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# **Joint Corporate Governance Framework 2023-24**



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## Overview

The Joint Corporate Governance Framework sets out the principles, structures and processes by which the Office of the Police and Crime Commissioner (OPCC) and Dyfed-Powys Police (DPP) will be governed, both jointly and separately.

The Framework is designed to support the delivery of the Police and Crime Commissioner's priorities contained within their [Police and Crime Plan](#).

The Framework consists of the following three documents:

- 1 [Statement of Corporate Governance](#) – provides clarity on the way the Police and Crime Commissioner and the Chief Constable will govern both jointly and separately, to facilitate the effective discharge of business for the right reason in a timely manner for the public;
- 2 [Code of Corporate Governance](#) – sets out the core principles of good governance, outlined in the Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales (Chartered Institute of Public Finance and Accountancy (CIPFA), 2016); and
- 3 [Scheme of Corporate Governance](#) – sets out the parameters within which the two organisations will conduct their business to ensure that business is carried out efficiently and that decisions are open, transparent and not unnecessarily delayed.

The Scheme of Corporate Governance consists of:

- [Scheme of Consent](#);
- [Scheme of Delegation](#);
- [Decision-Making](#);
- [Financial Regulations](#); and
- [Contract Standing Orders](#).

The Joint Corporate Governance Framework is supported by the Governance Structure (see Section 5.2), separate policies, procedures and protocols which are referenced and linked within the documents themselves. Any matter of business not covered in these documents will require the approval of the Police and Crime Commissioner (PCC) and Chief Constable (CC).

# 1. Statement of Corporate Governance 2023-24

## 1.1 Introduction

- 1.1.1 The purpose of this statement is to provide clarity on the way the Police and Crime Commissioner (PCC) and the Chief Constable (CC) will govern both jointly and separately, to facilitate the effective discharge of business for the right reason and at the right time.
- 1.1.2 Good governance encourages better decision-making and the efficient use of resources. Good governance improves organisational leadership, management and oversight resulting in good outcomes for citizens, the public and all service users.
- 1.1.3 The [Police Reform and Social Responsibility Act 2011 \(PRSRA\)](#) establishes both the PCC and CC as corporations sole<sup>1</sup> in their own right with complementary but distinct decision-making responsibilities. The PCC is responsible for the totality of policing within the Dyfed-Powys area, including the appointment and dismissal of the CC, setting the strategic direction for policing and holding the CC to account for the delivery of policing services. The CC is responsible for the operational delivery of effective and efficient policing services.
- 1.1.4 The PCC and CC are committed to applying the core principles of good governance<sup>2</sup>:
- Focus on outcomes for local people.
  - Clarity of roles and functions.
  - Promotion of values and demonstrating these through behaviour.
  - Informed, transparent decisions & managing risk.
  - Developing capacity and capability.
  - Engaging with local people to ensure robust accountability.
- 1.1.5 The PCC and CC will adopt a collaborative approach to the sharing of services and information to support the delivery of their respective duties.
- 1.1.6 Both parties will abide by the seven principles set out in Standards in Public Life: First Report of the Committee on Standards in Public Life, known as the '[Nolan Principles](#)'.

## 1.2 Context

- 1.2.1 The statutory framework within which the corporations sole will operate is:
- Police Reform and Social Responsibility Act 2011 (PRSRA)
  - [Policing Protocol Order 2011](#)

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<sup>1</sup> Each PCC and their respective Chief Constable are established in law as corporations sole within the 2011 Act. In doing so, both the PCC and the Chief Constable are enabled by law to employ staff and to hold funds in their official capacity.

<sup>2</sup> As set out in [The Good Governance Standard for Public Services](#) (CIPFA and the Office of Public Management, in partnership with the Joseph Rowntree Foundation, 2004)

- [Financial Management Code of Practice](#)
- [Strategic Policing Requirement](#)

1.2.2 These regulatory frameworks will take precedence over this Corporate Governance Framework.

1.2.3 Other legislation which the PCC and CC must have regard to include:

- [Public Audit \(Wales\) Act 2004](#)
- [The Welsh Language \(Wales\) Measure 2011](#)
- [Wellbeing of Future Generations \(Wales\) Act 2015](#)
- [The Wales Act 2017](#)

### 1.3 Roles and Responsibilities

1.3.1 The Policing Protocol Order 2011 sets out how PCCs, CCs and Police and Crime Panels<sup>3</sup> will exercise their functions in relation to each other. An effective, constructive working relationship is more likely to be achieved where communication and clarity of understanding are at their highest. Mutual understanding of, and respect for, each party's statutory functions will serve to enhance policing for local communities.

1.3.2 The PRSRA establishes PCCs and gives them responsibility for the totality of policing within their force area. It further requires them to hold the CC to account for the operational delivery of policing, including in relation to the Strategic Policing Requirement published by the Home Secretary.

1.3.3 The public accountability for the delivery and performance of the police service is placed into the hands of the PCC on behalf of their electorate. The PCC draws on their mandate to set and shape the strategic objectives of their force area in consultation with the CC. They are accountable to the electorate; the CC is accountable to their PCC. The Panel within each force area is empowered to maintain a regular check and balance on the performance of the PCC in that context.

1.3.4 Further details on the roles and responsibilities of Police and Crime Commissioners, Chief Constables and Police and Crime Panels, and their relationship, are contained in Sections 15 to 26 of the Policing Protocol.

### 1.4 Review

1.4.1 This Corporate Governance Framework will be reviewed annually at the start of each financial year or at such time that the PCC, in consultation with the Chief Constable, determines necessary. The Corporate Governance Group has delegated responsibility for undertaking the process of maintaining and reviewing the effectiveness of the Governance Framework.

1.4.2 The Joint Audit Committee (JAC) is responsible for conducting, at least annually, an independent review of the effectiveness of governance arrangements, risk management and control frameworks, including financial

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<sup>3</sup> Each Police and Crime Panel consists of members appointed by the Secretary of State, those appointed by the local authorities covered within the policing area and members co-opted by the Panel.



reporting, annual governance processes and internal and external audit findings.

- 1.4.3 The [JAC Terms of Reference](#) sets out the details of how this will be achieved. The Terms of Reference are currently under review following the publication of the 2022 CIPFA Guidance for Audit Committees
- 1.4.4 Any review of the Corporate Governance Framework will be informed by the work of the Corporate Governance Group, Internal Auditors and managers within the OPCC and DPP with responsibility for governance. In addition, comments made by external auditors and other review agencies and inspectorates will inform any review.

## 2. Code of Corporate Governance 2023-24

### 2.1 Introduction

2.1.1 The joint Code of Corporate Governance sets out how the Police and Crime Commissioner (PCC) and Chief Constable (CC) will govern their organisations both jointly and separately.

### 2.2 Principles of Good Governance

2.2.1 This Code is based on the seven principles that underpin effective and ethical corporate governance in public service as outlined in the [International Framework: Good Governance in the Public Sector \(CIPFA/IFAC, 2014\)](#):

#### 2.2.1.1 **Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

- The Policing Protocol 2011 requires all parties to abide by the Nolan Principles, as set out in paragraph 1.1.6. The Protocol also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust. The Financial Management Code of Practice requires the PCC and CC to ensure that the principles of good governance are embedded in the way the organisations operate.
- Ethical decision making is at the heart of police professionalism. The [Code of Ethics for policing in England and Wales](#) is the highest-level declaration of the principles and standards of behaviour expected from everyone in policing in England and Wales. Behaviour that falls below the principles and standards set out in the code will be dealt with in a prompt, proportionate and impartial way. The Independent Ethics Committee shall advise, challenge and scrutinise decision makers, leaders, and all staff on decisions made and matters arising in relation to the Code of Ethics.

#### 2.2.1.2 **Principle B: Ensuring openness and comprehensive stakeholder engagement.**

- The Policing Protocol Order 2011 also highlights that the PCC is accountable to local people and that they draw on this mandate to set and shape the strategic objectives for the force area, in consultation with the CC.
- The Police and Crime Plan clearly sets out what the strategic direction and priorities are and how it will be delivered.
- To complement this an [Engagement and Communications Strategy](#) sets 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. This will include being part of the yearly planning arrangements and becoming involved in issues of interest to local people as they emerge.
- The PCC and CC will develop arrangements for effective engagement with key stakeholders, ensuring that where appropriate they remain closely involved in decision-making, accountability and future direction.

**2.2.1.3 Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.**

- The PCC has issued a Police and Crime Plan which sets out the police and crime objectives and the strategic direction for the policing of the Dyfed-Powys area.
- Collaboration agreements set out those areas of business to be undertaken jointly with other Forces, Local Policing Bodies and other partners, whether to reduce cost, increase efficiency or increase capability to protect local people.
- A [Medium-Term Financial Plan](#) has been jointly developed by the PCC and CC to support delivery. The financial regulations ensure proper arrangements for financial management.
- The PCC's [Commissioning Framework](#) incorporates commissioning intentions and priorities.
- A [Complaints Protocol](#) has been agreed to provide clarity over the arrangements to respond to the breadth of concerns raised by local people, whether they be allegations of organisational or individual failures/concerns.

**2.2.1.4 Principle D: Determining the interventions necessary to optimise the achievements of the intended outcomes.**

- The PCC and CC's Medium-Term Financial Plan forms the basis of the annual budgets and provides a framework for evaluating future proposals.
- The Force meeting and decision-making structures support the operational delivery of the annual plans by ensuring effective prioritisation of resources and communication, alignment and transparency of change initiatives.
- There will be a comprehensive process of analysis and evaluation of plans, which will normally include option appraisal, techniques for assessing the impact of alternative approaches on the service's outcomes, and benefits realisation.
- Processes will be in place to monitor efficiency and value for money, including benchmarking of performance and costs.
- The PCC and the Force will maintain effective workforce development (see paragraph 4.3.11) and asset management plans (see paragraphs 8.3.3 and 9.5).

**2.2.1.5 Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.**

- The organisations' training plan sets the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for officers and members of staff.
- The PRSRA clearly sets out the functions of the PCC and CC and the Policing Protocol Order 2011 sets out how these functions will be undertaken to achieve the outcomes of the Police and Crime Plan.
- The PRSRA requires the PCC and CC to appoint key senior personnel, as detailed in section 3.2 of the Scheme of Corporate Governance.

- The scheme of corporate governance highlights the parameters for key roles in the organisations including delegations or consents from the PCC and CC, financial regulations and contract standing orders.
- Officers, police staff and staff of the Office of PCC will operate within:
  - Office of the Police and Crime Commissioner and Police Force policy and procedures,
  - this Corporate Governance Framework, and
  - conduct regulations and codes of conduct.
- The independent Joint Audit Committee will operate in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and within the guidance of the Financial Management Code of Practice.

**2.2.1.6 Principle F: Managing risks and performance through robust internal control and strong public financial management.**

- The decision-making protocol detailed in section 5 sets out the principles behind how decisions will be taken by the PCC and CC and the standards to be adopted.
- The [National Decision Model](#) is applied to spontaneous incidents or planned operations, by officers and staff within the Police Force as individuals or teams, and to both operational and non-operational situations.
- The Scheme of Governance highlights the parameters for decision-making, including the delegations, consents, financial limits for specific matters and standing orders for contracts.
- The [Risk Management Policy](#) establishes how risk is managed throughout the various elements of corporate governance of the organisations, whether operating solely or jointly.
- The communication and engagement strategy sets out how the PCC and CC will ensure that local people are involved in decision-making.
- The PCC and CC's Publication Schemes establish 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.

**2.2.1.7 Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.**

- Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner.
- Both external and internal audit contribute to effective accountability.
- Legislation sets out the functions of the PCC and the CC. The Policing Protocol Order 2011 describes how these functions will be undertaken to achieve the outcomes of the Police and Crime Plan.
- The PRSRA requires the PCC to appoint a Chief of Staff and a Chief Financial Officer. It prescribes that the Chief of Staff will act as head of paid services and undertake the responsibilities of Monitoring Officer. The Act also requires the CC to appoint a Chief Financial Officer. The

Financial Management Code of Practice sets out the responsibilities of the Chief Finance Officers for both the PCC and the CC.

- The independent Joint Audit Committee operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice.
- The scheme of corporate governance highlights the parameters for key roles in the organisation including consents from the PCC or CC, financial regulations and standing orders.

2.2.2 Principles A and B underpin the whole International Framework and are implicit in the remaining five principles. The International Framework also emphasises that local government organisations must try to achieve their objectives while acting in the public interest at all times.

2.2.3 The intent of each of the seven principles of good governance in policing can be found in [Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales \(CIPFA, 2016\)](#). This document also details the behaviours and outcomes that demonstrate good governance in practice.

### **3. Scheme of Corporate Governance 2023-24**

#### **3.1 Relationship between the Police and Crime Commissioner and Chief Constable**

- 3.1.1 The relationship between the PCC and CC is that of independent organisations, as each party is a separate corporation sole. Nothing in this Scheme of Governance shall create or be deemed to create a partnership or agency, franchise or employment relationship between the parties.
- 3.1.2 Despite their separate legal entities and their differing roles and responsibilities it is appropriate for the PCC and CC to work together by way of joint endeavour in order to improve outcomes for local people as set out in the Police and Crime Plan.
- 3.1.3 There is a need for effective and efficient arrangements to be implemented for the provision of all forms of business support to both the PCC and the CC which would best support them and their respective statutory offices in the discharge of their obligations. It is desirable where possible to avoid duplication of functions between the offices of the PCC and CC.
- 3.1.4 The PCC cannot delegate any of their functions to staff under the employment of the CC. However, officers and staff of the CC may be used to assist the PCC to exercise their functions. This Scheme sets out some of the ways in which that assistance will be given.
- 3.1.5 No fee is payable from one party to another in respect of any services provided.
- 3.1.6 Wherever possible, the PCC and CC will adopt a single policy in those business areas to facilitate the administration and application of those policies by staff.

#### **3.2 Financial Matters**

- 3.2.1 The PCC is responsible for holding the Police Fund and for receiving and managing grants, gifts and loans.
- 3.2.2 The PCC and CC have a shared responsibility to provide effective management of the policing budget and to secure value for money in the exercise of their functions.
- 3.2.3 The CC has day-to-day responsibility for the financial management of DPP's policing budget in accordance with the Financial Regulations.
- 3.2.4 The CC shall prepare Financial Procedures to supplement the Financial Regulations and provide detailed instructions on the operation of the specific financial processes. The CC shall ensure that all employees are made aware of the existence of these Regulations and are given access to them.
- 3.2.5 None of the Police Grant<sup>4</sup> made available to the CC may be used to bring

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<sup>4</sup> The Police Grant is the funding provided each financial year the Secretary of State provides to police authorities for police purposes, as set out in the Police Act 1996 Section 46(1).

legal proceedings against another public body without the prior express approval of the PCC. Such approval will not be unreasonably withheld.

### 3.3 Employment Matters

- 3.3.1 The PCC has a statutory duty to appoint a CC, Chief Executive and Monitoring Officer (CEX), Chief Finance Officer<sup>5</sup>(CFO) and Data Protection Officer (DPO)<sup>6</sup>. They also need to appoint such other staff required to exercise their functions.
- 3.3.2 The CC has a corresponding duty to appoint a Chief Finance Officer (herein referred to as the Director of Finance) and Data Protection Officer, and such other staff as they think appropriate to exercise their functions or otherwise assist the police force. They also have responsibility for appointing and managing all officers and staff below the rank of CC.
- 3.3.3 The CC may adjust the police staff establishment in numbers, locations, and grading within the overall workforce budget approved by the PCC. As outlined in the Policing Protocol, the CC must consult with the PCC in relation to the appointment of officers above the rank of Chief Superintendent and police staff equivalents. The CC must submit plans for the creation / deletion of posts above the rank of Chief Superintendent and police staff equivalents (Grade K and above) to the Policing Board in advance. The CC must submit bi-annual establishment reports to Policing Board.
- 3.3.4 The CC will approve payments under any approved bonus, productivity or performance related payment schemes and honoraria payments in recognition of additional duties and responsibilities or similar special payment schemes. All such schemes will require the approval of the PCC. The CC will ensure that payments will be made in accordance with Police Regulations. The PCC must be consulted on any such payments to officers above the rank of Chief Superintendent and police staff equivalents (above Grade K).
- 3.3.5 Any relocation packages, benefit schemes and changes to terms and conditions of service of officers and staff within DPP and the OPCC that are made outside of the Police Regulations require the approval of the PCC.
- 3.3.6 Policies relating to employment will be agreed jointly by the PCC and the CC, and apply to staff of both the PCC and the CC for ease and efficiency of administration.
- 3.3.7 Both the PCC and the CC retain the discretion to task and direct their staff as they, in their absolute discretion, see fit.
- 3.3.8 There are three circumstances in which business support may be sought from the other party. These are known as cooperative arrangements and are as follows:

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<sup>5</sup> The CEX and CFO statutory responsibilities are set out in Para 6, Schedule 1 of the PRSRA. Sections 112 & 114 of the Local Government Finance Act 1988 and the Accounts and Audit (Wales) (Amendment) Regulations 2010 also apply to the CFO.

<sup>6</sup> The statutory duty to appoint a DPO is set out in Sections 69-71 of the Data Protection Act 2018 and Article 37 of the UKGDPR.

- the PCC wishes to seek support from the CC's staff;
- the CC wishes to seek support from the PCC's staff; and
- the PCC and the CC agree jointly on the commissioning of work to be undertaken either by the PCC's staff, the CC's staff, or by both.

3.3.9 Either of the parties may assign work to staff subject to a cooperative arrangement and use the existing resources within that team with the agreement of the other party.

3.3.10 If, due to the volume of work required of that team there is an issue of prioritisation to be resolved, such issues will be referred to the Commissioner's CEX and the Deputy Chief Constable (DCC).

3.3.11 Neither the PCC nor the CC will seek to impose any form of recharge on the other in respect of staffing costs arising out of the cooperation arrangements.

3.3.12 This arrangement will not prohibit the commissioning of work from other sources.

3.3.13 If either the PCC or the CC has concerns about the conduct or performance of personnel employed by the other, then the PCC or the CC will report those concerns as soon as practicable to the relevant line manager.

3.3.14 For the avoidance of doubt, where personnel are engaged in work commissioned other than by their employer, such an arrangement does not amount to a secondment of their employment and at all times such personnel remain subject to ordinary supervisory and management arrangements.

3.3.15 Posts may be advertised and staff may be moved between the PCC and CC as agreed by them following established policies, practices and procedures.

3.3.16 Where positions within the OPCC are lost through restructuring, individuals within the OPCC will enter the redeployment pool of DPP. In the event that suitable employment cannot be found, liability of redundancy costs will rest with the PCC. The Management of Change Policy sets out the approach to dealing with restructuring, redeployment and redundancy.

### 3.4 Supplies and Services

3.4.1 The PCC and CC have a duty to ensure that the supplies and services (including transport assets) procured are efficient and effective and meet business and operational needs.

3.4.2 The PCC is responsible for ensuring that the policing estate balances operational and business needs with responsible environmental management and sustainable development. From March 2023 the Force will have a Sustainability Group as part of its governance arrangements, Chaired by the Director of Finance

### 3.5 Information Technology

3.5.1 The PCC and CC have a requirement to ensure that information technology services procured are efficient and effective and meet business and operational needs.



### 3.6 Engagement

- 3.6.1 The PCC has a statutory duty to publish specified information<sup>7</sup> and a power to provide information about the exercise of their functions and those of the CC. The PCC is required to produce an annual report<sup>8</sup>.
- 3.6.2 The PCC has a duty, in carrying out any of their functions, to have regard to the views of the communities in the Dyfed-Powys area on policing, the Police and Crime Plan and proposals for expenditure.
- 3.6.3 The CC also has a duty to make arrangements for obtaining the views of persons within each neighbourhood in the Dyfed-Powys area about crime and disorder in that neighbourhood and to provide such persons with information about policing in that neighbourhood.
- 3.6.4 The CC also has a power at common law to publish and request any information to or from the general public where to do so would assist in the prevention or detection of crime or the maintenance of law and order.
- 3.6.5 It is acknowledged that the PCC and CC will publish and gather information, views and opinions in respect of crime and disorder in the Dyfed-Powys area. It is acknowledged that the PCC and the CC may wish to express different messages on the same issue.

### 3.7 Information

- 3.7.1 Both the PCC and the CC are separate data controllers and processors and have duties under the UK General Data Protection Regulation (UKGDPR), the [Data Protection Act 2018](#) and [Freedom of Information Act](#) (FOIA) 2000.
- 3.7.2 For the purposes of the UKGDPR the PCC and the CC remain the data controller for any personal data recorded under their respective control. Both have designated Data Protection Officers, namely the Business Manager (PCC) and Head of Information Management (CC).
- 3.7.3 For the purposes of the FOIA, if either the PCC or the CC should receive an FOI request then the PCC or CC as appropriate would be responsible for responding to that request in line with the requirements of the FOIA.
- 3.7.4 Any FOI requests received by either the PCC or the CC which relate to this governance framework or any matters arising from it are to be brought to the attention of the other party as soon as practicable, and where necessary the PCC and the CC will provide reasonable assistance to the other in order to facilitate a timely and compliant response to the FOI request or any subsequent compliance requirement.
- 3.7.5 In order to enable the PCC to exercise the functions of their office effectively, they will need access to information, officers and staff within their force area. The PCC and CC will share information where appropriate to support each

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<sup>7</sup> As set out in the [Elected Policing Bodies \(Specified Information\) Order 2011](#).

<sup>8</sup> As required within the PRSRA.

other in exercising their functions; where this relates to the sharing of personal data, such sharing will be in accordance with the requirements of the DPA and UKGDPR as appropriate. Access to information must not be unreasonably withheld.<sup>9</sup>

3.7.6 The PCC and CC will provide reasonable assistance to the other in the preparation of information sharing agreements, data disclosure agreements and data processing contracts, as applicable, to ensure compliance with the College of Policing [Authorised Professional Practice – Information Management \(Sharing Police Information\)](#) and the [Wales Accord on the Sharing of Personal Information \(WASPI\)](#).

3.7.7 The Policing Protocol sets out how information will be shared between the 2 Corporations Sole. The lawful basis for the sharing of information and processing of personal data between the PCC and CC is contained within Data Protection legislation as detailed in the table below:

<b>PCC -</b>	
UK-GDPR Article 6(1) (a) - Consent	The individual has given consent for their personal data to be processed for a specific purpose
UK-GDPR Article 6 (1) (b) Contract	Processing is necessary for a contract or because specific steps are required before entering in to a contract
UK-GDPR Article 6 (1) (c) Legal Obligation	the processing is necessary to comply with the law
UK – GDPR Article 6 (1) (d) Vital Interests	The processing is necessary to protect someone’s life.
UK- GDPR Article 6 (1) (e) Public Task	Processing is necessary to perform a task in the public interest of official functions and the task or function has a clear basis in law.
UK GDPR Article 6 (1) (f) Legitimate Interests	The processing is necessary for the legitimate interests or the legitimate interests of a third party, unless there is good reason to protect the information which overrides the legitimate interests.

<b>Chief Constable - The relevant lawful basis under data protection legislation allowing the sharing of personal data</b>	
<b>Lawful Basis</b>	
Article 6 UK-GDPR (Lawfulness of Processing) Necessary for compliance with a legal obligation – Art 6(1)(c)	The relevant legislation being Section 19 of the Policing Protocol Order 2011
Article 9 - UK- GDPR (Processing of special categories of personal data) Necessary for reasons of substantial public interest - Art 9(2)(g)	UK GDPR Art 9(2)(g) requires a basis in UK law, which is provided by Section 10(3) of the Data Protection Act 2018.  This in turn refers to the need to meet a relevant condition in Part 2 of Schedule 1 of the DPA 2018. The

	<p>relevant condition being: Statutory etc and Government Purposes - Condition 6 (2)</p> <p>The relevant legislation being Section 19 of the Policing Protocol Order 2011</p> <p>Dyfed Powys Police Appropriate Policy Document available on the website.</p>
<p>Article 10 UK-GDPR –Processing of personal data relating to criminal convictions and offences</p>	<p>Meets a relevant condition in Part 1, 2 or 3 of Schedule 1 of the Data Protection Act 2018.</p> <p>The relevant condition being: Schedule 1 Part 2 Section 6 - Statutory etc and government purposes.</p> <p>The relevant legislation being: Section 19 of the Policing Protocol Order 2011</p>

3.7.8 Any queries or complaints in respect to the sharing of personal data can be referred to the relevant Data Protection Officer within each corporation sole.

3.8 Access to Premises and Personnel

3.8.1 The PCC and CC and their senior members of staff shall each have unlimited access to premises and personnel under either party’s direction or control, unless there is a reasonable operational requirement to restrict such access.

3.8.2 Access to people and premises by other personnel may be limited according to operational need.

3.9 Estates

3.9.1 The CC is responsible for the day-to-day maintenance and operational matters relating to the PCC’s estate. All estates services and projects, whether driven by the PCC’s strategic decisions or by operational / maintenance needs, will be led by the CC’s Head of Estates under the guidance and direction of the Governance Structure.

3.9.2 Estates projects will operate within the confines of the capital and revenue budgets allocated towards estates projects by the PCC to the CC. The Head of Estates will report, by exception, any significant changes with costing or timing pressures to the Policing Board.

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<sup>9</sup> As set out in Section 19 of the Policing Protocol Order 2011.

## 4. Scheme of Delegation

### 4.1 General Principles

- 4.1.1 For the avoidance of doubt, any of the PCC's statutory functions may be exercised directly by the PCC at any time, irrespective of whether those functions, or matters ancillary to them have been delegated to any other person.
- 4.1.2 Whilst Section 18 of the PRSRA permits a PCC to delegate certain functions, the PCC may not delegate to any constable or any person employed by the CC.
- 4.1.3 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.
- 4.1.4 Any person carrying out the functions of the PCC, or making any decision relating thereto, will take appropriate professional advice as necessary, particularly legal and financial advice and, where appropriate, operational advice from the CC. Delegations may only be exercised where provision for any relevant expenditure has been included in the approved budget.
- 4.1.5 When carrying out any functions, the PCC, CC and officers must also have regard to the following:
- the views of the people in the Dyfed-Powys area;
  - any report or recommendation made by the Police and Crime Panel on the annual report for the previous financial year; and
  - the Police and Crime Plan and any guidance issued by the Secretary of State.
- 4.1.6 The allocation of delegations does not prevent an individual from referring a matter to the PCC or the Policing Board if the individual wishes or considers it appropriate. The PCC will expect officers to draw their attention to:
- issues which are sensitive or contentious;
  - issues of risk including operational, strategic, financial and legal risk or matters where there is a risk that the PCC and/or CC could be exposed to public criticism;
  - issues which reveal serious weakness in the efficiency and effectiveness of policing; or
  - any circumstance where it is considered prudent to do so.
- 4.1.7 After in initial discussion with the CFO, and before any financial liability affecting the Police Fund that the PCC might reasonably regard as contentious or repercussive is incurred; prior written approval must be obtained from the PCC. It is, however, recognized that it may not be possible to predetermine contentious and repercussive liabilities in all instances.
- 4.1.8 Any contracts or agreements for media programme filming must be authorised by the PCC prior to access being granted to DPP premises, assets or personnel.

4.1.9 All decisions made by statutory officers under powers given to them by the PCC or CC must be recorded and be available for inspection. In this document, reference made to the statutory officers includes individuals authorised by them to act on their behalf.

4.1.10 The persons appointed as the Chief Executive (CEX) and the Chief Finance Officers (CFO and DFO) have statutory powers and duties relating to their positions, and therefore do not rely on matters being delegated to them in order to carry these out.

4.1.11 This Scheme does not attempt to list all matters which form part of everyday management responsibilities.

## 4.2 Delegations by the Police and Crime Commissioner

### Chief Executive and Monitoring Officer (CEX)

4.2.1 The CEX is responsible for the leadership and general administration of the PCC's office and is also the PCC's designated monitoring officer. The CEX's responsibilities can be found [here](#).

### Chief Finance Officer (CFO)

4.2.2 The CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the PCC on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC's accounts, including group accounts. The detailed financial management responsibilities of the CFO are set out in the [financial regulations](#).

### Urgent Matters

4.2.3 If any matter arises which would normally be referred to the PCC for a decision and cannot be delayed in their absence, the matter may be decided by the appropriate statutory officer.

4.2.4 Appropriate statutory officers authorised to decide urgent matters are:

- CEX – all issues other than operational matters; and
- CFO – financial and related issues.

4.2.5 Urgent decisions taken must be reported to the PCC as soon as practicably possible.

## 4.3 Delegations by the Chief Constable

4.3.1 This Scheme is without prejudice to the ability of the CC to arrange for their DCC to exercise such functions of the CC pursuant to Section 41 of the PRSRA.

4.3.2 The allocation of delegations pursuant to this Scheme does not prevent an individual from referring a matter to the PCC or the Policing Board if the individual wishes or considers it appropriate. The PCC will expect individuals to draw to their attention to sensitive or contentious issues or any matter which may have significant financial implication.

- 4.3.3 All officers and staff of DPP will be required to comply with this Corporate Governance Framework.
- 4.3.4 The CC will exercise financial governance through their own published Governance Structure.
- 4.3.5 The DoF will carry out the statutory responsibilities of the CC's Chief Finance Officer required under the PRSRA and the DCC will undertake an equivalent role in the Force to that of the Monitoring Officer of the OPCC in terms of responsibilities.
- 4.3.6 The budgets for DPP will be assigned completely between Chief Officers as Budget Holders. Each Budget Holder will be accountable for the delivery of their elements of the Police and Crime Plan within the budget limits delegated to them by the CC.
- 4.3.7 Approval limits for individual contracts, orders, invoices and non-pay budget movements will be as follows:

Spended level	Process	Authorisation
Over £300,000	Budget must be available. Formal Tender or Framework arranged through the Procurement Department.  UK Procurement Regulations (>£189K Goods and Services; £4.7M Works).	Requires scrutiny and approval by the CC / Chief Officer Group (COG) of its submission to OPCC / Policing Board for scrutiny and approval by the PCC.  With the exception of reimbursements such as collaborative arrangements, which only require the approval of the DoF or CFO for each amount over £50,000.
£150,000 to £300,000	Budget must be available. Formal Tender or Framework arranged through the Procurement Department.  <a href="#">UK Procurement Regulations</a> (>£189K Goods and Services; £4.7M Works).	Requires approval by the CC / COG and be reported to the Policing Board following approval.  With the exception of reimbursements such as collaborative arrangements, which only require the approval of the DoF or CFO for each amount over £50,000.
£50,000 to £149,000	Budget must be available. Formal Tender or Framework arranged through the Procurement Department.	Requires approval by a Chief Officer (or the CEX, CFO or a Director within the OPCC).
£25,000 to £49,999	Budget must be available. Formal Tender or Framework arranged through the Procurement Department.	Requires approval by a person reporting directly to a Chief Officer (or the CEX, CFO or a Director within the OPCC).

£5,000 to £24,999:	Budget must be available. Three written quotations at the most economically advantageous.	Requires approval by a Superintendent Rank / Detective Superintendent Rank, or person reporting directly to a Chief Officer. The Head of Scientific Support is also authorised to the value of £9,999.
£1,500 to £4,999:	Budget must be available. At least one quotation.	Requires approval by an Inspector or Chief Inspector or person reporting directly to a Chief Officer or a person approved by the Chief Constable.
Between £0 to £1,500	Budget must be available. At least one quotation.	By a person authorised to hold a procurement card or credit card or otherwise authorised by the CC.

- 4.3.8 The Chair of each Board as set out in the OPCC and Force Governance Structures, must ensure that authorisation levels are complied with, that budgets are available and that any financial risks are reported to Chief Officer Group (COG).
- 4.3.9 Any grant applications, income recovery and charging issues, or any opportunities being considered, must be reported to COG and thereafter Policing Board for approval in advance of any detailed work being undertaken.
- 4.3.10 The budget includes details of all police staff roles that have been authorised for the forthcoming financial year and this will be communicated and signed off annually by Budget Holders. A 'Vacancy Request Form (VRF) Approval Panel will meet on a weekly basis to consider all requests to advertise to fill any vacant or additional posts.
- 4.3.11 DPP will produce an annual Workforce Plan as part of the Force Management Statement required by Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) for the forthcoming year that sets out, in detail, recruitment activity in respect of police officers. This must be approved by the Force Executive Board and Policing Board on an annual basis in advance of every financial year. The delivery of the workforce plan will be managed and controlled by Strategic Resourcing group monthly under the direction of the Assistant Chief Constable with progress and any exceptions being reported to People Board or Force Executive Board and Policing Board.

## 5. Decision-Making

### 5.1 Introduction

- 5.1.1 There are high expectations and statutory requirements in relation to the availability and access to information held by public bodies. The PCC is committed to discharging their responsibilities for the totality of policing within Dyfed-Powys with the highest levels of transparency.
- 5.1.2 All decisions made by staff pursuant to the provisions of this Scheme must be properly documented and available for inspection at any time by the PCC and/or the CC as appropriate. Such a process ensures that relevant legal, financial and other considerations are properly recorded and considered prior to a decision being made.
- 5.1.3 All OPCC staff must adhere to the [OPCC Decision-Making Policy](#) which outlines the approach and principles for decision-making together with providing information on how decisions will be recorded and published.
- 5.1.4 The PCC and CC are committed to a clear, effective and robust accountability framework. The Policing Board allows the PCC and CC to exercise their respective roles in a transparent manner. This means enshrining locally the operational independence of the police; ensuring robust scrutiny and holding the CC to account; and supporting good, effective decision-making.

### 5.2 Governance Structure

- 5.2.1 The Policing Board is the forum in which the PCC holds the CC to account for the exercise of the functions of the office of the CC and the functions of the persons under the direction and control of the CC.
- 5.2.2 The Policing Board meets on a fortnightly basis, with a public Policing Board, known as the Policing Accountability Board, held on a quarterly basis.
- 5.2.3 The Policing Board provides opportunity for timely scrutiny and oversight of DPP business. It facilitates the early consideration of proposals between key decision-makers, effective budgetary allocation, accountability and good communication.
- 5.2.4 The Policing Board sits at the heart of the Governance Structure. It is a simple and effective mechanism for ensuring that the PCC fulfils their legal obligation for the “totality of policing within Dyfed-Powys” whilst safeguarding the operational independence of the CC. Both the PCC and CC maintain separate processes to discharge their individual statutory responsibilities.
- 5.2.5 The Terms of Reference set out the key objectives and deliverables of the [Policing Board](#) and [Policing Accountability Board](#).
- 5.2.6 The Chief Officer Group (COG), chaired by the CC is responsible for all operational policing matters. It enables the CC to exercise governance over policing matters and policing staff. Key issues for consideration/change are passed up to the Policing Board. Likewise, outcomes and actions are passed down from the Policing Board.



5.2.7 Matters discussed at Policing Board or Policing Accountability Board which have operational sensitivity, relate to personal information or have commercial sensitivity will either be made public at an appropriate time in the future or be retained by the OPCC. The decisions relating to the public release of information will be made in accordance to the FOIA and other statutory instruments or regulations which are applicable to the policing service and the PCC.

### 5.3 Forward Work Programme

5.3.1 A Forward Work Programme will be established to ensure that meetings are effective and focus on matters at appropriate intervals throughout the year. This will be reviewed on a quarterly basis by the OPCC Executive Team. Policing Board meetings will be scheduled on weeks two and four of each month. The purpose of the first meeting of the month will be to scrutinise one of the Police and Crime Plan priorities. The second meeting of the month will focus on a specific area of DPP performance. This meeting will sit after the monthly Force performance meeting and will focus on the same theme.

5.3.2 The Policing Accountability Board will consider the themes addressed in the Policing Boards held during the course of the financial quarter and any work undertaken in support of the issues raised. The Policing Accountability Board will also receive a performance report from DPP in relation to the delivery of service against the priorities outlined in the Police and Crime Plan and progress against the National Crime and Policing Measures.

## 6. Financial Regulations

### 6.1 Definitions

- **'Authorised Officer'** – employees authorised by a Chief Officer.
- **'Value for money'** – the most cost-effective means of meeting the need and takes account of whole life costs.
- **'Chief Officers'** – the CC, CEX (who also fulfils the role of Monitoring Officer), the PCC's CFO and the CC's DoF.
- **'Contract'** – any commitment (including purchase orders, whether made through a framework or otherwise, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the PCC, the CC or their affiliated bodies.
- **'Employees'** – police officers, police staff and other members of the wider police family.
- **'Force'** – the CC, police officers, police staff, police community support officers, special Force, volunteers and other members of the wider police family under their employment.
- **'Statutory Officers'** – the CFO, DoF and CEX.

6.1.1 Within these Regulations, most of the references have been made to the responsibilities of the CC since most of the day-to-day financial management is vested with that post. However, where resources are under the control of the CEX or CFO, the duties, rights and powers as detailed for the CC shall apply equally to the CEX or CFO.

6.1.2 The terms CC, CEX CFO and DoF 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, contractor or agent given sufficient authority, training and resources to undertake the duty in hand.

### 6.2 Purpose

6.2.1 The purpose of this document is to set out the Financial Regulations that apply to the PCC, all staff in their office, the CC and police officers and police staff within DPP, having due regard to the overall regulatory framework of their approach to financial management.

6.2.2 To conduct business effectively, sound financial management policies are essential and they must be strictly adhered to.

### 6.3 Status

6.3.1 These Financial Regulations should not be seen in isolation, but rather as part of the overall Corporate Governance Framework.

6.3.2 The PCC, CC and all officers and staff 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.

- 6.3.3 The PCC and CC are jointly responsible for approving or amending Financial Regulations. The CFO and DoF are jointly responsible for maintaining and reviewing the Financial Regulations and submitting any additions or amendments to the PCC and CC, after consulting with the CEX.
  - 6.3.4 A delegation in these Financial Regulations to a Chief Officer shall permit further delegation to other officers provided that the terms of the delegation are clearly documented.
  - 6.3.5 More detailed Financial Procedures to supplement these Regulations, shall be issued by the DoF after consultation with the CFO and CEX. These Financial Procedures will be available on the Force intranet.
  - 6.3.6 Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.
  - 6.3.7 Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the CFO and/or DoF who shall determine, after consulting with the relevant Monitoring Officer, whether the matter shall be reported to the PCC and/or CC. Further guidance is set out in Section 13.
  - 6.3.8 The Financial Regulations shall only be suspended by a formal decision of the PCC and CC.
- 6.4 The Role of the PCC's Chief Finance Officer (CFO)
- 6.4.1 The CFO has responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
  - 6.4.2 The CFO's duties are set out in legislation, regulations, the Financial Management Code of Practice and CIPFA guidance and codes of practice.
  - 6.4.3 The CFO, in consultation with the CEX DoF and/or CC as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of the PCC and the CC.
  - 6.4.4 The CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the PCC on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC's accounts, including group accounts.
  - 6.4.5 To enable the CFO to fulfil these duties and to ensure the PCC is provided with adequate financial advice, the CFO:
    - must be a key member of the PCC's Leadership Team, working closely with the CEX, helping the team to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;

- must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the PCC, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and align with the PCC's financial strategy;
- must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- must ensure that the finance function is resourced appropriately to be fit for purpose.

6.5 The role of the CC's Director of Finance (DoF)

6.5.1 The DoF is responsible to the CC for all financial activities within the Force or contracted out under the supervision of the Force.

6.5.2 The DoF's duties are set out in legislation, regulations, the Financial Management Code of Practice and CIPFA guidance and codes of practice.

6.5.3 The DoF has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Force on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the CC's accounts. The DoF will need to observe the locally agreed timetable for the compilation of the group accounts by the CFO.

6.5.4 To enable them to fulfil these duties, the DoF:

- must be a key member of the CC's Management Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the CC to ensure immediate and longer-term implications, opportunities and risks are fully considered;
- 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; and
- must ensure that the finance function is resourced appropriately to be fit for purpose.

6.5.5 It must be recognised that these Financial Regulations cannot foresee every eventuality. The DoF, in consultation with the CFO, shall be responsible for interpreting these Regulations so as to ensure the efficient and effective operation of services.

## 7. SECTION A Financial Management Framework

### 7.1 Financial Management Standards

#### Overview

- 7.1.1 The PCC, CC and all employees have a duty to abide by the highest standards of probity 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.
- 7.1.2 The PCC shall receive updates on the financial performance of the Force and the OPCC by receiving regular budget monitoring and outturn reports, and also the Annual Audit Letter provided by the external auditor.

#### Responsibilities

Who?	What?
CFO and DoF	<ul style="list-style-type: none"> <li>• To ensure the proper administration of the financial affairs of the PCC and the CC.</li> <li>• To ensure that proper practices are adhered to.</li> <li>• To advise on the key strategic controls necessary to secure sound financial management.</li> <li>• To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons based on national and local financial performance indicators.</li> <li>• To ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.</li> <li>• To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.</li> </ul>
CC	To ensure that specific duties and responsibilities in financial matters are made clear to individual officers and that these are properly recorded.

### 7.2 Accounting Systems, Records and Returns

#### Overview

- 7.2.1 Maintaining proper accounting records is one of the ways in which the PCC and CC will discharge their responsibility for stewardship of public resources. There is a statutory responsibility to prepare their annual accounts to present a true and fair view of the financial position of the PCC and the CC and of 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 adequate arrangements have been made for securing economy, efficiency and effectiveness in the use of resources.

Responsibilities

Who?	What?
CFO & DoF	<ul style="list-style-type: none"> <li>• To determine the accounting policies and procedures to be adopted, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the CC. All employees shall operate within the required accounting policies and published timetables.</li> <li>• To make proper arrangements for the audit of the PCC's, CC's and group accounts in accordance with the Accounts and Audit Regulations in Wales.</li> <li>• To ensure that all claims for funds including grants are made by the due date.</li> <li>• To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis.</li> <li>• To prepare and publish the audited accounts in accordance with the statutory timetable.</li> </ul>
CC & DoF	<ul style="list-style-type: none"> <li>• To obtain the approval of the CFO before making any fundamental changes to accounting records and procedures or accounting systems.</li> <li>• To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.</li> <li>• To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.</li> <li>• To ensure that prime documents are retained in accordance with legislative and internal requirements. The format of such documents shall satisfy the requirements of internal and external audit.</li> </ul>

## 7.3 The Annual Statement of Accounts

Overview

- 7.3.1 The PCC and CC have a statutory responsibility to prepare accounts to present a true and fair view of their financial position. They must be prepared in accordance with proper practices as set out in the [Code of Practice on Local Authority Accounting in the United Kingdom](#). The accounts will comprise separate statements for the PCC and the CC as well as group accounts covering both entities.
- 7.3.2 The PCC is responsible for approving the group annual accounts.
- 7.3.3 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of resources are adequate.

Responsibilities

<b>Who?</b>	<b>What?</b>
CFO & DoF	<ul style="list-style-type: none"> <li>• To draw up the timetable for final accounts preparation, in consultation with the external auditor and in order to comply with statutory timeframes.</li> <li>• To prepare, sign and date the statement of accounts, stating that it presents a true and fair view of the financial position of the PCC and the CC at the accounting date and its income and expenditure for the financial year just ended.</li> <li>• To publish the approved and audited accounts each year, in accordance with the statutory timetable.</li> <li>• To select suitable accounting policies and apply them consistently.</li> <li>• To make judgements and estimates that are reasonable and prudent.</li> <li>• To comply with the Code of Practice on Local Authority Accounting.</li> </ul>
PCC & CC	To consider and approve the annual accounts in accordance with the statutory timetable.

## 8. SECTION B Financial Planning and Control

### 8.1 Financial Planning

#### Overview

- 8.1.1 The financial planning process should be directed by the approved policy framework, Medium-Term Financial Plan, Force Management Statement, business planning processes and the need to meet key objectives.
- 8.1.2 The planning process should be continuous and the planning period should cover at least three years. The process should include a more detailed annual plan and the 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 during the financial year and over the medium term.
- 8.1.3 The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the virement rules operate.
- 8.1.4 It is recognised that the impact of financial planning in the police service will be constrained by the quality and timing of information made available by Central Government on resource allocation.

#### Medium-Term Financial Plan

- 8.1.5 The PCC and CC share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing a medium-term financial plan including financial projections for at least three years together with a capital programme covering the same period.

#### Responsibilities

Who?	What?
PCC	To identify and agree, in consultation with the CC and other relevant partners and stakeholders, a medium-term financial plan which includes funding and spending plans for both revenue and capital. The plan should take into account multiple years, the inter-dependencies of revenue budgets and capital investment, the role of reserves and consideration of risks. It should have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local Authorities (2021). The strategy should be aligned with the Police and Crime Plan.
CFO & DoF	<ul style="list-style-type: none"> <li>• To determine the format and timing of the medium-term financial plan to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.</li> <li>• To prepare a medium-term forecast of proposed income and expenditure for submission to the PCC. When preparing the forecast, the CC shall have regard to: <ul style="list-style-type: none"> <li>○ the Police and Crime Plan;</li> <li>○ policy requirements approved by the PCC as part of the policy framework;</li> </ul> </li> </ul>



	<ul style="list-style-type: none"> <li>○ the Strategic Policing Requirement;</li> <li>○ unavoidable future commitments, including legislative requirements;</li> <li>○ initiatives already underway;</li> <li>○ revenue implications of the capital programme;</li> <li>○ proposed service developments and plans which reflect public consultation;</li> <li>○ the need to deliver efficiency and/or productivity savings;</li> <li>○ Government grant allocations; and</li> <li>○ potential implications for local taxpayers.</li> </ul> <ul style="list-style-type: none"> <li>● To ensure that the medium-term financial forecast includes options for the use of general balances, reserves and provisions, assumptions about future levels of government funding and demonstrates potential implications for local taxation.</li> </ul>
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Annual Revenue Budget Preparation

Overview

8.1.6 The Revenue Budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCC’s strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the CC.

8.1.7 The PCC should consult with the CC and other relevant partners and stakeholders in planning the overall annual budget, which will include a separate Force budget. This will take into consideration funding from Government and other sources and balance the expenditure needs of the policing service and the PCC against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget and be completed in accordance with the statutory timeframe.

8.1.8 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 plan should be clearly identified.

Responsibilities

Who?	What?
PCC	<ul style="list-style-type: none"> <li>● To agree the planning timetable with the CC.</li> <li>● To obtain the views of the local community on the proposed expenditure (including capital expenditure) ahead of the financial year to which the proposed expenditure relates.</li> <li>● To present the proposed budget and precept recommendations to the Police and Crime Panel and respond to their views and comments.</li> </ul>
CFO	<ul style="list-style-type: none"> <li>● To determine the format of the revenue budget to be presented to the PCC in consultation with the DoF. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.</li> </ul>

	<ul style="list-style-type: none"> <li>• To obtain timely and accurate information from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations.</li> <li>• To advise the PCC on appropriations from/to and/or the appropriate level of general balances, earmarked reserves or provisions to be held.</li> <li>• To submit a report to the PCC on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities. These indicators shall be consistent with the Annual Revenue Budget and Capital Programme approved by the PCC.</li> <li>• Upon approval of the annual budget, to submit the council tax requirement return to Central Government and precept requests to appropriate bodies in accordance with the legal requirement.</li> <li>• To produce and issue information required by the billing authorities to explain how the precept will be used to pay for the cost of policing, in accordance with statutory requirements.</li> </ul>
CC & DoF	<ul style="list-style-type: none"> <li>• To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the CFO.</li> <li>• To submit estimates in the agreed format to the PCC for approval.</li> <li>• To identify all new major revenue projects (a major revenue project shall be defined as one in excess of the value shown in Section 12).</li> </ul>

## 8.2 Budgetary Control

### Overview

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

### Revenue Budget Monitoring

#### Overview

8.2.2 The PCC and CC both operate within an annual cash limit, approved when setting the annual budget. To ensure that the budget is not overspent, the CC, CEX and the CFO are required to manage expenditure within their budget allocations, subject to the rules of virement.

Responsibilities

Who?	What?
CC & DoF	<ul style="list-style-type: none"> <li>• To provide appropriate financial information to enable budgets to be monitored effectively.</li> <li>• 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 expenditure.</li> <li>• To ensure that total spending for operational policing remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the CC, both the CFO and PCC shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the PCC.</li> <li>• To submit a budget monitoring report to the PCC on a monthly basis throughout the year, containing the most recently available financial information. The reports shall be in a format agreed with the PCC and CFO and be presented at the Policing Board.</li> <li>• To ensure that Budget Holders manage income and expenditure within their area, monitor performance and report variances within their own areas to the CC and DoF.</li> <li>• To take any action necessary to avoid an adverse variation to their budget allocation and alert the PCC and CFO to any problems.</li> <li>• To require detailed budget monitoring to be undertaken by Budget Holders on a regular basis and for this to be reported to the DoF.</li> <li>• To ensure that Budget Holders receive sufficient financial support and/or training to enable them to undertake their budgetary control responsibilities.</li> <li>• To refer major revenue projects back to the PCC for further approval where amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown in Section 12.</li> </ul>
CFO & DoF	<ul style="list-style-type: none"> <li>• To submit a budget monitoring report, containing the most recently available financial information to the PCC showing spending to date and comparisons of projected outturn with the latest approved budget.</li> </ul>
CEX	<ul style="list-style-type: none"> <li>• To manage the budget allocated for the OPCC.</li> <li>• To ensure that total spending for the OPCC remains within the overall allocation of resources and take corrective action where significant variations from the approved budget are forecast. In consultation with the CFO where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the CEX, the PCC shall be alerted</li> </ul>

	immediately together with proposals to remedy the situation as part of the regular reporting process to the PCC.
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## Revenue Virement

### Overview

- 8.2.3 A virement is the transfer of funds between budgets. The scheme of virement is intended to enable Chief Officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.
- 8.2.4 The CC is expected to exercise discretion in managing budgets responsibly and prudently and is required to refer back to the PCC when a virement would incur substantive changes in the policy of the PCC or where a virement might create a future year or continuing commitment.
- 8.2.5 The CC shall 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 detailed reports on significant changes.
- 8.2.6 Key controls for the scheme of virement are:
- it is administered by Chief Officers within delegated powers given by the PCC. Any variation from this scheme requires the approval of the PCC;
  - the overall budget is agreed by the PCC. Chief Officers and Budget Holders are therefore authorised to incur expenditure in accordance with the estimates that make up the budget;
  - the virement does not create additional overall budget liability; and
  - each Chief Officer shall ensure that the virement is undertaken as necessary to maintain the accuracy of budget monitoring.

### Responsibilities

- 8.2.7 The limits that apply on virements between budget headings are defined in Section 12.
- 8.2.8 The exceptions to the above framework are that:
- a virement is not permitted in relation to financing items such as asset charges or where a proposal would adversely affect long-term revenue commitments of the CC and the PCC; and
  - when the virement is between an income budget line and an expenditure budget line which is directly related, approval is sought from the CFO and/or DoF and the income and expenditure budgets will be increased for budget monitoring purposes.
- 8.2.9 Budget lines will be cash limited and defined each year as part of the budget approval.

8.2.10 All requests for virement must be made in the format prescribed by the CFO and/or DoF and information on the virements within the limits set out in Section 12 will be available to support budget monitoring report information.

8.2.11 The approval of the PCC shall be required if the virement involves:

- a substantial change in policy;
- a significant addition to commitments in future years; or
- where resources to be transferred were originally provided to meet expenditure of a capital nature.

Treatment of Year End Balances

Overview

8.2.12 A year-end balance is the amount by which actual income and expenditure varies from the final budget. Arrangements are necessary for the transfer of resources between accounting years, i.e. a carry forward.

8.2.13 The carry forward of underspent and overspent budgets is permitted only within the delegation limits set out within the carry forward scheme. Carry forwards are to be the subject of a report to the PCC as part of the year end outturn report. Budget Holders will be required to satisfy the CC that expenditure proposed against carry forward underspends is in accordance with Police and Crime Plan priorities and is non recurrent in nature.

Responsibilities

Who?	What?
CFO & DoF	<ul style="list-style-type: none"> <li>• To ensure that Budget Holders report any overspend on their budgets in any financial year.</li> <li>• To ensure that potential and significant overspending / underspending is reported regularly to the Policing Board.</li> <li>• To consider requests from Budget Holders who identify planned underspends in any financial year for budget provision to be carried forward to the following financial year, subject to the limits indicated in Section 12.</li> <li>• To refer all carry forwards that fall outside of the parameters stipulated in these Regulations to the PCC for approval.</li> </ul>
PCC	To consider and approve the arrangements for carrying forward underspends when considering the level of reserves and balances as part of the development of the financial strategy.

8.3 Capital Programme

Overview

8.3.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.

8.3.2 Capital investment can be undertaken providing the spending plans are affordable, prudent and sustainable. CIPFA's Prudential Code sets out the framework under which the PCC will consider their spending plans.

8.3.3 The Capital Programme must be included within the approved Medium-Term Financial Plan.

#### Responsibilities

<b>Who?</b>	<b>What?</b>
CC	To develop and implement approved asset management plans.
CFO & DoF	To prepare a Medium-Term Financial Plan for consideration and approval by the PCC including all financial implications of capital spending plans.
PCC	<ul style="list-style-type: none"> <li>To approve strategies and asset management plans involving proposals for significant investment in capital assets.</li> <li>To approve a fully funded Medium-Term Capital Programme.</li> </ul>
CC & DoF	<ul style="list-style-type: none"> <li>To prepare a ten year rolling programme of proposed capital expenditure for consideration and approval by the CFO and PCC. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.</li> <li>To use the Project Proposal Form or the <a href="#">Five Case Model</a><sup>10</sup> to prepare project appraisals for all schemes to be included in the Capital Programme for submission to the CFO and PCC for consideration and scheme approval. This will include all additional revenue and capital costs and provide evidence of the scheme's viability for inclusion.</li> <li>To ensure that each capital project has a named officer responsible for sponsoring the scheme, monitoring progress and ensuring completion of the scheme.</li> <li>To identify, in consultation with the CFO, available sources of funding for the Capital Programme.</li> <li>To not incur capital expenditure unless the scheme is approved by the PCC.</li> </ul>
CFO	To make recommendations to the PCC on the most appropriate level of revenue support, debt repayment and appropriate levels of borrowing, under the Prudential Code, to support the capital programme.

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<sup>10</sup> HM Treasury's and Welsh Government's standard for business cases.

Annual Capital Programme

Responsibilities

Who?	What?
PCC	To agree the Annual Capital Programme, and how it is to be financed.
CC	To incur expenditure, providing the project appraisal has been approved and the cost of the scheme is included within the approved Capital Programme and provided cost variations do not exceed the sum contained in the approved programme by more than the amounts identified in Section 12.
DoF	To ensure that property leases, finance leases or other credit arrangements with the value or term above the limits set out in Section 12 are not entered into without the prior approval of the CFO.

Monitoring of Capital Expenditure

Responsibilities

Who?	What?
CC	To ensure that adequate records are maintained for all capital contracts.
CFO & DoF	<ul style="list-style-type: none"> <li>• To monitor progress of the Capital Programme and expenditure throughout the year against the approved programme.</li> <li>• To submit capital monitoring reports to the PCC on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme. The reports shall be in a format agreed by the CFO.</li> <li>• To prepare a business case (using the Project Proposal Form or the Five Case Model) for all new capital schemes (after the annual programme has been agreed) for submission to the PCC for consultation and approval.</li> <li>• To demonstrate how any amendments to the programme increasing the overall costs are to be funded.</li> <li>• To report on the outturn of capital expenditure as part of the annual report on the statutory accounts.</li> </ul>

8.4 Maintenance of Balances and Reserves

Overview

8.4.1 The PCC must decide the level of general reserves they wish to retain before they can decide the level of council tax precept. Reserves are maintained as a

matter of prudence. They enable the organisations to provide for cash flow fluctuations and unexpected costly events and thereby help protect from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.

Responsibilities

<b>Who?</b>	<b>What?</b>
CFO	<ul style="list-style-type: none"> <li>• To advise the PCC on reasonable levels of balances and reserves.</li> <li>• To report to the PCC on the adequacy of reserves and balances before they approve the annual budget and precept.</li> <li>• To approve appropriations to and from each earmarked reserve.</li> </ul>
CC	<ul style="list-style-type: none"> <li>• To ensure that the Annual Revenue Budget is sufficient to finance foreseeable operational needs without having to request additional approval.</li> <li>• To obtain prior approval from the CFO and PCC for one-off expenditure items to be funded from earmarked and/or general reserves.</li> </ul>
PCC	<ul style="list-style-type: none"> <li>• To approve a policy on reserves and balances, including the minimum acceptable level of general balances.</li> <li>• To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.</li> <li>• To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.</li> </ul>



## 9. SECTION C Management of Risk and Resources

### 9.1 Risk Management and Business Continuity

#### Overview

9.1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks. This should include the proactive participation of all those associated with planning and delivering services.

9.1.2 All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the PCC and the CC and to ensure continued corporate and financial well-being. In essence it is, therefore, an integral part of good business practice.

#### Responsibilities

Who?	What?
PCC & CC	The <a href="#">Code of Corporate Governance</a> highlights the importance of risk management being embedded throughout the governance arrangements in both organisations, whether operating jointly or separately. The PCC and CC are jointly responsible for approving the Risk Management Policy statement and strategy, and for reviewing the effectiveness of risk management.
DCC & CEX	<ul style="list-style-type: none"> <li>• To prepare a Risk Management Policy statement and for promoting a culture of risk management awareness throughout the Force and OPCC and reviewing risk as an ongoing process.</li> <li>• To ensure procedures to identify, assess, prevent or contain material known risks, and a monitoring process are in place and 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.</li> <li>• Risks are to be managed through the maintenance of a Corporate Risk Register, which incorporates the Information Risk Register. The addition of the Information Risk Register within the Corporate Register in 2019 provides management controls and governance of information risks within the context of a more cautious risk appetite than is the case across general areas of risk management. In 2021, the Force and the OPCC jointly developed a Risk Sharing Protocol to support the effective management of risks that impacted upon both organisations and ensured the maintenance of confidence in the Force and the OPCC, the safeguarding of public confidence and integrity ensuring the delivery of the Police and Crime Plan priorities. The Force Executive Board, to include reporting Boards and Groups, and the Policing Board ensure Force Chief</li> </ul>

	<p>Officer Team and OPCC Executive Team oversight of risk management processes.</p> <ul style="list-style-type: none"> <li>• To ensure that appropriate business continuity plans continue to be developed, implemented and tested on a regular basis. The PCC and CC need to manage risks ensuring that decisions are taken to achieve the best value for money and help support better decision-making.</li> </ul>
CFO & DoF	<ul style="list-style-type: none"> <li>• To advise 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.</li> <li>• To arrange for regular reviews to be undertaken of self-insurance arrangements and, following these reviews, to recommend to the PCC and CC a course of action to ensure that, over the medium-term, funds are available to meet all known liabilities.</li> </ul>
CC	<ul style="list-style-type: none"> <li>• To ensure, in consultation with the CFO and DoF, that appropriate insurance cover is provided, including where new risks are identified or circumstances affecting risks change.</li> <li>• To administer insurance matters including the administration of the settlement of liability claims.</li> <li>• To notify the CFO of any individual claims for over £30,000.</li> <li>• To notify the CEX of any terms of indemnity that are requested.</li> <li>• To ensure that claims made against insurance policies are made promptly.</li> <li>• To make all appropriate employees aware of their responsibilities for managing relevant risks.</li> <li>• To ensure that employees, or anyone covered by the CC and PCC 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.</li> <li>• To ensure that a comprehensive Risk Register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk.</li> </ul>
CEX	<ul style="list-style-type: none"> <li>• To evaluate and authorise any terms of indemnity that are requested by external parties.</li> <li>• To approve before any contract for works is made that the insurance cover to be furnished by the Contractor in respect of any act or defaults unless cover is provided by the PCC is adequate.</li> <li>• To settle civil claims at any stage after the issue of pre-action protocol letter in accordance with the arrangements set out in Section 12.</li> </ul>
DCC	<p>To settle civil claims at any stage after the issue of pre-action protocol letter in accordance with the arrangements set out in Section 12.</p>

9.2 Internal Controls

Overview

- 9.2.1 Internal control refers to the systems of control devised by management to help ensure the objectives of the PCC and the CC are achieved in a manner that promotes economical, efficient and effective use of resources and that assets and interests are safeguarded.
- 9.2.2 The PCC and the CC have statutory obligations, and, therefore, systems of internal control are required to identify, meet and monitor compliance with these obligations.
- 9.2.3 The PCC and the CC face a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of their objectives. Systems of internal control are necessary to manage these risks. These systems of internal control are established in order to provide achievement of:
- efficient and effective operations;
  - reliable financial information and reporting;
  - compliance with laws and regulations; and
  - risk management.

Responsibilities

Who?	What?
Chief Officers	<ul style="list-style-type: none"> <li>• To implement effective systems of internal control, in accordance with advice from the CFO and DoF. 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.</li> <li>• To ensure that effective key controls exist and are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.</li> <li>• To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguarding of assets, segregation of duties, authorisation and approval procedures and robust information systems.</li> </ul>
PCC & CC	To produce a joint Annual Governance Statement (AGS) by 31 <sup>st</sup> May each year for inclusion in the statutory accounts. Following approval, the Annual Governance Statements should be signed by the PCC, CC, CEX, CFO and DoF.

9.3 Audit Requirements

Internal Audit

Overview

9.3.1 Internal audit is an assurance function that provides an independent and objective opinion to an organisation on the control environment, by evaluating its effectiveness in achieving the organisation’s objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

9.3.2 The requirement for an internal audit function for local authorities is either explicit or implied in the relevant Local Government legislation<sup>11</sup>, which requires that authorities “make arrangements for the proper administration of their financial affairs”. In the Police Service the PCC and CC are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit Regulations 2011 (as amended) which state that a “relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”. The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the [United Kingdom Public Sector Internal Audit Standards \(PSIAS\)](#).

9.3.3 In fulfilling this requirement the PCC and CC should have regard to the PSIAS.

9.3.4 In addition to enabling the PCC and the CC to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, internal audit is needed:

- to satisfy the PCC and the CC that approved systems of internal control are being applied as intended; and
- to satisfy the PCC and the CC that an effective, systematic and disciplined approach to risk management, internal control and governance is in place with a particular focus on financial systems.

Responsibilities

Who?	What?
Joint Audit Committee (JAC)	<ul style="list-style-type: none"> <li>• The <a href="#">Home Office Financial Management Code of Practice</a> states that the PCC and CC should establish a JAC. This should be a combined body which will consider the internal and external audit reports of both the PCC and the CC. This Committee will advise the PCC and the CC according to good governance principles and will adopt appropriate risk</li> </ul>

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<sup>11</sup> Section 151 of the [Local Government Act 1972](#).

	<p>management arrangements in accordance with proper practices.</p> <ul style="list-style-type: none"> <li>• In establishing the JAC the PCC and the CC shall have regard to <a href="#">CIPFA Guidance on Audit Committees</a> and principles of good practice set out in the <a href="#">HM Treasury Audit Committee Handbook</a>.</li> <li>• The JAC shall comprise between three and five members who shall be independent of the PCC and the CC.</li> <li>• The JAC shall establish formal <a href="#">Terms of Reference</a>, covering its core functions, which shall be formally adopted and reviewed on an annual basis. The Terms of Reference will include the following key activities and responsibilities: <ul style="list-style-type: none"> <li>○ Approve and review the Internal Audit Strategy and Plan and any revisions to the plan.</li> <li>○ Oversee the appointment of Internal Audit and review its performance in order to give assurance to the PCC and CC on the provision of an adequate and effective Internal Audit service.</li> <li>○ Receive and review all Internal Audit reports.</li> <li>○ Monitor the progress of implementing recommendations from Internal Audit reports. To receive progress reports on the Internal Audit Work Plan and to seek assurance that appropriate action is taken in response to audit findings, particularly in areas of high risk.</li> <li>○ Consider the Internal Audit’s statement ensuring it complies with the Public Sector Internal Audit Standards (PSIAS) and consider the findings from the External Quality Assessment.</li> <li>○ Consider the Head of Internal Audit’s annual report and opinion on the effectiveness of Internal Audit to be satisfied of the independence of the Internal Audit function and the overall adequacy and effectiveness of the organisations’ framework of governance, risk management and control, particularly in consideration of the AGS.</li> </ul> </li> <li>• The PCC and CC shall be represented at all meetings of the JAC.</li> <li>• The JAC will review the Strategic Audit Plan, which sets out: <ul style="list-style-type: none"> <li>○ internal audit objectives and outcomes;</li> <li>○ how the Internal Audit function will form and evidence their opinion on the control environment to support the Annual Governance Statements;</li> <li>○ how Internal Audit’s work will identify and address significant local and national issues and risks;</li> <li>○ how the service will be provided, e.g. internal, external, or a mix of the two; and what resources and skills are required for the delivery of the Plan; and</li> <li>○ the resources and skills required to deliver the Plan.</li> </ul> </li> </ul>
PCC & CC	<ul style="list-style-type: none"> <li>• To ensure the provision of an adequate and effective internal audit service.</li> <li>• To approve a Strategic Audit Plan.</li> </ul>
PCC, CC, CFO & DoF	<ul style="list-style-type: none"> <li>• To ensure that Internal Auditors, having been security cleared, have the authority to:</li> </ul>

	<ul style="list-style-type: none"> <li>○ access police and OPCC premises at reasonable times;</li> <li>○ access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance;</li> <li>○ receive any information and explanation considered necessary concerning any matter under consideration;</li> <li>○ require any employee to provide evidence of any cash or asset under their control; and</li> <li>○ access records belonging to Contractors, when required. This shall be achieved by including an appropriate clause in all contracts.</li> </ul> <ul style="list-style-type: none"> <li>● To ensure that the Internal Auditors have direct access to all Chief Officers and employees, where necessary.</li> </ul>
Internal Auditors	<ul style="list-style-type: none"> <li>● To prepare, in consultation with the Members of the Audit Governance Group, an Annual Audit Plan that conforms to the PSIAS, for consideration by the JAC.</li> <li>● To attend meetings of the JAC and to present to each meeting a report on the progress in delivering the Annual Internal Audit Plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.</li> <li>● To present an annual report to the JAC, including an opinion on the effectiveness of the internal control environment within the Force and OPCC.</li> </ul>
Senior Officers and Heads of Service	To consider and respond promptly to control weaknesses, issues and recommendations in audit reports and ensure that all critical or significant agreed actions arising from the audit are implemented.
Audit Governance Group	<ul style="list-style-type: none"> <li>● To propose the Annual Internal Audit Plan.</li> <li>● To provide governance, accountability and decision-making against internal audit recommendations arising.</li> <li>● To oversee the development of a Strategic Audit Plan.</li> </ul>
Professional Standards Department	In line with the Anti-Fraud and Corruption Policy, investigations of internal fraud and corruption shall normally be carried out by the Professional Standards department, who shall consult with the Internal Auditors where appropriate.

External Audit

Overview

9.3.5 Independent audit of the activities of government and of the use of public funds by those charged with stewardship of those funds is an essential component of democratic accountability. External auditors independently examine whether public money is being managed wisely and is properly accounted for. Public sector audit involves more than an opinion on the accounts. It also covers issues such as regularity (whether public money is being used for approved purposes), propriety (how public business is being conducted) and value for money. Auditors carry out this work on behalf of the public and in the public interest. It is not part of auditors' functions to question the merits of government policy, but auditors may examine the arrangements

by which policy decisions are reached and consider the effects of the implementation of policy.

- 9.3.6 The Auditor General is the statutory external auditor of most of the Welsh public sector including police forces and elected policing bodies (PCCs). The Public Audit (Wales) Acts 2004 and 2013, the Government of Wales Acts 1998 and 2006, alongside a range of other legislation, provide the statutory basis for the Auditor General’s work. The Auditor General has issued a [Code of Audit Practice](#), which prescribes the way in which the Auditor General’s audit functions (alongside certain other functions) are to be carried out.
- 9.3.7 Alongside specific legal and professional requirements, five widely recognised principles underpin the audit work of the Auditor General. Auditors must carry out their work consistently in accordance with these principles – being public focused, independent, proportionate, accountable and sustainable.

Responsibilities

Who?	What?
JAC	<ul style="list-style-type: none"> <li>To review the annual audit plan and fee.</li> <li>To receive and respond to the annual governance reports.</li> <li>To receive the Annual Audit Letter.</li> </ul>
CFO & DoF	<ul style="list-style-type: none"> <li>To 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 JAC, external and internal audit.</li> <li>Meet the timetable for producing the Financial Statements.</li> </ul>
CC, CFO & DoF	<ul style="list-style-type: none"> <li>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.</li> <li>To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.</li> </ul>

Other Inspection Bodies

Overview

- 9.3.8 The Force and the OPCC may, from time to time, be subject to audit, inspection or investigation by external bodies such as HMICFRS, Office of the Surveillance Commissioner, Information Commissioner’s Office and the HM Revenue & Customs (HMRC), who have statutory rights of access.

Responsibilities

Who?	What?
JAC	To consider any report from other inspection bodies.
PCC & CC	To receive and respond to reports from other inspection bodies.

9.4 Preventing Fraud and Corruption

Overview

- 9.4.1 The PCC and the CC will not tolerate fraud or corruption in the administration of their responsibilities, whether from inside or outside their organisations.
- 9.4.2 Expectations of propriety and accountability are that the PCC and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 9.4.3 It is expected that all individuals and organisations (e.g. suppliers, contractors, and service providers) with whom they come into contact will act with honesty and integrity and without thought or actions involving fraud or corruption.

Responsibilities

Who?	What?
PCC & CC	<ul style="list-style-type: none"> <li>• To foster a culture that will not tolerate fraud and corruption.</li> <li>• To approve and maintain an effective Anti-Fraud and Corruption Policy.</li> <li>• To ensure that adequate and effective internal control measures are in place to protect the organisation against fraudulent and corrupt practices.</li> <li>• To ensure that procedures are in place and that the procedures are accessible and understood by all staff regarding the reporting of suspected wrongdoing.</li> <li>• To maintain a policy for the registering of interests and the receipt of hospitality and gifts covering the PCC, CC and all employees. A register of interests and a register of hospitality and gifts shall be maintained for the PCC, the CC, Chief Officers and all employees.</li> <li>• To maintain a <a href="#">Whistle Blowing Policy</a> to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity, that they are not malicious and that appropriate action is taken to address any concerns identified. The CC shall ensure that all employees are aware of any approved Whistle Blowing Policy.</li> <li>• To implement and maintain a clear Internal Financial Control Framework setting out the approved financial systems to be followed by all employees.</li> </ul>
CEX, CFO & DCC	<ul style="list-style-type: none"> <li>• To prepare an effective <a href="#">Anti-Fraud and Corruption Policy</a> for approval by the PCC and CC.</li> <li>• To adhere to appropriate legislation.</li> <li>• To arrange for any suspected incidents of fraud or corruption to be reported in line with the <a href="#">Protocol</a>.</li> </ul>
DCC	<ul style="list-style-type: none"> <li>• Liaise with CC and PCC as necessary in order to advise on matters of fraud and corruption that impact the Force and the communities of Dyfed-Powys.</li> </ul>



Professional Standards	<ul style="list-style-type: none"> <li>• Investigations of internal fraud and corruption shall normally be carried out by the Professional Standards department, who shall consult with the Internal Audit Contractor where appropriate.</li> <li>• Report findings, as appropriate to the JAC on a quarterly basis.</li> <li>• In consultation with the CEX, CFO and DoF, escalate to the Chair of the JAC as soon as practicable any matter relating to a fraud or corruption investigation that requires urgent reporting outside of the quarterly reports. Urgent matters are defined as any fraud implicating multiple employees or having a financial impact over £10,000.</li> <li>• To always make the CFO and DoF aware of any proven cases of financial fraud which impacts on the organisation.</li> </ul>
JAC	To review and monitor the effectiveness of policies on fraud, irregularity and corruption through the quarterly consideration of any findings from fraud and corruption investigations conducted by the Professional Standards department.
Internal and External Auditors	<ul style="list-style-type: none"> <li>• To examine the procedures in place to identify fraudulent and corrupt practices.</li> <li>• Where necessary, make recommendations to improve upon working practices.</li> </ul>
Line Managers	<ul style="list-style-type: none"> <li>• To ensure that they are sighted on the Anti-Fraud and Corruption Policy and Protocol.</li> <li>• To remain alert and to be cognisant of the Fraud and Corruption Risk Indicators.</li> <li>• To adhere to the Standards of Professional Behaviour, the Code of Ethics and the Nolan Principles.</li> <li>• To respectfully challenge and / or report staff suspected of fraudulent and / or corrupt conduct via an appropriate reporting method.</li> </ul>
All Staff	<ul style="list-style-type: none"> <li>• To adhere to the Standards of Professional Behaviour, the Code of Ethics and the Nolan Principles.</li> <li>• To conduct themselves in a manner that does not undermine public confidence in Dyfed-Powys Police.</li> <li>• To challenge and report conduct that falls below the standard required.</li> </ul>

## 9.5 Assets

9.5.1 Assets are held in the form of land, property, vehicles, equipment, furniture 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](#) is a prerequisite for proper fixed asset accounting and sound asset management which provides information about assets so that they are:

- Accurately recorded and classified;
- Safeguarded against loss;
- Used efficiently and effectively;

- Adequately maintained; and
  - Valued in accordance with statutory and management requirements.
- 9.5.2 The PCC owns and funds all assets regardless of whether they are used by the PCC, by the CC or by both bodies.
- 9.5.3 The CC is responsible for the direction and control of the Force and therefore has day-to-day management of all assets used by the Force.
- 9.5.4 The PCC will consult the CC in planning [the budget](#) and developing a [Medium-Term Financial Plan](#). Both these processes should involve a full assessment of the assets required to meet operational requirements, including human resources, infrastructure, land, property and equipment.

Responsibilities

Who?	What?
PCC & CC	<p>To ensure that:</p> <ul style="list-style-type: none"> <li>• Assets are only used for the business purposes of the CC and the PCC and are available for use when required and are properly accounted for;</li> <li>• An Asset Register is maintained that provides information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements;</li> <li>• 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;</li> <li>• Leases and other prospective occupiers of land owned by the PCC are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate;</li> <li>• No PCC asset is subject to personal use by an employee without proper authority;</li> <li>• Valuable and portable items such as computers, cameras and video recorders are identified with security markings where the value is in excess of that set out in Section 12;</li> <li>• All employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of data protection legislation and software copyright legislation;</li> <li>• Assets no longer required are disposed of in accordance with the law and these financial regulations; and</li> <li>• All employees are aware of their responsibilities with regard to safeguarding the security of Force and OPCC ICT systems, including maintaining restricted access to the information held on them and compliance with the <a href="#">Information and Security Policy</a>.</li> <li>• As Data Controller, to ensure compliance with the Accountability Principle contained within Data Protection legislation, they will maintain a separate Information Asset Register for each organization.<sup>1</sup></li> </ul>

<sup>1</sup> [Article 5 \(2\)](#) – UK-GDPR Principles relating to the processing of personal data

CEX	Title deeds to PCC property are held securely;
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### Valuation

### Responsibilities

Who?	What?
CC	<ul style="list-style-type: none"> <li>To maintain an Asset Register for all fixed assets, other than property related assets, with a value in excess of the limits shown in Section 12, in a form approved by the CFO.</li> <li>To ensure that assets are recorded when they are acquired and shall remain on the Asset Register until disposal and valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and the requirements specified by the CFO.</li> <li>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.</li> <li>As Data Controller they must maintain a record of all categories of processing activities (ROPA) for which the controller is responsible.<sup>2</sup></li> </ul>
PCC	To maintain a register of all owned and leased properties. To ensure that such assets are recorded when they are acquired and shall remain on the Asset Register until disposal and valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and the requirements specified by the CFO.

### Inventories

### Responsibilities

Who?	What?
CC	To ensure that inventories are maintained for the CC in a format approved by the CFO and DoF that record an adequate description of items with a value in excess of the amount shown in Section 12. Other items of equipment should also be recorded if they are deemed to be both desirable and portable.
PCC	To ensure that inventories are maintained for the PCC's office in a format approved by the CFO that record an adequate description of items with a value in excess of the amount shown in Section 12. Other items of equipment should also be recorded if they are deemed to be both desirable and portable.

### Stocks and Stores

### Responsibilities

<sup>2 2</sup> [UK-GDPR Article 30](#) and [Section 61 Data Protection Act 2018](#) – Record of Processing Activity

Who?	What?
CC	<ul style="list-style-type: none"> <li>To make arrangements for the care, custody and control of the stocks and stores and maintain stores accounts in a form approved by the CFO.</li> </ul>
	<ul style="list-style-type: none"> <li>To undertake a complete stock check at least once per year either by means of continuous or annual stock take. The stock take shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change.</li> <li>Discrepancies between the actual level of stock and the book value of stock may be written-off up to the limit shown in Section 12, in consultation with the CFO.</li> <li>To write-off obsolete stock, up to the limits shown in Section 12. Amounts for write off above this value must be referred to the CFO for approval supported by a written report.</li> </ul>
CFO	To approve the arrangements for accounting for stores.
PCC	To consider and approve applications for write offs in excess of the limits set out in Section 12.

Intellectual Property

Overview

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

9.5.6 If any intellectual property is created by the employee during the course of employment, then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within the Force, by the PCC and within the OPCC may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.

9.5.7 In the event that the CC or PCC decides to become involved in the commercial exploitation of inventions, the matter should be brought to the attention of the CEX.

Responsibilities

Who?	What?
CC	To ensure that Force employees are aware of intellectual property procedures.
CEX	To ensure that OPCC employees are aware of intellectual property procedures.

Asset Disposal

9.5.8 Assets shall be disposed of when in the best interests of the CC and the PCC and at the most advantageous price. Where this is not the highest offer, a

report must be prepared for the PCC outlining the reasons.

Responsibilities

Who?	What?
CC	<ul style="list-style-type: none"> <li>• Not to dispose of surplus land and buildings without prior approval of the PCC.</li> <li>• To dispose of vehicles and items of equipment in accordance with asset replacement programmes realising prevailing market values.</li> <li>• To record all asset disposals in the Asset Register or inventory as appropriate.</li> </ul>
CFO & DoF	To ensure that income is received and accounted for.

9.6 Treasury Management and Banking Arrangements

Treasury Management

Overview

9.6.1 It is important that monies held by the PCC and the CC are managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the capital sums involved.

9.6.2 The PCC has adopted the [CIPFA Code of Practice on Treasury Management](#). The primary requirements of the Code are:

- a Treasury Management Policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- approved Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- approval of the annual Treasury Management Strategy (TMS) including the annual Investment Strategies and Minimum Revenue Position (MRP) policy. An annual report and as a minimum a Mid Term Review report covering treasury management activities.

Responsibilities

Who?	What?
PCC	<ul style="list-style-type: none"> <li>• To adopt the key recommendations of CIPFA’s Treasury Management in the Public Services: Code of Practice.</li> <li>• To approve the annual TMS including the annual Investment Strategy and MRP policy.</li> <li>• To receive and approve an annual report on treasury management activity and as a minimum a Mid Term Review report.</li> </ul>
CFO & DoF	<ul style="list-style-type: none"> <li>• To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance.</li> <li>• To prepare reports on the Police and Crime Commissioner's treasury management policies, practices and activities,</li> </ul>

	<p>including, as a minimum, an annual TMS, including annual Investment Strategy and MRP policy.</p> <ul style="list-style-type: none"> <li>• To execute and administer treasury management in accordance with the CIPFA Code and the PCC's policy.</li> <li>• To arrange borrowing and investments, in compliance with the CIPFA Code and PCC's policies.</li> <li>• To ensure that all investments and borrowings are made in the name of the PCC for Dyfed-Powys.</li> </ul>
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Banking Arrangements

9.6.3 A consistent and secure approach to banking services is essential in order to achieve optimum performance from our bankers and the best possible value for money.

Responsibilities

Who?	What?
CFO	<ul style="list-style-type: none"> <li>• To have overall responsibility for the banking arrangements for the PCC.</li> <li>• To authorise the opening and closing of all bank accounts. No other employee shall open a bank account unless they are performing a statutory function in their own right (e.g. CFO of a charitable body).</li> <li>• To arrange for bank reconciliations to be undertaken on a timely and accurate basis by the DoF.</li> <li>• To determine signatories on all PCC bank accounts.</li> </ul>

Imprest Accounts / Petty Cash

9.6.4 Cash advances may be made to an individual in a department / establishment in order that relatively small incidental payments may be made quickly. A record of disbursements from the account shall be maintained to control the account and so that the expenditure may be substantiated, accurately reflected in the accounts and correctly reimbursed to the Account Holder.

Responsibilities

Who?	What?
CC	To provide appropriate employees with cash, bank imprests or procurement cards to meet minor expenditure on behalf of the CC and PCC. The CC 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.
DoF	To prepare detailed Financial Procedures for dealing with petty cash and procurement cards, to be agreed with the CFO, and these shall be issued to all appropriate employees.

PCC & CC	<ul style="list-style-type: none"> <li>To provide appropriate employees with cash, bank imprests or procurement cards to meet minor expenditure on behalf of the PCC.</li> <li>To 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.</li> </ul>
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Money Laundering

- 9.6.5 The CC and PCC are alert to the possibility that they may become the subject of an attempt to involve it in a transaction involving the laundering of money.
- 9.6.6 Suspicious cash deposits in any currency in excess of the figure specified in Section 12 should be reported to the relevant investigative agency.
- 9.6.7 Internal control procedures will be monitored to ensure they are reliable and robust.

Responsibilities

Who?	What?
CFO & DoF	<ul style="list-style-type: none"> <li>To be the nominated Money Laundering Reporting Officer (MLRO) for the PCC and CC as appropriate.</li> <li>To consider, in the light of all information, whether a disclosure gives rise to such knowledge or suspicion.</li> <li>To disclose relevant information to national investigative agencies.</li> </ul>
Chief Officers	To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide.
Employees	<ul style="list-style-type: none"> <li>Suspected fraud or corruption allegations relating to personnel or contractors should be reported in the first instance to their Line Manager, or if in the circumstances this is inappropriate this should be reported to the Professional Standards Department. This can be done anonymously if required.</li> <li>Cash bankings from a single source over the figure specified in Section 12 should be reported to the CFO or DoF. This instruction does not apply to seizures and subsequent bankings under the <a href="#">Proceeds of Crime Act 2002</a>.</li> </ul>

9.7 Staffing

Overview

- 9.7.1 Staffing costs form the largest element of the annual policing budget. The CC is responsible for approving an overall HR strategy in consultation with the PCC.

Responsibilities

Who?	What?
CC	<ul style="list-style-type: none"> <li>• To ensure that employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed by the PCC and that there is a proper use of the evaluation or other agreed systems for determining the remuneration of an employee's post.</li> <li>• To advise the PCC on the budget necessary in any given year to cover estimated staffing levels.</li> <li>• To adjust the staffing numbers to meet the approved budget provision and vary the provision as necessary within policy constraints in order to meet changing operational needs.</li> <li>• 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.</li> <li>• To approve, in consultation with the CFO, policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for support staff.</li> </ul>
CEX	To have the same responsibilities as above for staff employed by the PCC and working within their office.

9.8 Evidential and Non-Evidential Property

Overview

9.8.1 The CC is required to exercise a duty of care and safeguard evidential and non-evidential property pending decisions on its ownership, and the private property of any individual e.g. a suspect in custody.

Responsibilities

Who?	What?
CC	<ul style="list-style-type: none"> <li>• To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under their guardianship or supervision. These procedures shall be made available to all appropriate employees. More detailed information will be provided in Financial Procedures / Force policy.</li> <li>• To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.</li> <li>• To provide Financial Procedures / Force Policy for dealing with cash, including cash seized under the Proceeds of Crime Act 2002.</li> </ul>



Employees	To notify the CC immediately in the case of loss or diminution in value of such private property.
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## 9.9 Gifts, Loans and Sponsorship

(NB This does not include the receipt of hospitality and gifts)

### Overview

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

### Context

9.9.2 Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.

9.9.3 Gifts, loans and sponsorship can be accepted from any source which has genuine and well-intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display its name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.

9.9.4 The total value of gifts, loans and sponsorship accepted, must not exceed 1% of the PCC's annual budget.

### Responsibilities

Who?	What?
PCC	To approve the policy on <a href="#">gifts, loans and sponsorship</a> .
CC & CEX	<ul style="list-style-type: none"> <li>To accept gifts, loans or sponsorship within agreed policy guidelines.</li> <li>To refer all gifts, loans and sponsorship above the limit identified in Section 12 to the PCC for approval before they are accepted.</li> </ul>
Professional Standards Department	<ul style="list-style-type: none"> <li>To maintain a central register, in a format agreed by the CFO, of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The CFO shall satisfy their self that it provides a suitable account of the extent to which such</li> <li>additional resources have been received.</li> <li>To present an annual report to the PCC listing all gifts, loans and sponsorship.</li> </ul>

DoF	To bank cash from sponsorship activity in accordance with normal income procedures.
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## 10. SECTION D Systems and Procedures

### 10.1 General

#### Overview

10.1.1 There are many systems and procedures relating to the control of PCC and policing assets, including purchasing, costing and management systems. The Force and the OPCC are reliant on computers for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

10.1.2 The CFO and DoF both have a statutory responsibility to ensure that financial systems are sound and should therefore be notified of any proposed new developments or changes.

#### Responsibilities

Who?	What?
CFO & DoF	<ul style="list-style-type: none"> <li>• To make arrangements for the proper administration of the financial affairs, including to:                             <ul style="list-style-type: none"> <li>○ issue advice, guidance and procedures for officers and staff of the Force and the PCC acting on their behalf;</li> <li>○ determine the accounting systems, form of accounts and supporting financial records;</li> <li>○ establish arrangements for the audit of the financial affairs of the CC and the PCC;</li> <li>○ approve any new financial systems to be introduced; and</li> <li>○ approve any changes to existing financial systems.</li> </ul> </li> <li>• To ensure, in respect of systems and processes, that:                             <ul style="list-style-type: none"> <li>○ systems are secure, adequate internal controls exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely and that duties are appropriately segregated to minimise the risk of error, fraud or other malpractice;</li> <li>○ appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously;</li> <li>○ a complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa; and</li> <li>○ systems are documented and staff trained in operations.</li> </ul> </li> </ul>
CC & CEX	<ul style="list-style-type: none"> <li>• To ensure that there are documented and tested Business Continuity Plans to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems.</li> <li>• To establish a scheme of delegation, identifying staff authorised to act upon the CC's behalf in respect of income collection, placing orders, making payments and employing staff.</li> </ul>

10.2 Income

Overview

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

Context

10.2.2 The PCC and CC will adopt the Association of Police and Crime Commissioners (APCC) / National Police Chief’s 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, wherever appropriate, those using the services pay for them.

10.2.3 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 regard to sustainable and future year service delivery.

10.2.4 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<sup>12</sup>.

Responsibilities

Who?	What?
PCC & CC	To adopt the APCC / NPCC national charging policies and national guidance when applying charges under Section 25 of the Police Act 1996 and to review scales of fees and charges at least annually.
PCC	<ul style="list-style-type: none"> <li>To approve the Special Police Service Charging Policy in line with national guidelines.</li> <li>To approve any abatements, which should document clear rationale.</li> </ul>
CFO & DoF	<ul style="list-style-type: none"> <li>To make arrangements for the collection of all income due and approve the procedures, systems and documentation for its collection, including the correct charging of Value Added Tax (VAT).</li> <li>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 in</li> </ul>

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<sup>12</sup> Mutual aid can be described as the provision of policing assistance from one force to another. (NPCC National Policing Guidelines on Charging for Police Services: Mutual Aid Cost Recovery, 2016)

	<p>accordance with national guidance and internal policy at full cost recovery unless approved by the PCC.</p> <ul style="list-style-type: none"> <li>• To ensure that all income is paid fully and promptly into the designated income bank account. Appropriate details should be recorded on to paying-in slips to provide an audit trail and money collected and deposited reconciled on a monthly basis.</li> <li>• To approve the write off of bad debts up to the level shown in Section 12. Amounts for write off above this value must be referred to the PCC for approval, supported by a written report explaining the reason for the write off.</li> <li>• To ensure income is not used to cash personal cheques or make other payments.</li> </ul>
DoF	<ul style="list-style-type: none"> <li>• To operate effective debt collection procedures.</li> <li>• To initiate, in consultation with the CFO and CEX, appropriate debt recovery procedures, including legal action where necessary. As part of this, the Solicitor in the Force Legal Services Directorate is authorised to issue court proceedings where appropriate and in accordance with approval limits outlined in 4.3.7.</li> <li>• In the event that a customer is placed into administration or liquidation, make contact with the relevant insolvency practitioner and ensure that all possible actions are taken to recover outstanding sums. Inform all relevant staff including the CFO, CEX and Solicitor in the Force Legal Services.</li> <li>• To prepare detailed Financial Procedures for dealing with income, to be agreed with the CFO, and to issue them to all appropriate employees.</li> <li>• To ensure that any abatements calculated by the charging model under the APCC / NPCC national charging policy, are in accordance with the Special Police Services Policy and approved by the PCC in consultation with the CC.</li> </ul>

### 10.3 Ordering and Paying for Work, Goods and Services

#### Overview

10.3.1 The PCC and the CC have a statutory duty to ensure financial probity and best value. Financial Regulations and Purchasing Procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the Standing Orders Relating to Contracts in Section 12.

#### Responsibilities

Who?	What?
DoF	<ul style="list-style-type: none"> <li>• To maintain a Procurement Policy covering the principles to be followed for the purchase of goods and services and that all payments are made in accordance with this policy.</li> <li>• To issue official orders for all work, goods or services to be supplied to the OPCC, except for exceptions approved by the CFO. Orders must be in a format approved by the CFO.</li> </ul>

	<ul style="list-style-type: none"> <li>• Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of the CC and PCC contracts.</li> <li>• Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations.</li> <li>• 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.</li> <li>• To ensure that payments are made to the correct person, for the correct amount, on time and are recorded properly, regardless of the method of payment.</li> <li>• To ensure that VAT is recovered where appropriate.</li> <li>• To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.</li> <li>• To ensure that all purchases made through e-procurement follow the rules, regulations and procedures detailed in Section 12.</li> <li>• To prepare, in consultation with the CFO, detailed Financial Procedures for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.</li> </ul>
Chief Officers	To ensure that every member and employee declares any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of the PCC or CC, and that such persons take no part in the selection of a supplier or contract with which they are connected.

Payments to Employees

Overview

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

Responsibilities

<b>Who?</b>	<b>What?</b>
CC	<ul style="list-style-type: none"> <li>• To ensure, in consultation with the DoF, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees.</li> <li>• To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.</li> <li>• To pay all valid travel and subsistence claims or financial loss allowance.</li> </ul>

	<ul style="list-style-type: none"> <li>• To pay salaries, wages, pensions and reimbursements by the most economical means.</li> <li>• To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HMRC requirements.</li> <li>• To ensure that full records are maintained of the payment of benefits in kind and properly accounted for in any returns to the HMRC.</li> </ul>
DoF	To prepare detailed Financial Procedures for dealing with payments to employees, to be agreed with the CFO, and these shall be issued to all appropriate employees.

## 10.4 Taxation

### Overview

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

### Responsibilities

Who?	What?
CFO & DoF	<ul style="list-style-type: none"> <li>• To ensure that arrangements are in place for the timely completion and submission of all HMRC returns regarding Pay As You Earn (PAYE) and that due payments are made in accordance with statutory requirements.</li> <li>• To ensure that arrangements are in place for the timely completion and submission of VAT claims to HMRC.</li> <li>• To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations.</li> <li>• To provide details to HMRC regarding the Construction Industry Tax Deduction Scheme.</li> <li>• To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.</li> </ul>

## 10.5 Corporate Credit Cards, Procurement Cards and Fuel Cards

### Overview

10.5.1 Credit cards are an established and effective method for the organisation to fulfil the need for immediate expenditure in the normal course of business, typically for low value items where a Purchase Order would be inefficient or not viable.

10.5.2 The terms Corporate Credit Card and Procurement Card are used interchangeably and refer to a scheme typically provided by a bank or finance intermediary for retail or business payments.

10.5.3 Card holders will be issued with a Credit Card when one is required in order that they may discharge their duties and no preferable alternative exists.

10.5.4 Fuel cards are an alternative method of buying and paying for fuel. They will usually be attached to a specific vehicle and authorised use of the vehicle implies authorised use of the fuel card.

10.5.5 Fuel cards may additionally be issued to a specific individual, typically where that individual has valid business reasons for having to access multiple vehicles in the performance of their duties.

Responsibilities

Who?	What?
DoF & CFO	<ul style="list-style-type: none"> <li>To create Financial Control Procedures that provide for effective control of the issuance and management of cards.</li> <li>To provide cards holders with guidance on use.</li> <li>To implement a framework that provides for effective accounting for transactions and VAT.</li> </ul>
Credit Card Holders	<ul style="list-style-type: none"> <li>To ensure that purchases are made in accordance with approved Financial Control Procedures.</li> <li>To retain evidence to sufficiently substantiate transactions.</li> <li>To promptly attend to challenges of misuse or fraud.</li> <li>To complete a regular reconciliation of expenditure with appropriate coding.</li> </ul>
Fleet Manager	<ul style="list-style-type: none"> <li>To maintain an accurate record of fuel cards in use.</li> <li>To review usage and respond appropriately to misuse.</li> <li>To comply with Financial Control Procedures.</li> </ul>
Fuel Card Holders	<ul style="list-style-type: none"> <li>To comply with Financial Control Procedures.</li> </ul>

10.6 Voluntary Payments

Overview

10.6.1 Voluntary payments are payments made where no legal obligation has been established, nor court or tribunal proceedings issued. An example may be recompense to a police officer for damage to personal property in the execution of duty, or to a member of the public for providing assistance to a police officer in the execution of duty.

Responsibilities

Who?	What?
CEX	<ul style="list-style-type: none"> <li>To, in consultation with the CFO, DoF and Legal Services, make voluntary payments to members of the public in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of any act or omission by staff or officers where such a payment is likely to</li> </ul>



	<p>facilitate or is conducive or incidental to the discharge of any of the functions of the PCC or the CC, up to the limits set out in Section 12.</p> <ul style="list-style-type: none"> <li>• To, in consultation with the CFO, DoF and Legal Services, make voluntary payments to officers and staff of the OPCC in any individual instance, for damage or loss to property or for personal injury or costs incurred because property was known to belong to officers or staff, no order for compensation has been made by a court of law, and the circumstances are not covered by police regulations, up to the limits set out in Section 12.</li> <li>• To maintain details of such payments in a register.</li> </ul>
CC	<ul style="list-style-type: none"> <li>• To, in consultation with the CFO, DoF and Legal Services, make voluntary payments to officers and staff of the Force in any individual instance, for damage or loss to property or for personal injury or costs incurred because property was known to belong to officers or staff, no order for compensation has been made by a court of law, and the circumstances are not covered by police regulations, up to the limits set out in Section 12.</li> <li>• To maintain details of such payments in a register.</li> </ul>

## 11. SECTION E External Arrangements

### 11.1 External Funding

#### Overview

11.1.1 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the PCC and CC. Funds from external agencies provide additional resources to enable policing objectives to be delivered.

11.1.2 The main sources of such funding will tend to be specific Government grants, additional contributions from local authorities and donations from third parties.

#### Responsibilities

Who?	What?
Chief Officers	To ensure that the PCC approves all funding opportunities in advance and therefore to pursue actively any approved opportunities for additional funding where this has been approved by the CC and PCC.
PCC & CC	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.
CFO & DoF	<ul style="list-style-type: none"> <li>To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met.</li> <li>To approve grant agreements for funding applications awarded.</li> </ul>
CC	<ul style="list-style-type: none"> <li>To ensure that funds are acquired only to meet policing needs and objectives.</li> <li>To ensure that key conditions of funding and any statutory requirements are complied with and that the requirements of the donor are clearly understood.</li> <li>To ensure that any conditions placed on the PCC and the Force in relation to external funding are in accordance with the approved policies. If there is a conflict, this needs to be taken to the PCC for resolution.</li> </ul>

### 11.2 Working for Third Parties

#### Overview

11.2.1 The Force provides services to other bodies outside of its normal obligations, for which charges are made. Details of the charging framework are detailed within the Charging for Special Police Services policy. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

Responsibilities

Who?	What?
CC	<ul style="list-style-type: none"> <li>• To ensure that proposals for assistance are costed, that no contract is subsidised by the CC or the PCC and that, where possible, payment is received in advance of the delivery of the service so that the CC and the PCC are not put at risk from any liabilities such as bad debts.</li> <li>• To ensure that appropriate insurance arrangements are in place.</li> <li>• To ensure that all contracts are properly documented.</li> <li>• To ensure that such contracts do not impact adversely on the services provided by the CC and the PCC.</li> </ul>

11.3 Joint Working Arrangements

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

11.3.2 Joint working arrangements can take a number of different forms, each with its own governance arrangements. These can be grouped under the following headings:

- Partnerships
- Consortia
- Regional Working
- Collaboration

11.3.3 Partners engaged in joint working arrangements have shared responsibilities, to:

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

11.3.4 In all joint working arrangements an initial assessment is required to ensure any agreement does not impact adversely upon the services provided by the PCC and CC. The following key principles must be applied before entering into an agreement:

- Project controls followed to include initial project appraisal to assess the viability of the arrangement in terms of resources, staffing, security clearances/vetting status and expertise.
- Detailed capital and revenue cost commitments, accounting and taxation requirements, particularly VAT, are understood fully and complied with.
- Risk, benefits, data protection, information management, information security and equality impact assessments must be completed.
- Arrangements must be fully documented, to include any legal, procurement, data and information sharing and confidentiality agreements.
- Audit and control requirements are satisfied.
- Regular communications to be held with partners in the arrangement throughout to include regular review points at stages, in order to achieve the most successful outcome.
- An appropriate exit strategy produced and/or operating model developed for transition to business as usual.
- The CC and PCC elements of all joint working arrangements comply with these Financial Regulations.

## Partnerships

### Overview

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

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

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

- comply with statutory requirements;
- deliver strategic objectives in new and better ways;
- improve service quality and cost effectiveness;
- ensure the best use of scarce resources and access new resources;
- deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need;
- forge new relationships;
- find new ways to share risk; and
- generate benefits.

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

Statutory Based

11.3.8 These are partnerships that are governed by statute. They include, for example, Community Safety Partnerships (CSPs).

Strategic

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

Ad-Hoc

11.3.10 These are typically locally based informal arrangements agreed by local Commanders.

Context

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

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

Responsibilities

Who?	What?
PCC & CC	<ul style="list-style-type: none"> <li>In their capacity as Data Controller should design privacy into their joint working arrangements from the beginning of the arrangement. Including for example, considerations of any data protection risk<sup>3</sup> and having all appropriate sharing agreements, information governance, contracts, paperwork etc. in place and being able to exhibit good evidence of compliance with data protection legislation.<sup>4</sup></li> </ul>

<sup>3</sup> [UK-GDPR Article 35 / Data Protection Act 2018 – Section 64](#) – Data Protection Impact Assessment

<sup>4</sup> [College of Policing Authorised Professional Practice \(APP\) – Information Management/ Code of Practice under Section 46 of the Freedom of Information Act 2000 \(FOI\) \(section 2.8\) / Wales Accord on the Sharing of Personal Data \(WASPI\)](#)

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PCC	<ul style="list-style-type: none"> <li>• To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan.</li> <li>• To make appropriate arrangements to commission services from either the Force or external providers.</li> <li>• To make crime and disorder grants.</li> </ul>
Chief Officers	<ul style="list-style-type: none"> <li>• To follow the Financial Procedures for local partnerships, as published on the Force intranet.</li> <li>• To consult, as early as possible, the DoF and the CFO to ensure the correct treatment of taxation and other accounting arrangements.</li> <li>• To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for projects. This document should be signed by the relevant Senior Information Risk Owner (SIRO).</li> </ul>

Commissioning

- 11.3.13 The CC and the officers and staff under the CC’s direction and control may not commission or jointly commission any services or make arrangements for outcomes from any other partners, agencies, public bodies, community safety organisations or other organisations dealing with community safety, victims, offenders, drugs, youth offending, criminal justice or other areas unless agreed in writing and in advance by the PCC.
- 11.3.14 The PCC will decide what services are commissioned from which organisations as part of a Commissioning Framework for Dyfed-Powys. The PCC will also hold the CC to account for delivery against key performance indicators in order to achieve the outcomes set out in the Police and Crime Plan.
- 11.3.15 The PCC may commission services from other organisations as well as the Force in order to achieve the best outcomes at best value for the people of Dyfed-Powys.
- 11.3.16 The PCC may delegate to the CC the power to commission services from partners but only after approval of prior submitted business cases and business plans.
- 11.3.17 The CC may not issue any funds to third party partners or other entities without the prior written approval of the PCC. The PCC may approve an annual plan of funding by the CC for partners that is consistent with the PCC’s Police and Crime Plan and where there is a clear business case for any such spend with measurable outcomes.
- 11.3.18 If the PCC does delegate and approve any funding of third parties to be administered by the CC, then the CC will produce regular reports of what money has been issued to which third parties and what outcomes have been achieved from this activity.

Consortium Arrangements

Overview

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

Responsibilities

<b>Who?</b>	<b>What?</b>
Chief Officers	<ul style="list-style-type: none"> <li>• To contact the CEX before entering into a formal consortium agreement, to establish the correct legal framework.</li> <li>• To consult, as early as possible, the DoF and the CFO to ensure the correct treatment of taxation and other accounting arrangements.</li> <li>• To produce a business case to show the full economic benefits to be obtained from participation in the consortium.</li> </ul>

	<ul style="list-style-type: none"> <li>To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the CEX</li> </ul>
PCC	To approve the CC and PCC's participation in the consortium arrangement.

Regional Working

Overview

11.3.20 Dyfed-Powys PCC and Force's contribution towards working with the other PCCs and Forces will be contained in the annual budget and medium-term financial strategies.

11.3.21 Strategic oversight of national and regional collaboration arrangements are via the All Wales Collaboration Programme reporting into the Dyfed Powys Police Change and Transformation Group, and up to the Wales Chief Officer Group and Policing in Wales Group.

11.3.22 Regional working is supported by shared principles redeveloped in 2021 to include:

- Building on existing partnership working in Wales to provide professional, cost effective and efficient services in support of operational delivery.
- Greater integration with partners and agencies.
- Developed opportunities built on trust, openness and transparency.
- Focus on benefits.
- Open minded and innovative solutions.
- Freedom to consider local collaboration activities where they best meet the needs of the public and local service requirements.

Responsibilities

Who?	What?
PCC and CC	To approve Force participation in regional working.
CFO and DoF	To monitor the financial contributions to/from regional partners to ensure that they are in accordance with agreed procedures.



## 12. SECTION F Delegated Limits

12.1.1 The Financial Regulations are divided into a number of sections. References are made in the individual sections to delegated limits of authority. These limits are shown in the table below.

Financial Regulation	Section of Regulation	Situation where limit will apply	Delegated limit
Financial Planning <a href="#">Section B</a> <a href="#">Point 8.1</a>	Annual revenue budget preparation	The budget estimates shall identify all new major revenue projects. A major revenue project shall be defined as one in excess of the estimated delegated limit.  A separate cost centre or project code must be set up to enable the monitoring of expenditure.	£300,000
Budgetary Control <a href="#">Section B</a> <a href="#">Point 8.2</a>	Revenue budget monitoring	Major projects 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 delegated limit.	Cost of project varies from approved estimate by greater of 10% or £300,000
Budgetary Control <a href="#">Section B</a> <a href="#">Point 8.2</a>	Revenue virement	Individual budget virements to a specific budget line reported to the DoF up to the limit shown.  For individual amounts over this limit, approval from the CFO is required.  Virements to a specific budget line with a cumulative value exceeding £100,000, shall be reported to the Policing Board.	£300,000
Budgetary Control <a href="#">Section B</a> <a href="#">Point 8.2</a>	Treatment of year end balances	Devolved Budget Holders who underspend their budget in any financial year may apply to the PCC to carry forward planned underspends subject to the delegated limit.  Planned underspends should be agreed by the PCC.  Budget Holders who overspend their devolved budget in any financial year may have their devolved budget reduced for the following year subject to the determination of the CC and the PCC after consultation with the CFO and DoF.	£120,000 (each Budget Holder)
Capital Programme	Capital spending	No capital expenditure may be entered into unless it is in accordance	Cost of project varies from approved

<p><a href="#">Section B</a> <a href="#">Point 8.3</a></p>		<p>with the Capital Programme approved by the PCC.</p> <p>Detailed estimates for each scheme in the approved Capital Programme shall be prepared by the responsible officer before tenders are sought or commitments made.</p> <p>Schemes need not be referred back to the PCC for further approval unless the cost of the scheme exceeds the delegated limit.</p>	<p>estimate by greater than 10% or £120,000. This does not negate the requirement for all contracts to be duly authorised in accordance with the limits set out in the <a href="#">Standing Orders Relating to Contracts</a></p>
<p>Capital Programme <a href="#">Section B</a> <a href="#">Point 8.3</a></p>	<p>Property leases, finance leases and credit arrangements</p>	<p>The DoF shall notify the CFO of all proposed property leases, finance leases or other credit arrangements before any agreement is made.</p> <p>All property leases require the prior approval of the PCC.</p> <p>Other leases with a value in excess of the delegated limit shall be subject to the PCC's approval.</p>	<p>£120,000 pa or any lease over 5 years in duration</p>
<p>Risk Management <a href="#">Section C</a> <a href="#">Point 9.1</a></p>	<p>Settlement of claims</p>	<p>The CEX shall be authorised to settle civil claims against the PCC up to the delegated limit.</p> <p>Claims in excess of this amount shall be approved by the PCC.</p>	<p>£36,000 excluding legal costs and disbursements</p>
<p>Risk Management <a href="#">Section C</a> <a href="#">Point 9.1</a></p>	<p>Settlement of claims</p>	<p>The CC and the DCC shall be authorised to settle civil claims against the CC up to the delegated limit.</p> <p>Claims in excess of this amount shall be approved by the CC and PCC.</p>	<p>£36,000 excluding legal costs and disbursements</p>
<p>Assets <a href="#">Section C</a> <a href="#">Point 9.5</a></p>	<p>Valuation</p>	<p>The CC shall maintain an Asset Register for all fixed assets with a value in excess of the delegated limit.</p>	<p>Vehicles - £8,000 IT equipment - £8,000 Other Plant &amp; Equipment - £8,000</p>
<p>Assets <a href="#">Section C</a> <a href="#">Point 9.5</a></p>	<p>Inventories</p>	<p>The CC shall maintain inventories that record an adequate description of portable and desirable items such as computers, laptops, mobile devices</p>	<p>£300</p>

		and photographic equipment above the delegated limit.  They will be labelled with security markings in line with <a href="#">Section C point 9.5</a> .	
Assets <a href="#">Section C</a> <a href="#">Point 9.5</a>	Stocks and stores	Discrepancies between the actual level of stock and the book value of stock may be written off by the CC up to the delegated limit.  Amounts for write off above this value must be referred to the PCC for approval.	Individual items £2,000  Overall annual limit on all stock £24,000
Assets <a href="#">Section C</a> <a href="#">Point 9.5</a>	Stocks and stores (obsolete stock)	Obsolete stock, or equipment and materials surplus to requirements may be written off by the CC up to the delegated limit.  Amounts for write off above this value must be referred to the CFO for approval.	Individual items £2,000  Overall annual limit on all stock £24,000
Assets <a href="#">Section C</a> <a href="#">Point 9.5</a>	Asset disposal	The CC may dispose of surplus vehicles and items of equipment up to the estimated value of the delegated limit. Disposals above this value are to be reported to the PCC for prior approval.	Equipment £60,000  Vehicles £60,000
Money Laundering <a href="#">Section C</a> <a href="#">Point 9.6</a>	Suspicious cash deposits	Suspicious cash deposits in any currency in excess of the delegated limit must be reported to the relevant investigative agency.  All suspicious cash deposits must be reported to the PCC.	£18,000 or equivalent
Money Laundering <a href="#">Section C</a> <a href="#">Point 9.6</a>	Cash bankings from a single source	Cash bankings from a single source in excess of the delegated limit must be reported to the CFO or DoF (excluding seizures and subsequent bankings under the Proceeds of Crime Act 2002).	£18,000 or equivalent
Gifts, Loans and Sponsorship <a href="#">Section C</a> <a href="#">Point 9.9</a>	Gifts, loans and sponsorship	All gifts, loans or sponsorships offered to the PCC, CC, OPCC or Force in excess of the delegated limit must be approved by the PCC before they are accepted.	£600
Income <a href="#">Section D</a> <a href="#">Point 10.2</a>	Income	Individual amounts may be written off by the DoF or CFO up to the delegated limit. Amounts for write off above this value must be referred to the PCC for approval.	£24,000

Voluntary Payments Section D Point 10.7	Voluntary payments	The CEX and CC may make voluntary payments up to the delegated limit.	£11,000
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### 13. SECTION G Guidance Notes on Breach of Standing Orders or Financial Regulations

- 13.1.1 These guidance notes are supplemental to the PCC and CC's Anti-Fraud and Corruption Policy and should be read in conjunction with the policy.
- 13.1.2 The CFO and the DoF have responsibility under Section 114 of the [Local Government Finance Act 1988](#) to make a report if it appears to either of them that any person holding any office or any employee or member of any collaborative body on which the PCC or the CC is represented:
- has made, or is about to make, a decision which involved or would involve the PCC or the CC incurring expenditure which is unlawful;
  - has taken, or is about to take, a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the PCC or the CC; and
  - is about to enter an item on account, the entry of which is unlawful.
- 13.1.3 It is also the duty of the CEX to prepare a report for the PCC with respect to any proposal, decision or mission by any person holding any office or employment which may contravene any enactment, rule of law or code of practice or result in any maladministration or injustice as defined. In doing so it is the CEX's duty so far as is practicable to consult with the CFO and the DoF.
- 13.1.4 Where the report is made by the CFO, a copy will be provided to the PCC, Police and Crime Panel and External Auditor. Where the report is made by the DoF, a copy will be provided to the CC, PCC and External Auditor. In both instances, the matter shall be reported to the Chair of the JAC.
- 13.1.5 To provide for effective action to deal with any fraud and corruption and to assist the CFO and the DoF in the performance of their duties to ensure the financial affairs of the Force and the OPCC are properly conducted, the procedures detailed within section 9.4 will be adhered to in the circumstances of any suspected or actual breach of Financial Regulations or Standing Orders.

## 14. Appendix B: Contract Standing Orders

### 14.1 Introduction

#### Application and Scope of Standing Orders Relating to Contracts

14.1.1 These Standing Orders govern the procedures for tenders and contracts and the relative responsibilities of the PCC and CC. These Standing Orders shall apply to all contracts entered into by, or on behalf of, the PCC with any other person or body, other than where the exemptions detailed in this document apply.

14.1.2 These Standing Orders will therefore apply to all orders and contracts for:

- the supply of goods and materials;
- the provision of services, including professional advice from consultants;
- the execution of building, engineering, communication or information technology projects;
- services and public works concessions<sup>13</sup>; and
- the engagement of expert witnesses (recorded on the National Crime Agency Directory of Expert Witnesses).

14.1.3 Every contract made by, or on behalf of, the PCC shall comply with the Law of England and Wales and these Standing Orders. Whenever the Law of England and Wales conflicts with these Standing Orders then that Law should take precedence.

14.1.4 Outside consultants and technical officers appointed to supervise the contract must follow these Standing Orders and the Financial Regulations of the PCC as if they were officers of the PCC. Their contracts of engagement must state this requirement.

#### Status

14.1.5 The Standing Orders Relating to Contracts should not be seen in isolation, but rather as part of the overall regulatory framework of the PCC. These are underpinned by more detailed procedures governing procurement activity.

14.1.6 The PCC is responsible for approving or amending the Standing Orders Relating to Contracts. The CFO is responsible for maintaining a regular review of the Standing Orders and submitting any additions or amendments to the PCC, after consulting with the CC, DoF and CEX.

14.1.7 The CC is responsible for ensuring that all staff, contractors and agents are aware of the existence and the content of the PCC's Standing Orders Relating to Contracts and that they are complied with (this applies equally to the CEX

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<sup>13</sup> "Services concession contract" means a public services contract under which the consideration given by the contracting authority consists of or includes the right to exploit the service or services to be provided under the contract; "public works concession contract" means a public works contract under which the consideration given by the contracting authority consists of or includes the grant of a right to exploit the work or works to be carried out under the contract.

within the OPCC). These Standing Orders must be available for staff to reference via the Force intranet.

14.1.8 The CC is responsible for ensuring that codes of practice, guidance or protocols that may be issued in conjunction with Standing Orders Relating to Contracts, are complied with.

14.1.9 Breaches of the Standing Orders Relating to Contracts of a serious nature may result in disciplinary proceedings. Such cases shall be reported to CFO or DoF who shall determine, after consulting with the CEX, whether the matter shall be referred to the relevant Appropriate Authority for an assessment to be undertaken. It will be for the Appropriate Authority to determine whether an investigation is required and whether any subsequent disciplinary proceedings should be instigated.

14.1.10 Non-compliance with Standing Orders Relating to Contracts shall be recorded in the Non-Compliance Report (NCR). The NCR shall be presented to CFO or DoF who shall determine, after consulting with the CEX, whether the matter shall be reported to the PCC and/or CC.

#### Exemptions from Standing Orders Relating to Contracts

14.1.11 These Standing Orders Relating to Contracts will not apply in the following instances:-

- contracts for the sale and purchase of land (Section 14.12);
- contracts of employment;
- contracts for the investment or sale of monies or securities; and
- the engagement or instruction of Counsel.

14.1.12 Only Standing Orders Relating to Contracts (Section 14.12) shall apply to contracts for the sale and purchase of interests in land and property. The DoF can give written authority to give a contract to a single contractor in special circumstances, exempting them from the Procurement Regulations and Financial Procedures, up to the value of £25,000. Written authorisation above this value must be provided by the CFO, after consultation with the CEX.

## 14.2 Office Holders Interests

### Pecuniary Interests of Office Holders

14.2.1 All Office Holders are reminded of the need to carefully consider their position in respect of the declaration of interest in relation to the award of contracts.

### Pecuniary Interests of Officers in Contracts

14.2.2 The Procurement and Contracts Manager shall maintain a record of any notice given by a post holder, officer or employee of the CC of a pecuniary interest and the record shall be available during office hours for inspection. Likewise, the CEX shall maintain a record of any notice given by a post holder, officer or employee of the PCC of a pecuniary interest and the record shall be available during office hours for inspection.

14.2.3 Officers participating in a Tender Evaluation Panel shall be required to complete a Declaration of Interest relating to the contract to be awarded.

### 14.3 Procurement Strategy and Authorisation Levels

#### Procurement Strategy

14.3.1 The Procurement department follow the Joint Police Procurement Unit Southern Wales Collaborative Police Procurement Strategy. For each financial year, the Strategic Finance and Procurement Group shall consider the Annual Collaborative Procurement Report.

#### Pre-procurement

14.3.2 Before commencing a procurement exercise it is essential that an Authorised Officer (budget holder) is authorised to instigate the scheme, to monitor progress and ensure completion in line with the Procurement Plan.

14.3.3 Before undertaking a procurement the Authorised Officer (Budget holder) shall:-

- prepare a scheme estimate including outline business plan;
- prepare progress targets;
- prepare a project appraisal demonstrating costs and benefits;
- consult with Legal Services to review any legal implications; and
- consult with the Procurement department to review Procurement Plan, which will include route to market, pre-market engagement and any testing considerations.

#### Authorisation and Delegated Authority

14.3.4 The PCC is the sole legal entity for all contracts relating to DPP.

14.3.5 The Head of Estates can authorise estates related expenditure up to the value of £50,000. The DoF may authorise estates related expenditure up to the value of £150,000. Thereafter, expenditure must be reported to the Policing Board for scrutiny and approval.

14.3.6 The CC may give written authorisation to the Procurement department to award a contract up to the value of £300,000. Authorisation above this amount must be provided by the PCC or the CFO as per delegated authority. All contracts above £300,000 must be reported to the Policing Board for scrutiny and approval.

14.3.7 Tender award reporting to the Policing Board will include all evaluation criteria and weighting.

14.3.8 The Common Seal of the PCC must be affixed to contracts for construction, or other contracts if requested, and all grants made by the PCC that are at or above the value of £300,000.

14.3.9 The affixing of the Common Seal shall only be attested by the Chief of Staff or a nominated deputy. A record of the contracts once sealed shall be maintained and the record signed by the person who shall have attested the seal.



14.3.10 The PCC delegates their authority to the CFO to commit the PCC to contractual agreements below £500,000 in value.

14.3.11 The PCC will be responsible for the authorisation of all contracts of £500,000 and above.

#### Budget Authorisation

14.3.12 Before entering into any contractual commitment on behalf of the PCC, the Budget Holder must ensure that there is sufficient approved budget to meet the commitment being made.

#### 14.4 Procurement Thresholds<sup>14</sup>

14.4.1 At least one quotation shall be obtained in respect of all goods and services with a total value of less than £5,000. More than one quotation may be obtained where it is considered appropriate to demonstrate value for money.

14.4.2 Procurement of goods and services whose total estimated value exceeds £5,000 but are less than £25,000, shall be made only after quotations have been sought from not less than three suppliers or suitable persons. (Faxed or emailed quotations may be obtained where the purchase is of an urgent nature).

14.4.3 Procurement of goods and services whose total estimated value exceeds £25,000, shall be made only after formal tenders have been invited as described in section 14.6 of this document.

14.4.4 Procurement of goods and services shall comply with the requirements of the Public Contracts Regulations 2015 (PCR 2015) and any associated UK Statutory Instruments.

14.4.5 For details of current financial limits relating to the PCR 2015 should be made to the Procurement Department. The limits are detailed in the following Procurement Policy Notice : [Procurement Policy Note 10/21 – Thresholds and Inclusion of VAT - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/41212/Procurement_Policy_Note_10_21_-_Thresholds_and_Inclusion_of_VAT.pdf)

#### Total Value or Amount of Contracts

14.4.6 A project shall not be divided into a number of separate contracts in order to avoid the limitations imposed by statute, PCR 2015 or Financial Regulations. Deliberate division of projects in such a way could result in disciplinary action.

#### 14.5 List of Suppliers

14.5.1 The PCC will maintain a list of persons / bodies who have been approved to supply specific types of goods and services where permitted by law. This is underpinned by a detailed financial procedure. All additions and deletions to

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<sup>14</sup> All the values stated within this procedure are exclusive of Value Added Tax (VAT)

the list must comply with the detailed financial procedures approved by the CFO. This does not apply in cases where PCR 2015 thresholds are exceeded. Advice in relation to PCR thresholds will be obtained by the nominated Head of Procurement.

#### 14.6 Procurement Procedures (for estimated values exceeding £25,000)

14.6.1 Before any contract is entered into, procurement must be undertaken in one of the ways described in these Standing Orders except as provided in paragraphs 14.6.1 to 14.7.5. The detailed administrative procedures are more particularly prescribed in the Financial Control procedures.

##### Compliance with PCR 2015

14.6.2 Where the estimated value of the contract exceeds the [PCR threshold](#):

- the appropriate notice must be placed in Find a Tender and Contracts Finder, and the time scales relating to the specific tendering process complied with; and
- additionally further notice will be given on the PCC / CC's approved online portal for the publication of contract notices and other publications if deemed appropriate.

##### Tendering Procedure

14.6.3 Where the estimated value of the contract exceeds £25,000, at least 14 days' notice must be given on the PCC / CC's approved online portal for the publication of contract notices and other publications if deemed appropriate.

14.6.4 The notice must state the nature and purpose of the contract, invite tenders for its execution and specify the last date and time when tenders must be received.

14.6.5 The relevant tendering procedure will be considered between the Procurement department and budget holder/department expert.

The current tendering procedures available to undertake are:

- Open
- Restricted
- Competitive procedure with negotiation
- Competitive dialogue
- Innovation partnership
- Negotiated procedure without prior publication

All those who qualify to respond must be invited to tender and be able to access the tender documents on the electronic tendering system immediately following the publication of the contract notice.

14.6.6 The process of selecting prospective contractors must be seen to show no favour and be fully documented by ensuring the evaluation criteria to be used are included in the tender documentation.

## Exceptions

14.6.7 Subject to PCR 2015, the provisions of the tendering procedure set out herein do not apply where the CFO, in consultation with the DoF and CEX, is satisfied that:

- there is no effective competition for the supply as prices are fixed under Statutory Authority;
- there is only one source of supply;
- there is a justifiable case to use a specific supplier for reason of compatibility with existing equipment or to maintain continuity of supply. Where such a case is made, it is imperative that evidence of costs and associated factors are provided to support the assertion;
- security considerations make the use of a particular contractor essential;
- a genuine unforeseeable operational need arises so that the supply is urgently required and loss, damage or injury could result from delay due to the advertising procedure;
- the purchase or sale of goods is to take place by auction;
- the services supplied are that of an Expert Witness;
- the PCC is required to acquire particular goods or services by operation of law; and
- some tenders may also qualify for a specific exclusion from the requirements of the PCR 2015 on grounds of national security. Confirmation must be obtained from the Force's Procurement Department in the first instance regarding whether such exclusion applies to the proposed purchase.

14.6.8 Those wishing to rely on any of the foregoing shall submit an evidenced case to the CFO. Details of such contracts shall be reported to the Policing Board where the value exceeds £25,000 prior to being signed off.

14.6.9 These exceptions apply provided that in each instance specified in paragraph [14.6.7](#):

- such action does not contravene any statutory or PCR 2015 requirement;
- details of the contract are reported to the Policing Board where the value of the contract exceeds £25,000; and
- adequate documentation is retained for all contracts where tenders are not invited.

## 14.7 Submission and Opening of Tenders and Quotations

### Submission of Tenders

14.7.1 Where in pursuance of the Standing Orders invitation to tender is made, every invitation shall state:

- the time and method(s) by which the tender should be delivered;
- that the PCC does not bind their self to accept the lowest or any tender.

Custody, Recording and Opening of Tenders and Quotations

14.7.2 Where the estimated value of the contract is more than £5,000 but does not exceed £25,000, formal quotations may be received by the Budget Holder or delegated representative.

14.7.3 Where the estimated value of the contract exceeds £25,000, all tenders are to be received by the nominated Procurement department.

Non-Return of Tenders

14.7.4 The electronic tendering system will record the suppliers who have requested access to the tender exercise and will record all submissions and any non-submission of a tender response.

14.7.5 Late tenders may be considered following discussion between the Budget Holder and the nominated Head of Procurement.

14.8 Evaluation of Tenders and Post Tender Negotiations

Evaluation of Tenders

14.8.1 Tenders will be evaluated using an appropriately structured evaluation model. The originating department shall approve the outline of any tender evaluation model used to judge tenders, before the respective tenders are issued.

Acceptance of Tenders

14.8.2 The PCC and those with delegated authority under this Corporate Governance Framework shall be empowered to accept tenders subject to adherence to statutory procurement procedures.

Where Only One Tender is Received

14.8.3 Where only one tender is received this will be reported to the Strategic Finance and Procurement Group. Officers must provide an explanation for only one tender being received and provide reasons why a second tendering process is not feasible / necessary.

Nominated Sub Contractors and Suppliers

14.8.4 It shall be a condition of the engagement by, or on behalf of, the PCC of any person who is not an officer of the PCC that such person if they are to supervise a contract shall comply with the provision of those Standing Orders whether or not they are specified as an Authorised Officer.

14.8.5 The contract will contain a clause requiring the Contractor to obtain the written permission of the lead officer before assigning or sub-letting the contract or any part of it, other than as specifically allowed under the terms of the contract.

14.9 Form of Contract

14.9.1 Every contract shall be in writing. Where a contract exceeds £25,000 the contract shall be in a form approved by the CFO. Contracts whose value is

less than £25,000 may be completed by use of an official order form accompanied by the PCC's standard terms and conditions. Verbal quotations will be evidenced in writing backed up by an appropriate order form.

14.9.2 All contracts shall specify:

- the nature and extent of the work and services to be carried out, or the quantity and description of goods and materials to be supplied;
- the price to be paid with a statement of discounts or other deductions or variations; and
- the time or times within which the contract is to be performed or the goods delivered.

14.9.3 Where British standards of specification, or standard codes of practice are available at the date of tender, the contract should require all goods, material and workmanship to be at least in accordance with those standards / specifications.

14.10 Cancellation of Contracts

14.10.1 There shall be inserted in every written contract a clause empowering the PCC to cancel the contract and to recover from the Contractor the amount of any loss resulting from such cancellation under the following circumstances:

- if the Contractor has offered, given or agreed to give to any person any gift or consideration of any kind as an inducement or reward; or
- for failing to fulfil the terms of the contract; or
- for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the PCC; or
- if the acts shall have been done by any persons employed by them, or acting on their behalf, whether with or without the knowledge of the Contractor, or
- in relation to any contract with the PCC the Contractor, or any person employed by them, or acting on their behalf, shall have committed any offence under the [Bribery Act 2010](#); or shall have given any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.

14.10.2 An appropriate cancellation clause shall be inserted in every written contract.

14.10.3 Contracts must also state that failure to comply with contractual obligation in whole or part may result in cancellation of the contract and recovery of any additional costs from the Contractor.

14.11 Insolvency

14.11.1 In the event that a supplier of goods or services enters into administration or liquidation, the CFO and DoF should be immediately notified. They will ensure that contact is made with the administrator/liquidator to safeguard the position of the organisation to the extent that it is possible to do so. They will also inform other staff including the CEX, DCC, the Solicitor in the Force Legal Services Directorate and the Procurement Department as appropriate. They will consider the risks facing the organisation and take appropriate steps to

mitigate those risks including, if necessary, ensuring that an alternative provision of goods or services is arranged as soon as practicable.

Access to Documentation

14.11.2 Auditors or other appointed representatives of the PCC must have right of access to a Contractors documents in relation to any contract with the PCC.

14.11.3 Documentation in relation to any contract must be retained for the required period stipulated in the PCC’s Policy on retention and destruction of documents.

Insurance Requirements

14.11.4 Suppliers insurance liability levels will be requested during the tendering process and will be confirmed by the Procurement Department. All contracts must include the following as a minimum:

<b>Insurance</b>	<b>Minimum Cover</b>	<b>Contract Requirements</b>
Public Liability	£5 million	All contracts
Employers Liability	£10 million	All contracts
Professional Indemnity / Liability	£1 million	All contracts
Product Liability	£1 million	Where appropriate (e.g. suppliers of equipment)

14.12 Land Transactions

Acquisition of Land and Buildings

14.12.1 Before acquiring any interest in land, and/or buildings, the PCC shall consider an estimate from an appropriately qualified person of the value of the land and/or buildings concerned and shall not acquire land and/or buildings at a consideration in excess of that ultimately recommended by its qualified person.

Acquisition of Land and Buildings at Auction

14.12.2 An appropriately qualified person appointed by the DoF in the exercise of their delegated powers for property management, may bid at auctions for land and/or buildings required for any of the PCC’s functions provided:

- the legal terms have been approved in accordance with appropriate legal advice; and
- the bid does not exceed the sum indicated by the PCC, or where no such sum has been indicated, the amount allowed in the PCC’s approved estimates (subject to any allowance under the PCC’s Financial Regulations) for that purpose.

Disposal of Land and Management of Estate

14.12.3 The DoF, in consultation with the Head of Estates, is empowered:-

- in accordance with appropriate professional advice, to determine any action as appropriate in connection with reviewing rating assessments, lodging objections, assessing rents for property, attending at valuation courts, dealing with tenants' / licensees' requests to assign or carry out improvements and requests to vary conditions of tenancies or licenses, and to determine routine matters of estates management;
- after the PCC's approval in principle has been obtained to a disposal of property and subject to compliance with any procedures adopted by the PCC relating to former owners and with Section 123 of the Local Government Act 1972, to arrange a disposal at not less than the valuation of an appropriately qualified person appointed by the DoF for that purpose; and
- with the advice of an appropriately qualified person appointed by the DoF, to carry out any other land transaction where the total amount of the consideration, (including the cost of accommodation works) or in the case of a rent review, the amount of any increase, is provided for in the approved estimates.