Joint Corporate Governance Framework

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JOINT CORPORATE GOVERNANCE FRAMEWORK FOR THE OFFICE OF POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE OF NOTTINGHAMSHIRE

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JOINT CORPORATE GOVERNANCE FRAMEWORK FOR THE OFFICE OF POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE OF NOTTINGHAMSHIRE

1. Statement of Corporate Governance

1.1. Corporate governance is about how organisations ensure they do the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and culture and values, by which bodies are directed and controlled and through which they account to and engage with their communities.

1.2. Good governance enables the Police and Crime Commissioner (PCC) to:

- Deliver on their vision and priorities for policing and crime
- Hold the Chief Constable (CC) to account and performance manage Nottinghamshire Police (Force)
- Hold individuals to account for delivery
- Make decisions in an open transparent way
- Engage with the public and victims of crime to achieve better outcomes
- Provide good stewardship over public funds and achieve value for money

1.3. The PCC and CC have agreed to work together through the principles of trust, openness, professionalism and good will. In addition, the CC is responsible for providing a range of services and information to enable the PCC to discharge their legal responsibilities and deliver against the Police and Crime Plan objectives, targets and actions.

1.4. The PCC as a corporation sole has a statutory duty and electoral mandate to hold the police to account on behalf of the public. The PCC has sworn an oath of impartiality. This oath makes a commitment to serve local people without fear or favour and they set out their public commitment to performing their role with integrity, impartiality and fairness.

1.5. The PCC is the recipient of all funding, including the government grant and precept and other sources of income related to policing, crime reduction and all funding for a police force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the CC and in accordance with any grant terms. The CC will provide professional advice and recommendations.

1.6. The principal activity of the PCC is to be responsible for the totality of policing, including setting strategic direction and holding the CC to account for the delivery of effective and efficient policing. The PCC also has other responsibilities and obligations in respect of the wider criminal justice services, victims' services, equalities and diversity, safeguarding children and community safety.

1.7. The CC as a corporation sole is responsible for maintaining the King's peace and for the direction and control of the Force's police officers and

police staff. The CC is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, and management of resources and expenditure by the Force.

1.8. The principal activity of the CC is the delivery of effective and efficient policing. The CC is responsible for ensuring that the Force is able to deliver its obligations under the strategic policing requirement. The CC has operational independence and is answerable to the Law.

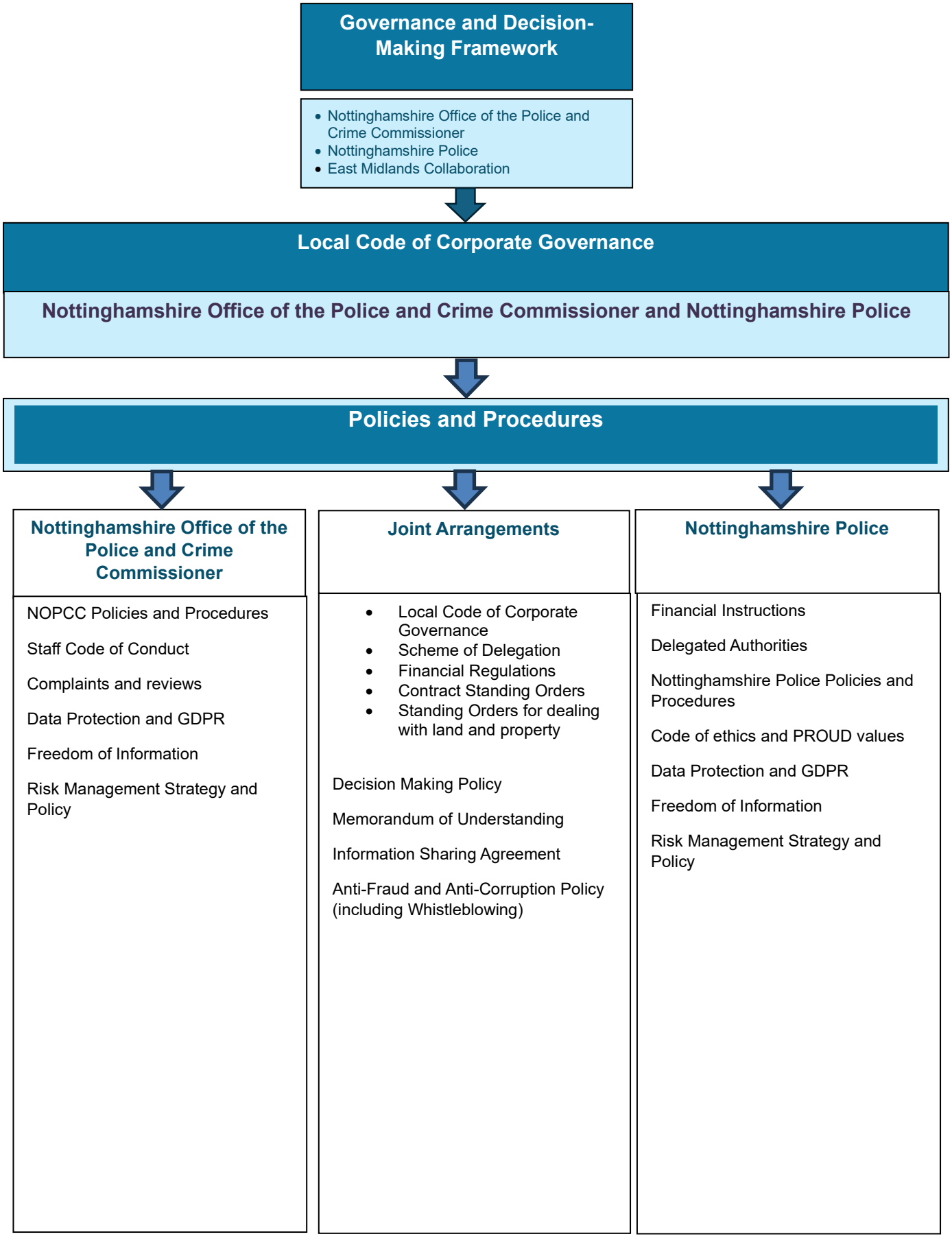
1.9. The purpose of this joint Scheme of Corporate Governance is to set out how the PCC and the CC conduct their organisations, both jointly and separately in accordance with the Statutory Framework, Principles of Good Governance and Governance Framework as contained in the Statement of Corporate Governance, by identifying the key enablers which underpin the seven Good Governance Core Principles[1] set out below, adopted by the PCC and the CC. The framework also sets out how the PCC and CC work together to fulfil their statutory obligations and deliver for their local communities.

1.10. Importantly, it also provides an appropriate level of control and flexibility to enable the CC to make timely, efficient and effective operational decisions.

[1] CIPFA/Solace Delivering Good Governance 2016

2. Framework

2.1. The following diagram provides the framework for the instruments of governance outlined above.



3. The Local Code of Corporate Governance

3.1. The Local Code of Corporate Governance sets out the ways in which the PCC and the CC implement the seven principles of good governance contained within the 2016 Delivering Good Governance Framework: Guidance Notes for Policing Bodies.

3.2. The Act[2] sets out ***the functions of the Police and Crime Commissioner and Chief Constable*** and the protocol[3] sets out how these functions will be undertaken to achieve the outcomes of the police and crime plan and to assist the CC in delivering their role and outlining the expected relationship between them.

Principle One: Behave with integrity, demonstrate strong commitment to ethical values and respect the rule of law

3.3. There is an expectation that the relationship between all parties will be based on the principles of goodwill, professionalism, openness and trust. The Policing Protocol requires all parties to abide by the ***seven principles of public life*** (the 'Nolan Principles') and these are central to the behaviour of everyone.

3.4. The PCC and CC ensure that the good governance principles are embedded in the way organisations operate by adhering to the Financial Management Codes of Practice.

3.5. The PCC and CC are accountable for how much they spend and how they use resources under their stewardship. They have an overarching responsibility to serve the public interest, adhering to legislation and government policies. They must demonstrate the appropriateness of their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

3.6. The Act requires the PCC to have a ***Chief Executive*** and ***Chief Finance Officer***[4]. The Chief Executive will be the head of paid service and undertake the responsibilities of monitoring officer[5].

3.7. The Act requires the CC to appoint a ***Chief Finance Officer***[6]

[2] PRSRA11, s5 – 8,
[3] Policing Protocol Order 2023
[4] PRSRA11 sch 1 p6
[5] Local Government and Housing Act 1989 s5,
[6] PRSRA11 sch 2 p4.

3.8. The ***Financial Management Code of Practice*** and ***Statements of Roles***[7] set out the responsibilities of Chief Finance Officers for both the PCC and the CC, and of the Chief Executive.

3.9. The ***Scheme of Delegation*** highlights the parameters for key roles in the organisations including delegations or consents from the PCC and CC, Financial Regulations and contracts.

3.10. The ***information sharing agreement*** sets out the basis upon which information will be lawfully shared between the two organisations.

3.11. The ***service level agreements*** sets out how the PCC and CC will work in co-operation to ensure the effective and efficient delivery of services throughout Nottinghamshire.

3.12. Operating principles and values are demonstrated, communicated and embedded through appropriate policies and processes which are reviewed on a regular basis, for example:

- Anti-fraud and counter-corruption procedures
- Handling of complaints arrangements
- Whistleblowing policies

3.13. Core values are embedded in the way the PCC and Force operate. Staff are aware of the standards expected of them and the importance of the national Code of Ethics.

Principle Two: Ensure openness and comprehensive stakeholder engagement

3.14. Policing is run for the public good. Activities must be open and transparent. Clear channels of communication and consultation are used to engage effectively with all stakeholders.

3.15. The PCC is accountable to local people and draws on this mandate to set and shape the strategic objectives for the Force area in consultation with the CC, taking into account the strategic policing requirements.

3.16. The PCC and CC have ***arrangements for effective engagement*** with community groups, victims and other key stakeholders. Arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the PCC including the use of website and social media.

3.17. The PCC maintains a strong working relationship with the ***Police and Crime Panel***, constituent local authorities and other relevant partners.

3.18. The ***Decision-Making Policy*** provides the principles and guidance for how decisions will be taken by the PCC and the CC to ensure that decision

[7] Financial Management Code of Practice for the Police, s4, CIPFA Statement on the Role of Chief Finance Officers, APACE Statement on the Role of the Chief Executive

making is informed and transparent, and subject to scrutiny and risk management arrangements.

3.19. The PCCs ***website*** contains the means by which the public may obtain information on decisions made by the PCC, except for decisions constrained by operational and legal constraints exist.

3.20. The PCC's and CC's ***Publication Scheme*** establishes the means by which information relating to decisions will be made available to local people, with those of greater public interest receiving the highest level of prominence, except where operational and legal constraints exist.

3.21. The ***information sharing agreement*** sets out the basis upon which information will be lawfully shared between the two organisations.

Principle Three: Defining outcomes in terms of sustainable economic, social and environmental benefits

3.22. The long-term nature and impact of many of the PCC's and CC's responsibilities mean that they should seek to define and plan outcomes and that these should be sustainable.

3.23. The PCC's 5-year ***Police and Crime Plan*** outlines the PCC's police and crime priorities, objectives, outcomes and strategic direction for the policing of Nottinghamshire.

3.24. The CC's annual ***Force Delivery Plan*** sets out how the CC will deliver the objectives in the Police and Crime Plan.

3.25. The Office of the PCC (OPCC) also sets an annual ***OPCC Delivery Plan*** which sets out how the OPCC will support the objectives in the Police and Crime Plan and support the discharge of the PCC's statutory functions and legal responsibilities of the PCC and their statutory officers.

3.26. These plans have been developed in consultation with the local communities and other key stakeholders.

3.27. ***Collaboration and partnership arrangements*** set out those areas of business to be jointly undertaken with other forces, emergency services or local partner organisations, whether to reduce costs, increase efficiency, capacity or increase capability to protect local people.

3.28. The ***Medium-Term Financial Plan*** is jointly developed and reviewed by the PCC and CC to support delivery of the common goals and objectives. The ***joint Financial Regulations*** ensure proper financial management.

3.29. The PCC has developed a ***Commissioning Framework*** outlining commissioning (and award of grants) intentions and priorities.

3.30. The PCC and CC have in place a range of ***complaints procedures*** to provide clarity over arrangements to respond to the breadth of concerns raised by local people, whether they be allegations of organisational or individual failures/concerns. This is intended to complement other statutory arrangements.

Principle Four: Develop the entity's capacity, including the capability of its leadership and the individuals within it.

3.31. The PCC and Force need appropriate structures, leadership and people with the right skills, qualifications, and mind-set, to operate efficiently and effectively. They must ensure they have the capability to fulfil their mandate and policies in place to guarantee management has the operational capacity for the organisations. They must continually develop capacity and respond to change over time. Leadership is strengthened by the participation of people from different backgrounds, reflecting the structure and diversity of the community.

3.32. The Your Force, Your People Strategy sets out the strategic HR priorities for the OPCC and the Force. It also supports and aligns with the strategies of collaborative partners.

3.33. ***Strategic Workforce Plan*** ensures that staff have the appropriate skills knowledge, resources and support to fulfill their roles.

The ***memorandum of understanding*** sets out how the PCC and CC will work in co-operation to ensure the effective and efficient delivery of services throughout Nottinghamshire.

Principle Five: Manage risks and performance through robust internal control and strong public financial management

3.34. Public bodies must ensure the organisations and governance structures they oversee have implemented, and can sustain, effective performance management systems to facilitate effective and efficient delivery. Risk management, business continuity and internal control are integral parts of a performance management system. Strong financial management systems are essential for implementation of policies and achievement of intended outcomes, enforcing financial disciplines, strategic resource allocation, efficient service delivery and accountability. Public bodies spend money raised from taxpayers and they are entitled to expect high standards of control and oversight of performance.

3.35. The PCC's and CC's ***Decision-Making Policy*** sets out the principles behind how decisions will be taken to ensure an informed and transparent approach.

3.36. The ***National Decision Model*** [8]will be applied towards spontaneous incidents or planned operations, by officers and staff within the Force as individuals or teams and to both operational and non-operational situations.

3.37. The ***Joint Corporate Governance Framework*** highlights the parameters for decision making for the organisations, including the delegations, consents, financial limits and standing orders for contracts.

3.38. The PCC's and Force's ***Risk Management Strategy and Policy*** set out how risk is managed throughout the various elements of corporate governance of the organisations.

3.39. A ***Joint Independent Audit Committee*** operates in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and within the guidance of the Financial Management Code of Practice[9].

Principle Six: Determine the interventions necessary to optimise the achievement of the intended outcomes

3.40. The PCC and Force achieve intended outcomes through a mixture of legal, regulatory and practical interventions. Determining the right mix is important and they need robust decision-making mechanisms to ensure outcomes are achieved in a way that provides the best trade-off between resource inputs and effective and efficient delivery. Decisions must be reviewed continually to ensure achievement of outcomes is optimised. Policy implementation usually involves choice about approach, objectives, priorities and incidence of costs and benefits. The PCC and CC must ensure access to appropriate skills and techniques.

3.41. The ***National Decision Model*** is applied to spontaneous incidents or planned operations, by officers and staff within the Force as individuals or teams, and to both operational and non-operational situations. These are applied in the context of the Force ***Values***.

3.42. The PCC's ***Police and Crime Plan*** outlines the police and crime objectives (outcomes) and the strategic direction for the policing and supporting services of the Force area.

3.43. The ***Commissioning Framework*** ensures the right interventions are used to achieve the intended outcomes set out in the Police and Crime Plan.

3.44. The PCC and the CC maintain a ***Medium-Term Financial Plan*** which forms the basis of annual budgets and provides a framework for evaluating future proposals.

[8] National Decision Model (NDM) for the Police Service, College of Policing

[9] Financial Management Code of Practice for the Police, s11.1.3

3.45. Analysis and evaluation of plans are undertaken in relation to service outcomes and benefits' realisation.

3.46. Processes are in place to monitor efficiency and value for money.

3.47. Officers, police support staff and staff of the OPCC operate within:
- OPCC or Force policies and procedures
- The Joint Code of Corporate Governance
- Code of Ethics (College of Policing, 2024).

Principle Seven: Implementing good practices in transparency, reporting and audit to deliver effective accountability

3.48. Accountability ensures those making decisions and delivering services are answerable for them. Effective accountability reports on actions completed and ensures stakeholders can understand responses as the organisations plan and carry out activities in a transparent manner. External and internal audit contribute to effective accountability. Both organisations will be as open as possible about all their decisions, actions, plans, resource use, forecasts, outputs, and outcomes.

3.49. The PCC and CC's functions are set out in the Police Reform and Social Responsibility Act 2011. The functions are undertaken in line with the Policing Protocol Order 2023 in order to achieve the outcomes of the police and crime plan.

3.50. The protocol[10] highlights that the PCC is **accountable to local *people*** and draws on this mandate to set and shape the strategic objectives for the Force area in consultation with the CC.

3.51. The ***Police and Crime Plan*** sets out what the strategic direction and priorities are and how they will be delivered.

3.52. To complement this the ***communication and community engagement arrangements and arrangements*** set out how local people will be involved with the PCC and the CC to ensure they are part of decision making, accountability and future direction.

3.53. The PCC and CC have developed arrangements for effective engagement with key ***stakeholders***, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction.

3.54. As required by the 2011 Act, the PCC has appointed a ***Chief Executive*** who acts as head of paid service and undertakes the responsibilities of monitoring officer.

[10] Policing Protocol Order 2023, art14

3.55. Also as required by the 2011 Act, both the PCC and the CC have appointed ***Chief Finance Officers***. The responsibilities of the Chief Finance Officers for both the PCC and the CC are clearly set out in line with the Financial Management Codes of Practice.

3.56. A ***Joint Independent Audit Committee*** operates in line with the CIPFA guidance and in accordance with the Financial Management Code of Practice.

3.57. A programme of ***Internal Audit*** (annual internal audit plan) is commissioned by the PCC and CC and undertaken which reflects published guidance on standards. The primary role of Internal Audit is to give assurance to the PCC and CC on the effectiveness of internal controls and arrangements for risk management and good governance. Following consideration of internal audit reports by the PCC and CC, the Internal Auditors will report to the Joint Independent Audit Committee on a quarterly basis, highlighting any major control weaknesses identified.

Annual Governance Statement (AGS)

3.58. This framework enables the development of local arrangements. Below each of the above mechanisms, the PCC and CC will build behaviours and outcomes that will demonstrate, through the Annual Governance Review and from there into the Annual Governance Statement, good governance in practice (see section on **Arrangements for the Review of Governance**). The AGS will outline the evidence of local arrangements.

The Police and Crime Panel

3.59. The Police and Crime Panel is responsible for reviewing, scrutinising and supporting the PCC's exercise of their statutory functions. The Panel does not scrutinise the CC; this is the role of the PCC. While the Panel is there to scrutinise the PCC, it must also exercise its functions – for example, reviewing the proposals for the amount of council tax, considering the Annual Report and appointment of a new CC and investigating complaints about the PCC.

External Audit

3.60. The External Auditors audit the PCC's and CC's financial statements, Annual Governance Statement and performance management arrangements. The External Auditor's plans and reports, including the Annual Audit Letter, will be considered by the PCC and CC and reviewed by the Joint Independent Audit Committee at appropriate times in the annual cycle of meetings.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)

3.61. The role of HMICFRS is to promote the efficiency and effectiveness of policing and Fire & Rescue Services in England, Wales and Northern Ireland, through the inspection of organisations and functions to ensure agreed standards are achieved and maintained, good practice is spread and performance is improved. It also provides advice and support to the Home Secretary, PCCs and forces.

3.62. HMICFRS reports are sent to the CC and PCC for consideration and appropriate action. The PCC also prepares and publishes comments on any of the HMICFRS's published reports under section 55(5) of the 1996 Police Act (as amended).

Independent Office for Police Conduct (IOPC)

3.63. The IOPC oversees the police complaints system in England and Wales. It is independent, making its decisions entirely independently of the police, government and complainants. There are opportunities to build in the lessons learned through complaints and subsequent reviews into improved policing policies and working practices for the PCC and the CC.

4. Roles and Responsibilities

Key Role of the Police and Crime Commissioner

4.1. The PCC is the legal contracting body who owns all the assets and liabilities, and with responsibility for the financial administration of their office and the Police Fund, including all borrowing.

4.2. The PCC will receive all funding, including the government grant and precept, and other sources of income, related to policing and crime reduction. By law, all funding for the Force must come via the PCC. How this money is allocated is for the PCC to decide in consultation with the CC, or in accordance with any grant terms.

4.3. The Police and Crime Panel is a check and balance on the PCC through reviewing or scrutinising their decisions, but not those of the CC.

4.4. The PCC is responsible for handling complaints and conduct matters in relation to the CC and staff of the Office of the PCC, and monitoring complaints against officers and staff of the Force. The PCC is the appropriate authority to undertake reviews in relation to certain complaints recorded by the Force in accordance with the Policing and Crime Act 2017.

Key Role of the Chief Constable

4.5. The CC is responsible for maintaining the King's Peace and has direction and control over the Force's officers and staff for the delivery of operational policing services. The CC holds office under the Crown but is appointed by the PCC. They are a separate corporation sole.

4.6. As a separate corporation sole, the CC may operate independently in specific areas. The CC is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing and management of resources and expenditure by the Force. At all times the CC, their constables and staff, remain operationally independent in the service of the communities they serve.

4.7. The CC is responsible for handling all complaints and conduct matters relating to officers and staff under their direction and control. Both organisations are responsible for complying with the legitimate requirements of the Independent Office for Police Conduct.

Key role of the Chief Executive

4.8. There are two roles that the PCC must appoint, the Chief Executive (CX) and the Chief Finance Officer (CFO), and these roles cannot be combined.

4.9. The CX is the most senior officer of the OPCC and is, in law, the Head of Paid Service[11]. The CX is also designated in law as the body's Monitoring

[11] Schedule 1 to the Police Reform and Social Responsibility Act 2011

Officer with responsibility for ensuring the legality of the actions of the policing body and its officers[12].

4.10. The CX will work with the PCC to deliver the Police and Crime Plan's vision, strategy and identified priorities.

4.11. As Head of Paid Service, the CX will make sure that Nottinghamshire's Office of the Police and Crime Commissioner (NOPCC) is led effectively through ongoing management and public involvement. It is for the CX to determine:

a) the manner in which the discharge of the PCC's functions is co-ordinated;

b) the number and grades of staff required; and

c) the organisation, appointment and proper management of staff[13].

4.12. As the Monitoring Officer, the CX is under a personal legal duty to report to the PCC and, ultimately, to the Police and Crime Panel if it appears that any proposal, decision or omission constitutes, has given rise to, or is likely to constitute a contravention of any enactment or rule of law.

4.13. The CX will also help make sure that the Force's activities are appropriately governed and scrutinised.

4.14. The PCC has a legal duty to give the CX the staff, accommodation and other resources which are needed so that they can carry out their duties.

Key role of the CFOs

4.15. The statutory duties of both CFOs are largely identical in nature, although their responsibilities are linked to separate corporations sole. The two CFOs should operate effectively and without conflict, to reflect the legal and financial implications of having the two connected corporations sole. Both CFOs have a fiduciary duty to the local taxpayer as both have a responsibility for securing the efficient use of public funds. This implies public reporting responsibilities in certain circumstances for both CFOs. However, given that the PCC has the statutory responsibility for the Police Fund, the CFO of the PCC will have responsibility for all statutory reports relating to the adequacy of the overall resource envelope available to meet Force expenditure. There is a reciprocal fiduciary duty on both CFOs to

[12] section 5(1) of the Local Government and Housing Act 1989 (as amended by Reform and Social Responsibility Act 2011)

[13] section 4(2) of the Local Government and Housing Act 1989 (as amended by Reform and Social Responsibility Act 2011)

support the other in the execution of their duties in relation to policing matters.

4.16. If either of the CFOs intends to exercise their statutory powers under section 114 of the 1988 Act, they should inform the other (as well as the CX) as soon as possible.

4.17. The PCC's CFO is the financial advisor to the PCC and has statutory responsibilities[14]. They must ensure that the financial affairs of the PCC are properly administered having regard to probity, legality and relevant standards.

4.18. The Financial Regulations set out the responsibilities of the CFO.

4.19. The CFO must:

- be a key member of the PCC's Senior Leadership Team, working closely with, and supporting, the CX;
- be actively involved in, and able to bring influence to bear on, all strategic business decisions of the PCC;
- lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately; and
- ensure that the Finance function is fit for purpose.

4.20. The CC must appoint a person to be responsible for the proper administration of the Force's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office. There is a statutory responsibility for the post holder to manage the Force's financial affairs[15].

4.21. The CC's CFO is also the CC's nominated s151 officer.

4.22. The detailed financial management responsibilities of the CC's CFO are set out in the Financial Regulations.

[14] Section 151 of the Local Government Act 1972, sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2011

[15] sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003(as amended)

5. Scheme of Delegation

5.1. This section provides a framework which ensures the business is carried out efficiently, ensuring that decisions are not unnecessarily delayed. It forms part of the overall Joint Corporate Governance Framework of the two organisations. It should be read in the context of the previous sections.

5.2. This Scheme sets out the delegations by the Police and Crime Commissioner (PCC) to the Chief Executive (CX) and other specified members of their staff and Police staff. It also sets out the delegations by the Chief Constable (CC) to specified officers and staff.

5.3. The 'Statutory Officers' are the CX (who is also the Monitoring Officer), CC, Deputy Chief Constable, and the two Chief Finance Officers (CFOs). This Scheme of Delegation aims to clarify those powers which, for the benefit of good business practice, are given to the statutory officers. The PCC **may limit these powers and/or withdraw delegation**, as may the CC in relation to their delegations. Similarly, any sub-delegations by Statutory Officers may be limited or withdrawn by those Statutory Officers.

5.4. Powers are given to the CC by laws, orders, rules or regulations. Also, national conditions of employment give powers to the PCC, the CC and, in the case of police regulations, the Secretary of State for the Home Office.

5.5. The powers given to officers and staff should be exercised in line with these delegations, the law, Financial Regulations, and also policies, procedures, plans, strategies and budgets.

5.6. Whilst the CC has the statutory power to enter into contracts for goods and services with the consent of the PCC, in order to simplify systems of internal control, contracts will be issued in the name of the PCC. Consequently, no consent framework is required. This does not preclude the PCC from providing consent to the CC to enter into contracts for goods and services on a case-by-case basis, but such consent must be evidenced in writing.

5.7. This Scheme of Delegation does not identify all the statutory duties which are contained in specific laws and regulations.

5.8. The PCC may impose reporting arrangements on any authorised powers.

5.9. **General principles of delegation**

5.9.1. **The PCC and CC expect anyone proposing to exercise a delegation or an authorisation under this Scheme to draw to the attention of the PCC any decision which is likely to be regarded by the PCC as novel, contentious, repercussive or likely to be politically sensitive before exercising such powers.** This includes any decision which may attract high public and media interest, decisions that could lead to reputational

damage and potential loss of public confidence and actions that conflict with the priorities as set out in the PCC's Police and Crime Plan.

5.9.2. The PCC is ultimately accountable for the Police Fund. Before any financial or legal liability affecting the Police Fund that the PCC might reasonably regard as novel, contentious, repercussive or politically sensitive is incurred, prior written approval must be obtained from the PCC.

5.9.3. The PCC must not restrict the operational independence of the Force and the CC who leads it[16]. In exercising their functions, the CC must have regard to the Police and Crime Plan issued by the PCC[17].

5.9.4. To enable the PCC to exercise the functions of their office effectively they will need access to information, and officers and staff within their Force area. This access must not be unreasonably withheld or obstructed by the CC or restrict the CC's direction and control of the Force[18].

5.9.5. The PCC has wider responsibilities than those solely relating to the police force, and these are referred to elsewhere in the Joint Corporate Governance Framework.

5.9.6. Delegations are set out in this Scheme. The PCC and CC may require at any time that a specific matter is referred to them for a decision and not dealt with under powers of delegation.

5.9.7. Delegations may only be exercised subject to:

a) compliance with the Joint Corporate Governance Framework.
b) provision for any relevant expenditure being included in the approved budget.

5.9.8. These arrangements delegate powers and duties within broad functional descriptions and include powers and duties under all legislation present and future within those descriptions and all powers and duties incidental to that legislation. The scheme does not attempt to list all matters which form part of everyday management responsibilities.

5.9.9. Giving delegation under this Scheme does not prevent an officer or member of staff from referring the matter to the PCC or CC for a decision or guidance if the officer or member of staff thinks this is appropriate (for example, because of sensitive issues or any matter which may have a significant financial implication).

5.9.10. When a statutory officer is considering a matter that also falls within another statutory officer's area of responsibility, they should consult the

[16] Policing Protocol Order 2023, art18
[17] PRSRA11 s8(2)
[18] PRSRA11 ss2(5) and 36

other statutory officer before authorising the action (see Decision Making, below).

5.9.11. All decisions statutory officers make under powers given to them by the PCC or CC must be recorded and published in accordance with the Decision-Making principles.

5.9.12. In this document, references made to the statutory officers include officers authorised by them to act on their behalf.

5.9.13. The statutory officers are responsible for making sure that members of staff they supervise know about the provisions and obligations of the Joint Corporate Governance Framework.

5.9.14. The persons appointed as the CX (who is also the Monitoring Officer) and the CFOs have statutory powers and duties relating to their positions, and therefore do not rely on matters being delegated to them to carry these out.

5.9.15. The Scheme of Delegation provides a member of staff with the legal power to carry out functions of the PCC and CC. In carrying out these functions the member of staff must comply with all other statutory and regulatory requirements and relevant professional guidance including:

- Police Reform and Social Responsibility Act 2011 as amended and other relevant legislation issued under the Act.
- Policing Protocol Order 2023
- Financial Regulations
- Financial Management Code of Practice
- CIPFA Statement on the role of the Chief Finance Officer in public service organisations
- APACCE Statement on the role of the Chief Executive
- Contract Regulations
- Public Procurement Regulations
- The PCC's Joint Corporate Governance Framework
- The PCC's and Force's employment policies and procedures.
- The Data Protection Act 2018, General Data Protection Regulations and the Freedom of Information Act 2000 as amended
- Health and safety at work legislation and codes.

This list is not exhaustive.

5.9.16. When carrying out any functions, the PCC, CC and staff must have regard to the following:

- the views of the people in their policing area
- any report or recommendation made by the Police and Crime Panel on the annual report for the previous financial year.
- the Police and Crime Plan and any guidance issued by the Secretary of State.

This list is not exhaustive.

5.9.17. The Scheme allows any person with appropriate authority to delegate that power further (subject to any statutory limitations) but before doing so they must inform the PCC and comply with any limitation, conditions or prohibition issued by the PCC and notification of any sub-delegation shall be given to the CX.

5.9.18. These arrangements do not delegate any matter which by law cannot be delegated to a member of staff nor do they affect the constitutional relationship between the PCC and the CC.

5.9.19. The PCC may ask that a specific matter is referred to them for a decision and not dealt with under powers of delegation.

5.9.20. The PCC must be advised of any policing and crime matter which may have a significant impact, as defined within the decision-making policy in this document.

5.9.21. There are certain matters that need prior approval of the PCC, or consultation by the Force with the PCC that are specified within this JCGF - e.g. approval is required from the PCC where the Force is providing mutual aid for international assistance etc.

5.9.22. The Scheme does not prevent an individual from referring a matter to the PCC for a decision if the individual thinks this is appropriate. For example, these may be due to their novel, contentious nature or may be potentially repercussive.

5.9.23. The CC will notify and brief the PCC of any matter or investigation relating to the delivery of the Police and Crime Plan on which he/she may need to provide public assurance either alone or with the PCC (all PCCs will be designated as Crown Servants under the Official Secrets Act 1989, making them subject to the same provisions in relation to sensitive material as Government Ministers).

Delegations by the Police and Crime Commissioner

5.10. Functions delegated to the Chief Executive of the Office of the PCC

5.10.1. The CX is the Head of Paid Service and the Monitoring Officer of the PCC. The formal delegations, listed below, are those given to the CX.

5.10.2. In their absence, the PCC delegates to the CX all of his functions, except those prohibited by law[19], unless otherwise agreed.

[19] s18(3)(d) and (7) PRSRA11

5.10.3. In the event of a significant conflict of interest arising which would preclude the PCC from exercising a function, that PCC delegates to the CX the exercise of any functions, except those prohibited by law[15].

General

5.10.4. Take day-to-day action to ensure the efficient and effective management of Nottinghamshire's Office of the PCC (NOPCC).

5.10.5. Ensure the discharge of the PCC's functions, with the exception of those matters identified in the Scheme that cannot be delegated by law, giving effect to the decisions and direction of the PCC.

5.10.6. Prepare the Police and Crime Plan, consulting with the CC, for submission to the PCC.

5.10.7. Prepare an Annual Report for submission to the PCC for the PCC to fulfil his statutory duty to report annually on progress against the Police and Crime Plan to the Police and Crime Panel.

5.10.8. Provide information to the Police and Crime Panel as lawfully and reasonably required to enable the Panel to carry out its functions.

5.10.9. To respond to consultations on proposals affecting the PCC.

5.10.10. To ensure that appropriate arrangements are in place to gather community's views on policing and crime in Nottinghamshire.

5.10.11. To oversee the way that complaints against officers and staff within the Force are managed so this is efficient and effective and to advise the PCC on this basis.

5.10.12. At the request of the CC, to exercise the power of the PCC under the Police (Property) Regulations 1997 to approve the keeping of unclaimed property if it can be used for police purposes. An annual report on this matter will be prepared for the CE and PCCs CFO by the CC CFO.

5.10.13. To be the Senior Information Risk Owner and carry out all functions and responsibilities of the Data Controller specified in the Data Protection Act 2018; Freedom of Information Act and to ensure compliance with the Elected Local Policing Bodies (Specified Information) Order 2011, as amended.

5.10.14. To discharge functions and responsibilities in respect of Police Appeal Tribunals.

5.10.15. To discharge functions and responsibilities in respect of police Complaint Reviews.

Staff employed by the Police and Crime Commissioner

5.10.16. To appoint and dismiss all staff and volunteers engaged by the PCC with the exception of the Deputy PCC where appointed.

5.10.17. To make recommendations to the PCC with regard to staff terms and conditions of service in respect of the PCC's staff.

5.10.18. To undertake the management of staff employed by the PCC in line with agreed policies and procedures.

5.10.19. To authorise, in line with staff conditions of service, the suspension of any member of staff employed by the PCC.

5.10.20. To bring national agreements on salaries, wages and conditions into effect, providing that any issues which are sensitive or have major financial implications will be referred to the PCC for a decision.

5.10.21. To approve payments under any bonus or performance-related payment schemes for staff approved by the PCC, honoraria payments made for taking on extra duties and responsibilities, or similar special payments.

5.10.22. To negotiate with, and reach agreements with, recognised trade unions and staff associations on any matters that can be decided locally. All agreements reached must be reported to the PCC.

5.10.23. To grant essential or casual car-user allowances.

5.10.24. To issue exemption certificates to staff whose posts would otherwise be politically restricted under the Local Government and Housing Act 1989.

5.10.25. To approve the retirement of staff on the grounds of ill health, and the payment of ordinary and ill-health pensions and other payments, as appropriate, following advice from a medical practitioner. All ill-health retirements must be reported to the PCC before implementation.

5.10.26. Settlement of employment tribunal cases and grievances of staff employed by the PCC with the exception of those cases felt to be exceptional because:

- they involve a high-profile claimant;
- there is a particular public interest in the case; or
- there is a real risk that the PCC or CC will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed.

5.10.27. To settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.

5.10.28. To exercise the PCC's discretions under the Local Government Pension Scheme in relation to staff employed by the PCC, in consultation with the PCC's CFO and in line with agreed policies.

5.10.29. To approve requests from staff employed by the PCC to undertake additional outside work.

5.10.30. To administer the Independent Custody Visitors (ICV) Scheme and any other volunteer schemes including the appointment, suspension and removal of custody visitors and other volunteers.

Legal

To obtain legal or other expert advice in matters pertaining to the NOPCC.

5.10.31. To approve the financial settlement of all claims or requests for compensation against the PCC in accordance with Financial Regulations and against the CC in accordance with paragraph 8 of Schedule 2 Police Reform and Social Responsibility Act 2011 and section 88 of the Police Act 1996.

5.10.32. To approve all requests for financial assistance to officers and staff involved in legal proceedings or inquests except those felt to be significant because:

- they involve a high-profile claimant;
- there is a particular public interest in the case;
- there is a real risk that the PCC or CC will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed; or
- the proceedings are by their nature considered to be a test case before the court.

5.10.33. To authorise, the institution, defence, withdrawal or settlement of any claims or legal proceedings on the PCC's behalf, including the completion of necessary documentation in pursuance of court orders, directions and or procedural rules, in consultation with the legal adviser (and PCC's CFO if there are significant financial implications).

5.10.34. To arrange for the provision of all legal or other expert advice and/or representation required for and on behalf of the PCC, providing regular reports to the PCC to demonstrate compliance and good governance.

5.10.35. To consider, any complaint made against the CC, and where appropriate, refer the matter to the Independent Office for Police Conduct (IOPC).

5.10.36. To consider whether, in consultation with the PCC's CFO, to provide indemnity to the PCC or CC, and to deal with or make provision to deal with other matters arising from any proceedings relating to them.

5.10.37. To consider and approve, in consultation with the PCC's CFO, provision of indemnity and/or insurance to individual staff of the PCC.

5.10.38. To make recommendations to the PCC on police pension forfeiture in accordance with the policy.

Financial

5.10.39. To make financial and contractual decisions as outlined in the Financial Regulations and Contract Standing Orders.

5.10.40. To manage the budget of the PCC's office, along with the PCC's CFO, particularly to:

- order goods and services and other items provided for in the revenue budget; and
- ask for and accept quotations and tenders for goods and services provided for in the revenue budget.

5.10.41. To affix the common seal of the Nottinghamshire PCC to all contracts, where any of the following applies:

- Agreements or transactions in respect of which there is no consideration;
- That relate to the provision of goods and services by the PCC to another body;
- That are equal to the upper EU Public Procurement Threshold or above in value over the life of the contract;
- Which grant or convey an interest in land;
- Which are grants that are £100,000 or above;
- When it is determined by the PCC that there is a particular need for the seal to be attached;
- Where any of the contracting parties require it.

5.10.42. To sign contracts, leases and make other urgent financial decisions in accordance with Financial Regulations and Contract Standing Orders.

5.10.43. In the absence or unavailability of the PCC's CFO, to make other urgent financial decisions, in consultation with the OPCCs DCFO or the CCs CFO

5.10.44. To approve exceptional cases in the provision of police advice and assistance to international agencies, because the full cost is £10,000 or

more (including air flights, accommodation and salary costs of the police officer of member of staff); and it is a sensitive case involving travel to a politically sensitive country.

5.10.45. To order goods and services and spend on tenders for goods and services provided for in the revenue budget.

5.10.46. To ask for and accept quotations and tenders for goods and services provided for in the revenue budget.

5.10.47. To lead on risk management on behalf of the PCC, supported by the Governance and Compliance Manager

5.11. **Functions delegated to the Chief Finance Officer of the PCC**

5.11.1. To ensure that the financial affairs of the Group are properly administered having regard to probity, legality, Financial Regulations and appropriate standards.

5.11.2. To undertake financial management of the PCCs budget in accordance with the Financial Regulations.

5.11.3. To approve arrangements for securing and preparing the Group Accounts, including preparation of the Annual Governance Statement (AGS)

5.11.4. To commit expenditure within the approved budget to meet the policies and objectives agreed with the PCC and reflected in the Police and Crime Plan.

5.11.5. To manage grants awarded to the PCC.

5.11.6. To prepare, from time to time, draft financial and contract regulations, in consultation with, and having due regard to the view of the Force, for approval by the PCC.

5.11.7. To act as the money laundering officer under the Proceeds of Crime Act 2002, and Money Laundering Regulations 2003 or other appropriate legislation from time to time in force.

5.11.8. To make financial and contractual decisions as outlined in the Financial Regulations and Contract Standing Orders.

5.11.9. To sign all contracts on behalf of the PCC in accordance with the delegated limits specified in the Contract Standing Orders within this Scheme.

5.11.10. In the absence or unavailability of the CX, to affix the common seal of the Nottinghamshire PCC to all contracts, where any of the following applies:

- Agreements or transactions in respect of which there is no consideration;
- That relate to the provision of goods and services by the PCC to another body;
- That are equal to the upper EU Public Procurement Threshold or above in value over the life of the contract;
- Which grant or convey an interest in land;
- Which are grants that are £100,000 or above;
- When it is determined by the PCC that there is a particular need for the seal to be attached;
- Where any of the contracting parties require it.

5.11.11. To consider, in consultation with the CX whether to provide indemnity to the PCC and to deal with or make provision to deal with other matters arising from any proceedings relating to them.

5.11.12. To consider and approve, in consultation with the CX provision of indemnity and/or insurance to individual staff of the PCC in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004.

5.11.13. To ensure compliance with the responsibilities of the PCC as the Pension Supervising Authority for the CC's Pension.

5.12. **Urgent Matters**

5.12.1. If any matters would normally be referred to either the PCC (or Deputy PCC) for a decision and cannot be delayed, the matter may be decided by the appropriate statutory officer. The statutory officers are the PCCs CX and CFO. Urgent decisions taken must be reported to the PCC within 24 hours or as soon as practically possible. In those circumstances the Deputy Monitoring Officer will be acting as Monitoring Officer and will provide advice accordingly before a decision is taken, and the Deputy Chief Finance Officer will be acting as CFO.

Delegations by the Chief Constable

5.13. **Functions delegated to the Deputy Chief Constable**

5.13.1. The Deputy Chief Constable (DCC) may exercise or perform any or all of the functions of the CC of the Force during any period when the CC is unable to exercise functions, or otherwise with the consent of the CC.

5.13.2. The setting of the organisational and operational strategy for the Force, with regard to wider plans and objectives such as the Police and Crime Plan and Strategic Policing Requirement, in order to provide an effective and efficient policing service that meets current and future policing demands.

5.13.3. Support and maintain the mutually productive strategic relationship with the Police and Crime Commissioner and the Office of the PCC, whilst maintaining the principle of the Chief Constables' operational independence.

5.13.4. Support the Chief Constable to lead the Force, embedding the organisational culture and promoting values and ethics, holding responsibility for adherence to professional standards to enable an effective and professional service.

5.13.5. Lead the implementation of the Force Delivery Plan, ensuring that performance is monitored and evaluated with findings utilised to drive improvements in service delivery and the achievement of Force objectives.

5.13.6. Support the Chief Constable to lead, inspire and engage the Chief Officer team; setting and role modelling approaches to a workforce culture that promotes wellbeing, facilitates impactful professional development and performance management to create empowered teams that effectively enable the achievement of the Force vision and goals.

5.13.7. Develop guidance and provide strategic direction on identifying and managing threat, risk and harm within the policing area and in the Force's policing responses in order to protect the public and develop operational strategies.

5.13.8. Fulfil the authorising responsibilities of a Deputy Chief Constable, holding responsibility for compliance in order to protect the public and ensure effective policing responses.

5.13.9. Lead and command the operational policing responses on occasion, in the most high risk and high profile instances in order to protect the public and ensure an appropriate and effective response.

5.13.10. Develop and maintain a meaningful operational performance framework and governance structure, in line with Force strategy, in order to hold the senior leadership of the organisation to account for operational delivery and

outcomes in order to enable effective law enforcement and public protection.

5.13.11. Support the financial management of the Force, driving efficiency and productivity within the budget framework to maximise the use of resources, ensure the effective use of public spending and maximise value for money.

5.13.12. Develop and maintain strategic relationships with local, regional and national partners, effectively influencing and collaborating to enable the achievement of the Force objectives and develop public confidence in policing.

5.13.13. Represent the Force at a local, regional and national level to the public, media and other external stakeholders to support the Chief Constable to improve visibility, connect with the public and build confidence in policing.

5.13.14. Embed a culture of organisational development, change and innovation, ensuring enhanced productivity, value for money and continuous improvement in evidence based policing.

5.13.15. Develop national thinking, policy and guidance within an area of specialism to enable the continuous improvement of effective policing practice.

5.13.16. To appoint and dismiss staff employed by the CC.

5.13.17. To undertake the management of staff employed by the CC in line with agreed policies and procedures.

5.13.18. To approve the appointment or secondment of police officers for central services or overseas duty.

5.13.19. To be the appropriate authority for complaint and professional standards matters.

5.13.20. To lead on risk management on behalf of the CC.

5.13.21. To be the Senior Information Risk Owner and carry out all functions and responsibilities of the Data Controller specified in the Data Protection Act 2018; Freedom of Information Act and to ensure compliance with the Elected Local Policing Bodies (Specified Information) Order 2011, as amended.

5.13.22. To deal with all matters in respect of land or buildings and structures thereon.

5.13.23. To be the Health and Safety Executive Duty Holder in respect of Asbestos, Legionella and Gas regulations.

5.14. **Functions delegated to the Chief Finance Officer of the Chief Constable**

5.14.1. To ensure that the financial affairs of the Force are properly administered having regard to probity, legality, Financial Regulations and appropriate standards, noting that the CFO to the PCC also acts as the money laundering officer under the Proceeds of Crime Act 2002, and Money Laundering Regulations 2003 or other appropriate legislation from time to time in force.

5.14.2. To consider and approve, in consultation with the DCC provision of indemnity and/or insurance to individual staff of the CC in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004

5.14.3. To plan the Force's budget in conjunction with the PCC's CFO.

5.14.4. To approve arrangements for securing and preparing the financial accounts for the Force, including preparation of the Annual Governance Statement (AGS)

5.14.5. To be responsible for the day-to-day management of the budget delegated to the Force in accordance with Financial Regulations.

5.14.6. To approve all agreements for the provision of non-policing services to other organisations within the Force area in line with the Financial Regulations. However, these are subject to consultation with the PCC. This does not apply to provisions of mutual aid by the CC to another force under section 24 of the Police Act 1996, or the provision of advice of assistance to international organisations under the Police Act 1996, which are operational matters. .

5.14.7. To undertake financial management of the CC delegated budget in accordance with the Financial Regulations.

5.15. Functions delegated to the Head of Legal Services

5.15.1. To authorise the institution, defence and/or withdrawal of legal proceedings on the CC's behalf, including the completion of necessary documentation in pursuance of court orders, directions and or procedural rules, in consultation with the CC's CFO if there are significant financial implications.

5.15.2. Settlement of employment tribunal cases and grievances of officers and staff employed by the CC, and of claims for unlawful conduct of constables under his direction and control in the purported performance of their functions, after consultation with the DCC and CX, with the exception of those cases felt to be exceptional because:

- they involve a high-profile claimant;
- there is a particular public interest in the case; or
- there is a real risk that the PCC or CC will be exposed to serious public criticism or serious weaknesses in the organisation or policies

and procedures will be revealed.

5.15.3. To settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.

5.15.4. To arrange for the provision of all legal or other expert advice and/or representation required for and on behalf of the CC and provide an annual report to the PCC and CC on all legal action taken, to demonstrate compliance and good governance.

5.15.5. Where legal services are provided to the PCC in accordance with section 2(5) of the Police Reform and Social Responsibility Act 2011 the matter or transaction will require specific authorisation by the PCC. The settlement of claims shall be subject to paragraph 8 Schedule 2 of the Police Reform and Social Responsibility Act 2011.

Arrangements for the Review of Governance

6. The following arrangements are in place to review the effectiveness of Governance:

Self-assessment

6.1. Using the framework of the seven principles of Good Governance, the PCC and CC will regularly test the structure of governance by carrying out a thorough and wide-ranging self-assessment which will inform the Annual Governance Statement. From time to time the PCC and CC will commission internal audit to commission an independent review of the different aspects of governance, such as risk management, commissioning, decision making and core financial controls.

Annual Governance Review and Annual Governance Statement

6.2. An Annual Governance Review (AGR) will involve service managers considering and reporting on how the services they manage adhere to this Joint Corporate Governance Framework in order to provide assurance of their compliance with the Local Code. The Annual Governance Statement (AGS) will be the output of this AGR.

6.3. As separate corporations sole, both the PCC and the CC are required to produce AGSs, in order to provide assurance of their respective compliance with the Local Code. The Joint Independent Audit Committee will review the draft AGS each year. This will be finalised and published with the Annual Statement of Accounts, which has to be published by the 30 September each year.

6.4. The PCC's AGS will include reference to action to rectify any significant areas of weakness in corporate governance that will form a Governance

Action Plan. Within the Annual Statement of Accounts, the PCC's AGS and Group Accounts will be signed by the PCC and the CX. The CC's accounts will be signed by the CC and the CC's CFO.

JOINT CORPORATE GOVERNANCE FRAMEWORK

FINANCIAL REGULATIONS

June 2025

IMPLEMENTED: 2012

REVIEW DATE: July 2025

PROCEDURE OWNER: Nottinghamshire OPCC

APPROVED BY: PCC

PROTECTIVE MARKING: Not Protectively Marked

Is this framework: New ☐ Revised ☒

Version No	Date	Summary of Changes	Author
1.0	November 2018	Full review	Chief Executive
2.0	November 2019	Full review of Financial regulations and supporting standing orders	PCC CFO
3.0	July 2022	Amendments to CC & PCC CFOs following OPCC Roles & Responsibilities review	Temporary Joint CFO
4.0	June 2025	Amendments to CC & PCC CFOs as part of the JCGF template implementation	CFOs

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11. Introduction and Background

The purpose of this joint Corporate Governance Framework is to set out how the Commissioner and the Chief Constable conduct their organisations, both jointly and separately in accordance with the Statutory Framework, Principles of Good Governance and Governance Framework as contained in the Statement of Corporate Governance, by identifying the key enablers which underpin the seven Good Governance Core Principles as adopted by the Commissioner and the Chief Constable.

The detail of how both corporation soles work together to ensure good governance is detailed within the joint Corporate Governance Framework.

Financial Regulations

The Financial Regulations explain the working relationship between the PCC, and the Chief Constable and their respective financial officers, in relation to financial matters.

Standing Orders

Contract Standing Orders relate to how the PCC enters into contracts. The Contract Standing Orders are part of this Scheme.

Protocols

There are protocols in place which are now subject to review. These are specifically in relation to PSD and Internal Audit working arrangements.

12. Financial Regulations introduction

Overview

12.1.1. Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds, including but not limited to:

- The Local Government Act 1972
- The Local Government Finance Act 1988
- The Accounts and Audit Regulations (various dates)

12.1.2. In addition, the Home Office has issued a Financial Management Code of Practice (FMCOP) 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 and Chief Constables.

12.1.3. The Police Reform and Social Responsibility Act defined arrangements for separate corporations sole for the Police and Crime Commissioner (PCC) and Chief Constable (CC), each of which is required to appoint a Chief Finance Officer (CFO). The FMCOP deals specifically with the financial management of the corporations sole of the PCC and CC. The professional responsibilities of the PCC and CC CFOs are defined in the FMCOP and in a CIPFA Statement, “Responsibilities of the CFO to the PCC and the CFO to the CC”.

12.1.4. As separate corporations sole, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. The staff of the Commissioner are accountable to the Chief Executive.

12.1.5. The public accountability for the delivery and performance of the police service is placed into the hands of the Commissioner on behalf of their electorate. The Commissioner draws on their mandate to set and shape the strategic objectives of their force area in consultation with the Chief Constable. The Commissioner is accountable to the electorate; the Chief Constable is accountable to their Commissioner. The Police and Crime Panel is empowered to maintain a regular check on the performance of the Commissioner in that context.

12.1.6. The Commissioner within each force area has a statutory duty and electoral mandate to hold the police to account on behalf of the public.

12.1.7. The Commissioner is the recipient of all funding, including the government grant and precept and other sources of funding, related to policing and crime reduction and all funding for a force must come via

the Commissioner. How this money is allocated is a matter for the Commissioner in consultation with the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.

12.1.8. To conduct its business effectively, any organisation needs to ensure that sound financial management policies are in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. These Regulations have been drawn up in such a way as to ensure that the financial matters are conducted properly and in compliance with necessary requirements.

12.1.9. The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the Commissioner and those for whom they are responsible and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.

12.1.10. Every member of staff and police officer is expected to read and understand the Financial and Contract Regulations and any related documents. They are expected to seek clarification on any areas they do not understand with either their line manager or other relevant person.

12.1.11. 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.

12.2. Status

12.2.1. These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework that includes the policing protocol, codes of governance, codes of conduct, scheme of delegation and Standing Orders.

12.2.2. The Commissioner, Chief Constable and all officers and 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. Financial Regulations explain the working financial relationship between the Commissioner and the Chief Constable and their respective Chief Financial Officers, having regard also to the role played by the Commissioner’s Chief Executive.

12.2.3. These regulations include responsibilities for Statutory Officers and it is the responsibility for each of the Statutory Officers to fulfil these requirements individually and by working together.

12.2.4. The Commissioner is responsible for approving or amending Financial Regulations for the Group after consultation with the Chief Constable. The CFO to the Commissioner is responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the Commissioner, after consulting with the Chief Constable, the Force CFO and the Chief Executive.

12.2.5. Senior 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.

12.2.6. Any case of potential non-compliance with these regulations or Standing Orders should be reported immediately and directly to the relevant CFO. Breaches of Financial Regulations may result in disciplinary proceedings and, potentially, criminal action.

12.2.7. The Commissioner 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.

12.3. Content And Delegated Limits

12.3.1. 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 F in order to avoid reviewing the whole set of Financial Regulations when changes to delegated limits are made. **Section F** contains the appropriate cross-reference to the regulation in question.

Section A - Financial management framework

Section B - Financial planning and Control

Section C - Management of risk and resources

Section D - Systems and procedures

Section E - External arrangements

Section F - Summary of delegated limits

12.4. Definitions Within The Regulations

12.4.1. the “Chief Constable” means the Chief Constable of Nottinghamshire Police;

12.4.2. the “Commissioner” or “the PCC” mean the Police and Crime Commissioner for Nottinghamshire

12.4.3. the “OPCC” means the Office of Police and Crime Commissioner for Nottinghamshire

12.4.4. the “Chief Executive” means the Chief Executive of the Office of Police and Crime Commissioner Nottinghamshire

12.4.5. the “force area” means the police force area of Nottinghamshire; and

12.4.6. the “Police Force” mean Nottinghamshire Police

12.4.7. the “PCC CFO” means the Chief Finance Officer of the PCC

12.4.8. the “CC CFO” means the Chief Finance Officer for the Chief Constable.

12.4.9. The Office of the Police and Crime Commissioner for Nottinghamshire (OPCC) when used as a generic term shall refer to the PCC, the Chief Executive, the PCC CFO, and staff in the PCC’s employment.

12.4.10. The ‘Force’ shall refer to the CC, CC CFO, police officers, the special constabulary, and police staff under his direction.

12.4.11. Within these Regulations, references have been made to the responsibilities of the CC since the responsibility for financial management of the funds delegated to the Force is delegated to the CC and is vested with the post of Force’s Chief Finance Officer (S.151). Where responsibility for financial management has not been delegated to the CC and is vested with the PCC or PCC CFO, the duties, rights and powers as detailed for the CC shall apply equally to the PCC CFO.

12.4.12. The terms CC, CC CFO, PCC, PCC Monitoring Officer and PCC 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.

12.4.13. The Statutory Officers referred to relate to the Chief Constable, the Chief Executive and the two Chief Financial Officers.

12.4.14. The Chief Executive also fulfils the monitoring officer role of the OPCC.

12.4.15. “Senior officers” is a generic term relating to all officers with managerial responsibility for resources and their use.

12.4.16. ‘Employees’ when referred to as a generic term shall refer to police officers, police staff and other members of the wider police family. The expression ‘authorised officer’ refers to employees through the scheme of delegation.

12.4.17. The expression ‘contract’ refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the Commissioner, the Force or their affiliated bodies.

12.4.18. The expression ‘best value for money’ shall mean the most economic, efficient and effective means of meeting the need and takes account of whole life costs.

12.4.19. The expressions ‘he’ and ‘his’ shall refer to all pronouns.

SECTION A *FINANCIAL MANAGEMENT FRAMEWORK*

INTRODUCTION

1. The Home Office advises on the roles and responsibilities of the PCC, the Force and statutory officers. The PCC CFO and the CC CFO have certain statutory obligations and the PCC Monitoring Officer a specific monitoring role.

2. As far as possible, financial management should be delegated to the PCC CFO and the CC CFO acting on behalf of the Commissioner and the CC respectively. The CC should actively encourage devolution of financial budgets within the Force, provided that the financial information used to support this devolution is reliable, accurate, timely and complete.

3. Devolved budget monitoring responsibilities will ensure greater accountability within the Force.

4. The PCC has responsibility for the Police Fund with the specific responsibilities of the PCC and CC being defined in the Home Office FMCOP. The professional responsibilities of the PCC CFO and CC CFO are defined in the FMCOP and in a CIPFA Statement.

A1 THE ROLE OF THE PCC

The role and responsibilities of the PCC include to:

5. Ensure an efficient and effective Police Service and to hold the Police to account on behalf of the public. The Commissioner is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. How this money is allocated is a matter for the Commissioner in consultation with the Chief Constable, or in accordance with any grant terms. The statutory officers of the Chief Constable and the Commissioner will provide professional advice and recommendations.

6. Prepare, revise and update a Police and Crime Plan.

7. Appoint a Chief Financial Officer to be responsible for the proper administration of the Commissioner's financial affairs. The Commissioner shall provide his Chief Finance Officer with such staff, accommodation and other resources that are sufficient to allow the duties under this section to be performed. He shall also appoint a Chief Executive.

8. Agree an annual budget requirement and capital programme. Set the precept following advice from the PCC CFO (in liaison with the CC CFO) and in consultation with the Police and Crime Panel (PCP).

9. Rigorously scrutinise, challenge and monitor aspects of financial performance and, if required, agree action taken to contain spending within approved plans. The

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

10. Identify and agree the medium-term financial strategy of the PCC and any long-term spending commitments and levels of reserves taking the advice of the statutory CFOs and CC into account.

11. Agree the Treasury Management Strategy and policies, including the annual investment strategy.

12. Participate in inspections and audits of the Force and the PCC.

13. Comply with all relevant codes of conduct and maintain the highest standards of conduct and ethics.

14. Approve Financial Regulations and any amendments to them, as drawn up between the PCC Monitoring Officer, the CC, the PCC CFO and the CC CFO.

15. Ensure that the internal control environment meets proper requirements including a Risk Management Strategy and recommendations from internal and external audit are actioned.

16. Be responsible for the ownership of property including the Capital and Asset Management Strategies.

17. Delegate financial management of the Force budget to the CC and CC CFO so that the CC CFO has as much day-to-day responsibility for financial management of the Force as possible, within the framework of the agreed budget and rules of virement.

18. Be responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.

19. Where appropriate draw up financial procedures (subject to these Financial Regulations) to apply specifically to the Office of the Police and Crime Commissioner.

A2 THE ROLE OF THE CC

The role and responsibilities of the CC in relation to financial management include to:

20. Appoint a Chief Finance Officer to be responsible for the proper administration of the Chief Constable's financial affairs.

21. Ensure overall financial management of the Force and report financial management issues and implications to the PCC.

22. The CC shall prepare Financial Procedures and Guidance to support the Financial Regulations, in consultation with CC CFO (in liaison with the PCC CFO). The CC shall ensure that all employees are made aware of the existence of these Regulations, Procedures and Guidance and are given access to them. Where appropriate, training shall be provided to ensure compliance.

23. Comply with financial policies and procedures for use by the Force including the Scheme of Delegation, ensuring that officers and staff comply with them and with the Force's own Financial Procedures.

24. Draw up financial procedures and financial instructions in consultation with the CC CFO (in liaison with the PCC CFO), who must be satisfied that they provide for effective managerial control and review.

25. Exercise delegated financial responsibilities and assume, with his staff, as much day-to-day responsibility for financial management of the Force as possible, within the framework of the agreed budget and rules of virement.

26. Seek approval from the Commissioner when to request any significant change of policy or seeks to move significant sums, in accordance with agreed virement rules, of their budget.

27. Ensure the provision of professional advice to the PCC.

28. Ensure proper financial management of resources allocated to him through the budget or arising from income generated by activities within the operational area, including control of officers, staff, security, custody and the management and safeguarding of assets. Ensure all resources are used efficiently and effectively.

29. Where consented by the PCC, be responsible for the management of property and contracts.

30. Advise the PCC on financial propriety for areas under his control.

A3 THE ROLE OF THE JOINT INDEPENDENT AUDIT COMMITTEE (JIAC)

31. The Home Office Financial Management Code of Practice states that the Commissioner and Chief Constable should establish an independent audit committee. The code recommends this be a combined body which will consider the internal and external audit reports of both the Commissioner and the Chief Constable. This committee will advise the Commissioner and the Chief Constable according to good governance principles and will embrace appropriate risk management arrangements in accordance with proper practices. In establishing the Audit Committee, the Commissioner and Chief Constable shall have regard to CIPFA Guidance on Audit Committees.

32. JIAC shall comprise of no fewer than three and no more than six members who are independent of the Commissioner, the Force, and those local bodies that appoint to the Police & Crime Panel.

33. The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis

34. The Commissioner and Chief Constable shall be represented at all meetings of the Audit Committee.

35. The terms of reference for the Audit Committee cover requirements in relation to Internal and External Audit appointments, plans and reports, HMICFRS reports, risk management, VFM, governance, annual accounts, Treasury Management and related reports.

A4 THE ROLE OF STATUTORY OFFICERS:

PCC CHIEF FINANCE OFFICER

36. The PCC CFO has responsibility for proper financial administration and stewardship, which includes a personal fiduciary responsibility to the local council taxpayers.

37. These roles have statutory responsibilities specified by:

- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011. (PCC CFO).
- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011 (CC CFO).
- Section 151 of the Local Government Act 1972, which requires arrangements to be made for the proper administration of the PCC's and Groups financial affairs.
- Section 114 of the Local Government Finance Act 1988, which requires the Statutory Finance Officer to report to the PCC and the CC, if the PCC or the CC or one of their staff:
    - has made, or is about to make, a decision which involves incurring unlawful expenditure.
    - has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency.
    - is about to make an unlawful entry in the PCC or CC's accounts.
- The Accounts and Audit Regulations.
- The Home Office Financial Management Code of Practice.

38. The PCC CFO is the principal professional adviser on financial matters to the PCC. To enable him to fulfil these duties and to ensure the PCC is provided with adequate financial advice the PCC CFO:

- Must be a key member of the respective organisation's Leadership Team, (working closely with the Chief Executive), helping the team to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest.
- Must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the PCC, to ensure that the financial aspects of immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategies.
- 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.
- Must ensure that the finance function is resourced to be fit for purpose.

39. It must be recognised that Financial Regulations cannot foresee every eventuality. The PCC CFO (in conjunction with the CC CFO) shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.

40. The role and responsibilities of the PCC CFO are to:

- Ensure that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date and accounting standards applied consistently.
- Ensure regularity, propriety and Value for Money (VfM) in the use of public funds.
- Ensure that the funding required to finance agreed programmes is available from Central Government funding, precept, other contributions and recharges.
- Report to the PCC, the PCP and to the external auditor:
    - Any unlawful, or potentially unlawful, expenditure by the PCC or staff of the PCC.
    - When it appears that expenditure is likely to exceed the resources available to meet that expenditure.
- Advise the PCC on a budget requirement and capital programme and the robustness of the budget and adequacy of financial reserves.
- Advise the PCC in respect of the Treasury Management Strategy and proposed changes to policies.
- Monitor the production of the statements of accounts of the PCC and Group.
- Ensure receipt and scrutiny of the statements of accounts of the Chief Constable and ensuring production of the group accounts.
- Work closely with the CC CFO.
- Liaise with the external auditor.
- Advise the PCC on the application of Value for Money principles by the Force to support the PCC in holding the Chief Constable to account for efficient and effective financial management.
- Provide strategic advice on the safeguarding of assets, including risk management and insurance.
- Ensure that accurate, complete and timely financial management information is provided to the PCC.
- Arrange for the determination, issue and payment of the precept.
- Assist the PCC to monitor the revenue and capital budgets.

- Secure, in liaison with the DCC and CC CFO, the provision of an effective internal audit service. Ensure there are safe and efficient financial arrangements, including an effective system of internal control.

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

41. The PCC CFO, in consultation with the PCC Monitoring Officer, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of the Organisation.

PCC MONITORING OFFICER

42. The Chief Executive is also the Commissioner's designated monitoring officer, appointed under the Police Reform and Social Responsibility Act 2011, and is responsible for the leadership and general administration of the Commissioner's office.

43. The role and responsibilities of the PCC Monitoring Officer in relation to financial management are to:

- Enable the PCC to fulfil his statutory responsibilities.
- Ensure the legality of the actions of the PCC and his officers.
- Ensure that procedures for recording and reporting PCC decisions are operating effectively.
- Advise the PCC and CC about who has authority to take a particular decision.
- Advise the PCC and CC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.
- Ensure the provision of information and reports required by the PCP.
- Ensure the PCC meets his obligations in relation to statutory publications including the Police and Crime Plan, Annual Report and Council Tax Leaflet.
- Develop a strong partnership with the PCC and CC ensuring the provision of effective and efficient policing is fulfilled.
- Undertake the role of designated Monitoring Officer to detect and report any illegality or maladministration.
- Advising the Commissioner on matters relating to standards of conduct.

CC CHIEF FINANCE OFFICER

44. The CC CFO is the principal professional adviser on financial matters to the CC. To enable him to fulfil these duties and to ensure the CC is provided with adequate financial advice the CC CFO:

- Must be a key member of the Chief Constables Leadership Team, helping the team to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest.
- Must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the CC, to ensure that the financial aspects of immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategies.
- Must lead the promotion and delivery by the CC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- Must ensure that the finance function is resourced to be fit for purpose. And liaise with the PCC CFO on any significant changes proposed.

45. The role and responsibilities of the CC CFO are to:

- Ensure that the financial affairs of the CC are properly administered and that financial regulations are observed, and accounting standards applied consistently.
- Ensure written procedures are in place to support the compliance with these financial regulations.
- Ensure regularity, propriety and Value for Money (VfM) in the use of public funds.
- Ensure that the expenditure is made within the approved budget and all income is accounted for appropriately.
- Report to the PCC CFO, CC, the PCP and to the external auditor:
  - Any unlawful, or potentially unlawful, expenditure by the CC or officers/staff of the CC.
  - When it appears that expenditure is likely to exceed the resources available to meet that expenditure.
- Advise the CC on a force budget requirement and capital programme and the robustness of the budget.
- Undertake treasury management activity in line with the approved Strategy.

- Ensure the production of the Statement of Accounts of the CC, PCC and Group, liaising with the PCC CFO on the application of accounting standards and policies.
- Work closely with the PCC CFO.
- Liaise with the external auditor.
- Advise on the safeguarding of assets, including risk management.
- Ensure that accurate, complete and timely financial management information is provided to the CC and PCC.
- Assist the CC and PCC to monitor the revenue and capital budgets.
- Secure in liaison with the PCC CFO and DCC the provision of an effective internal audit service. Ensure there are safe and efficient financial arrangements, including effective systems of internal control.
- Be responsible for all day to day banking arrangements.
- The CC CFO, in consultation with the CC, shall be given powers to instigate any proceedings, taking any action necessary to safeguard the finances of the organisation.

A5 FINANCIAL MANAGEMENT STANDARDS

Overview & Control

46. All staff 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.

47. The PCC shall receive updates on the financial performance by way of ongoing budget monitoring and outturn reports, reports by Internal Audit, HMICFRS and External Audit.

48. The PCC is responsible for agreeing, in consultation with the CC, Section 22 agreements and other collaborative arrangements. Both the PCC and CC sign the agreements.

Key Controls

49. The key controls and objectives for financial management standards are:

- Their promotion throughout the organisation. The PCC and the CC shall ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- A monitoring system to review compliance with financial standards, and regular comparisons of performance indicators with benchmark standards that are reported to the Audit Committee.
- All staff are to be properly managed, developed, trained and have adequate support to carry out their financial duties effectively. The PCC and the CC shall ensure that specific duties and responsibilities in financial matters are made clear to individual members of staff and that these are properly recorded.
- Systems of internal control are in place that ensures financial transactions are lawful.
- Suitable accounting policies are selected and applied.
- Proper accounting records are maintained.
- Financial statements are prepared, which present fairly the financial position of the PCC and the CC, including expenditure and income.

Responsibilities of the Statutory Officers

50. The responsibilities of Statutory Officers for financial management are:

- To ensure the proper administration of the financial affairs of both legal entities.
- To ensure that proper practices are adhered to.
- To ensure financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
- To advise on the key strategic controls necessary to secure sound financial management.
- To ensure that all staff are aware of, and comply with, proper financial management standards including these Financial Regulations.
- To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.
- To report any actual or potential breaches of the law or maladministration to the relevant CFO, CC, or the Monitoring Officer.
- To ensure that collaborative arrangements deliver value for money

A6 ACCOUNTING RECORDS AND RETURNS

Overview and Control

51. Maintaining proper accounting records is one of the ways in which the Commissioner will discharge his responsibilities for stewardship of public resources. The Commissioner has a responsibility to prepare annual accounts that 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 resources.

52. The PCC CFO, in liaison with the CC CFO, is responsible for determining the accounting policies of the PCC and CC, in accordance with recognised accounting practices, and for approving strategic accounting systems and procedures. All officers and staff are to operate within the required accounting policies and published timetables.

53. Financial systems are used to record the financial transactions of the PCC and CC. With possible minor exceptions, these are electronic systems.

Key Controls

54. The key controls for accounting records and returns are:

- Finance staff and those authorised to make expenditure operate within the required accounting standards and timetables.
- All of the organisations transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
- Procedures are in place to enable accounting records to be reconstituted in the event of systems failure.
- Reconciliation procedures are carried out to ensure transactions are correctly recorded.
- Prime documents are retained in accordance with legislative and other requirements.
- Proper system of internal control such that:
  - staff with the duty of examining or checking the accounts of cash transactions must not themselves be originators or approvers of these transactions.
  - the duties of providing information about sums due to or from the PCC and calculating, checking and recording these sums, are to be separated from the duties of collecting or disbursing them.

Responsibilities of the Statutory Officers

55. The PCC CFO shall:

- To determine, in liaison with the CC CFO, the accounting procedures and records, in accordance with recognised accounting practices.
- Ensure that there is agreement with the CC CFO before making any fundamental changes to accounting records and procedures or accounting systems.
- Ensure that all employees operate within the required accounting policies and timetables.
- Make proper arrangements for the audit of the Commissioner's accounts in accordance with the Accounts and Audit Regulations.
- Ensure that all claims for funds, including grants are made by the due date.
- Ensure that the audited accounts are published in accordance with the statutory timetable.

56. The CC CFO shall:

- Determine, in liaison with the PCC CFO, the accounting procedures and records, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures in place.
- Ensure that there is agreement with the PCC CFO before making any fundamental changes to accounting records and procedures or accounting systems.
- Ensure that all employees operate within the required accounting policies and timetables.
- Make proper arrangements for the audit of the Force's accounts in accordance with the Accounts and Audit Regulations.
- Ensure that all claims for funds, including grants are made by the due date.
- Prepare and publish the audited accounts in accordance with the statutory timetable.
- Ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis. Maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.
- Ensure that reconciliation procedures are carried out on recognised control accounts on an agreed timetable to ensure transactions are correctly recorded.
- Ensure that Financial Instructions provide details of retention periods.
- The format of such documents shall satisfy the requirements of internal and external audit and appropriate staff are provided with a detailed schedule of requirements.

A7 THE ANNUAL STATEMENT OF ACCOUNTS

Overview and Control

56. The PCC and CC have a statutory responsibility to prepare accounts to present fairly their operations during the year. The PCC CFO and CC CFO are responsible for the preparation of the accounts in accordance with proper practices as set out in *the Code of Practice on Local Authority Accounting in the United Kingdom: (The CODE)* and with the Accounts and Audit Regulations 2003, 2006, 2011and 2015.

57. The Commissioner has a statutory responsibility to prepare the accounts relating to the Office of the Police & Crime Commissioner and also the Group Accounts for both entities. These must present fairly the financial position of the organisations and be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

58. The Chief Constable, Commissioner and their respective CFOs are responsible for approving their annual accounts.

Key Controls

59. The accounts are subject to detailed independent review by the external auditor.

This audit provides assurance that the accounts are prepared correctly and that proper accounting practices have been followed.

60. The PCC is required to make arrangements for the proper administration of its financial affairs. The PCC Group statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

Responsibilities of the Statutory Officers

61. The PCC CFO and CC CFO shall:

- Ensure that there is a timetable for final accounts preparation, in consultation with the PCC, CC, JIAC and external auditor.
- Select suitable accounting policies within the overall agreed approach and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Comply with the Code.
- Prepare, sign and date the statement of accounts, stating that it presents truthfully and fairly the financial position at the accounting date and its income and expenditure.

- Publish the approved and audited accounts each year, in accordance with the statutory timetable and to produce summary accounts for publication on the website.
- The PCC and CC shall consider for approval the annual accounts in accordance with the statutory timetable.

SECTION B *FINANCIAL PLANNING AND CONTROL*

B1 FINANCIAL PLANNING

Overview and Control

1. The PCC and the Force are complex organisations. Systems are needed to enable scarce resources to be allocated in accordance with carefully judged priorities. Proper financial planning is essential if the PCC and the Force are to function effectively.

2. The financial planning process will be directed by the approved policy framework, a business planning process and a need to meet key objectives.

3. The planning process will be continuous, and the planning period will cover at least four years. The process should include a more detailed annual budget, covering the forthcoming financial year. This allows the PCC and the CC to plan, monitor and manage the way funds are allocated and spent. This should be used to support the Police and Crime Plan and the alignment of business and financial planning.

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

Medium Term Financial Planning Responsibilities of the Statutory Officers

5. The CC CFO, in liaison with the PCC CFO, is responsible for ensuring that a Medium Term Financial Plan (MTFP) for at least four years ahead is prepared. The CC CFO is responsible for producing a Medium Term Financial Plan at a detailed level to underpin and support the MTFP. The MTFP should be submitted to the PCC and be subject to review during the Financial Year.

The MTFP should be informed by:

- Government, particularly Home Office financial plans at a national level.
- Financial risks identified at national and regional levels.
- Estimated maximum precept increases – this may differ with the annual requirements of the PCC.
- External factors affecting funding available (such as Legislative, National Insurance, Tax and Pension changes).
- The MTFP and associated risks and opportunities.
- The MTFP – indication of what financial resources will be available to the Force and OPCC.
- The Police and Crime Plan.
- Policy requirements approved by the PCC as part of the policy framework.

- The risk management policy ensuring that risk appraisals are embedded throughout the forecast.
- Public and Partner consultation

The MTFP should set out:

- the forecast
- unavoidable future commitments
- initiatives already underway
- spending patterns and pressures revealed through the budget monitoring process
- efficiency and savings requirements
- proposed service developments and plans
- revenue consequences of capital spending proposals
- Requirements relating to collaboration budgets

6. The PCC shall prepare at least a four-year forecast of potential resources, including options for transfers to and from general balances and earmarked reserves, based upon an interpretation of government funding assumptions and all other available information. This will include potential implications for local taxation.

7. A gap may be identified between available resources and required resources. Requirements should be prioritised carefully by the PCC and CC to enable best informed judgements as to future funding levels and planning the use of resources.

8. The PCC and CC shall integrate financial and budget plans into service planning so that such plans can be supported by financial and non-financial performance measures.

Annual Revenue Budget Preparation Overview and Control

9. 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 Commissioner's strategic policies. It provides Chief Officers with the authority to incur expenditure and a basis on which to monitor the financial performance of both the OPCC and the Force. As such, preparation of the annual budget should be based on sound financial management principles of probity, efficiency and value for money.

10. The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined in accordance with the limits.

11. The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate (see section B2 Budgetary Control), the operation of cash limits and sets the level at which funds may be reallocated within budgets.

12. The Commissioner will consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget, which will include a delegated force budget. This will also take into consideration funding from government and other sources, and balance the expenditure needs of the policing service against the level of local taxation. This should meet the statutory requirement to achieve a balanced budget (Police Reform and Social Responsibility Act 2011) and which is completed in accordance with the statutory timeframe. The PCC will set out each year how he expects the funds provided to the CC for policing will be applied.

Key Controls

13. The key controls for the budget are:

- The format complies with all legal requirements
- The format complies with CIPFA's Code of Practice
- The format reflects the accountabilities of service delivery
- Budgeting process should be based on evidence and operational demand

Responsibilities of the Statutory Officers

14. The Commissioner should agree the budget planning timetable with the Chief Constable.

15. To obtain the views of the local community on proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates (Police Reform and Social Responsibility Act 2011).

16. To present the proposed council tax implications and precept requirement with the budget to the Police and Crime Panel at their meeting in early February.

17. 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.

18. The format of the budget is to comply with all legal requirements, in line with good practice and informed by the latest guidance issued by CIPFA.

19. The PCC CFO to ensure timely and accurate information is to be obtained from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations.

20. The PCC CFO is to advise the Commissioner on the appropriate level of general balances, and earmarked reserves to be held.

21. The PCC CFO to the Commissioner is to submit a report to the Commissioner on:

    - The robustness of the estimates in the proposed Budget and the adequacy of the proposed reserves.
    - The Treasury Management Strategy to support the Capital Strategy.
    - Financial Strategy
    - Commercial Plan

22. Upon approval of the annual budget, the PCC CFO is to submit the council tax requirement form to central government and precept notifications to appropriate bodies in accordance with legal requirements.

23. The PCC CFO to produce, in accordance with statutory requirements, the council tax information leaflet.

24. Prior to the final budget being agreed, the CC CFO is to prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PCC CFO.

B2 BUDGETARY CONTROL

Overview and Control

27. Budget management ensures that once the PCC has approved the overall budget, resources allocated are used for their intended purpose, subject to virement rules, and are properly accounted for. Budgetary control is a continuous process, enabling the PCC to review and adjust budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

Key Controls

28. There is a nominated budget manager for each cost centre or account code heading who is accountable for the budgets under his direct control.

29. Budget Managers shall accept accountability for the budgets under their management and the level of service to be delivered and understand their financial responsibility.

30. Management of budgets must not be seen in isolation. It should be undertaken in conjunction with service outcomes and performance measures.

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

Revenue Budget and Capital Programme Monitoring Overview and Control

32. By continuously identifying and explaining variances against budgetary targets, changes in trends and resource requirements can be identified at the earliest opportunity.

33. To ensure sound financial management, each Budget Manager is required to manage expenditure within their budget allocation. All budget officers responsible for committing expenditure must comply with relevant guidance and Financial Regulations.

Key Controls

34. The key controls for managing and controlling the revenue budget are:

- Budget managers should be responsible only for income and expenditure that they can influence.
- Budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities.
- Budget managers follow an approved certification process for all expenditure.
- Income and expenditure are properly recorded and accounted for.
- Performance levels are monitored in conjunction with the budget and necessary action is taken to align outputs and budget.

Responsibilities of the Statutory Officers

35. To provide appropriate financial information in a form determined by the CFOs, to enable budgets to be monitored and reported effectively.

36. To ensure that each element of income or expenditure has a nominated budget holder 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 the expenditure – usually at cost centre level.

37. It is the responsibility of budget holders to manage income and expenditure within their area and to monitor performance, taking account of financial information provided. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the CFOs, including any variances within their own areas. Budget Managers will also take any action necessary to avoid exceeding their budget allocation and alert the CFOs to any problems.

38. The PCC CFO and CC CFO shall ensure that budget holders receive sufficient financial support to enable them to undertake the budgetary control responsibilities.

39. The CC shall ensure as far as possible that total spending for operational policing remains within the allocation of resources and takes, where possible, corrective action where significant variations from the approved budget are forecasted. Where total projected expenditure is likely to exceed the allocation of resources, the PCC CFO shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process. The same responsibilities apply to the Chief Executive and PCC CFO for their budgets.

40. The CC CFO shall submit a budget monitoring report monthly to the PCC containing the most recently available financial information. The monitoring reports shall compare projected income and expenditure with the latest approved budget allocations. The reports shall be in a format agreed with the CFOs.

41. The CFOs to co-ordinate a budget monitoring report for presentation to the Police & Crime Panel, as necessary, containing the most recently available financial information.

Resource Allocation Overview and Control

42. Available financial resources are inevitably limited. It is therefore imperative that spending is rigorously prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

Key Controls

43. The key controls for resource allocation are:

- Resources are acquired in accordance with the law and using an approved authorisation process.
- Resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for.
- Resources are securely held for use when required.
- Resources are used with the minimum level of waste, inefficiency or loss for other reasons.

Virement

Overview and Control

44. A virement is a planned and approved reallocation of resources between budgets or heads of expenditure. A budget head is considered to be a line in the approved budget report. For clarity these are defined as the budget lines immediately below the Force and OPCC headings which are reported on in both the Budget and monitoring reports. The scheme of virement is intended to enable senior 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.

45. The overall budget is agreed by the PCC and budget managers are expected to incur expenditure in accordance with the estimates that make up their budget, subject to agreed virement rules, and within the limit of total resources allocated. Virement should not be allowed to create additional overall budget liability. Senior officers are expected to exercise discretion in managing budgets responsibly and prudently. Virements are not to be used as a tool to create future commitments. Therefore, it is vital that virement decisions do not lead to additional future spending without the prior approval of the relevant CFO.

46. Overall, the rules on virement are designed to allow the CC greater flexibility to meet operational requirements and to facilitate the decision-making process. The CC shall still be held to account by the PCC for decisions made and the way in which resources are deployed. The virement rules allow greater freedom but require reports on significant changes.

47. The PCC can restrict or withdraw the ability for virement in any year should they feel it is prudent to do so.

Key Controls

48. The key controls for the scheme of virement are:

- The PCC is responsible for any transfers to and from PCC balances.
- It is administered by the CFOs within delegated powers given by the Commissioner. Any variation from this scheme requires approval of the Commissioner.
- The overall budget is agreed by the Commissioner. 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.
- By definition a virement is a net nil.
- Each senior officer shall ensure that virement is undertaken to maintain the accuracy of budget monitoring.

Responsibilities of the Statutory Officers

49. Subject to approved limits as set out in **Section F Delegated Limits**, it is a requirement that the PCC CFO and CC CFO approve virement requirements of the CC and the PCC respectively.

50. Each budget monitoring report reported to the PCC shall contain details where revised budgets or forecast income and expenditure varies to a significant degree from the original approved budget. However, any significant expected changes to the budget identified between reports should be reported to the PCC CFO immediately. Each budget monitoring report should include any virement requests for approval by the relevant CFO or PCC as necessary.

51. The approval of the Commissioner shall be required:

- As part of updating the budget through the budget monitoring process.
- If an approved change of policy results in a virement requirement.
- If the virement results in a significant addition to commitments in future years.
- Within this context, "significant" shall be determined by agreement between both CFOs.

Treatment of Year End Balances

Overview and Control

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

PCC CFO and the CC CFO will be presented to the PCC for approval at year end for each financial year.

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

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

All endeavours should be made to identify potential overspends, as early as possible during the financial year, to enable mitigating action to be taken.

Key Controls

55. The Finance Department will ensure that regular budget monitoring reports are made available to ensure expenditure is managed within the approved budget. Overspends identified within the financial year will be reported to the CC for management within the wider Force budget. Exceptions to this will be discussed and approved by the PCC following discussions with the CC CFO and PCC CFO.

56. As a default position, any underspends against budgets will be taken to reserves. Any exception to this policy must be proposed by the PCC CFO and determined by the PCC. Where significant changes to the policy are proposed, approval of the PCC will be required.

B3 CAPITAL PROGRAMME

Overview and Control

57. Capital expenditure involves acquiring or enhancing fixed assets with a long- term value to the PCC, 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 for the future in the form of financing costs and revenue running costs.

58. A capital strategy which considers all capital requirements from the Estates Strategy, Asset Management Plan, IT Strategy and Vehicle Strategy is produced for up to 30 years. From this the capital programme for the next 5 years is derived.

59. The PCC is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. Capital expenditure and financing should be managed in accordance with the Local Government Act 2003 and the CIPFA Prudential Code for Capital Finance in Local Authorities.

60. A report should be addressed to the PCC annually to formally report the performance against prudential indicators in accordance with the Local Government Act 2003 and the Prudential Code for Capital Finance. Assurance should be provided during the year as part of treasury and budget monitoring reports on compliance with the prudential indicators.

Key Controls

61. Capital expenditure on land and buildings should be in accordance with the requirements of the approved capital strategy. The CC CFO shall ensure that a business case is prepared for each project and that proposals undergo an option appraisal that demonstrates the costs and benefits of the project to the service.

62. The results of the appraisal shall provide evidence for the scheme's viability and inclusion in the proposed capital programme, including a recommended solution resulting from consideration of the business case/option appraisal.

63. Schemes proposed after the annual budget meeting for inclusion in the capital programme during the current financial year shall be submitted through either a decision record or the quarterly monitoring report for approval by the PCC. These requests must be supported by the CC and include a full business case. Further detail of delegated limits is provided in **Section F.**

64. Each individual scheme will have a nominated budget manager who will be accountable for that project. The budget manager's responsibilities include the monitoring of progress in conjunction with expenditure and comparison with approved budget.

Responsibilities of the Statutory Officers

65. The CC CFO, in conjunction with the PCC CFO, will produce a long-term capital strategy based upon the requirements identified in the Estates Strategy, IT Strategy and Fleet Strategy. Strategies should be reviewed annually by the CFOs.

66. The CC CFO in liaison with the PCC CFO shall prepare at least a five-year rolling programme of proposed capital expenditure for submission to the PCC and the PCP. This shall cover the forthcoming financial year and the following four years. Each scheme shall identify the total capital cost of the project, any additional revenue commitments. On recommendations from the CC, the PCC will determine the Capital Programme and will also determine the overall monitoring arrangements of the delivery of the Capital Programme.

67. The CC CFO, in liaison with the PCC CFO, shall identify funding for the capital programme, including the identification of potential capital receipts. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.

68. A gap may be identified between available resources and required resources. In these instances, requirements of the Force should be prioritised carefully by the CC CFO to enable the PCC to make the best-informed judgements as to future funding levels and planning the use of resources.

69. No capital expenditure shall be incurred unless the scheme is included in the capital programme approved by the PCC or as subsequently modified. In this respect, the vehicle replacement programme, equipment replacement programme, the estates condition survey programme and ICT replacement programme shall each be regarded as one scheme and will not be subjected to further business case/further approval processes unless otherwise determined by the CC CFO. The replacement programmes should be presented to the PCC as part of the budget setting process.

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

71. Detailed estimates for each scheme in the approved capital programme shall be prepared as part of the option appraisal before tenders are sought or commitments made. Schemes need not be referred back to the PCC for further approval unless, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits already approved in the Capital Programme, due to potential implications with the Treasury Management Strategy.

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

73. Finance and operating leases and any other credit arrangements (such as HP and rental agreements) shall not be entered into without the prior approval of the PCC and sufficient revenue resources must be available to meet the repayments.

74. The CC shall submit capital monitoring reports to the PCC in accordance with the PEG workplan containing 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 and frequency agreed by the PCC CFO in liaison with the CC CFO. It is the responsibility of budget holders to manage capital expenditure estimates, taking account of financial information provided by the CC CFO. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the CC and the PCC including any variances within their own areas. Budget Managers should also take any action necessary to avoid exceeding their budget allocation and alert the relevant CFO to any problems.

75. The CC CFO shall report to the PCC projections of spending on individual capital projects and reasons for significant changes to the Programme including spending slipping between financial years.

76. The CC CFO shall report capital expenditure for the year and cumulative expenditure on individual schemes to the PCC as part of the closure of accounts arrangements.

77. The CC CFO shall take steps to ensure that any external funding that is subject to a specific timescale is, wherever possible, fully utilised within that timescale.

78. Where there is a requirement such as the adherence to the Accounting Standards that require budget or expenditure to be interchanged between capital and revenue, approval of the PCC CFO must be obtained.

B4 MAINTENANCE OF BALANCES AND RESERVES

Overview and Control

79. General fund balances are maintained as a matter of prudence. They enable the PCC to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. They provide mitigation against adverse financial implications. Earmarked reserves for specific purposes may also be maintained where it is likely that a liability will arise in the future. The Commissioner will approve the policy on reserves and balances and their planned use as part of the annual budget setting process.

Key Controls

80. The key controls for maintaining reserves are:

- To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A statement of Recommended Practice (CIPFA) and agreed accounting policies.

- For each earmarked reserve established, the purpose, usage and basis of transactions should be clearly identified.
- The PCC CFO shall approve the creation of the General Reserve and its application.
- Authorisation and expenditure from reserves by the PCC CFO can be made only where this is in line with the purpose for which the reserve was created and will be included in the next relevant decision record for completeness.

Responsibilities of the Statutory Officers

81. The PCC CFO shall advise the PCC on reasonable levels of general fund balances and earmarked reserves and take account of professional best practice.

When the annual budget and capital programme are submitted to the PCC for approval and for consultation with the PCP, the PCC CFO is required to advise on the adequacy of the PCC's balances and reserves.

SECTION C *MANAGEMENT OF RISK AND RESOURCES*
C1 RISK MANAGEMENT

Overview and Control

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 PCC and Group. This should include the proactive participation of all those associated with planning and delivering services.

2. All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the threat 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 organisation and to ensure the continued corporate and financial wellbeing of the organisation. In essence it is, therefore, an integral part of good business practice.

3. Procedures should be in place 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.

Key Controls

4. The key controls for risk management are:

- A Risk Management Policy is in place and has been promoted throughout the organisation.
- The Policy identifies the Risk Appetite of the organisation.
- Procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the organisation.
- A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.
- Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives.
- Provision is made for losses that might result from the risks that remain.
- Procedures are in place to investigate insurance claims within required timescales.
- Acceptable levels of risk are determined and insured against where appropriate.

- The organisation has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibilities of the Statutory Officers

5. The DCC and CEO are responsible for ensuring a Risk Management Policy is prepared within the Group. They are responsible for promoting a culture of risk management awareness, reviewing risk management as an ongoing process and reporting on strategic risks.

   To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of the risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis. The CFOs should be informed of any significant changes to the organisation's strategic risks.

6. To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis.

7. The PCC is responsible for approving the risk management policy statement and strategy, including determining the strategy for insurance, and for reviewing the effectiveness of risk management.

8. The CC CFO is responsible for advising the PCC and CC 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.

9. The CC CFO is responsible for assessing the levels of self-insurance and excesses based upon professional advice from the Insurance Brokers.

10. The CC CFO shall:

    - Ensure that insurance cover is provided within the terms of the approved strategy and take account of all new risks as appropriate ensure that claims made by the CC against insurance policies are made promptly.
    - Monitor all claims managed through Legal Services, in consultation with other officers where necessary.
    - Notify the PCC promptly of all new risks that require insurance and of any alterations affecting existing insurance.
    - Ensure that the CC has a process to make all appropriate staff aware of their responsibilities for managing relevant risks and provide information on risk management initiatives be responsible for risk management.

- Ensure that staff, or anyone covered by the PCC's insurance, are 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.
- Ensure all appropriate staff are aware of their responsibilities to notify the PCC/CC immediately of any loss, liability or damage that may lead to a claim against the PCC together with the information required.
- Approve, before any contract for works is made, the insurance cover to be furnished by the contractor in respect of any act or default unless the PCC chooses to provide insurance cover itself.

11. Legal Services shall be authorised to settle insurance liability claims up to the value shown in **Section F**. Beyond this value, claims must be referred to the PCC for approval.

12. Settlement of employment tribunal cases and grievances of staff under his direction and control will remain with the CC and the CEO for OPCC staff in consultation with respective CFO, within the delegated limits in **Section F**, with the exception of those cases felt to be sensitive because:

    - They involve a high-profile claimant
    - There is a public interest in the case
    - There is a real risk that the PCC or Nottinghamshire Police will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures to be revealed.

13. The PCC CFO and Chief Executive shall evaluate and authorise any terms of indemnity that the PCC is requested to give by external parties having taken due regard to any professional advice.

14. The CC CFO and CC shall evaluate and authorise any terms of indemnity that the CC is requested to give by external parties having taken due regard to any professional advice.

C2 INTERNAL CONTROLS

Overview and Control

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

16. The PCC requires internal controls to manage and monitor progress towards strategic objectives. The PCC also has statutory obligations and, therefore, require internal controls to identify, meet and monitor compliance with these obligations.

17. The PCC faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks. The system of internal controls is established in order to provide measurable achievement of:

- Efficient and effective operations.
- Reliable financial information and reporting.
- Compliance with laws and regulations.
- Risk management.

Key Controls

18. The key controls for internal control systems are:

- Managerial, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
- Financial and operational procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
- An effective internal audit function, which operates in accordance with CIPFA's Code of Practice for Internal Audit and with any other relevant statutory obligations and regulations. Key controls should be reviewed on a regular basis and the PCC should make formal statements annually to the effect that they are satisfied that the system of internal control operates effectively.

Responsibilities of the Statutory Officers

19. The PCC and CC are jointly responsible for implementing effective systems of internal control and the respective CFO's, for advising on such. 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.

20. The PCC and CC shall ensure that internal controls exist for 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 systems is to promote ownership of the control environment by defining roles and responsibilities.

21. The PCC and CC shall ensure that internal controls exist for financial and operational systems and procedures. This includes physical safeguards for assets, segregation of duties, authorisation and approval procedures and robust information systems.

22. The PCC, CEO and CC shall agree and sign individual Annual Governance Statements following a review of systems of internal control. These statements will be included in the Group and CC Accounts. The statements should be signed by the Commissioner, Chief Executive Officer, the Chief Constable and the CC CFO. The Accounts and Audit Regulations require the PCC to review internal control arrangements at least annually.

23. The PCC and CC shall have a Joint Independent Audit Committee (section A3 refers), which has a responsibility for the continual oversight of corporate governance, internal control and risk management. The terms of reference of the Committee should include the following key requirements:

    - To provide proactive and effective leadership on audit and governance issues and champion both audit and the embedding of risk management by all PCC staff and all CC officers and staff.
    - To be assured as to the adequacy of financial and other controls, corporate governance (including an anti-fraud and corruption strategy), financial regulations, VFM, contract standing orders and risk management arrangements, and ensure that they are reviewed and revised.
    - To examine and consider a draft Annual Governance Statement, and to make any recommendations to the PCC in this respect.

24. The Local Audit & Accountability Act 2014 sets out responsibilities of the PCC to appoint a local auditor to audit their and the Chief Constable's accounts. The duties of the external auditor are governed by Section 15 of the Local Government Finance Act 1982, as amended by Section 5 of the Audit Commission Act 1998.

25. The PCC and CC may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

C3 AUDIT REQUIREMENTS

Internal Audit Overview and Control

26. The requirement for an internal audit function is implied by section 151 of the Local Government Act 1972, which requires that authorities "make arrangements for the proper administration of their financial affairs". The Accounts and Audit Regulations 2011 more specifically require that a relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems. The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the CIPFA Code of Practice. Both the PCC and CC corporations' sole are auditable bodies.

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

28. Internal audit is required to comply with the Auditing Practices Board's guidelines "Guidance for Internal Auditors", as interpreted by CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, along with any other statutory obligations and regulations.

29. The work of the Internal Audit function provides overall assurances to:

- The PCC, the CC and JIAC that effective internal control systems are in place.
- External Audit on financial systems and internal control are effective and external auditors may use the work of internal audit when carrying out their functions.

Key Controls

30. The key controls for internal audit are:

- That it is independent in its planning and operation.
- That Internal audit has direct access to the PCC, the PCC Chief Executive, PCC CFO, CC, CC CFO and all levels of management.
- The internal auditors comply with the Code of Practice for Internal Audit issued by CIPFA.

Responsibilities of the Statutory Officers

31. The PCC CFO, DCC and CC CFO shall ensure the provision of an effective internal audit service.

32. The PCC and CC shall ensure that internal auditors have the authority to:

- Access premises at all reasonable times.
- Access all assets, records, documents, correspondence, control systems and appropriate personnel.
- Receive any information and explanation considered necessary concerning any matter under consideration.
- Require any staff to account for cash, stores or any other asset under their control.
- Access records belonging to third parties, such as contractors, when required. This shall be achieved by including an appropriate clause in all contracts.

33. Any instances where the CC considers it inappropriate for internal audit to have the access detailed above, such as items considered to be of a sensitive operational nature, are to be confirmed with the PCC Chief Executive and relevant CFO.

34. The PCC CFO, DCC and CC CFO, taking advice from internal audit and after consulting with the PCC and CC and external auditor, are responsible for ensuring an annual internal audit plan is prepared. The plan is to take account of the characteristics and relative risks of the activities involved and is presented to JIAC.

35. The PCC CFO, DCC and CC CFO shall submit the annual internal audit plan to the Audit Committee for consideration prior to the start of the forthcoming financial year.

36. The PCC CFO, DCC and CC CFO shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner.

37. New systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the CC CFO, in liaison with the PCC CFO and internal audit prior to implementation.

38. Internal audit shall provide an annual report to the Audit Committee summarising activities and findings for the year. This shall include an opinion on the effectiveness of the systems of internal control to support the Annual Governance Statement.

39. Both CFOs shall be notified immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. Pending investigation and reporting, PCC CFO, CC CFO, senior managers 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 be conducted as detailed below:

- The relevant CFO shall agree any further investigative process. This may include disciplinary, criminal proceedings and/or dismissal.

Investigations within the Force

Investigations within the Force will normally be carried out by the Professional Standards Department who shall consult with the Internal Audit Manager as appropriate and keep him informed of progress. The operation of this Regulation shall be in accordance with the agreed protocol between the Professional Standards Department and Internal Audit and authorised by the CC CFO and the DCC.

The CC CFO will keep the PCC CFO and chair of the JIAC informed of the suspected fraud. At the conclusion of the investigation, the Internal Audit Manager shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure the risk of recurrence is minimised.

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

External Audit Overview and Control

41. The Local Audit & Accountability Act 2014 sets out responsibilities of the PCC to appoint a local auditor to audit their and the Chief Constable's accounts. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, the Local Government Act 1999 and the Local Audit and Accountability Act 2014. Under the Act, the Comptroller and Auditor General is responsible for preparing and maintaining the Code of Audit Practice, which sets out what local auditors are required to do to fulfil their responsibilities under the Act. The code of audit practice issued in April 2005 sets out the auditor's objectives to review and report upon:
    - The audited body's financial statements.
    - Whether the expenditure and income recorded in the financial statements have applied to the purpose intended by Parliament and the financial transactions recorded in the financial statements conforms to the authorities which govern them (regularity).
    - Aspects of the audited body's arrangements to secure value for money.

42. In auditing the accounts the external auditor must be satisfied 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.
    - They "present a true and fair view" of the financial position of the organisation.
    - Proper practices have been observed in the compilation of the accounts.
    - The body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.

Key Controls

43. The key controls for external auditors are:

- The Local Audit & Accountability Act 2014 sets out responsibilities of the PCC to appoint a local auditor to audit their and the Chief Constable's accounts.
- The National Audit Office (NAO) prepares a code of audit practice, which external auditors follow when carrying out their duties.
- External auditors are independent in their operation.

Responsibilities of the Statutory Officers

44. The PCC CFO, DCC and CC CFO, shall liaise with the external auditor and advise the PCC and CC on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit; 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: premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.

45. To provide the Audit Committee with:

- The external audit Annual Governance Report for consideration.
- The external audit annual work plan and fee are reported for approval.
- The Annual Audit Letter.

C4 PREVENTING FRAUD AND CORRUPTION

Overview and Control

46. The PCC and the CC will not tolerate fraud or corruption in the administration of their responsibilities, whether from inside or outside the group.

47. There is an expectation of propriety and accountability on officers, staff, volunteers and members at all levels to lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

48. The PCC and the CC also expect that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom they come into contact will act towards the PCC with integrity and without thought or actions involving fraud or corruption.

Key Controls

49. The key controls regarding the prevention of financial irregularities are that:

- There is an effective system of internal control.
- The organisation has an effective anti-fraud and corruption policy and maintains a culture that will not tolerate fraud or corruption.
- All officers, staff, volunteers and members will act with integrity and lead by example.
- Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the organisation or who are corrupt.
- High standards of conduct are promoted amongst officers, staff, volunteers and members through adherence to codes of conduct.
- There is an approved Gifts, Gratuities and Hospitality Policy and procedure that must be followed. This includes the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded.
- Whistle blowing policy and procedures are in place and operate effectively.
- Legislation including the Public Interest Disclosure Act 1998 and the Bribery Act 2010 is adhered to.

Responsibilities of the Statutory Officers

50. To ensure all staff act with integrity and lead by example.

51. The PCC and the CC are responsible for preparing an effective anti-fraud and anti-corruption policy and maintaining a culture that will not tolerate fraud or corruption and ensuring that internal controls are such that fraud or corruption will be prevented where possible.

52. The PCC and the CC shall prepare a joint policy for the registering of interests and the receipt of hospitality and gifts covering officers and staff. The policy is published as

appropriate on the PCC website and the Force's website. A register of interests and a register of hospitality and gifts shall be maintained for staff in a manner to be determined by the PCC.

53. The PCC and the CC shall prepare a whistle blowing policy to provide a facility that enables staff, 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 PCC shall ensure that all staff are aware of any approved whistle blowing policy.

54. To implement and maintain an adequate and effective internal financial framework clearly setting out the approved financial systems to be followed.

55. The PCC and the CC shall notify the relevant CFO immediately if a preliminary investigation gives rise to any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. This reporting fulfils the requirements of Section 17 of the Crime and Disorder Act 1998. In such instances, the PCC, CC, and the relevant CFO shall agree any further investigative process. Pending investigation and reporting, the PCC and CC shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

56. The PCC and CC may instigate disciplinary procedures where the outcome of an investigation indicates improper behaviour.

C5 MONEY LAUNDERING AND PROCEEDS OF CRIME

Overview and Control

57. The PCC has adopted an anti-money laundering policy and procedures intended to prevent the use of proceeds from crime. This policy has been developed with regard to the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007.

58. The PCC and CC have nominated the PCC CFO and CC CFO to jointly perform the role of Money Laundering Reporting Officer (MLRO), whose principal role is to receive, consider and respond to any reports received of known or suspected money laundering.

59. The PCC and CC are responsible for ensuring that:

- All officers and staff most likely to be exposed to or suspicious of money laundering situations are made aware of the requirements and obligations placed on the OPCC and Force and themselves by the legislation.
- Those officers and staff considered most likely to encounter money laundering will be given appropriate training. The appropriate managers within the section will periodically identify and deliver training to all appropriate staff.
- Procedures are established to help forestall and prevent money laundering, including making arrangements for reporting concerns about money laundering to the MLRO.
- Periodic and regular assessments are undertaken of the risks of money laundering.

C6 ASSETS

Overview and Control

60. The PCC holds assets in the form of land, property, vehicles, equipment, and other items. 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/inventory is a prerequisite for proper fixed asset accounting and sound asset management. The function of the asset register alongside an asset management plan is to provide the PCC with information about fixed assets so that they are:

- Safeguarded.
- Used efficiently and effectively.
- Adequately maintained.
- Valued in accordance with statutory and management requirements.

61. Intellectual property is a generic term that includes inventions and writing. If these are created by officers and staff during the course of employment, then, as a general rule, they belong to the PCC, not the officer or member of staff. Various Acts of Parliament cover different types of intellectual property. Certain activities undertaken within the PCC or the CC may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property. In the event that the PCC decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an approved intellectual property policy.

62. The PCC will 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, the CC through the delegation to the CC CFO can acquire property (other than land or buildings) as set out in the scheme of delegation, standing orders and in accordance with Financial Regulations.

63. The CC 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.

64. The PCC should consult the CC 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.

Key Controls

The key controls for the security of resources and assets are:

- Resources are used only for approved purposes and properly accounted for.
- Resources are available for use when required.
- Resources no longer required are disposed of in accordance with the law and regulations so as to maximise benefits.
- An asset register is maintained for the organisation. Assets are recorded when they are acquired and this record is updated as changes occur with respect to the location and condition of the asset.
- All staff are aware of their responsibilities with regard to safeguarding the organisations assets and information, including the requirements of the Data Protection Act and software copyright legislation.
- All staff are aware of their responsibilities with regard to safeguarding the security of the organisations computer systems, including maintaining restricted access to the information held on them and compliance with the organisations computer and internet security policies.

Security

Responsibilities of the Statutory Officers

65. To ensure that an asset register is maintained to provide information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory management requirements.

66. The CC CFO shall ensure that assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

67. To ensure that title deeds to property are held securely.

68. To ensure that no asset is subject to personal use by an employee without proper authority from a relevant line manager

69. Attractive and portable items such as computers, cameras and recording devices should be identified with appropriate security markings.

70. To ensure that all staff are aware of their responsibilities with regard to safeguarding the PCC's assets, information and IT systems, including the requirements of the Data Protection Act, software copyright legislation and compliance with the information and security policies.

71. The Head of Legal Services shall ensure that title deeds to the PCC's property are held securely.

72. Lessees and other prospective occupiers of PCC land are not allowed to take possession of the land, until a lease or agreement in a form approved by the Head of Legal Services is in place.

73. To ensure that assets no longer required are disposed of in accordance with the law and the regulations of the PCC.

Valuation

Responsibilities of the Statutory Officers

74. To maintain an asset register for all fixed assets in accordance with the Accounting Policies shown in the annual Statement of Accounts, in a form approved by the PCC CFO. Assets are to be recorded when they are acquired by the PCC and this record updated as changes occur with respect to location, condition and ownership. Assets are to be valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: (The Code) for insurance purposes.

75. Assets may also be valued at market rates for asset management planning purposes where this is different from other valuations.

76. To arrange for the valuation of assets for accounting purposes.

Inventories

Responsibilities of the Statutory Officers

77. To maintain inventories that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown in Section F.

78. There shall be at least an annual check of all items on the inventory in order to verify location, review, and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. The annual check is to be undertaken by the responsible budget holder, who shall ensure that another member of staff is responsible for maintaining the inventory.

79. To make sure that property is only used in the course of the business, unless specific approval has been given.

Stocks and Stores

Responsibilities of the Statutory Officers

80. To make arrangements for the care, custody and control of stocks and stores and maintain detailed stores accounts in a form approved by the CC CFO. Stocks are to be maintained at reasonable levels so as to balance the need for availability and the risk of obsolescence.

81. A complete stock check is to be undertaken at least once per year either by means of continuous or annual stock-take. The stock take shall be undertaken and certified by an

authorised member of staff who is independent of the stock keeping function. This procedure will be followed and a complete stock check undertaken whenever stock keeping duties change.

82. Where significant, values of stocks and stores at 31 March each year are to be certified and included in the annual accounts.

83. Discrepancies between the actual level of stock and the book value of stock may be written off by the relevant CFO up to the level shown in Section F. Amounts for write off by the CC CFO above this value must be referred to the PCC for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.

Intellectual Property

Responsibilities of the Statutory and Key Officers

84. The PCC and CC jointly are responsible for preparing guidance on intellectual property procedures and ensuring that staff are aware of these procedures.

85. The PCC is responsible for approving an intellectual property policy.

Asset Disposal

Responsibilities of the Statutory Officers

86. Assets shall be disposed of provided they meet the following criteria:

- Have been declared surplus to requirements
- When in the best interests of the PCC
- In accordance with the Police and Crime Plan
- In accordance with the approved relevant Strategy
- At the most advantageous price

87. The CC may dispose of surplus vehicles and items of equipment up to the estimated value shown in Section F. Where this is not the highest offer, the CC CFO shall prepare a report for the PCC outlining the reasons.

88. Disposals of vehicles and equipment above the value detailed in Section F are to be reported to the PCC for prior approval and will generally be disposed of by public auction or sealed bids after advertisement, unless it can be shown that an alternative method of disposal would provide better value for the PCC.

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

90. The relevant CFO shall inform the PCC of any disposals that may have a significant impact upon the balance sheet.

91. To ensure that appropriate accounting entries are made to remove the value of the disposed assets from the Commissioner's records.

C7 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Overview and Control

92. It is important that PCC and CC money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of all monies. All treasury management activities should be undertaken in accordance with the CIPFA Treasury Management Code.

Key Controls

93. The key controls for treasury management are:

- That the PCC borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and the Prudential Indicators and with the PCC Treasury Management Strategy.
- Suitable Treasury Management Practices (TMP) 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 Statutory Officers

94. To adopt the key recommendations of *CIPFA's Treasury Management in the Public Services: Code of Practice (the Code*), as described in **Section 4** of that Code.

95. Accordingly, to ensure the adoption, the PCC shall create and maintain, as the cornerstone for effective treasury management; a Treasury Management Strategy, stating the policies and objectives of its treasury management activities, suitable treasury management practices, 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. The content of the policy statement and TMPs will follow the recommendations contained in **Section 6 and 7** of the Code, subject only to amendment where necessary to reflect the particular circumstances of the PCC. Such amendments will not result in the PCC deviating materially from the Code's key recommendations.

96. The PCC shall receive reports on his treasury management strategies, practices and activities, including as a minimum, an annual strategy and plan in advance of each year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs. During the financial year, reports on action undertaken shall be submitted to the PCC, by the CC CFO, as part of the financial monitoring information and included within budget monitoring reports.

97. The PCC is responsible for the implementation of its treasury management strategies and practices and delegates responsibility for the execution and administration of treasury management decisions to the CC CFO, who will act in accordance with the organisation's policy statement and TMPs and, CIPFA's *Statement of Professional Practice on Treasury Management.*

98. The Joint Independent Audit Committee (JIAC) is responsible for ensuring effective scrutiny of the treasury management strategy and policies.

99. The PCC shall adopt the following Treasury Management Strategy:

The PCC:

- Defines its treasury management activities as "the management of the PCC's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- Regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the PCC.
- Acknowledges that effective treasury management will provide support towards the achievement of its business and services objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employ suitable performance measurement techniques, within the context of effective risk management.

100. All investments shall be in the name of 'The Police and Crime Commissioner for Nottinghamshire'

101. The CC CFO shall have overall responsibility for banking arrangements. All bank accounts shall be in the name of the PCC unless authorised by the PCC CFO and PCC Chief Executive. The CC has authority to open or close covert accounts to aid operations. The opening and closing of other bank accounts requires the authorisation of the PCC CFO.

102. The CC CFO shall provide appropriate staff with cash or bank imprests to meet minor expenditure. The CC CFO 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.

103. The CC CFO shall prepare detailed Financial Instructions for dealing with petty cash, and these shall be issued to all appropriate staff.

104. The use of credit cards shall be allowed for undertaking business activities. The CC CFO shall determine a policy for the secure operation of such credit cards.

105. The use of purchase cards shall also be allowed for undertaking business activities. The CC CFO shall determine a policy for the secure use and accounting of such purchase cards.

106. All imprest cheques shall be signed at an appropriate level in accordance with an approved list of signatories and up to the level shown in Section F. All other cheques shall be signed at an appropriate level in accordance with an approved bank mandate.

107. To comply with the requirements of the Money Laundering Regulations.

C8 STAFFING

Overview and Control

108. Staffing costs form a significant element of the annual revenue budget. In order to provide the highest level of service and ensure effective use of resources, it is crucial to recruit and retain high calibre, knowledgeable officers and staff, qualified to an appropriate level.

Key Controls

109. The key controls for staffing are:

- An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocations are matched.
- Procedures are in place for forecasting staffing requirements and cost.
- Controls are implemented that ensure staff time is used efficiently and to the benefit of the organisation.
- Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

Responsibilities of the Statutory Officers

110. To ensure that employees are appointed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed by the PCC.

111. To advise the PCC on the budget necessary in any given year to cover estimated staffing levels.

112. To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints to meet changing operational needs.

113. 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.

114. To approve, in consultation with the appropriate CFO, policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for support staff.

C9 CUSTODY OF UNOFFICIAL FUNDS AND PRIVATE PROPERTY

Trust Funds and other Voluntary Unofficial Funds

Overview and Control

115. These are deemed to be funds, other than those of the PCC or CC, which are controlled wholly or partly by staff by reason of their employment (e.g. Benevolent Fund).

116. 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.

117. These funds should be kept separate from all PCC and CC transactions and bank accounts and those responsible must ensure that appropriate insurance arrangements are in place.

Key Controls

118. The key controls for Trust Funds and other Voluntary Unofficial Funds are:
    - No employee shall open a trust fund without the specific approval of the PCC Chief Executive and PCC CFO.
    - These funds should not include Nottinghamshire Police nor OPCC in the name of the account.
    - These financial regulations should be seen as best practice which need to be followed whenever possible.

Responsibilities of the Statutory Officers

119. Staff controlling such funds shall ensure that a suitably experienced independent person audits the fund in accordance with procedures required by the PCC and arrange for the annual audited accounts to be received by the appropriate management body.

120. The PCC shall be informed of the existence, purpose and nature of all voluntary unofficial funds and receive minutes from the management bodies confirming the adoption of the audited accounts.

121. The PCC shall issue Financial Instructions detailing how unofficial funds are to be managed and controlled.

Custody of Private Property Overview and Control

122. The CC is required to exercise a duty of care and safeguard found or seized property pending decisions on its ownership, or private property of an individual (e.g. a suspect in custody).

Key Controls

123. The key controls for private property are

- Secure environment for storage of property/monies.
- Audit trail of booking in and returning property to owners.
- Audit trail for the disposal of property where appropriate and any income received.
- Policy for specific items (e.g. bicycles) for returning these for community benefit.
- Policy for the use of Police Property Act monies as approved by the PCC.
- Policy for the use of the Proceeds of Crime Act monies as approved by the PCC.

Responsibilities of the Statutory Officers

124. The CC is responsible for the safekeeping of the private property of a person, other than a member of staff, under his/her guardianship or supervision, and shall determine procedures for such. These procedures shall be made available to all appropriate staff.

125. The CC is responsible for the safekeeping of found or seized property and shall determine procedures for such. These procedures shall be made available to all appropriate staff.

126. The CC shall be informed without delay in the case of loss or diminution in value of such private property.

127. The CC shall issue separate financial instructions for dealing with cash, including seized cash under the Proceeds of Crime Act. These procedures shall be approved by the CC and the CC CFO.

128. The CC shall comply with the requirements of the Proceeds of Crime Act.

SECTION D *SYSTEMS AND PROCEDURES*

D1 GENERAL

Overview and Control

1. There are many systems and procedures relating to the control of the PCC's assets, including purchasing, costing and management systems. The PCC is reliant on electronic systems 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.

   The PCC CFO and the CC CFO both have a statutory and professional responsibility to ensure that the organisations financial systems are sound and should therefore be notified of any new developments or changes.

2. It is imperative that operating systems and procedures are secure and that basic data exists to enable the PCC objectives, targets, budgets and plans to be formulated and measured. Performance measures need to be communicated to appropriate personnel on an accurate, complete and timely basis.

Key Controls

3. The key controls for systems and procedures are:
   - Basic data exists to enable the organisation's objectives, targets, budgets and plans to be formulated.
   - Performance is communicated to the appropriate managers on an accurate, complete and timely basis.
   - Early warning is provided of deviations from target, plans and budgets that require management attention.
   - Operating systems and procedures are secure and up-to-date.

Responsibilities of the Statutory Officers

4. The CC CFO, in liaison with the PCC CFO, is responsible for determining the overall accounting systems and procedures including to:
   - Issue advice, guidance and procedures for officers and others acting on behalf of the organisation. Determine the accounting systems, form of accounts and supporting financial records.
   - Establish arrangements for the audit of the organisation's financial affairs.
   - Approve any new system to be introduced.
   - Approve any changes to existing financial systems.
   - Approve any changes to service delivery in relation to the finance function.

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

- Systems are secure, adequate internal controls exist and accounting records 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 to be 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.

6. The PCC and CC shall register compliance with the Data Protection Act and subsequent regulations ensuring that data processing (manual or electronic) involving personal information is registered.

7. The PCC and CC shall ensure compliance with copyright legislation around software being used.

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

9. To establish a Scheme of Delegation, identifying officers and staff authorised to act upon the PCC's and CC's behalf in respect of income collection, placing orders, making payments and employing staff. A schedule of officers and staff, their specimen signatures and the delegated limits of their authority shall be maintained.

D2 INCOME

Overview and Control

10. Income is vital and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly in the name of the PCC. The responsibility for cash collection should be separated from that for identifying the amount due and for reconciling the amount due to the amount received.

11. The PCC and CC should adopt the National Police Chiefs Council (NPCC) national charging policies and national guidance when applying charges under section 25 of the Police Act 1996. The purpose of charging for special services is to ensure that, whenever appropriate, those using the services pay for them.

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

13. When specifying resource requirements the CC will identify the expected income from charging. The CC should adopt NPCC charging policies in respect of mutual aid.

Key Controls

14. The key controls for income are:

- There are arrangements for the collections of all income due and approve the procedures, systems and documentation for its collection, including the correct charging of VAT.
- That relevant employees are supplied with 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.
- All income is paid fully and promptly into the designated Income Bank Account in the name of the PCC. Appropriate details should be recorded onto paying-in slips to provide an audit trail and money collected and deposited reconciled on a monthly basis.
- Income is not used to cash personal cheques or make other payments.
- That effective debt collection procedures are in operation. This is to include debt recovery procedures, and when necessary, legal action to recover monies dues to the PCC and the Force.
- That income is written off, in line with corporate policies and delegated limit as specified in Section F.

Responsibilities of the Statutory Officers

15. To adopt the NPCC national charging policies and national guidance when applying charges under section 25 of the Police Act 1996 and to keep scales of fees and charges under review with such reviews being carried out at least annually.

16. 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.

17. To prepare detailed Financial Instructions for dealing with income to be agreed with the PCC CFO and to issue them to all appropriate employees.

D3 ORDERING OF GOODS AND SERVICES

Overview and Control

18. Public money should be spent with demonstrable probity and in accordance with PCC policies. The statutory officers have a statutory duty to achieve best value, in part through economy and efficiency. Procedures should ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Contract Standing Orders.

Key Controls

The key controls for ordering work goods and services are:

- All goods and services are ordered only by appropriate persons and are correctly recorded.
- All goods and services shall be ordered in accordance with the PCC's standing orders.
- A computer-generated order should always be issued and authorised.

This control should only be set-aside in exceptional circumstances.

- All orders should be raised at the time of placing the order and not on receipt of the goods/services or invoice.
- Goods and services received are checked to ensure that they are in accordance with the order. The person who placed the order should not receive goods.

Responsibilities of the Statutory Officers

19. The PCC is responsible for approving the Contract Standing Orders.

20. To ensure all officers and staff are made aware of the responsibility they have to declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions.

21. All orders issued shall be in accordance with the approved procurement policy or Financial Instructions. Purchase orders must be issued for all work, goods or services to be supplied, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the CC CFO. All purchase orders must be generated by e-financials unless expressly authorised by CC CFO or PCC CFO. The PCC and the CC operates a "No P.O. – No Pay" policy.

23. To ensure that purchase orders are issued for all work, goods or services except for supplies of utilities, periodic payments such as rent or rates, purchasing card purchases, imprest purchases or other exceptions specified by the CC CFO.

24. To ensure authorisation of requisitions/orders are in accordance with the limits shown in **Section F**. Only authorised officers and staff can raise requisitions/orders and therefore an authorised signatory list will be maintained. Purchasing Cards may be used in compliance with the requirements and guidance.

25. Purchase orders must not be raised for any personal or private purchases, nor must personal or private use be made of PCC contracts.

26. Goods and services ordered must be appropriate and needed, there must be adequate budgetary provision and quotations or tenders must be obtained where necessary.

27. Tenders and quotations shall be obtained in accordance with Contract Standing Orders and within the limits shown in **Section F.**

28. Commitments incurred by placing orders are to be shown against the appropriate budget allocation and incorporated within budget monitoring reports.

29. A different person must authorise the payment from the person who approved the requisition/order.

D4 PAYMENTS OF GOODS AND SERVICES

Overview and Control

30. Apart from petty cash the normal method of payment from the PCC and the CC shall be by BACs payment, cheque or other instrument or approved method, drawn on the PCC bank account. The use of direct debit shall require the prior agreement of the PCC CFO or the CC CFO.

Key Controls

31. The key controls for paying for work goods and services are:

- Goods and services received are checked to ensure that they are in accordance with the order. The person who approved the order should not receive goods.
- Payments are not made unless goods have been received and to the correct price, quantity and quality standards.
- All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
- All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule.
- All expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

Responsibilities of the Statutory Officers

32. All payments are to be made in accordance with the approved procurement procedures or Financial Instructions.

33. Payments are not to be made unless goods and services have been received at the correct price, quantity and quality in accordance with any official order. Goods should not be received by the person who approved the initial requisition, unless this is impracticable.

34. Segregation will exist between the person ordering and the person approving the order. The receipting of goods confirms the invoice is suitable for payment. In the case of a manual invoice 2 members of staff need to be involved in the ordering/receipting/authorising process.

35. Authorisation of invoices shall be in accordance with the limits shown in **Section F.**

36. Procedures should be in place to ensure that all payments are to be made to the correct person, for the correct amount and be recorded properly, regardless of the method of payment. Systems should ensure the invoice has not been processed for payment before and that full advantage has been taken of any discounts offered.

37. Where VAT is charged, an invoice is not to be paid unless a proper VAT invoice has been received.

38. All payments should be processed promptly to comply with the Late Payment of Commercial Debt (Interest) Act 1988.

D5 PAYMENTS TO EMPLOYEES & OTHERS

Overview and Control

39. Employee costs are the largest item of expenditure for most organisations.

Therefore, it is important that payments are accurate, timely, made only where they are due and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for.

40. All overtime claims and other claims for remuneration travel and expenses should be submitted at least monthly. This is to ensure that monitoring of expenditure is more accurate and that authorisation of claims can be certified properly.

Key Controls

41. The key controls for payments to employees and members of the Committee are:

- Proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:
  - Starters
  - Leavers
  - Variations
  - Enhancements

And that claims for payments are made on the approved and appropriate documentation.

- Regular reconciliation of the HR system to the Payroll within I-TRENT system.
- Frequent reconciliation of payroll expenditure against approved budget and bank account.
- All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.
- The HM Revenue & Customs regulations are complied with.
- Recovery of overpayment.
- Responsibility of adhering to time lines.

Responsibilities of the Statutory Officers

42. To ensure appointments are made in accordance with approved establishments, grades and scale of pay and adequate budget provision should be available. Payroll staff must be notified of all appointments, terminations or variations in the correct format and to the timescales required.

43. The CC CFO, in liaison with the PCC CFO, shall make arrangements for the secure and reliable payment of salaries, wages, pensions, compensation and other emoluments to existing and former officers and staff. Adequate and effective systems are to be in place

and procedures operated so that payments are only authorised to bona fide officers; staff and pensioners payments are only made where there is a valid entitlement conditions and contracts of employment are applied correctly officer, and staff names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

44. The PCC CFO shall make arrangements for the payment of all PCC travel and expenses claims. Such claims should be in the prescribed form, duly completed and certified by the CEO. Certification is taken to mean that journeys were authorised and expenses incurred properly and necessarily and that allowances are payable properly, ensuring that cost effective use of travel arrangements is achieved. Due consideration should be given to tax implications. Payments shall be made to the value of presented receipts up to the prescribed limits, in accordance with **Section F** Delegated Limits.

45. Payroll transactions are to be processed only through the payroll system. Payments to individuals engaged on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue and Customs requirements. The HM Revenue and Customs applies a tight definition of employment status, and in cases of doubt, advice should be sought and a decision made by the relevant CFO.

46. To ensure that full records are maintained of benefits in kind and that they are properly accounted for in any returns to the HM Revenue and Customs.

47. To ensure compliance with all HM Revenue and Customs regulations and record and make arrangements for the accurate and timely payment of income tax and national insurance. To ensure compliance with regulations regarding the pay over of pension deductions and other statutory or voluntary deductions from pay. Payroll staff should be notified of all employee benefits in kind to enable full and complete reporting within the income tax self-assessment system.

D6 TAXATION

Overview and Control

48. Tax issues are often very complex and the penalties for incorrectly accounting for tax are often severe.
49. It is important that all relevant officers and staff are kept up to date on tax issues and instructed on required record keeping.

Key Controls

50. The key controls for taxation are:
    - Relevant staff are provided with relevant information and kept up to date on tax issues.
    - Accurate record keeping.
    - All taxable transactions are identified, properly carried out and accounted for within stipulated timescales.
    - Records are maintained in accordance with instructions.
    - Returns are made to the appropriate authorities within the stipulated timescale.

Responsibilities of the Statutory Officers

51. To ensure the completion of all HM Revenue and Customs requirements regarding PAYE and that due payments are made in accordance with statutory requirements.
52. To ensure that the correct VAT liability is attached to all income due and that all VAT reclaimed on purchases complies with HM Revenue and Customs regulations. The CC CFO shall ensure the completion of VAT claims for receipts and payments are made in accordance with statutory requirements.
53. Where construction and maintenance works are undertaken, the contractor shall fulfil the necessary construction industry tax deduction requirements. The CC CFO shall provide details to the HM Revenue and Customs regarding the construction industry tax deduction scheme.
54. To ensure up to date guidance is given to officers and staff on organisational taxation issues (e.g. VAT and CIS).

D7 EX GRATIA PAYMENTS

Overview and Control

55. An ex gratia payment is a payment made where no legal obligation exists. An example may be to recompense staff for damage to personal property in the execution of duty.

Responsibilities of the Statutory Officers

56. The PCC and the CC may make ex gratia payments to members of the public up to the level shown in **Section F** in any individual instance: for damage or loss to property or for personal injury or costs incurred as a result of police action, where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the PCC. The CC CFO shall maintain details of such payments in a register.

57. The PCC and CC may make ex gratia payments up the level shown in **Section F** in any individual instance, for damage or loss of property or for personal injury to staff in the execution of duty or to staff in relation to employment errors. The PCC and the CC shall maintain details of such payments in a register.

D8 PENSIONS

Overview and Control

As a responsible public body the PCC and the CC will ensure that the Pension Schemes are made easily available to all eligible staff and police officers. Auto enrolment into the pension scheme enforces this concept.

Key Controls

58. The key controls relating to pensions are:

- Relevant staff are provided with relevant information and kept up to date on pension issues.
- Accurate record keeping.
- Good communication with the County Council Pension Administrator, including submitting accurate and timely returns
- Compliance with acts and regulations.
- Records are maintained in accordance with instructions.

Responsibilities of the Statutory Officers

59. To ensure that there are adequate arrangements for administering police pension scheme and Local Government Pension Scheme (LGPS) matters on a day-to-day basis.
60. To record and make arrangements for the accurate and timely payment of pensions and police pensions to the scheme administrators.
61. The appointment of a Pension Administrator to administer the LGPS and police pensions on behalf of the PCC.
62. The Home Office is responsible for the Police Pension Schemes and the organisation acts as a “holding account”, although the transactions are shown in the CC and Group statements of account.
63. To ensure Pension Boards are established as required to administer the schemes in accordance with current legislation and regulations.
64. To ensure that timely and accurate information is supplied to the Home Office for the Top Up arrangements.
65. To ensure that timely information is supplied to the actuaries.
66. To refer internal disputes relating to pensions to the Pension Administrator in the first stage, with second stage disputes being referred to the relevant CFO.
67. The CFOs are responsible for the governance arrangements.

D9 CREDIT CARDS

Overview and Control

68. The Group has a formal policy of the use of credits cards which should be adhered to in all cases.

Key Controls

69. The key controls for Credit Cards are

- Detailed instructions to all authorised card holders and users are issued.
- A procedure which controls the issue of cards and limits on each card.

Responsibilities of the Statutory Officers

70. That the CC CFO undertakes periodic reviews of the register of individuals and limits assigned to each card, in consultation with PCC CFO for OPCC cards.
71. To ensure that all card holders are aware of the financial instructions relating to the use of cards.
72. To ensure that all purchases are checked to ensure compliance with approved policies (e.g., Gifts, Gratuities and Hospitality, Catering).
73. To ensure that the process requires receipted details of payments, particularly VAT receipts and all requirements of the providers electronic receipting and payments processes are adhered to.

SECTION E EXTERNAL ARRANGEMENTS

E1 PARTNERSHIPS

Overview and Control

1. Partnerships with other organisations can play a key role in delivering community strategies and in helping to promote and improve the wellbeing of the area. A partner may be defined as:

   - an organisation joining to undertake, part fund or participate as a beneficiary in a joint project, or
   - a body whose nature or status give it a right or obligation to support a joint project.

   Partnerships typically fall into three main categories:

   - **Statutory based** - These are partnerships that are governed by statute.

     They include, for example, Community Safety Partnerships and Local Strategic Partnerships (LSPs).
   - **Strategic** - These are partnerships set up to deliver core policing objectives. They can either be force-wide or local.
   - **Ad Hoc** - These are typically locally based informal arrangements agreed by the PCC.

2. The main reasons for entering into a partnership with others are:

   - To provide new and better ways of delivering services.
   - To comply with statutory requirements.
   - The ability to access new resources.
   - The desire to find new ways to share risk.
   - To forge new relationships.
   - Mitigate costs when looking to achieve shared goals.

3. Partners undertaking a joint venture 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.

4. The PCC and CC should welcome the opportunity for forming partnerships with other local organisations to address local needs. As set out in section 10 of the Police Reform

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

5. When the PCC acts as a commissioner of services, he will need to agree the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. The Commissioner is able to make crime and disorder grants in support of local priorities. 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.

6. The PCC may also make grants for Community Empowerment in support of new or local priorities. Such grants will not exceed the limit detailed in **Section F.**

Key Controls

7. The key controls for partnerships are:

- If appropriate, to be aware of their responsibilities under the PCC financial regulations.
- To ensure that risk management processes are in place to identify and assess all known risks.
- To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise.
- To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences.
- Information sharing agreements should be incorporated for compliance with Management of Police Information and Data Protection Act.
- To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.
- Exit strategies should be included from the start.

Responsibilities of the Statutory Officers

The PCC shall ensure there is adequate budget provision for partnerships as part of the annual budget setting process.

8. The PCC and CC are responsible for undertaking the partnership funding arrangements, in accordance with the agreed policy. The PCC and CC shall consider the overall governance arrangements and legal issues when arranging contracts with external bodies.

9. The PCC and CC shall ensure that the roles and responsibilities of each of the partners involved are agreed and accepted formally before the partnership commences.

10. The PCC CFO and CC CFO should ensure that the accounting and reporting arrangements relating to partnerships are satisfactory.

11. The PCC and CC, upon taking appropriate advice, shall ensure that:

- before entering into the agreement, a risk management appraisal has been prepared.
- such agreements do not impact adversely upon the services provided by the PCC and CC.
- 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, security and control requirements are satisfied accounting arrangements are in place and satisfactory, including resourcing, taxation procedures and carry-forward arrangements.

12. The PCC Chief Executive shall maintain a register of all partnership arrangements.

13. The PCC and CC shall ensure that all officers and staff involved in partnership arrangements have access to Financial Regulations and Contract Standing Orders. On occasion, the possibility of non-compliance with these Regulations may arise from entering into partnership arrangements. In such cases, prior approval of the PCC, following the agreement of the PCC CFO, is required.

E2 EXTERNAL FUNDING

Overview and Control

14. External funding is a very important source of income. The main source of such funding is government grants, but consideration should be given to ensuring that the potential for all income sources is maximised. The PCC should agree a fees and charges policy and review this on a regular basis.

15. Any match funding requirements should be given due consideration prior to entering into agreements and resources identified for future commitments.

Key Controls

16. The key controls for external funding are:

- To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- To ensure that funds are acquired only to meet the priorities approved in the Police and Crime Plan.
- To ensure that any match-funding requirements are given due consideration prior to entering into long term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Statutory Officers

17. To ensure that any conditions in relation to external funding are in accordance with the approved policies of the PCC. In such cases, shall ensure compliance with the key conditions determined by the funding body and any statutory requirements. If there is a conflict, this needs to be taken to the PCC for resolution.
18. 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.
19. To pursue actively any opportunities for additional funding where this is considered to be in the interests of the PCC.
20. All bids for external funding and the proper recording of grant income shall be coordinated through the OPCC and subject to the approval of the PCC.
21. To ensure that all funding notified by external bodies is received and properly recorded in the accounts, that all claims for funds are made by the due date and that audit requirements are met.

E3 WORK FOR THIRD PARTIES

Overview and Control

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

Key Controls

23. The key controls for working for third parties are:
    - To ensure that proposals are costed properly in accordance with guidance provided by the Home Office, or the PCC.
    - To ensure that contracts are drawn up using guidance provided by the Home Office, or the PCC.

- To issue guidance with regard to the financial aspects of third-party contracts and the maintenance of the contract register.

Responsibilities of the Statutory Officers

24. To ensure that:
    - proposals for assistance are costed.
    - that contracts are drawn up where appropriate.
    - that no contract is subsidised by the organisation.
    - that contracts do not impact adversely on the services provided.
    - that charges are made in accordance with the PCC policy.
    - that, where possible, payment is received in advance of the delivery of the service.
    - that the PCC is not put at risk from any bad debts.

25. The CC CFO shall ensure that appropriate insurance arrangements are in place.

E4 COLLABORATED ACTIVITES AND CONSORTIUM ARRANGEMENTS

Overview and Control

28. Providing services under collaborated arrangements can achieve efficiencies, savings and improve service reliance requirements. All collaboration activities involving functions under the direction of the CC shall be financially appraised by the CC CFO and discussed with the PCC CFO. Such collaboration may take the form of MOU, or s22A agreements. Final approval of all s22A collaborative arrangements rests with the PCC.

29. The PCC and CC may enter into Consortium (Shared Services) arrangements. Such an arrangement is a long term joint working arrangement with other PCCs/Forces operating within a formal legal structure approved by the PCC. Prior to entering into any consortium arrangement the proposal shall be financially appraised by the PCC CFO and the CC CFO. The PCC Chief Executive will sign the Memorandum of Understanding (setting out the governance arrangements of the project) on behalf of the PCC/Force.

Responsibilities of the Statutory Officers

30. To ensure that each activity covered by collaborated arrangements is subject to the financial regulations of one of the PCC's involved. The particular PCC's financial regulations should be selected having regard to the staffing, activity and location of the collaborated activity.

31. To contact the PCC Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework.

32. To consult, as early as possible, the PCC CFO and the CC CFO to ensure the correct treatment of taxation and other accounting arrangements.
33. To produce a business case to show the full economic benefits to be obtained from participation in the collaboration/consortium.
34. To produce a Memorandum of Understanding (MOU) or a s22A agreement setting out the appropriate governance arrangements.

E5 COMMISSIONING

Overview and Control

35. Under Section143 of the Antisocial Behaviour Policing and Crime Act 2014, the PCC is given the responsibility to provide or arrange for the provision of services to secure crime and disorder reduction and to help persons affected by offences and anti-social behaviour. This allows, within the constraints of the relevant funding streams, the PCC to pool funding as they and their local partners deem appropriate. In accordance with the Commissioning Framework, the PCC can commission services or award grants to organisations or bodies that they consider will support their community safety priorities in accordance with their Police and Crime Plan. They may do this individually or collectively with other local partners including non-policing bodies. The PCC must have regard to the relevant priorities of each responsible authority.
36. It is important to ensure that risk management and project appraisals are in place to assess the viability – both on initiation and on an on-going basis – of all external arrangements and an exit strategy is prepared.
37. The Chief Constable may not undertake commissioning or grant arrangements without agreement of the PCC.

Key Controls

38. The key controls for commissioning are:
    - Agreements with clear priorities and outcomes.
    - Grant conditions and outcomes.

Responsibilities of the Statutory Officers

39. To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan.
40. To work effectively with other local leaders who can also provide significant resources, to influence how all parties prioritise and bring together their resources to tackle local problems and priorities.
41. To consult with the public in accordance with legislation, and to consult specifically with victims and witnesses of crime in order to commission victim and witness support services in Nottinghamshire.
42. To make appropriate robust arrangements to commission services from the Force or external providers.
43. To award grants as approved by the PCC.
44. Authorisation of grants shall be in accordance with the limits shown in Section F.
45. To develop a commissioning framework that will support the objectives as set out in the Police and Crime Plan. The framework should encourage a mixed economy of provider options where necessary.

46. To develop financial framework as part of the wider Commissioning framework with approved authorisation levels.
47. To keep under review the performance and outcomes of any investments agreed by the Commissioner in respect of partnership activity.
48. Ensure financial expenditure does not exceed the budgeted level to achieve the objectives set out in the Police and Crime Plan.

SECTION F DELEGATED LIMITS

The section references below refer to the main body of text within sections A to E of these Financial Regulations. All financial limits are contained within this section in order to minimise the need for change when values are updated.

For the purpose of this document, “Sensitive” contracts are those that are above Find a Tender Service (FTS) threshold level or are novel, contentious, in the public interest or politically repercussive.

F1 FINANCIAL PLANNING

Annual Revenue Budget Preparation

1. The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined as one in excess of the estimated value shown below:

   £100,000

2. Major projects need not be referred back to the PCC for further approval unless amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown below:

   By lesser of 5% or £25,000

3. **Business Case Approval**

   Business case for provision of new service, or change to the way services are provided which results in no additional expenditure may be approved by the CFO to the Chief Constable. However, the PCC and CEO should be consulted on such business cases, that are of significant interest. Business cases requiring additional revenue expenditure are to be approved by the PCC.

   Business cases for capital expenditure require the PCC or his delegated officer approval in all circumstances.

F2 BUDGETARY CONTROL

Virement is defined to be the transfer of budget between budget heads within a financial year and will always be a net nil, whereas a budget adjustment is defined as a budget movement at the time budgets are prepared for the forthcoming financial year. In year budget changes i.e. those which change the Gross income and expenditure require summarising for the PCC to approve.

4. **Revenue Virement/Revenue Budgetary Movement Limits**

It is the responsibility of the Budget Manager to request approval for virement and budgetary movement subject to the following limits.

Force Revenue Budget

Virement Types	Checked	Approver	Limits
Only between account code lines, one that does not cross a reporting line in Appendix B of the annual budget decision record below £100k.	Finance Business Partner	Budget Holder	Existing Budget
Only between account code lines/one that does not across a reporting line in Appendix B of the annual budget decision above £100k	Finance Business Partner	CC CFO	Existing budget
Across reporting lines in Appendix B of the annual budget decision record			
	Finance Business Partner	CC/DCC or CC CFO	Up to £100k
	Finance Business Partner	PCC	Above £100k

PCC's Revenue budget

Virement Types	Checked	Approver	Limits
Only between account code lines, one that does not cross a cost centre	Finance Business Partner	Budget Holder	Existing Budget
Movement between cost centres	Finance Business Partner	PCC DCFO, or CFO, or CEO	Up to £100k
	Finance Business Partner	PCC	Over £100k

The following virements also require the Commissioner's approval:

- That which involves a substantial change of policy of service delivery
- That which results in a significant addition to commitment in future years
- Transfer to capital expenditure other than direct revenue financing contributes.
- Additional budget funded from reserves

5. Treatment of Year End Balances

As a default position, all balances shall be transferred to reserves, subject to any specific carry forward requests. Requirements should be prioritised carefully by the PCC and CC to enable best informed judgements as to future funding levels and planning the use of resources.

F3 CAPITAL PROGRAMME

7. Detailed estimates for each scheme in the approved capital programme shall be prepared by the responsible officer before tenders are sought or commitments made.

8. There may be instances where a capital requirement is identified in year, in addition to and outside of the agreed annual budget. In such cases, the requesting manager must produce a business case for the scheme.

- A business case for capital scheme in year up to £100,000; fully funded/with no future year's commitment requires joint approval from the CC CFO and PCC CFO, prior to the PCC.

9. A business case for a capital scheme which are either more than £100,000; unfunded or will result in significant future year's commitment requires the Commissioner approval.

10. All variations to the Capital Programme are approved by the Commissioner and reported to him or his delegated staff quarterly. All capital overspend, when identified, will require PCC approval as this has borrowing implications.

11. All Capital Virements are reported for approval to the PCC within the quarterly monitoring report.

F4 FINANCIAL RISK

11. The CC and CEO shall be authorised to settle all claims, including Employment Tribunal claims up to the values shown below.

Head of Legal Services: up to £10,000 excluding legal costs

CEO and DCC (in consultation with CFOs) from £10,001 up to £50,000 excluding legal costs

PCC (in consultation with CEO and CFO) from £50,001 and above excluding legal costs

There are exceptions in employment tribunal cases. These occur when cases are felt to be sensitive for the reason below:

- They involve high profile claimants
- There is a particular public interest in the case
- There is a real risk that the Police and Crime Commissioner or Nottinghamshire Police will be exposed to serious public criticism or serious weaknesses in the organisation or police and procedures will be revealed. Such cases will be referred to the Chief Executive for consideration by the Police and Crime Commissioner.

13. The PCC must approve all requests for financial assistance to officers and staff involved in legal proceedings.
14. The CC CFO is responsible for the day to day management of the insurance functions. Legal services are responsible for the day to day management of claims handling and settlement payments.

F5 ASSETS

Land & Buildings

15. The CC may not acquire any interest in land, including freeholds, leaseholds or licenses. However, the CC may recommend purchases of Land and Buildings to the PCC, which is in keeping with the operational requirements. The CC CFO shall ensure all additions/disposals to assets are maintained in the fixed asset register appropriately.
16. The CC CFO shall maintain an asset register for all fixed assets with a value in excess of the limits shown below:

Land and Buildings incl components – All

Vehicles – All

Computer Equipment – £20,000

Plant and Equipment - £20,000

Inventories

17. The CC shall ensure inventories are maintained that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown below.

Individual items above £500

Stocks and Stores

18. Discrepancies between the actual level of stock and the book value of stock may be written off by the CC up to the level shown below. Amounts for write off above this value must be referred to the PCC CFO for approval with a recommendation from the CC.

Individual items £10,000

Overall annual limit for financial year £25,000

19. Obsolete stock may be written off by the CC CFO up to the level shown below. Amounts for write off above this value must be referred to the PCC CFO for approval.

Individual items £10,000
Overall annual limit on all stock £25,000

Obsolete stock must not be donated to any external party without the express permission of the PCC.

Asset Disposal

20. The CC may dispose of surplus vehicles and items of equipment up to the estimated value shown below. Disposal of a lease must be recommended to the PCC. Disposals above this value are to be reported to the CC CFO for prior approval. Disposals must be via the most appropriate route in accordance with good practice (e.g. auction, tender etc.)

Equipment £20,000
Individual vehicles £20,000

21. Items above the estimated value shown below shall be disposed of by public auction or sealed bids after advertisement, unless it can be shown that an alternative method of disposal would provide better value.

Equipment £20,000

F6 INCOME

22. The Chief Constable may only enter into sponsorship arrangements with approval as shown below regardless of whether it is perceived to be of a sensitive and controversial nature, this must be approved:

Up to £15,000 PCC CFO
Over £15,000 PCC

23. Individual debtor amounts may be written off in accordance with the tables below.

CC Limits	Individual Limit	Aggregate Limit
Financial Controller	Up to £100	Up to £2,500
Head of Finance	Up to £2,000	Up to £25,000
CC CFO	Up to £50,000	Up to £250,000
PCC CFO & CEO	Over £50,001	Over £250,001

OPCC Limits	Individual Limit	Aggregate Limit
Deputy CFO	Up to £50,000	Up to £250,000
PCC CFO & CEO	Over £50,001	Over £250,001

A final year-end report will be prepared for the Force Executive Board (CC debts) and PEG (Group debts) detailing all debts written off during the year and any outstanding items requiring approval for that financial year.

24. Salary Overpayment Write Off

To ensure the responsible stewardship of its resources, the OPCC reserves the right to recover all overpayment of salary, expenses or other emoluments in excess of the employee's contractual entitlement. Finance should take all reasonable measures to pursue recovery of the overpayment, and this includes arranging a payment plan to recover the funds.

All repayment plans must align to the policy in place. Any exceptions are to be approved by the relevant CFO.

In exceptional circumstances, overpayments can be written off, in part or in full:

- Write offs for individual salary overpayment of £500 may be written off by CC CFO.
- CC CFO may write off salary overpayments up to the maximum of £5,000 in a financial year.
- The PCC CFO may write off salary overpayments for individual amounts up to £5,000 and up to a total of £25,000 in a financial year.
- Salary overpayments over the above limits (individually or in a financial year) may only be approved by the Commissioner.

All cases of overpayment will be dealt with on an individual basis, by the relevant CFO, to ensure minimum hardship for the employee, whilst maintaining the integrity on the use of public funds.

All write-offs must be recorded and reported to the Commissioner when the total exceeds £25,000 in any given financial year.

F7 PROCUREMENT OF GOODS AND SERVICES

25. Authorisation shall be in accordance with the limits shown below

Matter Requiring Authorisation (All figures are net of VAT)	Level of Authorisation Requisition Approval	Contract Signature
Procurement of goods, services or works with a total contract value (including any extension) up to £25,000	Up to £1,000: Inspector & P Grade Staff upwards Up to £10,000: Inspector & M Grade Staff upwards Up to £25,000: Ch.Inspector & M Grade Staff upwards	Financial Controller Chief Accountant Senior BP
Procurement of goods, services or works with a total contract value (including any extension) up to £100,000	Up to £50,000: Supt & M Grade Staff upwards Up to £100,000: Ch.Supt & CO Grade Staff upwards	Notts Police Budgets: HoF OPCC Budgets: DCFO
Procurement of goods, services or works with a total contract value (including any extension) up to relevant PA Threshold (see CSO Appendix B)	Over £100,000: Notts Police Budgets: CC/DCC/ACC/Ch. Supt Corporate Services & CO Grade Staff upwards OPCC Budgets: CEO or PCC CFO	Notts Police Budgets: CC CFO OPCC Budgets: PCC CFO
Procurement of goods, services or works with a total contract value (including any extension) in excess of relevant PA Threshold (see CSO Appendix B)		PCC CFO/ PCC CEO/ PCC
Exceptions with a total contract value up to £25,000	CC Budgets – HCCM/Dep. Head of Procurement PCC Budgets - PCC DCFO	N/A
Exceptions with a total contract value (including any extension) of £25,000 and above	CEO or PCC CFO	N/A

Contract variations	In line with delegated limits, where variation that results in the original delegated limit being exceeded will require the approval of relevant new delegation limit
Sensitive contracts and/or variations, termination and/or extensions of sensitive contracts (regardless of value)	PCC
Termination of contract with a total contract value of up to £100,000	CC Budgets – CC CFO PCC Budgets – PCC CFO
Termination of a contract with a total contract value of over £100,000 to PA Threshold	CEO PCC
Termination of contract with a total contract value in excess of relevant PA Threshold	PCC
Collaboration – Section 22 Agreements	For Notts Police - CC For PCC - PCC

The use of leases, hire purchase or rental agreements is specifically excluded for all purchases as this requires approval of the PCC or PCC CFO.

26. Written quotations shall be obtained in accordance with Contract Standing Orders as detailed below:

Minimum one written quotation required for purchases up to £10,000

At least 3 written quotations (unless exemption granted through an approved exception) £10,001 to £25,000

Over £25,000 formal tender process
undertaken in conjunction with the Engagement Partner
and complying with the special conditions for tenders over the PA threshold

Note: Any contract in excess of £25,000 can only be awarded following consultation with the Procurement Advisor.

F8 HIGH VALUE PAYMENTS

27. Authorisation of BACS and other legislative payments (e.g. HMRC tax liabilities, apprenticeship levy and third party payments) may be approved in accordance with the limits shown below:

Up to £250,000 Finance Business Partner
Over £250,000 CFOs/DCC/Head of Finance/OPCC DCFO
CEO/Senior Business Partner/Chief Accountant/Financial Controller

28. Treasury Management Activities

Limits of treasury management activities are set out below and further contained within Treasury Management Strategy as determined by the PCC CFO.

Treasury Management - Investments

Investment Counter Parties		
Treasury Management Accountant, Chief Accountant, Financial Accountant	Provision of Proposals	No limit
CC CFO, PCC DCFO or CFO, Head of Finance	Consideration and Authorisation of Proposal	No Limit

Investment Options		
Treasury Management Accountant, Chief Accountant, Financial Accountant	Provision of options	No limit
Treasury Management Accountant, Chief Accountant, Financial Accountant	Processing of option following Authorisation	In accordance with Authorisation

Investment Authorisation		
Short Term Investments: Fixed Term or Notice Accounts		
Treasury Management Accountant, Chief Accountant, Financial Accountant, Head of Finance, CC CFO, PCC, DCFO or CFO	Authorisation of option	Within Limits specified in the Treasury Management Strategy
Liquid Investments: On Call or Money Market Accounts		
Treasury Management Accountant, Trainee Accountant, Chief Accountant, Head of Finance, CC CFO, PCC DCFO or CFO	Authorisation of option	Within Limits specified in the Treasury Management Strategy
Information Required		
Schedule of Approved Counterparties showing limits and amount already placed. Period of Investment and Rate.		

Treasury Management - Borrowing

Borrowing		
Treasury Management Accountant, Chief Accountant, Financial Accountant	Provision of Proposals	No limit
CC CFO, PCC DCFO or CFO, Head of Finance	Consideration and Authorisation of Proposal	No Limit
Information Required		
Schedule of Approved Capital Programme and anticipated spend. Available other sources of finance being utilised i.e. capital grants, contributions and receipts. Period of Loan and Rate. Budgeted figures for loan anticipated as part of budget setting.		

Treasury Management - Banking Arrangements

Approval of New Accounts & Changes to Authorised Signatories		
Treasury Management Accountant	Provision of Proposal	No limit
Chief Accountant, Head of Finance, CC CFO	Consideration of Proposal	No limit
PCC DCFO or CFO	Authorisation of Proposal	No limit
Information Required		
Details of Account type and justification.		

Approval of New Credit Cards

Treasury Management Accountant, Chief Accountant	Provision of Proposal	No limit
Head of Finance, CC CFO, PCC DCFO or CFO	Consideration and Authorisation of Proposal	No limit
Information Required		
Details of justification and required credit limit		

Approval of Increased Credit Card Limit

Treasury Management Accountant, Chief Accountant	Provision of Proposal	No limit
Head of Finance, CC CFO, PCC DCFO or CFO	Consideration and Authorisation of Proposal	No limit
Information Required		
Details of justification		

Approval of New Imprest Accounts

Finance staff, Treasury Management Accountant, Chief Accountant	Provision of Proposal	No limit
Financial Controller, Head of Finance, CC CFO, PCC DCFO or CFO	Consideration or Authorisation of Proposal	No limit
Information Required		
Details of justification		

Approval of Bank Transfers		
Treasury Management Accountant, Chief Accountant, Financial Accountant, Assistant Treasury Accountant	Provision of Proposals	No limit
Treasury Management Accountant, Chief Accountant, Financial Accountant, Assistant Treasury Accountant	Processing of proposal following Authorisation	In accordance with Authorisation
Treasury Management Accountant, Chief Accountant, Head of Finance, CC CFO	Authorisation of Proposal	No limit
Information Required		
Recipient, amount and details of reason for transfer.		

Approval of Manual Cheques		
Finance staff, Treasury Management Accountant, Chief Accountant	Provision of Proposals	No limit
Finance staff, Treasury Management Accountant, Chief Accountant	Processing of proposal following Authorisation	In accordance with Authorisation

Treasury Management Accountant, Chief Accountant, Head of Finance, CC CFO	Authorisation of Proposal	No limit
Information Required		
Recipient, amount and details of reason for cheque.		

Treasury Management - Leasing Arrangements

Approval of New Arrangements		
Finance staff	Provision of Proposal	No limit
Chief Accountant, Head of Finance	Consideration of Proposal	No limit
CC CFO, PCC DCFO or CFO	Authorisation of Proposal	No limit

F9 EX GRATIA PAYMENTS

The CC may make ex gratia payments to members of the public or recompense to a police officer, up to the level shown below in any individual instance, for damage or loss of 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 functions of the Force. The circumstances of the proposed payment must not have the effect of circumventing other pay and allowances, policies, rates and rules in the execution of duty or to a member of the public assisting the police. Advice should be obtained from subject matter experts and these may include HR and Legal Services. Amounts greater than those specified must be referred to the PCC CFO for approval.

£10, 000

F10 GRANTS MADE AND RECEIVED

31. Authorisation of grants should be made in accordance with the limits detailed below:

Only the PCC and the PCCs staff as set out in the scheme of delegation may authorise grants.

F11 EXTERNAL FUNDING

32. The Chief Constable is authorised to identify and pursue external funding up to £250,000 and which is part of the agreed budget. Any external funding in excess of this limit and/or not within the agreed budget requires PCC prior approval.

33. The Chief Executive may make the following decisions:

    To approve exceptional cases in the provision of police advice and assistance to international agencies, because the cost is £4,000 or more (including air flights, accommodation and salary costs of the police officer or member of staff); and it is a sensitive case involving travel to a politically sensitive country.

F12 REPORTING

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

Reporting Officer	Business Area	Reports to	Frequency
PCC	Group	Police & Crime Panel	Quarterly
PCC CFO	PCC and Group	PCC	Monthly via catch up with PCC and CEO
OPCC Finance Business Partner	OPCC	SLT	Monthly
CC CFO	CC	PEG	Revenue Monthly Capital Bi-Monthly
CC	CC	PEG	Monthly
DCC	CC	FEB	Monthly
Head of Finance/ Snr Finance Business Partner	CC	FEB	Revenue Monthly Capital Bi-Monthly
Finance Business Partner	CC	Budget Holders	Monthly

Contract Procedure Rules and Standing Orders to be added - TBC

NOTTINGHAMSHIRE POLICE & CRIME COMMISSIONER

Nottinghamshire Police and Crime Commissioner – Notice of Decision

AUTHOR:	Governance and Compliance Manager
TELEPHONE NUMBER:	0115 8445998
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DECISION OR INFORMATION:	Decision
DATE RECEIVED:*	01.08.25
REF:* (to be inserted by the OPCC)	2025.042

TITLE:	Revised Joint Corporate Governance Framework (JCGF)

EXECUTIVE SUMMARY:

In Spring 2024, the Office of the Police and Crime Commissioner's (OPCC's) Chief Executive & Monitoring Officer led a review of the current Police and Crime Commissioner's (PCC's) and Chief Constable's (CC's) scheme of governance (called the 'Working Together' document), which had not been reviewed since before 2018 (except for the Financial Regulations and Contract Standing Orders which were reviewed in 2022, and 2023 then 2025, respectively). The review took account of a national template which had been developed by the Association of Policing and Crime Chief Executives (APACCE).

Following this review, improvements were proposed, and the resulting Joint Corporate Governance Framework (JCGF) was discussed with Force colleagues at group workshop sessions held in March and May 2025.

This decision record is seeking formal approval of the JCGF from the PCC (and the CC). An explanatory note explaining what the JCGF does, including key delegations, will be shared with senior leaders in the OPCC and Force in due course. Linked work will also be progressed – e.g. recommended improvements to joint, OPCC-specific, and Force-specific policies and procedures.

A copy of the JCGF is attached to this decision record, as appendix 1.

INFORMATION IN SUPPORT OF DECISION: (e.g. report or business case)

Reports on the review of the scheme of governance, setting out the key areas of change were submitted to the Joint Independent Audit Committee (JIAC) in July 2024 and July 2025. JIAC members noted the progress that had been made with strengthening governance arrangements to ensure that business is conducted properly and is legally compliant.

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FINANCIAL INFORMATION
There are no direct financial implications arising from this report. Core CFO responsibilities include safeguarding public money, ensuring that effective systems of internal control are implemented which includes financial regulations and contract standing orders. The PCC and the PCC's CFO are responsible for drawing up financial regulations and procedures for application to the PCC and Chief Constable. These should be prepared in consultation with the chief constable's CFO and should be kept under review by both CFOs to ensure they are revised to reflect any change to organisational or administrative arrangements. They should be reviewed by the joint audit committee prior to approval by the PCC. The requirements have therefore been fulfilled.

Signature: Chief Finance Officer	REDACTED
Date:	06/08/25

Is any of the supporting information classified as non-public or confidential information?**	Yes	☐	No	☐
If yes, please state under which category from the guidance**				
DECISION:				

OFFICER APPROVAL:	
Having had oversight of this work to strengthen our joint governance arrangements, as Monitoring Officer, I have been consulted about the proposal and confirm that the appropriate advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner and Chief Constable.	
Signature: Chief Executive & Monitoring Officer	REDACTED
Date:	06/08/25

CHIEF CONSTABLE APPROVAL:

**** See guidance on non-public information**

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I have been consulted about the proposal and I formally approve this JGCF being adopted in Nottinghamshire Police. This request therefore has my approval.	
Signature: **Chief Constable**	REDACTED
Date:	8th August 2025

DECLARATION:	
I confirm that I do not have any disclosable pecuniary interests in this decision, and I take the decision in compliance with the Code of Conduct for the Nottinghamshire Office of the Police and Crime Commissioner. Any interests are indicated below: The above request has my approval	
Signature: **Nottinghamshire Police & Crime Commissioner**	REDACTED
Date:	11.08.25

**** See guidance on non-public information**