I am consistent and truthful in my communications. I maintain confidentiality appropriately.

Analyse Critically (Level 3)

I balance risks, costs and benefits associated with decisions, thinking about the wider impact and how actions are seen in that context. I think through 'what if' scenarios. I use discretion wisely in making decisions, knowing when the 'tried and tested' is not always the most appropriate and being willing to challenge the status quo when beneficial. I seek to identify the key reasons or incidents behind issues, even in ambiguous or unclear situations. I use my knowledge of the wider external environment and long-term situations to inform effective decision making. I acknowledge that some decisions may represent a significant change. I think about the best way to introduce such decisions and win support.

Collaborative (Level 3)

I am politically aware and I understand formal and informal politics at the national level and what this means for our partners. This allows me to create long-term links and work effectively within decision-making structures. I remove practical barriers to collaboration to enable others to take practical steps in building relationships outside the organisation and in other sectors (public, not for profit, and private). I take the lead in partnerships when appropriate and set the way in which partner organisations from all sectors interact with the police. This allows the police to play a major role in the delivery of services to communities. I create an environment where partnership working flourishes and creates tangible benefits for all.

Deliver, Support and Inspire (Level 3)

I challenge myself and others to bear in mind the police service's vision to provide the best possible service in every decision made. I communicate how the overall vision links to specific plans and objectives so that people are motivated and clearly understand our goals. I ensure that everyone understands their role in helping the police service to achieve this vision. I anticipate and identify organisational barriers that stop the police service from meeting its goals, by putting in place contingencies or removing these. I monitor changes in the external environment, taking actions to influence where possible to ensure positive outcomes. I demonstrate long-term strategic thinking, going beyond personal goals and considering how the police service operates in the broader societal and economic environment. I ensure that my decisions balance the needs of my own force/unit with those of the wider police service and external partners. I motivate and inspire others to deliver challenging goals.

Emotionally Aware (Level 3)

I seek to understand the longer-term reasons for organisational behaviour. This enables me to adapt and change organisational cultures when appropriate. I actively ensure a supportive organisational culture that recognises and values diversity and well-being and challenges intolerance. I understand internal and external politics and I am able to wield influence effectively, tailoring my actions to achieve the impact needed. I am able to see things from a variety of perspectives and I use this knowledge to challenge my own thinking, values and assumptions. I ensure that all perspectives inform decision making and communicate the reasons behind decisions in a way that is clear and compelling.

Innovative and Open-minded (Level 3)

I implement, test and communicate new and far-reaching ways of working that can radically change our organisational cultures, attitudes and performance. I provide space and encouragement to help others stand back from day-to-day activities, in order to review their direction, approach and how they fundamentally see their role in policing. This helps them to adopt fresh perspectives and identify improvements. I work to create an innovative learning culture, recognising and promoting innovative activities. I lead, test and implement new, complex and creative initiatives that involve multiple stakeholders, create significant impact and drive innovation outside of my immediate sphere. I carry accountability for ensuring that the police service remains up to date and at the forefront of global policing.

Take Ownership (Level 3)

I act as a role model, and enable the organisation to use instances when things go wrong as an opportunity to learn rather than blame. I foster a culture of personal responsibility, encouraging and supporting others to make their own decisions and take ownership of their activities. I define and enforce the standards and processes that will help this to happen. I put in place measures that will allow others to take responsibility effectively when I delegate decision making, and at the same time I help them to improve their performance. I create the circumstances (culture and process) that will enable people to undertake development opportunities and improve their performance. I take an organisation-wide view, acknowledging where improvements can be made and taking responsibility for making these happen.

SCHEDULE 7

TEMPLATE DEED OF ACCESSION

This Deed dated _____ is supplemental to a Police Force and Policing Body Collaborative Service Agreement dated [_____] between The Chief Constable of Bedfordshire Police (1), The Chief Constable of Cambridgeshire Constabulary (2), The Chief Constable of Essex Police (3), The Chief Constable of Hertfordshire Police (4), The Chief Constable of Kent Police (5), The Chief Constable of Norfolk Constabulary (6), The Chief Constable of Suffolk Constabulary (7), The Bedfordshire Police and Crime Commissioner (8), The Cambridgeshire Police and Crime Commissioner (9), The Essex Police, Fire and Crime Commissioner (10), The Hertfordshire Police and Crime Commissioner (11), The Kent Police and Crime Commissioner (12), The Norfolk Police and Crime Commissioner (13) and The Suffolk Police and Crime Commissioner (14) for the provision of a Seven Force single procurement function (the “**Collaboration Agreement**”). Words and expressions defined in the Collaboration Agreement have the same meaning when used in this Deed.

[Name and details of the Incoming Authority] (the “**Contracting Authority**”) hereby agrees with each other person who is or becomes a Party to the Collaboration Agreement that with effect on and from the date hereof it will be bound by all the terms of the Collaboration Agreement as if it had been a Party under the Collaboration Agreement in that capacity from the date of the Collaboration Agreement.

The address for notices of the Contracting Authority for the purposes of Section 38 (*Notices and Other Communications*) of the Collaboration Agreement is:

Address: **[details to be completed]**

Email:

Attention:

This Deed is governed by and construed in accordance with English Law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED as a deed by
the Contracting Authority

[Insert relevant execution block]

SCHEDULE 8

TEMPLATE VETTING FORMS

NPPV1 – Limited unescorted access to police premises, no access to classified material or systems, valid for up to 3 years



NPPV 1.doc



Chargeable NPPV
1.doc

NPPV2 (Abbreviated) – Unescorted access to police premises, no access to systems. Access to Police material up to OFFICIAL- SENSITIVE, valid for 3 years



NPPV 2 abbrev.doc



Chargeable NPPV 2
abbrev.doc

NPPV 2 (Full) – Unescorted access to police premises, unsupervised systems access, access to Police material up to OFFICIAL- SENSITIVE and occasional access to SECRET, valid for 3 years



NPPV 2 2017.doc



Chargeable NPPV
2.doc

NPPV3 – Unescorted access to police premises, unsupervised systems access, access to classified Police material or information up to SECRET and occasional access to TOP SECRET, valid for 7 years (with a regular vetting appraisal. This cost will be included in the original charge).



NPPV 3.doc



Chargeable NPPV
3.doc

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