

To: Joint Audit Committee

Date: 28th April 2021

By: Alison Bolton - Chief Executive

Title: Scheme of Governance - Annual Review

Purpose of Report/Issue:

This report provides the Joint Audit Committee with recommended changes to the current Scheme of Governance following the annual review process.

The overarching Scheme of Governance includes a number of documents as follows:

- Surrey's Code of Corporate Governance
- Decision making and Accountability Framework for Surrey OPCC
- PCC's Scheme of Delegation;
- Chief Constable's Scheme of Delegation;
- Memorandum of Understanding (and Schedule to the MOU)
- Financial Regulations
- Contract Standing Orders

Once agreed, the amended documents will be presented to the PCC and Chief Constable for approval and published.

Recommendations -

The Committee is asked to:

- i) Consider and comment on the adequacy of the Scheme of Governance and review the proposed changes
 - ii) Recommend that the Scheme be approved by the Chief Constable and PCC
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Summary

The Office of the Surrey Police and Crime Commissioner (OPCC) and Surrey Police, together with the Sussex OPCC and Sussex Police, have committed to undertake an annual review of all Governance documentation to ensure that it is up to date and fit for purpose.

The Scheme of Governance comprises a number of documents, some of which (marked with *) are shared with Sussex to reflect the collaborated teams that work across services such as finance, IT, procurement and People Services.

The Scheme of Governance comprises:

- **Code of Corporate Governance**
This sets out how the PCC/CC will achieve the core principles of 'good governance'.
- **Decision Making and Accountability Framework**
This explains how the PCC will make decisions and hold the Chief Constable to account in a fair, open and transparent way
- **PCC Scheme of Delegation***
This sets out the key roles of the PCC and those functions they delegate to others.
- **Chief Constable Scheme of Delegation***
This sets out the key roles of the CC and those functions they delegate to others.
- **Memorandum of Understanding and Schedules***
The MOU attempts to describe how, in an arrangement where the CC employs the majority of the staff and the PCC owns all assets, the two parties will work together and ensure sufficient support in areas such as estates management, procurement, finance, HR, communications and corporate development.
- **Financial Regulations***
These set out the framework for managing the PCC's financial affairs.
- **Contract Standing Orders***
These describe the rules for the procurement of goods, works and services. Contracts are issued in the name of the PCC and the CC operates within the parameters of Contract Standing Orders.

NB – Contract Standing Orders have not been reviewed at present due to changes expected later in the year as a result of Brexit.

Process of Review

All of the documents within the Scheme of Governance (with the exception of Contract Standing Orders) have been reviewed and updated in line with CIPFA guidelines and recommended good practice. This year, officers have made minimal amendments to the documents and any proposed changes

(aside from minor changes such as formatting or changes to job titles) are marked as 'track changes'.

Additionally, three JAC members, led by Lorna Harnby have been asked to review the documents before they are presented to the JAC. Lorna has proposed some minor changes to simplify the language in the documents and in the longer term, would seek to make further changes to ensure that the documents are more accessible to those who need to use them.

The Sussex JAC considered the Scheme at its meeting earlier in March.

Following approval of the revised Scheme of Governance by the JAC it will be published on both the Surrey and Sussex OPCC websites. In addition staff in both areas will be made aware of the changes and where they can access the new documents.

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Office of the Police and Crime Commissioner for Surrey

Code of Corporate Governance for the Police and Crime Commissioner and Chief Constable of Surrey

The Chartered Institute of Public Finance and Accountancy (CIPFA) has identified seven principles of 'good governance' (*Delivering Good Governance– Guidance Note for Policing Bodies, 2016 Edition*). Each of these is set out below in the Code of Corporate Governance, together with an examples of how the PCC and Chief Constable can demonstrate their governance arrangements meet each one.

A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The PCC and Chief Constable are accountable not only for how much they spend, but also for how they use the resources under their stewardship. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. As a whole, they must demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

- *The PCC and CC have signed an agreement aligned to the Policing Protocol Order 2011, which requires them to abide by the Seven Principles of Public Life (the Nolan Principles).*
- *This agreement highlights the expectation that the relationship between PCC and Chief Constable will be based on the principles of goodwill, professionalism, openness and trust*
- *The PCC has signed up to a voluntary **Code of Conduct***
- *The **Code of Ethics** is embedded in the organisation, as recognised by the most recent HMIC Legitimacy inspection*
- *Shared values are communicated clearly with staff (e.g. through the Force's '**Commitments 2020-21**')*
- ***Decision-making practices** are clearly set out in the Framework of Decision-Making and Accountability*
- ***Anti-fraud and corruption policies** are up-to-date and kept under review*
- ***Registers of interests** and records of gifts, hospitalities and expenses for the PCC, Chief Officers and relevant staff are published*
- ***Whistle-blowing** policies are in place and have been recently reviewed*
- *We publish policies on **complaints** on our respective websites*
- *The Force makes use of an **Ethics Committee** to provide an external perspective to some key decision-making*
- *The PCC has in place arrangements for the **oversight of professional standards***
- *The Surrey Police **Commitments** set out how the Force will lead, develop and support people in the context of a healthy and professional workplace*
- *The PCC and Chief Constable abide by the **CIPFA Financial Management Code of Practice***
- *The PCC has in place a Chief Executive who undertakes the responsibilities of **Monitoring Officer***

B Ensuring openness and comprehensive stakeholder engagement

The Police is run for the public good. We must therefore ensure openness in our activities. Clear channels of communication and consultation should be used to engage effectively with all groups of stakeholders.

- *The **Police & Crime Plan** clearly sets out the strategic direction and objectives for Surrey and how they will be delivered*
- *The PCC and Force's **communication and engagement strategies** set out how local people will be involved to ensure they are part of decision-making, accountability and future direction*
- *The PCC fosters good working relationships with the **Police & Crime Panel**, constituent local authorities and other partners*
- *The Force and OPCC have an up-to-date Freedom of Information Act **Publication Scheme***
- *The Force and OPCC operate accessible and engaging **public websites** and social/digital media channels*
- *The PCC publishes his **key decisions** and records of key meetings*
- *The PCC and Force undertake a number of public and victim **satisfaction surveys***
- *The PCC **consults** in advance of putting forward his precept proposals*
- ***Collaboration agreements** set out those areas of business to be undertaken jointly with other Forces and Local Policing Bodies*
- *The Force operates an effective **Independent Advisory Group***

C Defining outcomes in terms of sustainable economic, social and environmental benefits

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

- *The Force's **Commitments** document is used as a basis for corporate and service planning*
- *Both the PCC and Chief Constable have established **performance measures** and governance structures that allow them to assess progress against their objectives*
- *The **Medium Term Financial Plan** is kept under regular review*
- *The PCC has developed a **commissioning and award of grants** strategy*
- *Processes are in place and kept under review for the identification and **management of risk***
- *Reviews of **capital investment** plans are undertaken to achieve appropriate lifespans and adaptability for future use*
- *Projects are subject to sound **business cases** with appropriate 'gateway' sign-off points*
- *The Force's **Carbon Management Plan, which aims to meet the** PCC and the Chief Constable's commitment to Surrey Police becoming a net zero carbon organisation by 2030 has been approved*

D Determining the interventions necessary to optimise the achievement of the intended outcomes

Local Government, including the Police, achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is an important strategic choice that local government has to make to ensure outcomes are achieved. They need robust decision making mechanisms to ensure outcomes are achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions need to

be reviewed continually to ensure that achievement of outcomes is optimised. Policy implementation usually involves choice about the approach, the objectives, the priorities and the incidence of the costs and benefits. PCCs and Chief Constables must ensure they have access to the appropriate skills and techniques.

- The PCC and Chief Constable maintain a **Medium Term Financial Strategy**
- Processes are in place to allow proper **analysis and evaluation of plans** including option appraisal, assessing the impact of alternative approaches and benefits realisation
- The PCC and Force maintain **workforce development and asset management plans** (e.g. estates and ICT)
- The PCC and Force have a **framework of corporate governance** and agreements on information to be provided between both parties
- The Force and OPCC have **business plans** in place

E Developing the entity's capacity, including the capability of its leadership and the individuals within it

The PCC and Police force need appropriate structures and leadership, as well as people with the right skills, qualifications and mindset, to operate efficiently and effectively. A public organisation must ensure it has both the capability to fulfil its mandate and to make sure there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. The organisation must continually develop its capacity and respond to change over time. Leadership is strengthened by the participation of people with many different types of background, reflecting the structure and diversity of the community.

- The Force prioritises:
 - *Leadership: developing leaders who are role models and who enable performance through their people*
 - *Workforce design: a workforce that is capable of meeting current and future challenges.*
 - *Workforce Profile: drawing on our workforce diversity and strengths to meet current and future needs*
 - *Professional development: skilled and competent officers and staff who meet the needs of today and the challenges of tomorrow and who develop future leaders*
- Staff of the Force and OPCC are given access to **learning and development resources** and encouragement to focus on Continuous Professional Development
- **Talent and succession plans** are in place
- Review of individual performance (PDRs) is encouraged to be purposeful and realistic
- **Leadership events** are held regularly
- The Force undertakes and analyses feedback from **staff well-being surveys and has launched a refreshed well-being hub**
- The Force is committed to embedding a flexible approach to **reward** that attracts and retains the best people with the most appropriate skills
- Briefings are held for **potential PCC candidates** in advance of elections
- The PCC and Chief Constable ensure that their respective policies for **Equality and Diversity** are readily available. These set out how each party promotes diversity by recognising, valuing and respecting the different contributions and needs of both communities and staff

F Managing risks and performance through robust internal control and strong public financial management

Public bodies must ensure that the organisation and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management, business continuity and internal control are important and integral parts of a performance management system. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes as it will enforce financial disciplines, strategic allocation of resources, efficient service delivery and accountability. All public bodies spend money raised from taxpayers and the public is entitled to expect high standards of control and oversight of performance.

- *The overarching **Scheme of Corporate Governance** highlights the parameters for decision making, including the arrangements for governance, delegations, consents, financial limits for specific matters and standing orders for contracts.*
- *A joint independent **Audit Committee** operates in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and within the guidance of the Financial Management Code of Practice. This Committee provides independent advice and recommendation to the PCC and CC on the adequacy of the governance and risk management frameworks, the internal audit control environment and financial reporting.*
- *The **Risk Management Strategy** allows the Force and OPCC to identify and manage operational, strategy and project risks*
- *Effective **business continuity planning** is in place*
- *External scrutiny of PCC decisions is provided by the **Police & Crime Panel***
- *An effective **internal audit** service has been resourced*
- ***Annual Governance Statements** are produced for the Force and OPCC*
- ***External audit** reports are scrutinised by the Audit Committee*
- ***Data protection** policies are in place and published online*
- *HMICFRS provide assurances around Force **efficiency and effectiveness***
- ***Data quality** is kept under review and assessed by HMIC*
- *The PCC receives regular **budget monitoring** reports*
- *The PCC approves the **treasury management** strategy*
- *The Force and OPCC have received an **unqualified audit opinion***

G Implementing good practices in transparency, report 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 a response as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

- *The PCC holds the **Chief Constable to account** on a regular basis and holds some meetings over a webcast so they are publicly available
Information is **published on the OPCC website** in accordance with the Elected Local Policing Bodies (Specified Information) Order 2011*
- *The Force and OPCC publish their respective **Statement of Accounts** and Annual Governance Statements*
- *The Force and OPCC publish (subject to confidentiality tests) reports presented to the PCC and **Police & Crime Panel***
- *The Force and PCC welcome **peer challenge**, reviews and inspections from regulatory bodies and have oversight of recommendations through the Audit Committee*

Office of the Police and Crime Commissioner for Surrey

Decision Making and Accountability Framework for the Surrey Police & Crime Commissioner

Background

The Police & Crime Commissioner (PCC) has in place a framework of governance, underpinned by mechanisms for control and management of risk. This framework enables the effective discharge of the PCC's statutory responsibilities, good decision-making and holding the Chief Constable to account. Since the elections in May 2016, the PCC has kept this system under review to ensure it remains fit for purpose.

The PCC has a legal duty to hold the Chief Constable to account for the exercise of his functions and for the functions of those staff under his direction and control. The PCC must make decisions that are lawful, fair and proportionate and that abide with the Wednesbury principle of 'reasonableness'. The Police and Crime Panel in turn will also need to be in a position to review and scrutinise decisions made or other action taken by the PCC in connection with the PCC's functions. Care is taken to ensure the respective roles of the PCC, the Chief Constable and the Police & Crime Panel are understood and reflected in the governance structures so as to maintain clear and proper lines of accountability and ensure each party is acting within its prescribed powers.

It is a matter for the PCC to decide on the most appropriate governance framework that meets these statutory requirements. This framework concentrates on how the PCC holds the Chief Constable to account and how key decisions are communicated.

The PCC is also bound by statutory responsibilities, as well as the arrangements in place for financial control and risk management such as the Joint Audit Committee, Financial Regulations, a Scheme of Delegation and Contract Standing Orders.

Principles of Good Governance

'Good governance' is about public bodies doing the right thing, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. The framework for decision-making and accountability enables the PCC to ensure good management, performance, stewardship of public money, public engagement, reasonable decision making and, ultimately, positive outcomes for Surrey residents.

A number of bodies have published guidance on what constitutes 'good governance':

- The Committee on Standards in Public Life defined the 'Nolan Principles' for holders of public office, namely – *selflessness, integrity, objectivity, accountability, openness, honesty and integrity*. The Policing Protocol Order 2011 requires all parties to the Order, which includes the PCC and staff, to abide by these principles.
- The Independent Commission on Good Governance in public services published a set of common principles for all public sector organisations in 2004, building on the Nolan Principles.
- In 2016, the Chartered Institute of Professional Finance and Accounting (CIPFA) updated their 'Delivering Good Governance in Local Authorities', which has been revised for a policing context and defines good governance as follows:

- a. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- b. Ensuring openness and comprehensive stakeholder engagement
- c. Defining outcomes in terms of sustainable economic, social and environmental benefits
- d. Determining the interventions necessary to optimise the achievement of the intended outcomes
- e. Developing the entity's capacity, including the capability of its leadership and individuals within it
- f. Managing risks and performance through robust internal control and strong public financial management
- g. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Decisions: Making and Publicising Key Decisions

The PCC is required to publish "key decisions" to the public and needs to be able to demonstrate what decisions have been taken in order that these can then be scrutinised by the Police and Crime Panel (PCP). The PCC publishes a decision log online (www.surrey-pcc.gov.uk). The PCC will also give advance notice to the public of when certain decisions will be made through the publication of a forward plan.

These key decisions will include:

- Setting an annual Police and Crime Plan
- Setting the police budget and precept requirement
- Appointing, dismissing, disciplining and appraising the Chief Constable
- Holding the Chief Constable to account for the performance of Surrey Police
- Allocating grants for crime reduction or victim support initiatives in the area
- Reporting on police force performance
- Consulting with the public and victims on priorities and budget
- Collaboration with others to achieve efficiency and resilience
- Local input into the national strategic policing requirement

In some instances, the PCC may choose to involve partners or members of the Police & Crime Panel in governance arrangements to act in an advisory capacity and help shape and inform decision-making. This might be particularly beneficial on community or partnership based matters. It would also assist the Panel with its obligation to 'support' the PCC in the exercise of the PCC's functions. However, when involving partners (particularly the Police & Crime Panel or Joint Audit Committee) in governance arrangements, care is taken not to blur lines of accountability by allowing them to deviate into scrutiny of the Chief Constable's functions which remains a role solely for the PCC.

Accountability: Holding the Chief Constable to Account

Holding the Chief Constable to account is a key statutory responsibility for the PCC. It is important that both the PCC and the wider public can see how Surrey Police is performing against the Police & Crime Plan and that the Force is rightly and properly subject to oversight, scrutiny and accountability to ensure it is operating efficiently and effectively.

Surrey's PCC discharges this responsibility in an open and constructive way. In holding the Chief Constable to account, the PCC does not fetter his operational independence or undermine his ability to direct and control the Force. Surrey's PCC seeks to strike a balance between effective oversight and scrutiny and allowing the Chief Constable to deliver the 'day job'.

The PCC holds regular (usually six weekly), 'performance meetings' with the Chief Constable in order to monitor performance against the Police & Crime Plan and hold the Chief Constable to account for the exercise of his functions. In the spirit of openness and transparency, every other meeting is webcast and papers and minutes put on the PCC's website (although there is provision for confidential matters to be discussed in a 'part two', private session). These meetings enable the PCC to keep check on the important issues that impact on Surrey residents and provide a means for Surrey Police to share information and give advice to aid the PCC in key decision making. A separate, quarterly meeting looks at trends in complaints matters.

In addition, on a more informal basis, the PCC draws together senior staff and officers from the Office of the PCC and the Force to be briefed on emerging issues or to examine in greater detail any areas where performance may not be progressing as expected or where there has been insufficient time to explore issues in sufficient depth at performance meetings. The PCC also ensures that relevant Force performance information is published on the website.

A responsive approach to decision making and accountability

The PCC recognises that the means by which the Chief Constable is held to account or a decision is taken might vary depending on the matter in hand. Relatively routine decisions need to be made in a timely way and may not necessarily require public engagement. However, in a matter which is likely to have a significant community impact, the PCC will ensure that decisions are taken in an open and transparent way and that relevant groups can be engaged. Likewise, the arrangements for holding the Chief Constable to account may vary dependent on the issue under scrutiny and the likely impact on community confidence.

The Joint Audit Committee

The PCC, together with the Chief Constable, has established a Joint Audit Committee. The Committee provides independent and effective assurance about the adequacy of financial management and governance arrangements within the Force and OPCC. It also reviews systems of internal control, risk management and financial reporting issues within Surrey Police and provide a forum for discussion with auditors.

Collaboration Governance

Surrey's PCC has established a forum to maintain oversight of and take key decisions in relation to collaborative arrangements with other police forces and PCCs. This includes regular meetings with counterparts from the south east region.

Partnership Governance

The PCC has to have a place in the complex partnership landscape in Surrey, particularly given the wider role in community safety and criminal justice. The PCC works closely with statutory bodies such as local authorities, the health sector, probation providers, the Health & Well Being Board, Community Safety Partnerships and the Local Criminal Justice Partnership. There are various partnership boards in place which allow the PCC to progress this work.

Review

This Scheme of Decision Making and Accountability will be reviewed on at least an annual basis.



Office of the Police and Crime
Commissioner for Surrey

The Office of the Police & Crime Commissioner for Surrey

and

The Office of the Police & Crime Commissioner for Sussex

Scheme of Delegation

March 2021

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All parts of this section must be completed

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Name	Date
Senior Leadership Team	16.3.15
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Introduction

This Scheme of Delegation details the key roles of the Sussex & Surrey Police and Crime Commissioners (PCCs), and lists those functions which they designate will be carried out by their respective Deputy Police & Crime Commissioners (where appointed), the Chief Executives, Chief Finance Officers and other staff employed by the PCCs. This Scheme also details those areas of business support that are being provided to the PCCs by staff who are directly employed by the Chief Constables, under the arrangements outlined in the Memorandum of Understanding agreed between the PCCs and their respective Chief Constables.

This Scheme of Delegation document is part of the governance arrangements outlined in the overarching Scheme of Corporate Governance for the Sussex & Surrey Police & Crime Commissioners and their respective Chief Constables and should be read in conjunction with the other governance documents listed in the Scheme of Corporate Governance i.e. Financial Regulations, Contract Standing Orders and the Memorandum of Understanding.

This Scheme provides a framework which makes sure that business is carried out efficiently and cost effectively, ensuring that decisions are not unnecessarily delayed.

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

The Scheme is to be reviewed annually.

The PCCs may set out reporting arrangements on any authorised powers.

Powers are given to the Chief Constables by laws, orders, rules or regulations. Also, national conditions of employment give powers to the PCCs or the Chief Constables or, as in the case of police regulations, the Secretary of State for the Home Department.

Under Section 18(3) (c) and (6) of the Police Reform & Social Responsibility Act 2011 ('the Act'), the PCC is prohibited from delegating the functions (listed below) listed in subsection (7) of that Act to a police constable (i.e. any warranted police officer). There can therefore be no direct delegation of a function listed in subsection (7) by the PCC to the Chief Constable:

- Issuing the Police and Crime Plan
- Determining objectives in the Police and Crime Plan
- Calculation of, and decision on, budget requirements, including setting the precept
- Making representations in relation to the appointment of Chief Officer posts
- Being consulted in relation to the appointment or removal of Chief Officer posts
- Suspension of the Chief Constable, or asking him/her to resign or retire
- Attendance at the Police and Crime Panel for specified duties

- Preparing the annual report

The Chief Constables will manage all complaints against Force officers, except in relation to the Chief Constables, which will be dealt with by their respective PCCs. The Chief Constables will ensure that the PCCs are kept informed to enable them to discharge their statutory obligations in relation to complaints in a regular, meaningful, and timely fashion. Serious complaints and conduct matters must be passed to the Independent Office for Police Conduct. Since 1 February 2020, the PCC is the review body for certain complaints submitted to the Force and is responsible for holding the Chief Constable to account in the delivery of the complaints function (Policing & Crime Act 2017).

The Chief Constables will exercise the power of direction and control in such a way that the PCCs will be able to access all necessary information and staff within their respective Forces.

The Police Forces will support their respective PCCs in the delivery of the strategy and objectives set out in the Police and Crime Plans.

The Police Forces will provide their respective PCCs with access to information, officers and staff as required. These arrangements are detailed in the Information Sharing Protocol and the Protocol between the two Chief Finance Officers.

The Chief Constables of Sussex and Surrey Police Forces will have regard to the respective Strategic Policing Requirements when exercising and planning their policing functions in respect of each Force's national and international policing responsibilities.

1. Key Roles of the Police and Crime Commissioner

1.1 The key roles of the Police and Crime Commissioner are to:

- Ensure the provision of an efficient and effective police service for the area
- Set the annual revenue and capital budgets
- Formulate a Council Tax Precept proposal for submission to the Police and Crime Panel and to allocate funds and the operational use of assets to the Chief Constable
- Appoint and, if necessary, dismiss the Chief Constable. The Chief Constable will consult the PCC on appointments and dismissals affecting posts above the rank of Chief Superintendent and police staff equivalent
- Hold the Chief Constable to account on behalf of the public, ensuring that they have regard to the Police and Crime Plan and the Strategic Policing Requirement
- Set the strategic direction and objectives for the Police through the Police and Crime Plan, monitoring the performance of the Force against the agreed priorities
- Scrutinise, support and challenge the overall performance of the Force
- Commission appropriate victim support services
- Put in place secure and appropriate arrangements for managing and dispensing grants from the Community Safety Fund (where in place)
- Produce an annual report
- Have regard to statutory responsibilities, e.g. Freedom of Information Act 2000, UK **General Data Protection Regulation (GDPR)** and all human rights and equality laws
- Maintain an effective Independent Custody Visiting Scheme for monitoring facilities for people being held in custody
- Provide the local link between the police and communities, working to translate the legitimate desires and aspirations of the public into action
- Have a duty to collaborate with other policing bodies and oversee collaboration between blue-light services
- Take a role in the governance of the fire and rescue service where a business case shows there is a case to do so

The PCC is the legal contracting body who owns all the assets and liabilities, with the responsibility for the financial administration of his/her office and the Force, including all borrowing limits.

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

The PCC will be both scrutinised and supported by the Police and Crime Panel. The Panel has a check and balance role only in respect of the PCC and not the Chief Constable.

The PCC may appoint a Deputy to exercise his/her functions, with the exception of functions listed in sub section (7) under Section 18 of the Police Reform & Social Responsibility Act 2011, which among others includes the power to dismiss the Chief Constable and the power to calculate a budget requirement.

The PCC will be responsible for handling complaints against the Chief Constable with complaints about conduct referred to the IOPC to investigate. The PCC is also responsible for handling the reviews of complaint outcomes investigated by the force. The PCC also has a specific duty to hold the Chief Constable to account for force complaints handling.

2. General Principles of the Scheme of Delegation

- 2.1 The PCC can always require that a specific matter is referred to him/her for a decision and not dealt with under powers of delegation.
- 2.2 This Scheme does not attempt to list all matters which form part of everyday management responsibilities.
- 2.3 Delegations given under this Scheme do not prevent individuals from referring matters to the PCC for a decision if this is thought appropriate, for example, because of sensitive issues or any matter which may have a significant financial implication.
- 2.4 When individuals with delegated functions consider a matter that is outside their area of professional expertise, they must ensure that they consult with officers who have the relevant professional expertise before making any decision.
- 2.5 All key decisions are made by individuals who have delegations under this Scheme must be recorded and be available for inspection.
- 2.6 There is an expectation that the PCC will want to be involved in any projects/areas of work which may have a significant impact on the public. They will want to be involved in the scoping, tendering process and evaluation of any business case that could have such an impact.
- 2.7 In this document, reference made to the Chief Executive, the PCC, Chief Finance Officers, the Chief Constable, the Chief Constable's Executive Director for Commercial and Financial Services and Director of People Services includes individuals authorised by them to act on their behalf.
- 2.8 Chief Officers are responsible for making sure that the staff whom they supervise, know about the provisions and obligations contained in this Scheme.

- 2.9 The persons appointed as the Chief Executive (who will also be the Monitoring Officer) and the Chief Finance Officer (Section 151 Officer) have statutory powers and duties relating to their positions and therefore do not rely on matters being delegated to them for the authority to carry out such duties.
- 2.10 The Scheme provides members of police staff with the legal power to carry out duties of the PCC. In carrying out these duties, individuals must comply with all other statutory and regulatory requirements and relevant professional guidance including:
- The Police Reform and Social Responsibility Act 2011 and other relevant legislation issued under this Act
 - Financial Regulations
 - Home Office Financial Management Code of Practice
 - CIPFA Statement on the role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable.
 - Contract Regulations
 - The Police and Crime Commissioner's governance framework
 - The Police and Crime Commissioner's and the Chief Constable's employment policies and procedures.
 - The General Data Protection Regulation and the Freedom of Information Act 2000
 - Health and safety at work legislation and codes.
 - CIPFA Code of Practice on Local Authority Accounting
- 2.11 When carrying out any duties, the PCC and staff must have regard to the following:
- The views of the public.
 - Any report or recommendation made by the Police and Crime Panel on the annual report for the previous financial year.
 - The Police and Crime Plan and any guidance issued by the Secretary of State.
- (This list is a summary and is not exhaustive)
- 2.12 The PCC may either appoint any member of his/her staff to carry out any function of the PCC, or alternatively have that function performed by the relevant area of business support, provided by staff who are directly employed by the Chief Constable, under the arrangements outlined in the Memorandum of Understanding agreed between the PCC and the Chief Constable, with the exception of those functions listed in the introduction.
- 2.13 The PCC may give additional consent under section 18 of the Police Reform and Social Responsibility Act 2011. This scheme is a record of the formal consents that are in effect at the time of its publication. The PCC's governance framework, including the Scheme of Delegation, will be reviewed annually.

With the exception of those matters listed in paragraph 2.12, the scheme allows any person, with appropriate authority, to delegate that power further.

- 2.14 The PCC must not restrict the operational independence of the Force or that of the Chief Constable who leads it. The Act provides for the Chief Constable to have a general power to do anything which is calculated to facilitate the exercise of functions of a Chief Constable.
- 2.15 To enable the PCC to exercise the functions of their office effectively, they will require access to information and officers and staff within the Force. This access must not be unreasonably withheld or obstructed by the Chief Constable or restrict the Chief Constable's direction and control of the Force.
- 2.16 The PCC has wider responsibilities than those solely relating to the Police Force, namely:
- The delivery of community safety and crime reduction
 - The ability to bring together Community Safety Partnerships at a Force level
 - The ability to make crime and disorder reduction grants for their Force area.
 - A duty to ensure that all collaboration agreements with other local policing bodies and forces deliver better value for money and enhance the effectiveness of policing capabilities and resilience.
 - The enhancement of the delivery of criminal justice in their area
 - The provision of services for victims of crime

3. Functions Delegated to the Deputy Police & Crime Commissioner (if appointed)

- 3.1 The PCC may appoint a Deputy to exercise his/her functions (except those which cannot be delegated, these are listed in the introduction). The Deputy Police and Crime Commissioner can give consent to the Chief Executive to carry out any functions (with the exception of those listed in the introduction) in his/her absence (defined as leave or illness).

4. Functions Delegated to the Chief Executive, Office of the Police & Crime Commissioner

Introduction

The Chief Executive is the head of the Police and Crime Commissioner's staff and is also the Monitoring Officer for the PCC.

The formal delegations, listed below, are those given to the Chief Executive, which are in effect at the time of the publication of the scheme.

General

- 4.1 To act as 'Monitoring Officer' under section 5(1) of the Local Government and Housing Act 1989.

- 4.2 To prepare the Police and Crime Plan in consultation with the public and Chief Constable for submission to the PCC.
- 4.3 To produce an annual report.
- 4.4 To provide information to the Police and Crime Panel as reasonably required enabling the Panel to carry out its functions.
- 4.5 To sign contracts on behalf of the PCC including those which are required to be executed under the common seal of the PCC and to sign and affix the seal. In the absence of the Chief Executive, the Chief Finance Officer can fulfil this function.
- 4.6 To consider whether, in consultation with the Chief Finance Officer, to provide indemnity to the PCC (and Deputy Police and Crime Commissioner if appointed) in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004 and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- 4.7 To consider and approve, in consultation with the Chief Finance Officer, provision of indemnity and/or insurance to individual staff of the PCC in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004.
- 4.8 To issue certificates staff have asked for to make them exempt from political restrictions under the correct legal provisions.
- 4.9 To make arrangements to institute, defend, withdraw or settle any claims or legal proceedings on the PCC's behalf, in consultation with an appropriate legal advisor and the Chief Finance Officer if there is a significant financial implication.
- 4.10 To discharge the day-to-day functions of Data Controller under the provisions of the General Data Protection Regulation.

Financial

- 4.11 To approve expenses in exceptional cases in the provision of police advice and assistance to international agencies where:
 - The full cost is £4,000 or more (including air flights, accommodation and salary costs of the police officer or member of staff) or
 - It is a sensitive case involving travel to a politically sensitive country.
- 4.12 To manage the budget of the Office of the Police and Crime Commissioner, along with the Chief Finance Officer, in line with Financial Regulations.
- 4.13 To commit expenditure within the approved budget of the Office of the Police & Crime Commissioner to meet the policies and objectives agreed with the

PCC and reflected in the Police & Crime Plan.

- 4.14 To manage grants awarded by the PCC or Deputy Police & Crime Commissioner if appointed.
- 4.15 To authorise payments, without having to get approval and regardless of whether or not provision has been made in the revenue budget in relation to:
- Payments we have to make by law
 - Payments ordered by the court.
 - Payments due under any agreement entered into by the PCC

All such payments must be reported to the PCC.

- 4.16 To fix fees for copies of documents and extracts of documents members of the public ask for under the Local Government (Access to Information) Act 1985, the Freedom of Information Act 2000, or the General Data Protection Regulation.

Human Resources

- 4.17 To appoint and dismiss, in consultation with the PCC, all staff directly employed by the PCC in line with the PCC's and Chief Constable's employment policies and procedures.
- 4.18 To make recommendations to the PCC with regard to staff terms and conditions of service, in consultation with the Chief Finance Officer(s) and Director of People Services (where appropriate) for those staff employed by the PCC.
- 4.19 To undertake the management of staffing resources for all staff employed by the PCC in line with agreed policies and procedures.
- 4.20 To settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.
- 4.21 To appoint Independent Custody Visitors and terminate appointments if necessary.
- 4.22 To appoint Members of the Joint Audit Committee (in consultation with the Chief Constable or his/her representative) and terminate appointments if necessary
- 4.23 To appoint Legally Qualified Chairs and Independent Members for misconduct proceedings and terminate their appointments if necessary.

Other

- 4.24 To affix the common seal of the PCC:

- To all contracts, agreements or transactions in respect of which there is no consideration or that are expressed to be made by the Deed
 - To contracts, agreements or transactions:
 - That relate to the provision of goods and services by the PCC to another body as set out in the Financial Regulations.
 - Which grant or convey any interest in land.
 - ~~Which represent grants of £150,000 or above.~~
 - Where it is determined by the PCC (or Deputy Police & Crime Commissioner if appointed) there is a particular need for the seal to be attached.

And in each of the cases above where the seal has been affixed thereafter to sign beside the seal as authorised signatory.

- 4.25 To exercise the statutory powers of the PCC for professional standards, on behalf of the Deputy Police and Crime Commissioner (if appointed), as delegated to them on a temporary or permanent basis.
- 4.26 To authorise people to make, defend, withdraw or settle any claims or legal proceedings on the PCC's behalf, taking appropriate legal advice and consulting with the Chief Finance Officer if there are significant financial implications.
- 4.27 To consider, with the PCC, any complaint made against the Chief Constable, and where appropriate, to ensure that conduct matters are referred to the Independent Office for Police Conduct.
- 4.28 To undertake reviews (appeals) of complaints that have been through the formal complaints system, on behalf of the PCC. This function may be further delegated to a member of OPCC staff or to an independent reviewer appointed for the consideration of reviews.
- 4.29 To respond to consultations on proposals affecting the PCC, if necessary, after first taking the views of the PCC, the Chief Finance Officer or the Chief Constable, as appropriate.
- 4.30 To obtain legal or other expert advice and to appoint legal professionals whenever this is considered to be in the PCC's best interests and for his/her benefit.
- 4.31 To make sure, in consultation with the Chief Constable, appropriate arrangements are made to gather the community's views on the policing of Sussex and the policing of Surrey and the preventing of crime.

5. Functions Delegated to the Chief Finance Officer, Office of the Police & Crime Commissioner

Introduction

The Chief Finance Officer is the financial adviser to the PCC and has statutory responsibility to manage his/her financial affairs as set out in sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2011.

The Chief Finance Officer must ensure that the financial affairs of the PCC and the Force are properly administered having regard to their probity, legality and appropriate standards.

The Deputy Chief Finance Officer is authorised to undertake the functions of the Chief Finance Officer in his/her absence.

The formal consents, listed below, are those given to the Chief Finance Officer, which are in effect at the time of the publication of this scheme.

- 5.1 To approve the arrangements for the treasury management function, including the day to day management, the production of the treasury management strategy and supporting policies and procedures.
- 5.2 To approve the arrangements for securing and preparing the PCC's accounts and seek assurances that there are appropriate arrangements in place for the preparation of the Force's accounts.
- 5.3 To sign off the group Annual Statement of Accounts.
- 5.4 To be responsible for all banking arrangements, together with creating, closing or authorising all bank accounts.
- 5.5 To undertake the day to day financial management of the PCC's budget.
- 5.6 To commit expenditure within the approved budget to meet the policies and objectives agreed with the PCC and reflected in the Police and Crime Plan.
- 5.7 To be responsible for investing and borrowing money, as necessary, in line with the treasury management strategy.
- 5.8 To authorise payments, without having to get approval and regardless of whether or not provision has been made in the revenue budget in relation to:
 - payments we have to make by law
 - payments ordered by the court
 - payments due under any agreement entered into by the PCC

All such payments must be reported to the PCC.

- 5.9 To act as 'Money Laundering Reporting Officer' under the Proceeds of

Crime Act 2002 and Money Laundering Regulations 2003.

5.10 To affix the common seal of the PCC:

- To all contracts, agreements or transactions in respect of which there is no consideration or that are to be expressed by the Deed
- To contracts, agreements or transactions:
 - That relate to the provision of goods and services by the PCC to another body as set out in the Financial Regulations.
 - Which grant or convey any interest in land.
 - ~~Which represent grants of £150,000 or above.~~
 - Where it is determined by the PCC (or Deputy Police & Crime Commissioner if appointed) there is a particular need for the seal to be attached.

And in each of the cases above where the seal has been affixed thereafter to sign beside the seal as authorized signatory.

- 5.11 To prepare and annually review draft financial regulations, in consultation with the Force, for approval by the PCC, or Deputy Police and Crime Commissioner, if appointed.
- 5.12 To prepare and annually review a draft expenses and benefits framework for approval by the PCC.
- 5.13 To determine when goods are surplus to requirements or obsolete and arrange for disposal, subject to the limits set out in Financial Regulations.
- 5.14 To provide for an adequate and effective internal audit service (joint responsibility with Chief Constable's Executive Director for Commercial and Financial Services).
- 5.15 To report to the PCC and the external auditor any unlawful or potentially unlawful spending by the staff of the Police and Crime Commissioner, or the Force's officers.
- 5.16 The write-off of bad debt subject to limits and arrangements in Financial Regulations.
- 5.17 To make arrangements for the effective management and control of the Surrey Homes Scheme (applies to Surrey Police only).

6. Functions and responsibilities delegated to the Chief Constable's Executive Director for Commercial and Financial Services

- 6.1 The Chief Constable through the Executive Director has the day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.
- 6.2 The Chief Constable's Executive Director is financial advisor to the Chief

Constable and has responsibility to ensure that the financial affairs of Surrey/Sussex Police are properly administered having regard to probity, legality, and appropriate standards in line with the role's statutory responsibilities.

- 6.3 To provide all necessary financial information and records to the PCC's Chief Finance Officer to allow him/her to carry out his/her statutory role.
- 6.4 To commit expenditure within the approved budget to meet policies and objectives agreed with the PCC and reflected in the Police and Crime Plan.
- 6.5 To transfer budgets between budget headings within Chief Constable's approved budget, on a permanent or temporary basis up to the values set out in the Financial Regulations, notifying the PCC through the agreed financial and budget reporting process.
- 6.6 To undertake the day to day management of the insurance function in line with the strategy approved by the PCC.
- 6.7 To approve non exceptional cases in the provision of police advice and assistance to international agencies.
- 6.8 To be responsible for managing the payroll and pensions functions
- 6.9 To keep the PCC informed of how the approved capital programme is put into effect.
- 6.10 The write-off of bad debt subject to limits and arrangements in Financial Regulations.
- 6.11 To sign all contracts on behalf of the PCC, irrespective of value, once they have been properly approved in accordance with Contract Standing Orders, except those which are required to be executed under the common seal of the PCC.
- 6.12 To approve business cases for revenue and capital expenditure below total limits outlined in Financial Regulations, with the exception of expenditure proposals of an exceptional nature.
- 6.13 To approve all agreements for the provision of police services to other organisations in accordance with Financial Regulations. (This does not apply to the provision of mutual aid by the Chief Constable to another force under section 24 of the Police Act 1996, or the provision of advice or assistance to international organisations under the Police Act 1996, which are operational matters. However these are subject to consultation with the Police and Crime Commissioner).

7. Procurement functions delegated to the Chief Constable's Executive Director for Commercial & Financial Services

- 7.1 The Sussex and Surrey Executive Director for Commercial & Financial

Services will undertake the day to day management of the Joint Procurement Function in accordance with Contract Standing Orders. All contracts entered into will be in the name of the PCC

- 7.2 To approve exemption waivers within limits and arrangements (set out in Contract Standing Orders)
- 7.3 To approve (on the advice of the Head of Procurement) all requests to go out to tender for contracts in line with limits and arrangements set out in Contract Standing Orders.
- 7.4 To approve (on the advice of the Head of Procurement) the award of all contracts up to limits set put in Contract Standing Orders)
- 7.5 To approve all unforeseen variations and extensions for contracts in accordance with limits and arrangements set out in Contract Standing Orders.
- 7.6 To approve the early termination of all contracts. Where the original value of the contract exceeds limits sets out in Contract Standing Orders, this must be in consultation with the PCC.

8. Property functions delegated to the Chief Constable's Executive Director for Commercial & Financial Services

- 8.1 To undertake the day to day management of the property function subject to the provision of Financial Regulations.
- 8.2 To acquire freeholds and leaseholds properties in the name of the PCC, up to the values outlined in Financial Regulations at all times in accordance and complying with:
 - 8.2.1 the legal powers which the PCC has to acquire property ;
 - 8.2.2 the values outlined in Financial Regulations; and
 - 8.2.3 in accordance with the Estates Acquisition and Disposal Policy notifying the PCC as soon as possible once the acquisition has been completed.
- 8.3 To approve all requests to grant a lease with a total contract value up to limits set out in Financial Regulations over the lifetime of the lease
- 8.4 To dispose of all properties subject to the limits and arrangements set out in Financial Regulations [and in accordance with the PCC's policy on property disposals].
- 8.5 To undertake such capital and development projects of a property nature that are approved by the PCC with a total contract value up to the limits set out in the Financial Regulations
- 8.6 With regard to all disposals the Chief Constable's Executive Director for Commercial and Financial Services must:
 - 8.6.1 provide a list of all proposed disposals at the beginning of each

- financial year for the approval of the PCC with an estimated timescale for completing the disposal;
- 8.6.2 provide an update of the list during each financial year where any new disposals arise or where there is a variation in the disposal list for the approval of the PCC;
 - 8.6.3 consult the PCC in relation to any disposal which is novel, contentious, or has particular political or publically sensitivity irrespective of value;
 - 8.6.4 Notify the PCC of all property disposals in writing as soon as possible following completion; and
 - 8.7 For any acquisition carried out in accordance with 8.2 above to carry out any stamp duty land tax (SDLT) return or other property tax return that is required within the statutory timescales
- 8.8 To keep a register of all property and major assets owned by the PCC or leased by him/her in line with the values set out in Financial Regulations.
- 8.7 To approve the temporary letting of surplus police houses.
- 8.8 To secure contributions towards police services as part of the development control and Community Infrastructure Levy regime and section 106 of the Town and Country Planning Act 1990.
- 9. Personnel Functions delegated to the Chief Constable's Director of People Services**
- 9.1 The Director of People Services will be responsible for approving actions in relation to individual pension cases for both police officers and police staff on the advice of the Surrey/Sussex Pension Boards. The Pension Board is authorised to give advice on pension policy and administration in line with Pensions regulation. The Chief Constable will nominate a Chairperson for their Police Officer Pensions Board (in line with regulations); and nominate representatives for their relevant police staff pension schemes as required.
- 9.2 To settle employment tribunal cases and grievances and other employee related compensation payments to staff under the direction and control of the Chief Constable with the exception of those cases felt to be exceptional as set out in the Financial Regulations.
- 9.3 To issue certificates staff have asked for to make them exempt from political restrictions under the legal provisions of the Local Government & Housing Act.
- 10. Legal Functions delegated to the Deputy Chief Constable or Chief Constable's Executive Director for Commercial & Financial Services**
- 10.1 To approve the financial settlement of all claims or requests for compensation assessed to be non-significant in line with the limits and arrangements set out in Financial Regulations.
- 10.2 To approve all requests for financial assistance to officers and staff

involved in legal proceedings or inquests except those felt to be significant because:-

- They involve a high profile claimant
- There is a particular public interest in the case
- There is an assessed risk that the PCC or the Chief Constable will be exposed to serious public criticism or serious weakness in the organisation's policies and procedures

10.3 To ensure that correct legal advice is taken to institute, defend or participate in legal actions to protect the interests of the Police Force.

11. Other Matters

11.1 The Chief Constable's Executive Director for Commercial & Financial Services to exercise the powers and duties of the Police (Property) Regulations 1997 by:

- authorising, where appropriate, request to donate unclaimed lost property to charity; and
- approve the keeping of unclaimed lost property if it can be put to good use for police purposes

12. Urgent Matters

12.1 If any matter which would normally be referred to the PCC (or Deputy Police and Crime Commissioner, if appointed) for a decision and cannot be delayed, the matter may be decided by the appropriate chief officer.

12.2 The appropriate chief officers authorised to decide urgent matters are:

- the Chief Executive (all issues other than operational matters)
- the PCC's Chief Finance Officer (financial and related issues)
- the Chief Constable (operational issues)
- the Deputy Chief Constable (operational issues, in the absence of the Chief Constable)

12.3 Urgent decisions taken must be reported to the PCC as soon as practically possible.

Signed by the Police and Crime Commissioner for Surrey

Name

Signature

Date

Signed by the Police and Crime Commissioner for Sussex

Name

Signature

Date

Signed by the Chief Constable for Surrey

Name

Signature

Date

Signed by the Chief Constable for Sussex

Name

Signature

Date



Surrey & Sussex Policing Together

Surrey and Sussex Police:

Chief Constable's Scheme of Delegation)



DOCUMENT HISTORY

All parts of this section must be completed

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Section 1: Introduction

Summary

- 1.1 This document sets out ~~the responsibilities that the Chief Constable has delegated to their command teams and budget holders. These responsibilities, delegated authority and their~~ control framework ~~that~~ applies to staff employed by the Chief Constables of Surrey Police and Sussex Police. The Chief Constable's supplements the Police and Crime Commissioner's (PCC) Scheme of Delegation, which includes the delegated authority granted to the Chief Constable, Director of People Services, Chief Finance Officer (CFO) by the PCC.

Background

- 1.2 Surrey Police and Sussex Police are each a corporation sole (legal entity) and as such must establish a financial framework to ensure good governance, financial control and value for money. The Police Reform and Social responsibility Act 2011 requires each Chief Constable to appoint a person responsible for the proper administration of financial affairs of the Chief Constable, the "Chief Finance Officer".
- 1.3 For the purpose of this document, references to CFO means the Executive Director of Commercial & Finance Services for Sussex and Surrey, with the Service Director, Finance & Regional Services acting as deputy for both Sussex and Surrey.
- 1.4 The Scheme provides a framework to ensure clear governance and accountability for decision making whilst ensuring business is carried out efficiently i.e. decisions should not be unnecessarily delayed.

Purpose and Scope

- 1.5 The purpose of the Scheme is to set out the responsibilities and flexibilities the Chief Constable has delegated to their command teams and budget holders. This includes any limitations on designated powers, including requirements to report back and the extent to which powers designated can be further delegated to others. The Scheme sets out the framework for budget management and promotes good financial management and the effective use of resources by budget holders.
- 1.6 This scheme applies to all staff and police officers employed by the Chief Constables of Surrey and Sussex and applies to all individual Surrey and Sussex services and all joint Surrey/Sussex services (as defined under the Section 22A agreement). Financial Regulations allow appropriate Surrey and Sussex staff to manage budgets of either Force in line with this Scheme. The collaboration Finance Protocol sets out the framework for specific financial arrangements for joint Surrey/Sussex services.
- 1.7 The Scheme predominantly relates to financial responsibilities but includes other delegations from the Chief Constables. The Scheme does not include specific operational responsibilities established by statute.
- 1.8 The authority delegated by the Chief Constables in this Scheme should be exercised in line with any other legal or operational requirements and with reference to Financial Regulations, Contract Standing Orders, Risk Management Strategy, Medium Term Financial Plan and other policies, procedures, plans and budgets.

Urgent Matters

- 1.9 If any matter which would normally be referred to the Chief Constable for a decision arises and cannot be delayed, the matter may be decided by the appropriate chief officer.

1.10 The appropriate chief officers authorised to decide urgent matters are the:

Deputy Chief Constable (all issues)

CC's Executive Director of Commercial & Finance Services (financial and related issues)

1.11 Urgent decisions taken must be reported to the Chief Constable as soon as practically possible.

General Principles of Delegation

1.12 The following general principles apply:

- a) The Chief Constable may at any time ask that a specific matter is referred to her/him for a decision and not dealt with under powers of delegation.
- b) The scheme does not list all matters which form part of everyday management responsibilities of the Chief Constable.

1.13 In this document, reference is made to delegated budget holders who will have their responsibilities set out in the annual letter of financial accountability.

1.14 When a delegated budget holder is considering a matter that is outside their area of professional expertise and responsibility, they should consult with the appropriate individuals who have the relevant professional expertise before authorising action.

1.15 All decisions specified post holders make under powers delegated to them by the Chief Constable must be properly documented and available for inspection at any time by the Chief Constable.

1.16 Delegated budget holders are responsible for making sure that the members of staff they supervise know about the provisions and obligations of this Scheme.

1.17 With the exception, of those matters that cannot be delegated by the Chief Constable, [this document](#) ~~the Scheme~~ allows any person, with appropriate authority, to delegate that power further.

1.18 The Chief Constable's Scheme of Delegation will be reviewed at least annually.

Section 2: Budget Delegation

Summary

2.1 The PCC holds their Chief Constable to account to provide an efficient and effective police service and provide the financial resources in the form of the annual budget. The PCC holds their Chief Constable to account for delivering the priorities of the Police and Crime Plan within the approved revenue and capital budget. The Chief Constable must not exceed the budgetary total and can only change the planned use of resources of the annual budget within the limits set out in Financial Regulations.

2.2 The Chief Constables delegate budgets to Portfolio Holders and Delegated Budget Holders, who may further delegate responsibility but remain accountable for their budget in total.

Approach to Budget Delegation

2.3 The purpose of devolving budgets is to aid operational decision making and ensure spending decisions are made by the most appropriate person.

- 2.4 Delegated budgeting is the decentralisation of responsibilities for budget management from the centre of the organisation to individual cost centres i.e. Divisions and Departments. The process of delegation aims to introduce an environment where managers at all levels have:
- well defined responsibilities for making the best use of their resources;
 - a clear view of their objectives; and
 - information and training needed to exercise their responsibilities.
- 2.5 The CFOs for Surrey and Sussex Police review the level of delegation annually as part of the budget setting process and make recommendations on changes to the Chief Constables.
- 2.6 Delegation will only be applied where there is a clear benefit (operationally and financially) and where:
- expenditure on items directly relates to activities which can be controlled by the budget holder;
 - financial information is available on costs incurred; and
 - appropriate operational decision making is matched to financial resource allocation.
- 2.7 The basic principle underlying delegation is “that procedures should be simple, with restrictions kept to a minimum, allowing budget holders sufficient flexibility in decision making to deliver performance outcomes whilst ensuring the efficiency and effectiveness of their divisions or departments”.
- 2.8 Portfolio Holders and Delegated Budget Holders are accountable to the Chief Constable, for delivering performance objectives and targets within their delegated budget. This is best achieved by allowing budget holders sufficient flexibility to make the most effective and efficient use of the resources at their disposal.

Portfolio Holders

- 2.9 The Chief Constables delegate responsibility for the provision of services for each Force or joint service to a nominated Chief Officer (Deputy Chief Constable/Director of People Services/Assistant Chief Constable/Executive Director of Commercial & Finance Services/ Chief Information Officer). For the purposes of the Scheme these are termed Portfolio Holders.

Budget Responsibilities of Portfolio Holders

- 2.10 Portfolio Holders are required to be proactive in holding their direct reports to account for budget and performance management. The Scheme allows Portfolio Holders the freedom to transfer (vire) funding between budgets under their control, following discussion with budget-holders, i.e. an underspend in one area can be transferred to support an operational need in another area of the portfolio, subject to requirements and limits set out in this Scheme.
- 2.11 Portfolio Holders are required to manage expenditure within their total delegated budget for the year in accordance with the financial governance framework (Financial Regulations, Contract Standing Orders and associated Financial Policy and Procedures).
- 2.12 Portfolio Holders are required to sign a letter confirming their budget accountability at the beginning of each financial year and advice on any changes to their Delegated Budget Holders

during the year.

2.13 Portfolio Holders are required to ensure they:

- actively promote good financial governance, i.e. proper control and management of budgets; ensuring value for money and efficient use of resources;
- deliver agreed saving plans as set out in Change Delivery plans; authorise expenditure and income commitments in accordance with force policy and procedures;
- minimise expenditure and maximise income generation; and
- evidence budget management performance as part of regular individual and command team performance and resourcing meetings

Delegated Budget Holders

2.14 Portfolio Holders delegate responsibilities to achieve specific objectives of each of their services to their respective Heads of Division or Department. For the purposes of the Scheme these are termed Delegated Budget Holders.

2.15 Delegated Budget Holders are encouraged to further delegate responsibilities (within the limits set out in this Scheme) as appropriate to their service area. Finance Business Partners will advise budget holders to ensure further delegation is appropriate and adds value to local budget management and accountability. Where further delegation takes place, the individual must hold the necessary skills and be provided with the relevant information and training.

Budget Responsibilities of Delegated Budget Holders

2.16 Delegated Budget Holders are required to manage expenditure within their total delegated budget for the year in accordance with the financial governance framework (Financial Regulations, Contract Standing Orders and associated Financial Policy and Procedures) and delivering services in accordance with the Police and Crime Plan and local operational plan within this budget.

2.17 Delegated Budget Holders are required to sign a letter confirming their budget accountability at the beginning of each financial year (this includes their annual budget and establishment) and provide a list of officers and staff that have been given delegated budget responsibility.

2.18 Budgets allocated are a fixed annual amount (cash limited) and include a provision for inflation, a vacancy factor and agreed savings. Budgets will not normally be adjusted during the course of the year. In exceptional circumstances, the CFO can approve a one –off budget adjustment.

2.19 Expenditure is to be managed within the approved budget allocated at the beginning of the financial year. There is no automatic carry-forward of unspent budget from one year to another. In exceptional circumstances underspends and overspends may be carried forward at the discretion of the Chief Constable and/or approval by the PCC.

2.20 No purchases will be made or commitments entered into which conflict with Force policy or with strategies already approved by Chief Officers or the Police and Crime Commissioners unless written approval has been obtained from the relevant Chief Officer, including the CFO.

2.21 Delegated Budget Holders will be required to attend Financial Performance and Planning Board to explain any significant budget variances or financial risks for their service area and associated action plans to address.

2.22 Specifically all Delegated Budget Holders are required to:

- monitor expenditure throughout the year in close consultation with their Finance Business Partner including reporting to the Portfolio Holder or Chief Officers;
- report their financial position on a monthly basis including accurate forecasts of income and expenditure, key variations and financial risks in accordance with monitoring procedures and guidance (to be included in reports to Chief Officers, the PCC and the Finance Performance and Planning Board);
- identify any potential under or over spends and prepare plans accordingly to bring their spending into line with the annual budget if necessary;
- manage their delegated budget within a $\pm 1\%$ or £100,000 (whichever is the lower) tolerance over the financial year. Portfolio Holder approval is required for any delegated budget holder to go above this level of variation and must be reported to the CFO(s);
- to use the prime system and related systems as designated by the CFO(s) to produce budget monitoring reports, order goods and raise invoices;
- ensure that they maintain staff numbers within establishment (in consultation with HR business partners);
- consult with Finance Business Partners on any financial decisions pertaining to the budget holders responsibilities; and
- ensure all business cases are signed off by their Finance Business Partner.

Responsibilities of Finance Business Partners

2.23 Finance Business Partners will support Portfolio Holders and Delegated Budget Holders to exercise their responsibilities set out in this Scheme by:

- advising budget holders on their arrangements to meet specific requirements set out above and other recommended practice issued by the CFOs ;
- assisting in monthly reporting in accordance with monitoring procedures and guidance;
- attending/contributing to relevant Divisional or Departmental performance or resourcing meetings (level of attendance to be agreed with CFOs); and
- advising on financial implications of new service demands and requirements from inspecting bodies such as External Audit or Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

2.24 Finance Business Partners are required to

- inform the CFO of any significant changes (+/- 1% of budget) in spending plans, potential over spends or other risks, issues or difficulties at an early stage.
- attend the Finance Performance and Planning Board, as required, to discuss financial issues and arrangements for their relevant service areas.
- sign off all relevant business case proposals prior to formal approval.

Responsibilities of the CFOs

2.25 The CFOs have responsibility for overall financial management for Surrey and Sussex Police and advising their Chief Constable. In relation to this Scheme this means:

- developing the annual budget setting process and medium term financial plans for the Force in conjunction with the key stakeholders;

- reporting to the Chief Constable and Chief Officer teams on the overall Budget position, making recommendations to ensure a balanced budget for the current year and medium term;
- developing and updating this Scheme, associated budget management guidance and all other finance policy and procedures;
- promote the adoption of efficient financial practices that support organisation performance; and
- establishing the appropriate control framework to ensure compliance with this Scheme and associated finance policy and procedures.

Section 3: Delegated Budgets

Summary

- 3.1 The majority of budget lines (expenditure and income types) are delegated to Portfolio Holders and Delegated Budget Holders. All other budgets are managed centrally either as a:
- corporate budget managed by the appropriate Head of Service as part of their delegated budget only, e.g. IT, Learning & Development; legal costs and premises; or
 - force level budgets that are completely non delegated and are managed by the Chief Constable, Deputy Chief Constable and Executive Director of Commercial & Finance Services e.g. police officer pay and operational contingency budgets.
- 3.2 Force level budgets will wherever possible be visible to budget holders in their reports in order that those budgets may full costs.

Capital Budgets

- 3.3 Capital expenditure is included within the scope of the delegated budget scheme. Capital allocations are considered as part of the annual capital budget setting process, by the Joint Investment Board (Refer to Financial Regulations), and allocated to specific named project leads.
- 3.4 Capital budget holders are expected to manage schemes within the total scheme provision over the life of the capital programme and meet all requirements as set out for delegated budget holders in this Scheme. In addition capital budget holders are required to:
- report formally to the Finance Performance and Planning Board on progress and expenditure of each capital scheme each quarter;
 - set realistic profiles of expenditure at the beginning of each financial year and reviewing these regularly during the year (in consultation with their Finance Business Partner); and
 - identify any potential re-profiling of budget across financial years for a capital scheme at the earliest opportunity to their Finance Business Partner.

Pay Budgets

- 3.5 With the exception of externally funded functions all police officer pay budgets are held and managed centrally and treated as non-delegated, i.e. budget variances will be managed at force level and not the responsibility of Delegated Budget Holders. Joint Surrey/Sussex services are not treated as externally funded functions i.e. the cost of police officers is shared (where there is a cost sharing agreement) but managed centrally.
- 3.6 Decisions on the use of police officer pay budget including new recruitment, changes in officer rank or mix will be made by Chief Officer teams.
- 3.7 Budget holders can propose civilianisation or changes to organisation rank structure subject to the establishment control procedures.
- 3.8 The Director of People Services will manage the total police officer numbers (recruitment, transferees, promotions and postings) for both Forces to ensure actual numbers of officers are in line with establishment and expenditure is within the police officer pay budget for each Force.
- 3.9 The Director of People Services will manage all internal police officer transfers and postings as a result of organisation change and decisions made by Chief Officer teams, with the aim of maintaining police officer numbers within an agreed establishment tolerance for each Division/Department (subject to Chief Officer priorities). This may mean transferring officers between Divisions and Departments.
- 3.10 All police staff and PCSO budgets are currently delegated i.e. budget variances will be managed at Delegated Budget Holder level. Budget holders can make decisions on appointments to established police staff posts subject to funding being available and establishment control procedures. For proposed permanent changes to posts, delegated Budget Holders are expected to consult with their portfolio holder, HR and Finance Business Partners, as appropriate. All establishment changes must be reported to the relevant CFO(s) in line with establishment control procedures.
- 3.11 Overtime budgets for Police Officers, Police Staff and PCSOs are fully delegated.
- 3.12 A summary of pay and non-pay delegated budgets for each Portfolio Holder and Delegated Budget Holder are set out in the annual budget accountability letter issued at the beginning of each financial year.

Virement (this is a classic word no one understands,suggest you consider calling it Transfer of planned financial resources between budgets and remove the word Virement/Vired)

- 3.13 The term virement means transfer and in this context is the transfer of planned financial resources between budgets.
- 3.14 Revenue budgets are classified into several 'subjective' categories (police officer pay, police staff pay, other employee costs, premises, supplies and services, transport, capital charges and income & grants).
- 3.15 Resources can be vired between revenue budgets, between capital budgets or revenue to capital but no budget may be vired from capital to revenue.
- 3.16 The Executive Director of Commercial & Finance Services can approve virements in accordance with the schedule at Appendix A. All other virements above £500K, including transfers of funding from revenue to capital, require PCC approval.
- 3.17 Portfolio Holders may approve virement of budgets between any category or any Delegated Budget Holder, within their portfolio, in line with the limits set out in Appendix A.

- 3.18 Delegated budget holders have the ability to vire budgets between any category within their delegated budget in line with the limits set out in Appendix A.
- 3.19 All budget virements must be notified to, and confirmed by, Finance Business Partner before being actioned.

Corporate Over-ride

- 3.20 Within the framework there is a need to maintain a corporate approach with the Chief Constable having the ability to exercise an effective level of resource redistribution as required during the year to ensure that:
- certain ‘business critical’ common standards and operational practice are applied across the force, for example minimum numbers of warranted officers in specific units; consistent grading for posts with similar roles;
 - budget holder priorities are not considered more important than those facing the force as a whole;
 - any new significant financial pressures or risks emerging during the year are effectively managed e.g. public order operations;
 - resources are available to support policing together and other major change investments.
- 3.21 The Chief Constables will manage their overall force wide budget variations and new financial pressures and risks on this basis during the year.

Section 4: Authorisation of Expenditure

- 4.1 All expenditure will be authorised in accordance with the levels set out at **Appendix A**.
- 4.2 To safeguard the Force’s budget Delegated Budget Holders are responsible for ensuring effective systems are in place for:
- approving requisitions (in Surrey only) and/or orders for all goods and services and ensuring the correct finance codes are used;
 - checking and certifying that goods are received are of correct quality; quantity and price and prompt notification is given to the Shared Business Services team of the receipt of goods and any variation;
 - adhering to the process of raising a purchase order or making a payment for goods using the government procurement card;
 - ensuring the proper separation of duties i.e. the person who requisitions the goods or service must not be the same person who certifies their receipt;
 - approval of requests and claims for subsistence, expenses, mileage, GPC, overtime, and their allowances by line managers is in line with policy and procedures; and
 - all appointments are made against approved establishment.
- 4.3 Budget holders should make use of all existing contracts or frameworks in place for the purchase of good and services. If budget holders identify new contract requirements or wish to use alternative contractual arrangements they should refer to Contract Standing Orders and/or seek advice from the Head of the Joint Procurement Service before making any significant procurement decisions. This will ensure consistency with the procurement strategy, compliance with Contract Standing Orders and achieve value for money.

Section 5: Financial Settlement of Claims

Compensation Payments

- 5.1 A compensation payment is a payment made in circumstances where Surrey or Sussex Police has a legal liability to settle a claim for property, accident damage, motor claim, personal injury or financial loss. Claims can relate to employees, organisations or the public. In order for a compensation payment to be made, Surrey or Sussex Police has to have acted negligently in the course of its duties and the claimant has to have suffered a loss.
- 5.2 In these cases, the overall settlement includes claimant's costs where applicable.
- 5.3 The Deputy Chief Constable or the CFO can approve the financial settlement of all claims or requests for compensation felt to be non-significant in line with limits set out in Appendix A and conditions set out in Financial Regulations.
- 5.4 The Head of Joint Insurance Services, Sussex Claims Manager and Heads of PSD may authorise claims in line with limits set out in Appendix A and conditions set out in Financial Regulations.

Ex Gratia Payments

- 5.5 Ex gratia payments are made in respect of loss or damage where no liability or legal obligation on the part of the Chief Constable is accepted but where there is assessed to be a moral or other responsibility to meet the cost of a claim.
- 5.6 The Deputy Chief Constable or the Executive Director of Commercial & Finance Services can approve ex gratia payments in line with limits set out in Appendix A and conditions set out in Financial Regulations.
- 5.7 Portfolio Holders and Delegated Budget Holders may authorise lower value claims in line with limits set out in Appendix A and conditions set out in Financial Regulations.

Employment Related Compensation Payments

- 5.8 Early retirement and redundancy payments can only be approved by the Director of People Services in line with the limits set out in Appendix A.
- 5.9 If agreed, in cases where a budget holder has proposed the redundancy/early retirement, any costs will be met by the budget holder. Where a redundancy/early retirement is as a result of an approved change process or Joint Investment Board approved change business case, funding will be identified as part of this approval.
- 5.10 Director of People Services may approve the settlement of employment tribunal cases and grievances of staff and other employee related compensation payments for staff under the direction and control of the Chief Constable with the exception of those cases felt to be exceptional as defined in financial regulations
- 5.11 All employee related payments over £50,000 may only be approved after consultation with relevant CFO or DCC.
- 5.12 All pension related payments must be subject to the scrutiny and agreement of the Joint Pensions Board.

Section 6: Pay, Establishment Control and Pensions

Summary

- 6.1 Police pay budgets are non-delegated and managed centrally. Police staff and PCSO budgets are delegated. This section sets out the level of delegation and control framework for the management of the establishment (funded posts) and appointment (permanent and temporary) to these posts.
- 6.2 The establishment (funded posts) for each force is managed and maintained by the CFO. Any changes to the establishment are subject to approval as set out below. The establishment for joint teams is jointly managed by the CFO.
- 6.3 Budget holders have a responsibility to ensure Force systems are kept up to date by providing timely notification of staff joiners, movements and leavers.
- 6.4 The management of payroll and pensions is the responsibility of the Director of People Services.

Police Officers

- 6.4 The police officer pay budget is centrally managed and not delegated. This means that any expenditure variance is not the direct responsibility and cannot be used by the budget holder.
- 6.5 The only exception to this is externally funded functions, e.g. Gatwick, where the limits and approvals for police staff (set out below) apply. Joint Surrey and Sussex services are not treated as externally funded.
- 6.6 Police officer pay budget is based on the agreed establishment at average pay scale for each role less % vacancy factor assumption (set as part of annual budget setting process).
- 6.7 Any changes to the police officer establishment, after consultation with Finance and HR Business Partners, must be agreed by Chief Officers.
- 6.8 All changes to establishment must be reported to the Executive Director of Commercial & Finance Services in line with establishment control procedures.

Police Staff

- 6.9 The Police Staff and PCSO budget is fully delegated. This means that:
 - all pay and allowances, sick and maternity/paternity/adoption pay will be met from within the delegated budget;
 - any underspend may be used for other purposes on a short-term basis (in year only);
 - any overspend must be met from within the overall delegated budget.
- 6.10 Police staff budget is based on the agreed establishment at average pay scale for each role less % vacancy factor assumption (set as part of annual budget setting process). Budget holders may appoint to these posts with permanent or temporary staff providing this is within their overall delegated budget for the year.
- 6.11 Delegated Budget Holders may vary the mix of current police staff posts within their establishment, in consultation with their Finance and HR business partners, providing that this change does not increase/decrease the on-going annual financial commitment by more than £50,000 and any increase can be funded within their overall delegated budgets.

- 6.12 Portfolio Holders can approve a variation of current police staff posts within their Delegated Budget Holders establishment providing that this change does not increase/decrease the on-going annual financial commitment by more than £100,000 and any increase can be funded within their overall delegated budgets.
- 6.13 All changes in mix of current posts are subject to consultation with Finance and HR Business Partners before they are actioned.
- 6.14 Any other proposed changes to Police Staff and PCSO posts (including creation of new roles and posts, deletion of existing posts or requests for funding increases above £100,000) must be approved by Executive Director of Commercial & Finance Services and Change Boards with an appropriate business case and financial appraisal (see section 8). Significant business cases may require Chief Officer and/or PCC approval.

Section 7: Income

Summary

- 7.1 The PCC is the recipient of all income from any source in relation to policing or related activity. The majority of estimated income is allocated to the Chief Constable's as part of the approved annual budget.
- 7.2 The majority of income is delegated to budget holders. Any additional income received from existing income generating activities can be used to fund other short term/ non recurrent commitments in year.
- 7.3 The approval limits for agreeing unplanned income or a new income-generating initiatives including income from joint working funding is set out in Appendix A.
- 7.4 To safeguard the Force's budget Delegated Budget Holders are responsible for complying with force policy of income generation and charging and ensuring effective systems are in place to:
- approve events where full charging or abatement applies;
 - agree service provision and charges prior to services being delivered;
 - sign invoice requests and ensure the correct finance codes are used;
 - adhere to the fees and charges policy or otherwise and to consult with Finance Business Partner for setting of charges;
 - ensure the proper separation of duties; and
 - seek approval for write off of bad debt or waiver of income from the relevant CFO.

Section 8: Business Cases and Financial Appraisals

- 8.1 Delegated Budget Holders are responsible for ensuring they prepare an appropriate business case for approval of a change programme or investment project. New investments with an estimated cost of over £100,000 (based on the full cost of change) require approval of the Joint Investment Board. All business cases and financial appraisals must be in line with the DCC Strategic Planning Board and broader oversight and reporting mechanisms determining force priorities.

- 8.2 The financial appraisal template issued by CFOs must be used to reflect all implementation and ongoing costs that relate to a change programme or investment, which must be included within each business case.
- 8.3 Finance Business Partners own the financial appraisal and MUST be a signatory to all business cases.
- 8.4 Business cases must include the plan for changes in establishment. For joint Surrey/Sussex services this plan should be based on the principle of maintaining posts in a ratio of Sussex to Surrey at the cost sharing ratio where possible with variations acceptable where there is a sound business or operational reason to do so. The main aim is to provide clarity to both Forces for financial and workforce planning.
- 8.5 All costs are shown gross including the direct cost of implementation. Savings and income streams are to be shown separately.
- 8.6 To ensure decision makers are aware of the whole cost of change all resources required should be included within the implementation costs irrespective of whether additional funding is required; for clarity this includes opportunity and overhead costs and ongoing revenue costs.
- 8.7 Approval limits for agreeing business cases is set out in Appendix A. Portfolio Holders and Delegated Budget Holders are required to consult with HR and Finance Business Partners before agreement of any business case and consider consultation with other key stakeholders or Boards as required. This will include the CFO approval Board and the Change Board.
- 8.8 Significant business cases may also require Chief Officer and PCC approval or approval for new funding if this has not already been identified.
- 8.9 Once approved and included in the budget, any significant projects that are in excess of £1m or if less but span more than 18 months, must provide a monthly financial report setting out the budget, forecast, actuals and variance. The reports will be at a cost type level suitable for the project owner to understand their financial position.

Section 9: Other Delegations

Procurement

- 9.1 The Head of Joint Procurement Service will undertake the day to day management of the Joint Procurement Function in accordance with Contract Standing Orders and the PCC Scheme of Delegation.
- 9.2 All contracts entered into will be in the name of the Police & Crime Commissioner.
- 9.3 Authorisation limits for contract approval, sign off and ordering of goods and services are set out in Appendix A.

Property and Assets

- 9.4 The Service Director of Estates and Facilities will undertake the day to day management of the property function and property assets subject to the provision of Financial Regulations and the PCC Scheme of Delegation.
- 9.5 The Service Director of Estates and Facilities may approve purchase and disposal of freeholds and leaseholds in the name of The Police and Crime Commissioner, up to the values in Appendix A.

- 9.6 The Service Director of Estates and Facilities must keep a register of all property and major assets owned by the Police and Crime Commissioner or leased by him/her in line with the values set out in Appendix A.
- 9.7 The Service Director of Transport will undertake day to day management of the transport function, vehicles and related equipment.
- 9.8 The Service Director of Transport may approve the disposals of assets in accordance with limits in Appendix A.
- 9.9 The Service Director of Transport must keep a register of all vehicle assets and equipment owned by the Police and Crime Commissioner or leased by him/her in line with Financial Regulations.

Insurance

- 9.10 The Service Director, Finance & Regional Services will undertake day to day management of the insurance arrangements in line with Financial Regulations.

Partnerships

- 9.11 The PCC and the CC provide distinctive leadership roles within the community to make Surrey and Sussex safer through effective and efficient delivery of the right police services for the county. This role can be enhanced through working in successful partnership with other organisations.
- 9.12 A Memorandum of Understanding (MOU) setting out appropriate governance for partnership projects should be drawn up by the relevant lead and signed by the relevant Chief Officer.
- 9.13 The relevant CFO may approve partnership agreements with a financial contribution of up to £500,000 (in cash or equivalent resourcing costs in kind) over the term of the agreement.
- 9.14 Delegated Budget Holders may approve partnership agreements in accordance with limits in Appendix A and conditions set out in Financial Regulations.

Section 10: Recording of Approvals

- 10.1 All post holders identified in this Scheme are required to properly record and maintain an audit trail for approvals, which is available for inspection by internal or external audit and to provide a summary of any significant approvals during the year in accordance with instructions of relevant CFO(s).
- 10.2 Any decisions or actions requiring PCC approval should be identified at the earliest opportunity and the relevant Portfolio Holder, DCC or CFO notified in order that these can be managed within the arrangements for PCC decision making in each Force.

Summary of Authorisation Levels

APPENDIX A

	Fin Reg/ (CSO) Ref	Local Discretion	Delegated Budget Holder	Portfolio Holder	Head of Joint Procurement	Head of Joint Insurance / Claims Manager (Sussex)	Head of PSD	Service Director Joint Transport	Service Director Estates & Facilities	Director of People Services	DCC	CFO	Gold Commander	Chief Officer On Call
Virements	2.3		£50,000	£100,000								£500,000		
Business case approval (revenue & capital)	2.3		£50,000	£100,000								£500,000		
Freehold Acquisition in Surrey only	2.4								£50,000			£500,000		
Leasehold Acquisition in Surrey only	2.4								£50,000			£500,000		
Grant of leases	2.4								£50,000			£500,000		
Disposal of vehicles and plant	3.8							£10,000				£20,000		
Disposal of property and leases in Surrey only	3.8								£50,000			£500,000		
Write off surplus obsolete assets	3.8											£20,000		
Write off surplus, lost or obsolete stock/equipment	3.8		£10,000					£10,000				£20,000		
Capital Project & WIP Abortive Costs	3.8											£20,000		
Provision of policing services – external	4.2/5.3		£50,000	£100,000							£250,000	£500,000		
Provision of policing services – other	4.2			£100,000							£250,000	£500,000		
Provision/ request for mutual aid	4.2			£100,000							£500,000			
Write off bad debt – individually	4.2											£10,000		
Write off bad debt – cumulatively	4.2											£25,000		
Requisitions (Surrey)		£25,000	£50,000		£500,000							No limit		
Approve Orders		£25,000	£50,000	£100,000							£250,000	No limit		

	Fin Reg Ref	Local Discretion	Delegated Budget Holder	Portfolio Holder	Head of Joint Procurement	Head of Joint Insurance / Claims Manager (Sussex)	Head of PSD	Service Director Joint Transport	Service Director Estates & Facilities	Director of People Services	DCC	CFO	Gold Commander	Chief Officer On Call
Ex Gratia payments	4.7		£1,000								£5,000	£10,000		
Compensation claims – accident	4.7					£25,000	£50,000				£250,000	£250,000		
Compensation claims – non accident	4.7					£25,000	£50,000				£100,000	£100,000		
Employment tribunal or grievance	4.7									No limit				
Early retirement or redundancy	4.7									No limit				
Gifts, loans sponsorship and donations	4.8		£1,000									£50,000		
Partnerships	5.1		£50,000	£100,000								£500,000		
External Agencies – agreement for provision of police services	5.3		£50,000	£100,000							£250,000	£500,000		
Contract Standing Order Waivers	CSO 2.3				£50,000							£500,000		
Acceptance of quotation / tender	CSO 3.1		£50,000	£50,000	£500,000							£1,00,000		
Signing contracts	CSO 3.1		£50,000	£50,000	£1m							No limit		
Emergency operational commitments	n/a											£500,000	£50,000	£250,000
Police staff post mix – financial impact	n/a		£50,000	£100,000								£500,000		
Signing cheques		£25,000												
Authorising payment runs		£25,000												

Notes:

- (a)** CFO approval will be exercised via formal boards (CFO Approval Board; Change Boards; Surrey and Sussex Chief Officer meetings) or otherwise in consultation with the relevant Chief Constable(s).
- (b)** All approvals exceeding the limits set out in this table require PCC approval.
- (c)** Local discretion can be applied as set out above in consultation with Finance Business Partners and in accordance with procedures and systems for Surrey & Sussex CC Scheme of Delegation (March 2021)

ordering and payment of goods and services operating within each Force; limits below can be used as a guide

	Requisitioner up to SPA11	Supervisor	Inspector or M1	Chief Inspector or M2	Supt or M3; Police Staff (Band 2)	Authorised finance/ HR staff (Band 1)
Requisitions and Orders	£500	£2,500	£5,000	£15,000	£25,000	
Cheques / Payments					£25,000	No Limit



Office of the Police and Crime
Commissioner for Surrey

Memorandum of Understanding

BETWEEN:

THE POLICE AND CRIME COMMISSIONER FOR SUSSEX ('the PCC'),

and

THE CHIEF CONSTABLE FOR SUSSEX POLICE ('the Chief Constable')

and between

THE POLICE AND CRIME COMMISSIONER FOR SURREY ('the PCC'),

and

THE CHIEF CONSTABLE FOR SURREY POLICE ('the Chief Constable')

1. Introduction

- 1.1 The principal activity of the PCC is to be responsible for the totality of policing, including setting strategic direction, and holding the Chief Constable to account for delivery of effective and efficient policing within the policing area. The PCC also has other responsibilities and obligations in respect of the wider criminal justice, community safety frameworks and commissioning of services for victims which are outside the scope of this Memorandum of Understanding (MOU).
- 1.2 The PCC has a duty under section 1 of the Police Reform and Social Responsibility Act 2011 ('the Act') to (a) secure the maintenance of the force and (b) secure that the force is efficient and effective. In addition, the PCC has incidental powers under paragraph 14 of Schedule 1 of the Act enabling the PCC to do anything which is calculated to facilitate or is incidental to the exercise of his or her functions. This includes entering into contracts or other agreements.
- 1.3 The principal activity of the Chief Constable is the delivery of effective and efficient policing. The Chief Constable is responsible for ensuring that the Force is able to deliver its obligations under the Strategic Policing Requirement. In matters of operational independence the Chief Constable is answerable to the law and their position is constitutionally established.
- 1.4 Section 2(5) of the Act provides that the Chief Constable must exercise their powers of direction and control over the police force and its civilian staff in such a way as is

reasonable to assist the PCC in the exercise of his or her functions. In addition, paragraph 7(1) of Schedule 2 to the Act provides that 'a chief constable may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of chief constable'.

- 1.5 All assets (i.e. all land and buildings, vehicles, equipment and IT systems) have been retained by the PCC. However, it is recognised that the Chief Constable, the officers and staff of the Chief Constable require the use, as necessary, of such assets in furtherance of their obligations under this MOU and in order to carry out their general responsibilities under the 2011 Act and all other common law and statutory provisions in relation to the provision of policing services. The PCC therefore grants the Chief Constable, their officers and staff licence (revocable at the PCC's discretion) to use such assets as s/he considers necessary to enable them to discharge their obligations/responsibilities in this regard.
- 1.6 The parties agree to work in co-operation to ensure the effective and efficient delivery of policing services to people who live, work and visit the policing area.
- 1.7 Notwithstanding their distinct legal identities, the functions of the PCC and the Chief Constable are acknowledged to have such interdependence as to permit the sharing of significant areas of business support.
- 1.8 Such sharing of business support is not regarded as the provision of services by one to the other but rather a cooperative arrangement for the effective delivery of business support essential to the operation of both offices.
- 1.9 The PCC and the Chief Constable will adopt and implement the following principles with regard to the provision to their respective offices of business support and administration:
 - 1.9.1 That despite their legally distinct identities and their differing roles and responsibilities, it is appropriate for the PCC and the Chief Constable to work together by way of joint endeavour in order to improve outcomes for local people as set out in the PCC's Police and Crime Plan.
 - 1.9.2 The need for effective and efficient arrangements for the provision of all forms of business support to both the PCC and the Chief Constable which would best support them and their respective statutory offices in the discharge of their obligations.
 - 1.9.3 The need to balance the requirement for effectiveness and efficiency in provision of business support against a need to put in place arrangements which represent best value for money.
 - 1.9.4 The desirability where possible to avoid duplication of functions within the offices of the PCC and the Chief Constable.
- 1.10 The MOU is a statement of intent between the parties to work in partnership and to define an effective working relationship between the PCC and the Chief Constable.
- 1.11 The purpose of this MOU is to define the role of the parties, and the expectations of how they will work together. It is not the intention of the PCC and the Chief Constable to create legal relations in respect of the arrangements contained within this MOU.
- 1.12 In this MOU, the following expressions have the following meanings:

"MOU"	This Memorandum of Understanding
"Services"	The support provided by the parties to the MOU
"Commencement Date"	Date when signed/dated by the parties.
"Confidential Information"	Any and all information, whether in writing or otherwise, that is disclosed by any party before, on or after the commencement date including, but not limited to, financial information, marketing data, procedures, business plans, lists of funders, personnel data, business relationships, current products, services and anticipated products and services and financial information concerning the disclosing party's business and all disclosures, howsoever made to the other party, in connection with this MOU.
"Scheme of Governance"	Those documents that set out the terms on which the respective functions of the PCC and the CC will be exercised, identifying those powers and the manner in which they may be exercised by the parties' staff.
"Cooperative Arrangements"	Has the meaning set out in paragraph 4.3

1.13 The headings in this MOU are for ease of reference only and have no legal effect.

1.14 In this MOU, the singular shall mean the plural and vice versa.

2. Status of the Parties

2.1 The relationship between the parties is that of independent organisations, as each party is a separate corporation sole. Nothing in this MOU shall create or be deemed to create a partnership of agency, franchise or employment between the parties.

2.2. The Chief Constable will provide to the PCC sufficient, timely, continuing support services to allow the PCC and the OPCC to function and carry out their duties and achieve their priorities to a timescale either specified at the time such services are requested/ commissioned, or if not specifically notified, to a timescale that they consider reasonable. The Support Services will be delivered to such a standard by appropriately trained and/ or qualified staff/ officers of the Chief Constable as would reasonably be expected to enable the OPCC to operate as required by the PCC.

2.3. The PCC will make reasonable efforts to ensure that requests for the Support Services are made clearly and sufficiently in advance to allow adequate time to provide an effective service.

2.4. The Support Services to be provided are those professional, transactional and support and administrative services reasonably required by the PCC or staff within the OPCC on the PCC's behalf within the competencies of the following Departments/ units of the Force(s) as set out in the Schedule (attached). Any additional services or changes to the Schedule may be agreed by the PCC and Chief Constable or the PCC's Chief Executive and the Deputy Chief Constable.

3. Sharing of Information

- 3.1 The PCC and the Chief Constable will share information where appropriate to fulfil the purposes of this MOU subject to any conditions imposed by the party providing the information in respect of such disclosure. The PCC and the Chief Constable shall ensure compliance with Data Protection legislation through proper application of the governance arrangements contemplated in this MOU.
- 3.2 For the purposes of the UK General Data Protection Regulation (GDPR) the PCC and the Chief Constable remain the data controller for any personal information recorded (in whatever format) on any information system under their respective control.
- 3.3 For the purposes of the UK General Data Protection Regulation, where either party is processing personal data as a data processor that party shall ensure that it has in place appropriate technical and organisation measures against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.
- 3.4 For the purposes of the Freedom of Information Act (FOI) 2000 if either the PCC or the Chief Constable should receive an FOI request then the PCC or Chief Constable as appropriate would be responsible for responding to that request and with any subsequent compliance arrangements required under FOI. Any FOI requests received by either the PCC or the Chief Constable which relate to or touch upon the subject matter of this MOU or any matters arising from it would be brought to the attention of the other party as soon as practicable, and where necessary the PCC and the Chief Constable will provide reasonable assistance to the other in order to facilitate a timely and compliant response to the FOI request or any subsequent compliance requirement.
- 3.5 Both parties agree that, during the term of this MOU, or at any time thereafter, neither they nor any of their employees, agents (including volunteer staff) or sub-contractors, shall divulge, furnish or make accessible to anyone any confidential information unless:
 - 3.5.1 at the date of this MOU, the confidential information is already in the public domain or subsequently comes into the public domain through no fault of the other party;
 - 3.5.2 the confidential information rightfully becomes available to the other party from sources not bound by obligations of confidentiality;
 - 3.5.3 the confidential information was available to the other party on a non-confidential basis prior to its disclosure to such party;
 - 3.5.4 the other party is required by compulsion of law to disclose.
- 3.6 The parties agree that all discussions and negotiations shall be carried out on a strictly confidential basis and any statements (either written or oral) to be made in relation to the existence of the negotiations between the parties shall be subject always to written agreement by both parties and the overarching provisions of the Scheme of Governance.
- 3.7 The disclosure of confidential information is a matter for discussion between the PCC and Chief Constable.
- 3.8 Any limitation or waiver of the right of confidentiality contemplated in the provisions paragraph of this MOU applies only to the relationship between the PCC and the

Chief Constable and all staff will remain subject to an obligation of confidentiality in respect of third parties.

- 3.9 Nothing in this MOU should prevent any personnel employed either by the PCC or the Chief Constable from disclosing information which they are entitled to disclose under the Public Interest Disclosure Act 1998 provided that such disclosures are made in accordance with provision of that Act.

4. Governance

- 4.1 Subject to the provisions contained at paragraph 1.4 of this MOU both the PCC and the Chief Constable retain the discretion to task and direct their staff as they in their absolute discretion see fit.

- 4.2 This MOU provides for three circumstances in which business support may be sought from the other party. These are as follows:

4.2.1 The PCC wishes to seek support from the Chief Constable's staff.

4.2.2 The Chief Constable wishes to seek support from the PCC's staff.

4.2.3 The PCC and the Chief Constable agree jointly on the commissioning of work to be undertaken either by the PCC's staff, or the Chief Constable's staff or by both.

- 4.3 These proposed arrangements collectively are known as cooperative arrangements.

- 4.4 The business support may be sought in the following areas:

Estates, Fleet, Information Technology, Information Management, Procurement, Planning and Performance Management, Human Resources, Legal, Finance, Communications and Engagement Services, Professional Standards, Risk Management/Health and Safety as outlined in the Schedule of Services here to attached.

- 4.5 Either of the parties may assign work to staff subject to a cooperative arrangement and use the existing resources within that team. This will be in accordance with agreed practices between the PCC and Chief Constable.

- 4.6 Any conflict between any instructions issued by either of the parties through a cooperative arrangement will be identified by the relevant team and brought to the attention of the parties immediately and where possible prior to implementation. Any instructions that are identified as novel, contentious or repercussive must initially be checked with the instructing party and if not withdrawn or suitably amended formally drawn to the attention of both parties before implementation.

- 4.7 If, due to the volume of work required of that team there is an issue of prioritisation to be resolved, the issue will be referred to the PCC's Chief Executive and the Deputy Chief Constable, and if they cannot resolve such issue within 7 days then either party may refer the issue to the PCC and the Chief Constable to resolve.

- 4.8 Neither the PCC nor the Chief Constable will seek to impose any form of recharge on the other in respect of staffing costs arising out of the cooperation arrangements but either the PCC or the Chief Constable may be entitled to recover from the other any additional third party costs subject to agreement between the PCC's and the Chief Constable's chief finance officers.

- 4.9 Notwithstanding the obligation of the Chief Constable to provide the Support Services to the PCC, the PCC may seek the provision of such services from a third

party/ parties. The PCC and the Chief Constable anticipate that this would occur in the event that either the relevant skills are not available “in house” or there is an isolated piece of work where a conflict of interest appears to arise. The use of external services under this provision would be in isolated cases.

- 4.10 If either the PCC or the Chief Constable has concerns about the conduct or performance of business support personnel employed by the other then the PCC or the Chief Constable as appropriate will report those concerns as soon as practicable to the relevant line manager.
- 4.11 For the avoidance of doubt the PCC and the Chief Constable agree that when business support 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.
- 4.12 This MOU shall not fetter the discretion of either the PCC or Chief Constable to make such alterations to their staffing resources as they may from time to time see fit including the reorganisation of functions or the deletion of posts. However before making any significant alterations to staff that may provide business support under this MOU the PCC or the Chief Constable as applicable will consult the other.
- 4.13 Posts may be advertised and staff may be moved between the PCC and Chief Constable as agreed by them following established policies, practices and procedures.
- 4.14 The parties to this MOU do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1969 by any person who is not a party to it.

5. Access to premises and personnel

- 5.1 The PCC and Chief Constable and their senior officers shall each have reasonable, qualified access to premises and personnel under either parties’ direction or control.
- 5.2 Access to people and premises by other personnel may be limited according to operational need.

6. Dispute Resolution

- 6.1. A dispute concerning the provision of the Support Services (including the timeliness of their provision), which cannot be resolved between the staff concerned of the PCC and the Chief Constable shall be settled by the PCC’s Chief Executive and Deputy Chief Constable.
- 6.2. A dispute that cannot be resolved between the Chief Executive and the Deputy Chief Constable will be escalated to the PCC and Chief Constable.

7. Review and Termination

- 7.1 This MOU will commence on the Commencement Date and will remain in force in accordance with this section.

- 7.2 The parties will undertake a periodic review of the Police and Crime Plan and of the services provided and of the MOU to ensure that the MOU is sufficient to cover all of the areas concerned.
- 7.3 The MOU is subject to review on a change in either of the corporations sole.
- 7.4 Either party may terminate the MOU by giving 3 months notice to the other party that they wish to withdraw from the arrangements.
- 7.5 Any notice given under this MOU by either party must be in writing and may be delivered personally or sent by e-mail. Notice will be deemed to have been given on the same day.
- 7.6 Notices will be delivered or sent to the addresses of the parties as given at the head of this MOU or to any other address notified in writing by any party to the other parties for the purpose of receiving notices after the commencement date of this MOU.
- 7.7 The parties hereby reserve the right to agree such supplemental governance provisions as they shall consider necessary to support the delivery of any programme or project.
- 7.8 No variation to this MOU shall be effective unless in writing signed by duly authorised representatives of each of the parties.

Signed by the Police & Crime Commissioner for Surrey

Name

Position

Signature

Date

Signed by the Chief Constable for Surrey

Name

Position

Signature

Date

Signed by the Police & Crime Commissioner for Sussex

Name

Position

Signature

Date

Signed by the Chief Constable for Sussex

Name

Position

Signature

Date

**SCHEDULE TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CHIEF CONSTABLE OF
SUSSEX AND THE POLICE & CRIME COMMISSIONER FOR SUSSEX; AND BETWEEN THE CHIEF
CONSTABLE OF SURREY AND THE POLICE & CRIME COMMISSIONER FOR SURREY**

Description of the Support Services

Support provided by the Departments/ officers/ staff listed below will include the following activities and any other support tasks which the Police & Crime Commissioner (PCC) considers are incidental and/ or ancillary to those outlined.

Estates

The provision of services by individuals within the Estates Department to enable the Commissioner to effectively and efficiently manage the land and premises and other fixed assets remaining in the PCC's ownership/control, including office services, asset and facilities management, estate management (including identifying savings, environmental issues, maintenance and improvements); project management (including the delivery of capital and revenue funded works) and the management of any contractual arrangements associated with these activities.

Fleet

The provision of services within the Fleet Department to enable the PCC to effectively and efficiently manage a safe, cost effective and sustainable fleet; designed, acquired, converted, serviced, maintained and repaired to meet the operational demands of Surrey/Sussex Police.

Information Technology

The provision of services by individuals within the IT Department to enable the PCC to effectively and efficiently manage and operate those ICT resources (including all IT and telephony/ communications equipment and software) in the PCC's ownership/control to ensure they assist him/her in carrying out their functions and meet his/her objectives including reviewing the sufficiency and adequacy of such resources to ensure they remain fit for purpose.

Information Management

The provision of information management services to enable the PCC to effectively and efficiently manage and store data/ information and records remaining in the PCC's ownership/control, including the provision of advice to enable the PCC to meet his/her obligations under the Freedom of Information/ Data Protection Acts. In Surrey, the role of Data Protection Officer for the Office of the Police & Crime Commissioner is provided by the Force's Data Protection Officer

Procurement

The provision of services by individuals within the Procurement Department to enable the PCC to effectively and efficiently manage his/her objectives and obligations under relevant procurement rules/ legislation and, in relation to the procurement, management, and termination of contracts to which s/he is a party.

Planning & Performance Management

The provision of services (including the provision of data the PCC reasonably requires relating to the operational and organisational performance of the Force) by individuals involved in the planning and performance management and research and intelligence activity within the Force to enable the PCC to effectively and efficiently manage his/her objectives and functions under the Police Reform and Social Responsibility Act 2011 (including that of holding the Chief Constable to account).

Human Resources

The provision of services (including professional human resources/ personnel advice) from individuals within the People Services Department to enable the PCC to effectively and efficiently manage the functions and objectives of his/her role, including workforce /budget setting, review, monitoring and planning and as an employer of individual staff.

Finance

The provision of financial services and treasury advice services (including professional financial/ accounting advice) from individuals within the Finance Department to enable the PCC (and the PCC's Chief Finance Officer on his/her behalf) to effectively and efficiently manage the functions and objectives of his/her role, the financial resources of the OPCC and the Force. This includes the preparation, management and monitoring of revenue and capital budgets, treasury management advisory activities and other support including advice and support relating to compliance with accounting and audit requirements, investments, pensions/ payroll management/ administration so as to ensure that his/her actions and decisions result in the proper stewardship of available resources, and expenditure which is lawful and in compliance with all relevant statutory and non-statutory requirements including the Scheme of Governance, Financial Regulations and the Financial Management Code of Practice.

Communication and Engagement Services

The provision of communications and engagement services from individuals within the Corporate Communications Department to enable the PCC to effectively and efficiently manage his/her functions and objectives regarding the provision of information to, and effective engagement/ consultation with, the public and other stakeholders, including the design and production of media and effective use of relevant media formats/ methods and web based/ on line/ mobile data resources.

Professional Standards

The provision of support, including access to Force systems and provision of advice, from police officers and police staff within the Professional Standards Department to enable the PCC to effectively and efficiently manage his/her functions and objectives regarding the management/ handling and oversight of complaints against police officers/ staff and the organisation of relevant misconduct and appeals proceedings

Risk Management/ Health and Safety

The provision of services and advice to enable the PCC to effectively and efficiently manage his/her functions and objectives in relation to the identification and management of corporate risk and health and safety issues including the responsibility for individual statutory named posts.

Other

Legal

All parties will be subject to charges as part of the contract currently in place. The provision of legal services is from a contracted provider (Weightmans) to enable the CC and PCC to effectively and efficiently manage the functions and objectives of his/her role, and in particular to ensure that his/her interests are furthered and/or protected and actions and decisions remain within the law and available legal powers.

Any conflict of interest (potential or actual) which may affect the contracted provider acting for the PCC and/or Chief Constable will be communicated at the earliest opportunity, and, where appropriate, the Chief Executive and Deputy Chief Constable (or their nominated staff) will discuss the matter and agree a way forward.

Other support, advisory and delivery services required by the PCC from time to time from all other functions provided to the Chief Constable and funded by the budget allocated by the PCC including project support; diversity and equalities advice, partnerships, and specialisms within the Force.



Surrey & Sussex Policing Together



Sussex
Police & Crime
Commissioner

Office of the Police and Crime
Commissioner for Surrey

SURREY POLICE AND SUSSEX POLICE

Financial Regulations

March 2021

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INTRODUCTION

To conduct financial business efficiently, the Police and Crime Commissioners (PCCs) and Chief Constables (CCs) need to ensure that sound financial management policies are in place, which comply with the Home Office Financial Management Code of Practice issued under section 17 of the Police Reform and Social Responsibility Act 2011 and paragraph 7 of schedule A2 of the Fire and Rescue Services Act 2004 and that these are strictly observed by every police officer and employee under the control and direction of either the Police and Crime Commissioner or the Chief Constable.

Each Police and Crime Commissioner (PCC) and their respective Chief Constable (CC) is established in law as a corporation sole within the 2011 Act. As such, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all police officers and staff within the police force that they lead. Staff of the PCC are accountable to the directly elected holder of that office.

The Chief Financial Officer (CFO) to the PCC and the Executive Director of Commercial & Finance Services to the Chief Constable (CC) need to work closely together. This working relationship is of fundamental importance. The Chief Financial Officer and the Executive Director of Commercial & Finance Services need to ensure that their responsibilities can be fully delivered and assurances and information exchanged to fulfil the statutory and professional responsibilities of the Chief Financial Officers.

To conduct its business effectively, Surrey and Sussex Police need to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. The Regulations contained herein have been drawn up in such a way as to ensure that the financial matters of Surrey and Sussex Police are conducted properly and in compliance with all necessary requirements.

The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member of staff and officer of the service and anyone acting on their behalf

The Regulations identify the financial responsibilities of the Police & Crime Commissioner, the Chief Constable, the Chief Constable's Chief Finance Officer which is the Executive Director of Commercial & Finance Services in Surrey and Sussex Police, the Police & Crime Commissioners' respective Chief Finance Officers (CFO) and Chief Executives (CE).

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Scheme of Governance

Financial Regulations forms part of the overarching Scheme of Governance for the PCC and CC. This includes:

- Code of Corporate Governance
- Memorandum of Understanding
- Office of the Police & Crime Commissioner's Scheme of Delegation
- Chief Constable's Scheme of Delegation
- Financial Regulations (including Financial Instructions)
- Contract Standing Orders.

Overall governance arrangements are in place to ensure that the activities of both the PCC's and the CC's are properly and effectively managed, in a way that secures the combined assets of both and uses and protects and harnesses them to meet jointly agreed strategic objectives, while maximising the value, both financial and operational, that can be obtained for the benefit of the public.

Interpretation

It must be recognised that Financial Regulations cannot foresee every eventuality. The PCC's CFO and the CC's the Executive Director of Commercial & Finance Services, shall be responsible for interpreting these regulations so as to ensure that the conduct of financial business is secure, efficient and effective and achieves the highest levels of probity.

Status

These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework that includes the list above.

The PCC, CC and all their employees have a general responsibility for taking reasonable action to provide for the security of the assets under their control and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.

Financial Regulations explain the working financial relationship between the PCC and the Chief Constable and The PCC's CFO and the Executive Director of Commercial & Finance Services, having regard also to the role played by the PCC's Chief Executive.

The PCC and Chief Constable are jointly responsible for approving or amending Financial Regulations, in consultation with their Joint Audit Committee. The PCC's Chief Finance Officers are responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the PCC and Chief Constable, after consulting with the CC's the Executive Director of Commercial & Finance Services and the Chief Executive.

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

Beyond the scope of this document, financial regulations sit alongside other internal regulatory documents. For example, Contract Standing Orders, financial procedures, guidance and instructions and employee codes of conduct. Should there be any contradiction contained within procedures, instructions or codes of guidance the Financial Regulations will take precedence.

The PCC, CC, CFOs, the Executive Director of Commercial & Finance Services and the PCC's CEs shall maintain a written record where decision-making has been delegated to members of their staff, including seconded staff.

Responsibilities

The CFO of the PCC and the Executive Director of Commercial & Finance Services of the CC are jointly responsible for maintaining a continuous review of the financial regulations and for submitting any necessary additions or changes to the PCC for approval and for reporting, breaches of the financial regulations to the relevant Monitoring Officer and their Joint Audit Committee (JAC).

All CFOs are responsible for issuing advice and guidance within their respective corporate bodies to underpin the financial regulations.

The PCC and CC are responsible for ensuring that all police officers, staff, contractors and agents under their respective control and direction are aware of the existence and content of, and have access to these financial regulations and other internal regulatory documents and that these are complied with.

Breaches of Financial Regulations may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the PCC'S CFO and/or CC's the Executive Director of Commercial & Finance Services who shall determine, after consulting with the relevant Monitoring Officer, whether the matter shall be reported to the PCC and/or Chief Constable. Any police officer or member of staff who knowingly, or by negligence, breaches these financial regulations may be subject to disciplinary action and in some instances may incur criminal liability.

Financial Instructions

Appendix A provides guidance for the CC's and PCC's CFO in the event of necessity to fund special operations for which no budget is in place.

More detailed Financial Instructions supplement these Regulations and are listed at Appendix B. These Financial Instructions support delivery of the Financial Regulations and shall be issued after consultation between the CC's the Executive Director of Commercial & Finance Services, the PCC's CFOs and Chief Executives.

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Definitions

For the purposes of these Regulations, Surrey or Sussex Police, when used as a generic term, shall refer to the:

PCC
Office of the PCC; and
Force

The PCC's Chief Finance Officer is financial advisor to the relevant PCC.

The Chief Constable's joint Chief Finance Officer (Executive Director of Commercial & Finance Services) is the financial advisor to the CCs.

The 'Force' shall refer to the relevant Chief Constable, police officers, police staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under his /her direction.

Chief Officers when referred to as a generic term shall mean the Chief Constable, Chief Executives, PCC's CFOs and CC's CFO (Executive Director, Commercial & Finance Services and deputy, the Service Director, Finance & Regional Services).

'Employees' when referred to as a generic term shall refer to police officers, police staff and other members of the wider police family.

The expression 'authorised officer' refers to employees authorised by a chief officer. The expression 'contract' refers to any commitment (including purchase orders, leases and service level agreements) to acquire, purchase or sell goods, services or building works.

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

The terms Chief Constable, Chief Executive and PCC's CFO include any member of staff, contractors or agents to whom particular responsibilities may be delegated as set out in a specific PCC or CC Scheme of Delegation. The level of such delegated responsibility must be evidenced clearly, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.

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1. FINANCIAL MANAGEMENT

1.1 RESPONSIBILITIES

1.1.1 POLICE AND CRIME COMMISSIONER (PCC)

1.1.1.1 The PCC has a statutory duty to ensure an efficient and effective police service and to hold the CC to account on behalf of the public. The PCC is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. How this money is allocated is a matter for the PCC in consultation with the CC, and in accordance with any grant terms. The statutory officers of the CC and the PCC will provide professional advice and recommendations on the allocation of funding and account for all income and expenditure.

1.1.1.2 The PCC shall appoint a Chief Finance Officer (CFO) to be responsible for the proper administration of his/her financial affairs and a Chief Executive (CE) who will act as monitoring officer.

1.1.1.3 The PCC may appoint a Deputy PCC (DPCC) for that area and arrange for the DPCC to exercise functions of the PCC as set out in the Scheme of Delegation.

1.1.1.4 The PCC is responsible for:

- setting the precept;
- approving the financial policy framework and budget;
- monitoring financial outcome;
- and approval of medium term financial plans in consultation with the Chief Constable (CC);

1.1.1.5 The PCC is responsible for approving the overall framework of accountability and control, and for monitoring compliance in relation to these Financial Regulations, this includes:

- Police and Crime Plan;
- Financial strategy (including reserves);
- Annual revenue budget;
- Capital & Investment programme and financing;
- Medium term financial forecasts;
- Treasury management strategy, including the annual investment strategy asset management strategies (IT, transport, estates, equipment replacement);

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- Risk management strategy;
- Governance policies.

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

1.1.1.7 The PCCs shall provide their CFO's with such accommodation and other resources as are in his/her opinion sufficient to allow the duties under this section to be performed

1.1.2 THE PCC's CHIEF FINANCE OFFICER

The PCC's CFO has the responsibility for the proper financial administration of the PCC's financial affairs and has a personal fiduciary responsibility to the local council taxpayer.

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

- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
- The Accounts and Audit Regulations 2015

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

- ensuring that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date;
- ensuring regularity, propriety and Value for Money (VFM) in the use of public funds;
- ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges;
- reporting to the PCC, the Police and Crime Panel and to the external auditor: any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC, and/or when it appears that expenditure is likely to exceed the resources available;
- advising the PCC on the robustness of the estimates and the adequacy of financial reserves;
- preparing the annual statement of accounts, in conjunction with the CCs CFO;

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- ensuring the provision of an effective internal audit service, in conjunction with the CC's CFO;
- securing the treasury management function, including the Treasury Management Strategy Statement (TMSS), loans and investments;
- advising, in consultation with the CE on the safeguarding of assets, including risk management and insurance;
- arranging for the determination and issue of the precept
- liaising with the external auditor; and
- advising the PCC in consultation with the CE on the application of value for money principles by the Force to support the PCC in holding the CC to account for efficient and effective financial management.

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

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

The CFO is the PCC's professional adviser on financial matters. To enable him/her 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 CE, 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 in alignment with the PCC's financial strategy;
- must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively;
- must ensure the finance function is resourced to be fit for purpose.

The PCC's CFO must have full access to all relevant financial information as laid down in the PCC's Scheme of Delegation

The PCC's CFO must have a properly qualified deputy should he/she be

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unable to perform the duties under section 114 of the Local Government Finance Act 1988. This is currently achieved by the Surrey PCC's CFO acting as deputy for the Sussex PCC's CFO and vice versa.

Section 113 of the Local Government Finance Act 1988 requires that the PCC's Chief Finance Officer must be a member of one or more of the bodies listed below:

- The Association of Chartered Certified Accountants (ACCA)
- The Chartered Institute of Management Accountants (CIMA)
- The Chartered Institute of Public Finance and Accountancy (CIPFA)
- The Institute of Chartered Accountants in England & Wales (ICAEW)
- The Institute of Chartered Accountants in Scotland (ICAS)
- The Institute of Chartered Accountants in Ireland (ICAI)
- Any other body of accountants established in the UK and for the time being approved by the Secretary of State for the purposes of this section.

and the PCC's CFO shall ensure that they maintain such membership of at least one or more of such bodies accordingly at all times.

1.1.3 THE PCC's CHIEF EXECUTIVE

The CE is responsible for the leadership and general administration of the PCC's Office.

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

The monitoring officer is responsible for:

- ensuring the legality of the actions of the PCC and his/her officers;
- ensuring that procedures for recording and reporting key decisions are operating effectively;
- advising all staff and officers about who has authority to take a particular decision;
- advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework;
- consulting the CFO and seeking approval on any matter liable to affect the PCC's finances materially, before any commitments are incurred;
- signing contracts on behalf of the PCC.

1.1.4 THE CHIEF CONSTABLE

The CC is responsible for implementing the strategic direction set by the PCC and has direction and control over the Force's officers and staff. The CC holds office under the Crown, but is appointed by the PCC.

The CC is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the CC, his/her constables and staff,

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remain operationally independent in the service of the public.

To help ensure the effective delivery of policing services and to enable the CC to have impartial direction and control of all constables and staff within the Force, the CC should have day to day responsibility for financial management of the Force within the framework of the agreed budget allocation and PCC's Scheme of Delegation.

The CC shall appoint a CFO (Executive Director of Commercial & Finance Services) to be responsible for the proper administration of the CC's financial affairs.

The CC must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The CC will discharge this through his/her Executive Director of Commercial & Finance Services who will lead for the Force on financial management.

The CC is responsible for approving the operational content of any contractual arrangements for any work by the force for third parties or external bodies, including the identification of all risks related to that work.

The CC shall prepare and maintain Financial Instructions to supplement the Financial Regulations and provide detailed instructions on the operation of the specific financial processes delegated to the CC. The Financial Instructions shall be reviewed at the same intervals as the Financial Regulations. The CC shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.

1.1.5 THE CHIEF CONSTABLE'S CHIEF FINANCE OFFICER (the Executive Director of Commercial & Finance Services)

The CC's CFO (Executive Director of Commercial & Finance Services) has the responsibility for the proper financial administration of the CC's financial affairs and has a personal fiduciary responsibility to the local council taxpayer.

The Executive Director of Commercial & Finance Services is responsible to both CC's for all financial activities within both Forces or contracted out under the supervision of the Forces.

The Executive Director of Commercial & Finance Services shall be the CC's Chief Finance Officer for the purposes of Paragraph Schedule 1 of the Police Reform Act with responsibilities set out in:

- Paragraph 4 of Schedule 2 to the Police Reform and Social Responsibility Act 2011;
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure);
- The Accounts and Audit Regulations 2015.

The Executive Director of Commercial & Finance Services is responsible for:

- ensuring that the financial affairs of the Force are properly administered and that these financial regulations are observed and kept up to date;
- reporting to the CC, the PCC and the PCC's CFO and to the external auditor:

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- any unlawful, or potentially unlawful, expenditure by the CC or officers of the CC;
- when it appears that expenditure of the CC is likely to exceed the total resources available, including usable reserves
- advising the CC on value for money in relation to all aspects of the Force's expenditure;
- advising the CC, the PCC and the PCC's CFO on the soundness of the budget in relation to the Force;
- liaising with the external and internal auditors;
- working with the PCCs' CFOs to produce the statement of accounts for the CC and to assist in the production of the group accounts

The Executive Director of Commercial & Finance Services 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, a statement of the CC's accounts. The Executive Director of Commercial & Finance Services will need to observe the locally agreed timetable for the compilation of the group accounts with the PCC's CFO.

The Forces' joint Executive Director of Commercial & Finance Services is the CC's professional adviser to both CCs on financial matters. To enable him/her to fulfil these duties the Executive Director:

- must be a key member of both CC's Management Teams, helping them 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 to be fit for purpose.

Section 113 of the Local Government Finance Act 1988 requires that the CC's Executive Director of Commercial & Finance Services must be a member of one of the bodies listed below:

- The Association of Chartered Certified Accountants (ACCA)
- The Chartered Institute of Management Accountants (CIMA)
- The Chartered Institute of Public Finance and Accountancy (CIPFA)
- The Institute of Chartered Accountants in England & Wales (ICAEW)
- The Institute of Chartered Accountants in Scotland (ICAS)
- The Institute of Chartered Accountants in Ireland (ICAI)
- Any other body of accountants established in the UK and for the time being approved by the Secretary of State for the purposes of this section.

and the PCC's CFO shall ensure that they maintain such membership of at least one or more of such bodies accordingly at all times.

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The CC's Executive Director of Commercial & Finance Services delegates the Service Director, Finance & Regional Services to act as a suitably qualified deputy in their absence.

1.2 THE JOINT AUDIT COMMITTEE

The revised Home Office Financial Management Code of Practice for the Police Forces of England and Wales states that the PCC and Chief Constable should establish an independent audit committee. Each PCC/CC has a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable.

The Joint Audit Committee will advise the PCC and the Chief Constable according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In operating the Audit Committee the PCC and the CC shall have regard to the CIPFA guidance on Audit Committees.

The Joint Audit Committee shall comprise of between three and six members who must be independent of both the PCC and the CC.

The Joint Audit Committee shall establish and maintain formal terms of reference, covering its core functions, which shall be formally adopted and which it will review on an annual basis. The terms of reference set out the full scope and responsibilities of each Joint Audit Committee.

The PCC and the CC shall be represented at all meetings of the Joint Audit Committee.

1.3 ACCOUNTING RECORDS AND RETURNS

Maintaining proper accounting records is one of the ways in which the PCC and the CC will discharge their responsibility for stewardship of public resources.

To ensure that proper accounting records are maintained, the PCC's CFO and CC's Executive Director of Commercial & Finance Services will jointly:

- determine the accounting procedures and records, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the PCC and the CC;
- make proper arrangements for the audit of the PCC's, CC's and Group accounts in accordance with the Accounts and Audit Regulations 2015;
- ensure that bank reconciliations and other key control reconciliations are regularly performed on a timely basis;
- prepare and publish the audited accounts in accordance with the statutory time-table.

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1.4 THE ANNUAL STATEMENT OF ACCOUNTS

The PCC's CFOs and the CC's Executive Director of Commercial & Finance Services have the responsibility of preparing the respective Annual Statement of Accounts and Annual Governance Statements in accordance with the requirements of 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 a set of group accounts.

The CC's Executive Director of Commercial & Finance Services will comply with accounting guidance provided by the PCC's CFO and will supply within a reasonable time-scale all financial and accounting information needed to allow them to meet all relevant statutory requirements.

The Joint Audit Committee is responsible for ~~reviewing~~scrutinising the Annual Statement of Accounts and External Auditor's Report and making ~~comments~~recommendation to the PCC and the CC as ~~appropriate to their~~approval.

~~The Annual Statement of Accounts is subject to External Audit scrutiny and sign-off.~~

The PCC and CC are responsible for approving their respective final Audited Annual Statement of Accounts taking in to account any comments from ~~on the recommendation of~~ the Joint Audit Committees.

The PCC is responsible for approving the group Statement of Accounts.

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The PCC's CFO will publish the approved and audited accounts of the PCC Group each year in accordance with the statutory time-table.

2. FINANCIAL PLANNING

2.1 POLICY FRAMEWORK

The PCC in consultation with the CC, other relevant partners and key stakeholders, is responsible for agreeing the financial policy framework, -budget and precept. In terms of financial planning, the key elements are:

- the Police & Crime Plan covering the time period up to the next PCC election plus any amendments to the Plan during that period (the PCC is required to submit the plan and amendments to the respective Police & Crime Panels);
- a Medium Term Financial Plan/Strategy;
- an annual Revenue Budget;
- an annual Capital Budget and Capital Programme;
- a Treasury Management Strategy and a Capital Strategy.

2.2 PREPARATION OF THE POLICE & CRIME PLAN

The PCC is responsible for the preparation of the Police & Crime Plan. The PCC must consult with the Chief Constable on its development and the Chief Constable must have due regard to the Plan once agreed. The Plan must also be informed by an understanding of local need. It must include:

- The PCC's police and crime objectives for the area;
- The policing of the police area which the CC is to provide as set out in the CCs Operational Delivery Plan ;
- The financial and other resources which the PCC is to provide to the CC;
- The means by which the CC will report to the PCC on the provision of policing;
- The means by which the CC's performance in providing policing will be measured;
- The specific grants which the PCC is to make and the conditions (if any) of those grants;

The Police and Crime Plan (and any variations to the plan) will be presented to the Police and Crime Panel for review, as the Police and Crime Panel (PCP) in each Force has the power to scrutinise the PCC's activities, including the ability to review the Police and Crime Plan and annual report.

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2.3 BUDGETING

2.3.1 BUDGET FORMAT

The general format and approach to setting the revenue budget and capital programme must be approved by the PCC's CFO and must comply with all legal requirements and with the latest guidance issued by CIPFA. Proposed budgets should include the sums allocated to different services and projects, levels of grant income and proposed precept levels and contingency and reserve funds.

2.3.2 BUDGET PREPARATION GUIDANCE

The PCC's CFO and the CC's Executive Director of Commercial & Finance Services will issue guidance on budget preparation to the appropriate officers and staff within Surrey/Sussex Police to take account of

- Legal requirements
- Medium Term Financial Plan/Strategy
- Police and Crime Plan
- Operational requirements of the Chief Constable
- Efficiency plans
- Relevant government guide lines.

2.3.3 BUDGET & CAPITAL PROGRAMME PREPARATION

The CC's Executive Director of Commercial & Finance Services is responsible for ensuring that CC budget proposals are properly prepared in accordance with requirements agreed with the PCC's CFO.

The PCC's CFO is responsible for ensuring that the PCC's budget is compiled and properly combined with the CC's revenue and capital budgets to produce a group budget that complies with all statutory requirements, before it is presented for approval to the PCC.

The PCC will be advised by her/his CFO on the appropriate level of general balances, earmarked reserves and provisions to be held and the prudential indicators arising from the application of the Prudential Code of Capital Finance in Local Authorities to the proposed revenue and capital budget.

The PCC will be advised by his/her CFO on the most appropriate level of revenue support and appropriate levels of borrowing to support the capital programme, in line with requirements of the Prudential Code.

It is the responsibility of the CC's Executive Director of Commercial & Finance Services to ensure that the estimates contained within the budget are realistic and prudent and subject to risk assessment.

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The PCC's proposed budget will be presented to the Police & Crime Panel in support of the Precept Proposal being put forward by the PCC.

Following completion of the Police & Crime Panel's scrutiny process for reviewing the PCC's Precept Proposal (which will by implication enable the PCC to approve the Revenue and Capital Budget and precept), the PCC's CFO will issue to the billing authorities the statutory Precept Notice.

The CC in consultation with his/her Executive Director of Commercial & Finance Services is then responsible for issuing guidance on the general content of the budget within the Force, as soon as possible following the issue of the statutory Precept Notice, and no later than 31 March.

2.3.4 PREPARATION OF A MEDIUM TERM FINANCIAL PLAN

The PCC and CC share a responsibility to provide effective financial and budget planning for the short, medium and long term. This objective is achieved by preparing a Medium Term Financial Plan/Strategy made up of at least three year estimates of revenue and capital expenditure and income, efficiency and improvement savings plans, reserves and balances and risk assessments. This must contain:

- plans that reflect the PCC's consultations with not only the CC, but also other relevant partners and key stakeholders
- operational delivery plans for the development of services and the priorities for the allocation of both capital and revenue resources between services that reflect the strategic direction outlined in the Police and Crime Plan
- the financial effects of all known commitments together with any other proposals for changes to levels of existing services, or the introduction of new services
- take account of the funding available from central government and other sources and balance the need for expenditure against the impact that proposed plans will have on the local Council Tax payer
- a range of alternative financial planning scenarios (e.g. optimistic, likely, pessimistic) based on assessed financial risk
- budget planning assumptions.

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2.3.5 BUDGET MONITORING AND CONTROL

The PCC's CFO and CC's Executive Director of Commercial & Finance Services will agree an annual timetable for reporting of PCC, CC and combined budgets to the PCC and CC.

The CC's Executive Director is responsible for ensuring that regular and appropriate financial information is provided to the PCC's Office usually on a monthly basis unless otherwise agreed, to enable both revenue budgets and the capital programme to be monitored effectively throughout the year. This includes predictions of the year end outturn throughout the year.

It is the CC's responsibility to ensure that each element of expenditure and income has a nominated budget manager to take responsibility for that part of the budget, thereby ensuring that income and expenditure is properly monitored and controlled and that appropriate action is taken to avoid the approved budget and capital programme allocations being exceeded. Any issues identified which might lead to expenditure exceeding the budget for the year should be reported to the PCC's CFO and form part of regular reporting.

The CC's Executive Director of Commercial & Finance Services can approve business cases for revenue expenditure below £500,000 with the exception of expenditure proposals of an exceptional nature, which will be determined in consultation with the PCC's CFO and Chief Executive.

The specific additional requirements for control and reporting on capital expenditure are set out in section 2.3.8.

2.3.6 VARIATIONS TO APPROVED CAPITAL AND REVENUE BUDGETS (VIREMENTS)

Virements are intended to enable the CC to manage budgets flexibly within the overall policy framework determined by the PCC and, therefore to provide the opportunity to optimise the use of resources to emerging needs.

The CC is only required to refer back to the PCC when a proposed virement would change the overall policy framework determined by the PCC, where a revenue virement might create a future year or continuing commitment, or exceeds the level set below. It must be noted that while revenue funds can be vired to cover capital expenditure, revenue expenditure can only be funded from revenue funds.

The Chief Constable's Executive Director of Commercial & Finance Services may transfer or move budgets between budget headings, on a permanent or temporary basis up to a value of £500,000, notifying the PCC through the agreed financial and budget reporting process. All proposed virements outside this limit must be referred to the PCC's CFO for approval by the PCC.

2.3.7 OUTTURN REPORTING

The CC's Executive Director of Commercial & Finance Services will report on

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the outturn of income and expenditure to the PCC's CFO as soon as practicable after the end of the financial year.

The PCC's CFO and CC's Executive Director will prepare outturn reports for approval of the PCC and CC within 2 months following the end of the financial year. The outturn report by the PCC's CFO and CC's Executive Director will recommend for PCC approval the capital financing and use or transfer of any surplus or deficit on revenue and capital budgets in line with the Reserves Policy.

2.3.8 CAPITAL EXPENDITURE

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.

Surrey/Sussex Police are able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. Capital plans should be prepared in accordance with CIPFA's Prudential Code.

The Capital programme is linked to the approved financial strategy and will be developed in line with requirements for budget preparation and medium term financial planning set out in Section 2.3.3 and 2.3.4.

The total amount available to fund capital expenditure in any year is determined by the PCC who will take account of the available capital resources i.e. capital grants, capital receipts, loans and under spending carried forward from the previous year.

Before commencement of any capital scheme a business case must be prepared in format to be agreed by the PCC's CFO and CC's Executive Director of Commercial & Finance Services and include estimates and profile of capital expenditure, any financing costs, and on-revenue running costs. Approval of business cases is subject to funding being agreed within the capital programme or transferred from revenue budget.

The CC's Executive Director can approve business cases for capital expenditure below £500,000 with the exception of expenditure proposals of an

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exceptional nature, to be determined in consultation with PCC's CFO and Chief Executive.

The virement of capital scheme budgets within the approved capital programme may be approved by the CC's Executive Director of Commercial & Finance Services in line with limits set out in virements section 2.3.6.

Expenditure incurred on approved projects will be reported to the PCC as part of the normal financial capital reporting process. Where predicted or actual expenditure on projects varies (up or down) from approved budget by more than 10%, an explanation of the variance will be provided by the CC's Executive Director of Commercial & Finance Services as part of regular financial reporting during the year.

The overall approved capital budget for the financial year may not be exceeded without prior approval of the relevant PCC.

No Capital expenditure can be incurred, even when it is included within the budget, without the approval of the CFO Review Board which includes the CC CFO and PCC CFOs

2.4 PROPERTY/PREMISES LEASES INTRODUCTION

Leases and hire purchase contracts enable the PCC to obtain the right to use or purchase assets without the burden of formal ownership. Accounting standards classify leases into two types – finance and operating leases.

All leases must be accounted for and comply with current accounting standards. All leases must be assessed by the Corporate Accountant in the relevant Force prior to the lease being signed. This will ensure that the lease is correctly classified and the likely on-going financial implications to the revenue budget and capital programme are accurately assessed in advance. Otherwise, there is a risk that the PCC will be exposed to significant unplanned costs, to which the PCC is contractually committed for the period of the lease.

Surrey

The CC's Executive Director of Commercial & Finance Services may acquire freeholds up to £500,000 and leaseholds with a contract rental value of up to £500,000 over the lifetime of the lease, in the name of the Police and Crime Commissioner. All property purchases/disposals will then be recorded as 'Key Decisions' by the PCC. Above this level approval will need to be made by the relevant PCC CFO.

The CC's Executive Director of Commercial & Finance Services may approve all requests to grant a lease with a total contract value up to £500,000 over the lifetime of the lease. Above this level, approval will need to be made the relevant PCC's CFO.

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Sussex

The Police and Crime Commissioners Estates Board will approve the acquisition of all freeholds and leaseholds in accordance with the Asset Purchase and Disposal policy.

Assets are set out in section 3.8.

2.5 MAINTENANCE OF BALANCES AND RESERVES

The PCC should establish a policy on reserves in consultation with the CC. The PCC will be advised on the reasonable level of reserves that should be maintained by his/her CFO.

The PCC's CFO and CC's Executive Director of Commercial & Finance Services will formally review and recommend a Reserves Policy to the PCC for approval at least annually.

2.6 FUNDING SPECIAL OPERATIONS

Appendix A provides guidance for the CC's and PCC's CFO in the event of necessity to fund special operations for which no budget is in place.

3. MANAGEMENT OF RISKS AND RESOURCES

3.1 INTRODUCTION

It is essential that robust integrated systems are developed and maintained for identifying and evaluating all significant risks to the PCC and the CC. This should include the proactive participation of all those associated with planning and delivering policing services.

3.2 RISK MANAGEMENT

The PCC and the CC are jointly responsible for approving the risk management policy statement and strategy, and for reviewing the effectiveness of risk management. The CC is also responsible for implementing on an on-going basis the risk management strategy and for promoting a risk aware culture throughout the Force, including the identification of business continuity plans in the event of an unexpected disaster. The CE is similarly responsible for implementing a risk management strategy in respect of the PCC's Office.

3.3 INSURANCE

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The PCC will be advised on appropriate arrangements for insurance by his/her CFO, who will determine the appropriateness of using commercial insurance to cover identified risks in conjunction with the CC's Executive Director of Commercial & Finance Services. The PCC's CFO will arrange for actuarial reviews to be taken as required. The CC's Executive Director will be responsible for ensuring that claims against insurance policies are promptly made.

An Insurance Reserve will be held to cover likely insurance liabilities in the areas of motor insurance, employer and public liability and provides for the self-funding of certain uninsurable risks, such as payments of compensation or damages. This Reserve will be adjusted annually, following an independent actuarial review, to reflect inflation and up to date risk management information.

The CC's Executive Director of Commercial & Finance Services will provide the

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PCC's CFO with quarterly reports of the insurance claims, compensation and other payments.

3.4 INTERNAL CONTROL

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

The PCC's CFO, in conjunction with the CC's Executive Director of Commercial & Finance Services, is responsible for advising on and implementing effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with statute.

It is the responsibility of the CC, with advice from the CC's Executive Director of Commercial & Finance Services, to establish sound arrangements to achieve continuous improvement, economy, efficiency and effectiveness and for achieving financial performance targets.

The 'Review of Effectiveness' section of the Annual Governance Statement considers the effectiveness of the system of internal control.

In Surrey this section is informed by all senior colleagues, such as Heads of Profession and Strand Commanders, signing an annual Management Assurance Statement. In so doing, managers are confirming that – to the best of their knowledge – they are satisfied that controls have been operating effectively during the year across their areas of responsibility and that there are no control breakdowns of which they are aware. Considering the content of the Management Assurance Statements plus that of the overarching Annual Governance Statements, together with the work of the internal and external auditors and HMICFRS reviews, provides sufficient evidence of good governance.

In Sussex, the 'Review of Effectiveness' section of the Annual Governance Statement (AGS) section is informed by all senior managers, including Heads of Profession who confirm that controls have operated effectively during the year and that actions identified in the Annual Governance Statement for the previous financial year have been completed. As in Surrey, senior colleagues also sign an annual Management Assurance Statement. The 'Review of Effectiveness' section of the AGS follows the six principles identified in the revised CIPFA "Delivering Good Governance in Local Government: Guidance Note for Police 2012". The Force Organisational Reassurance Board considers the information from the review of Annual Governance, together with the work of the internal and external auditors and HMICFRS reviews, to ensure sufficient evidence of good governance.

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3.5 INTERNAL AUDIT REQUIREMENTS

The Accounts and Audit Regulations 2015 require that the PCC and the CC arrange for an effective internal audit of their affairs. The regulations state that relevant bodies must maintain adequate and effective systems of internal audit of its accounting records and of its system of internal control. The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the Public Sector Internal Audit Standards (PSIAS). In fulfilling this requirement the PCC and CC should have regard to the PSIAS.

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 required:

- to satisfy the external auditor that financial systems and internal controls are effective; and
- to satisfy the external auditor that financial systems and internal controls are effective and that the Police Fund is managed so as to secure value for money.

It will be the responsibility of the two CFOs to ensure that an adequate and effective internal audit service is provided and it is the responsibility of the PCC and the CC to ensure that the internal auditors have access to all assets, records, documents, correspondence, control systems and appropriate personnel as well as having the right to access all Police premises, subject only to security clearance as advised by PSD.

The Joint Audit Committee (JAC) is a key component of the corporate governance arrangements for the PCC and CC corporations sole. The JAC provides an independent and high level focus on the adequacy of the audit, assurance and reporting arrangements. JAC will advise and make recommendations to the PCC and CC on the adequacy of the internal audit function.

The Head of Internal Audit will prepare a minimum 3 year internal audit plan, which will be developed in consultation with the three CFOs in conjunction with the Chair of the JAC before being submitted to the JAC for endorsement. Progress in completing the plan will be reported to each JAC meeting, together with a report on matters arising from completed audits and the extent to which action has been taken in response to issues raised in those reports. There is a duty on Heads of Internal Audit to prepare plans in consultation with each other and minimise duplication of effort and share individual audit reports on areas of audit activity relating to joint services in line with Surrey/Sussex section 22a collaboration agreement.

The Head of Internal Audit will present an annual report to each JAC which will

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include an opinion on the reliance that may be placed on the internal control framework.

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

- To help the PCC and CC satisfy themselves that effective internal control systems are in place; and
- To provide assurance that financial systems and internal controls are effective and that the Police Fund is managed so as to secure value for money.

The Forces' Executive Director must notify the PCC's CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of Police property or resources. Pending investigation and reporting, the CC should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration. Investigation of internal financial irregularities shall normally be carried out by the Head of Professional Standards Department, who will inform the Chief Constable and will consult with the Head of Internal Audit as appropriate and keep him/her informed of progress. At the conclusion of the investigation the Head of Internal Audit shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure that the risk of recurrence is minimised.

3.6 EXTERNAL AUDIT

Both the PCC and the CC will, from time to time, be subject to audit, inspection or investigation by external bodies such as the External Auditors, HMICFRS and HM Revenue and Customs, who have statutory rights of access to all documents, facilities and information necessary for audit and inspection purposes.

Under the Local Audit and Accountability Act 2014, a relevant principal authority may appoint their own auditor taking advice from an auditor panel or may opt into the national auditor appointment arrangements managed by Public Sector Audit Appointments Ltd (PSAA) which will appoint an auditor for them.

PCCs and Chief Constables are relevant principal authorities for the purposes of the Local Audit and Accountability Act 2014. It is a requirement under Schedule 3 to the Local Audit and Accountability Act 2014 that the same auditor be appointed to audit both the PCC's and Chief Constable's accounts.

Where accounts are audited in accordance with the Local Audit and Accountability Act 2014, and the Code of Audit Practice set by the National Audit Office, the appointed auditor is required to satisfy themselves that:

- the accounts are prepared in accordance with the relevant regulations;
- they comply with the requirements of all other statutory provisions applicable to the accounts;
- proper practices have been observed in the compilation of the accounts;

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- the statement of accounts presents a true and fair view; and
- the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

In auditing the annual accounts the external auditor must ensure that:

- the accounts are prepared in accordance with all relevant guidance and statutory regulations;
- that proper accounting practices have been observed in the compilation of the accounts;
- that proper arrangements have been made for securing economy, efficiency and effectiveness.

The External Auditor will submit a report annually to the JAC on his opinion on the financial statements, value for money and any other findings and recommendations. The PCC and the CC will be expected to respond to issues arising out of this report e-external audit and to report account to the JAC for having implemented agreed actions within a reasonable time frame.

3.7 PREVENTING FRAUD AND CORRUPTION

The PCC and the CC have a responsibility for the development and maintenance of an Anti-Fraud and Anti-Corruption strategy which applies to all staff under their operational control.

The strategy should be designed to prevent and detect fraud and corruption and identify a clear pathway for investigation and remedial action. It must be based on a series of inter related procedures covering culture, prevention, the internal control system and training on detection and investigation.

The PCC and the CC and their respective staff must declare any pecuniary interests in contracts and must not accept fees or rewards other than by proper remuneration. Any hospitality or gifts received on behalf of the Force or PCC's Office must be properly recorded in detail in their respective Register of Hospitality and Gifts.

The PCC and CC will maintain a [Confidential Reporting policy \("Whistleblowing"\)](#) that will enable members of their respective staffs, contractors and members of the general public to make allegations of fraud, misuse and corruption in confidence and without recrimination, to an independent contact. The policy will ensure that allegations are properly investigated as to their validity, to ensure that they are not malicious and that the appropriate action is then taken to address any valid concerns identified. All employees must be made aware of the policy.

3.8 ASSETS

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Ownership and funding of all police assets (land, property, vehicles, equipment, furniture and other items) rests with the PCC, but the CC is responsible for the direction and control of the Force and will therefore have day to day management of all assets used by the Force.

The PCC should consult the Chief Constable in planning the budget and developing a Medium Term Financial Plan/Strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

The CC's Executive Director of Commercial & Finance Services may approve acquisition of freeholds and leaseholds in the name of the [Surrey](#) Police and Crime Commissioner, up to £500,000 in line with the approved Estates Strategy. [In Sussex the acquisition of freeholds and leaseholds are all approved by the Police and Crime Commissioner's Estates Board.](#)

The CC is responsible for maintaining an up to date Asset Register that will record sufficient detail to allow sound asset management and proper fixed asset accounting to take place. It is the responsibility of the CC to physically safeguard all operational assets and to ensure that contingency plans are in place for the security of assets and continuity of service in the event of a disaster or major systems failure.

The CC must ensure that the title to all Police land and buildings is properly recorded at the Land Registry where such interest is capable of registration.

Assets no longer required [and vehicles beyond economic repair](#) are to be disposed of at best value or if of no further economic value, to be written off in line with authorities and limits set out in Asset Disposal section 3.8.2.

The CC's Executive Director of Commercial & Finance Services may approve the temporarily letting of surplus police houses.

All assets are depreciated except land, assets in the course of construction, assets held for sale & investment property assets.

Land and buildings are to be recorded in the accounts at current value (in accordance with IFRS 13 *Fair Value Measurement*). All other non-property assets that have short useful lives and/or low values are valued using the depreciated historical cost basis as a proxy for current value.

3.8.1 VALUATION

The CC's Executive Director of Commercial & Finance Services must maintain

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an asset register for all fixed items with a value in excess of the limits shown below, in a form approved by the PCC's CFO. Assets are to be recorded when they are acquired by Surrey or Sussex Police. Assets shall remain on the register until disposal. Assets are to be valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and the requirements specified by the PCC's CFO.

Land & Buildings	£100,000
Vehicles	All vehicles
ICT hardware	£25,000
Plant & Equipment	£25,000

Revaluations

Land & building assets in the Balance Sheet at Fair Value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their Fair Value at the year end. Land & buildings are assessed for value by external experts on a rolling three year basis.

Assets under construction (AUC)

AUCs are valued at historic cost and are not depreciated until they are fully completed and transferred to the appropriate fixed asset category.

AUCs are controlled by the Corporate Finance Manager (Sussex/Surrey) who will conduct a full annual review.

Assets held for sale (surplus assets)

Under IFRS assets classified as held for sale are not depreciated and are valued at the lower of the carrying value or fair value (market value) less cost to sell.

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Depreciation

All assets that are subject to depreciation are depreciated on a straight-line basis commencing in the month after capitalisation. Although depreciation is calculated on the estimated life of the specific individual asset concerned, the approximate average depreciation periods are as follows:

Buildings	25-60 years (as assessed by the valuer)
Equipment	5 years (or as assessed by the business)
Vehicles	3-5 years (depending on vehicle type as assessed by the Transport Manager)
Intangibles	3 years (or as assessed by the business)

3.8.2 ASSET DISPOSAL

Surrey

The CC's Executive Director of Commercial & Finance Services may dispose of all properties with an estimated value of up to £500,000 where:

- disposal of the property is included within the approved estates strategy or otherwise approved by the PCC;
- the property is being disposed of to the highest bidder and the price equals or exceeds the agreed estimate;

The PCC's CFO must be kept informed of all property disposals of up to £500,000 and the Police and Crime Commissioner must be notified of completed disposals in writing.

The disposal of properties with an estimated value above £500,000 may be led by the CC's Executive Director of Commercial & Finance Services in consultation with PCC's CFO but agreement sought from the PCC prior to any exchange of contracts with proposed purchaser.

Sussex

The Police and Crime Commissioners Estates Board will approve the disposal of any property in accordance with the Asset Purchase and Disposal policy.

Surrey and Sussex

The CC's Executive Director may approve the disposal of Force goods, or vehicles beyond economic repair, with an estimated book value under £20,000 that are deemed surplus to requirements or obsolete (*per item*).

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The PCC's CFO may approve the disposal of any other goods over £20,000.

3.8.3 ASSETS UNDER CONSTRUCTION

The CC's Executive Director of Commercial & Finance Services may agree the write off of any capital schemes or project costs that are work in progress up to the value of £20,000.

The PCC's CFO may approve the write off of capital schemes or project costs that are work in progress over £20,000.

Amounts written off in excess of £20,000 will be reported to the PCC in Sussex with consideration as a key decision and if necessary will be supported by any action. For amounts written off of £20,000 or more in Surrey, the report would be to the Joint Audit Committee.

3.8.4 STOCKS AND STORES

Budget holders and managers should make arrangements for the care and custody of stocks and stores and ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. Any discrepancies should be investigated and pursued to a satisfactory conclusion.

Budget holders may authorise the disposal or write-off of redundant stocks and equipment in accordance with agreed procedures and in consultation with the Corporate Finance Manager (Surrey or Sussex as appropriate) up to £10,000 per financial year.

The CC's Executive Director of Commercial & Finance Services may approve the write off of equipment, stock or amendment to stock records by values up to £20,000 and with the Head of Transport delegated to authorise up to £10,000 for redundant vehicles (*per force per financial year*).

The PCC's CFO may approve the write off of equipment, stock or amendment to stock records by values over £20,000.

Amounts written off in excess of £20,000 will be reported to the PCC with consideration as a key decision and/or any further necessary action.

3.8.5 INVENTORIES

The CC's Executive Director of Commercial & Finance Services should ensure that appropriate systems are in place for the security and recording of portable

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and desirable equipment to help minimise risk and loss to the organisation.

Examples of portable and desirable equipment include:

- Audio/Visual – TV's, Tape Recorders, DVD/Blu-Ray Players, Projection Equipment, Body Worn Video, Infrared Viewers, Range Finders
- Photographic – Cameras, Video Cameras
- Optical Devices – Binoculars, Telescopes
- Weapons - Captor Spray, Firearms/Tasers
- IT/Communications Equipment – Desktop computers, Laptops, Notebooks, Tablet PC's, Printers, Servers, Mobile Phones, Tablets and Airwave Handsets.

3.8.6 INTELLECTUAL PROPERTY

Any intellectual property created by an officer or member of staff of the PCC or the CC during the course of their employment is deemed to belong to the Corporations sole of the PCC or CC and not the officer or member of staff. Examples of intellectual property are the creation of specific pieces of computer software, spreadsheet templates, particular inventions or written solutions to managerial or operational problems.

In the event that the PCC or CC decides to commercially exploit intellectual property, matters should only proceed after taking appropriate legal advice to ensure that the PCC or CC's rights in the intellectual property are properly protected by patents for example.

The PCC's CFO & the CC's Executive Director of Commercial & Finance Services must ensure that the accounting arrangements to be adopted relating to Intellectual Property Rights are satisfactory and appropriate. The PCC's CE must be consulted as to the overall governance arrangements and legal issues when Intellectual Property Rights are a component of proposed agreements with external bodies.

3.9 TREASURY MANAGEMENT

The PCC will ensure that the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (The Code) are adopted.

The PCC will approve the Annual Treasury Management Policy, which will state the policies and objectives and approach to risk management of its treasury management activities.

The PCC will create and maintain, as the cornerstones for effective treasury management:

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A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; Suitable Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

An annual Investment Strategy setting out the approach to investment and borrowing

The approved policies and practices will be submitted to the Joint Audit Committee for review on an annual basis. The Committee will be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

The PCC's CFO will implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance.

The PCC's CFO will prepare treasury management reports for the PCC on policies, practices and activities, including as a minimum, an annual strategy, a mid-year monitoring report and an annual report.

The PCC's CFO will ensure that all borrowings and investments are made in compliance with the CIPFA code and in the name of the PCC.

3.10 CASH AND BANKING

The PCC's CFO has overall responsibility for banking arrangements and is the only individual with authority to open and close bank accounts.

The PCC's CFO must produce in consultation with the CC's CFO a policy on the maintenance of bank accounts, which as a minimum will include the following requirements:-

- all bank accounts to be reconciled on a monthly basis;
- receipts to be issued for all cash seized or obtained by other means;
- all cash held prior to banking to be retained in a secure safe;
- all cash to be banked within 7 working days of the receipt, unless retained for evidence or sent for destruction;
- all bank mandates to be reviewed and updated annually;
- clear instructions to be maintained and issued to all personnel who handle cash.

The CCs Executive Director of Commercial & Finance Services will prepare detailed financial instructions for dealing with petty cash and these shall be issued to the appropriate officers and staff.

The petty cash system provides appropriate officers and staff with the cash, bank

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imprest accounts or pre-paid cash cards to meet minor expenditure. The CCs' Executive Director will determine reasonable petty cash limits and ensure that a record is maintained of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.

3.11 MONEY LAUNDERING

To be alert to the possibility that forces might become the subject of an attempted money laundering transaction, suspicious cash deposits in any currency in excess of £10,000 (or equivalent) should be reported to the Serious Organised Crime Agency (SOCA).

The PCC's CFO is the nominated Money Laundering Reporting Officer and will decide whether a particular transaction gives rise to a suspicion or concern that should be reported to SOCA.

The PCC's CFO & the CC's Executive Director of Commercial & Finance Services have a responsibility to ensure that within their respective corporations they undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide.

There is a duty on all officers and staff of the PCC and CC to inform the PCC's CFO if they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime.

3.12 ADMINISTRATION OF EVIDENTIAL & NON-EVIDENTIAL PROPERTY

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

The CC will determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his guardianship or supervision and ensure that these procedures are drawn to the attention of all appropriate officers and members of staff.

There is a duty on all officers and staff to notify the CC in the case of loss or diminution in the value of such private property.

3.13 TRUST FUNDS

Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with

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the requirements of the Trust Deed and the law and comply fully with them.

No employee shall open a trust fund without the specific approval of the Chief Constable and PCC's CFO in consultation with the PCC.

4. FINANCIAL SYSTEMS AND PROCEDURES

4.1 INTRODUCTION

The PCC's CFO & the CC's Executive Director of Commercial & Finance Services have a statutory responsibility to ensure that the financial systems used by both the PCC and CC are sound, are populated with accurate data, are well administered and contain controls that ensure that transactions are properly processed and errors detected promptly.

The CC through his/her CFO is responsible for operating accounting systems, which must be kept in a form approved by the PCC's CFO in order to allow the PCC's CFO to meet his/her statutory obligation to compile the PCC Group Accounts.

The CC's Executive Director of Commercial & Finance Services is responsible for ensuring that a complete audit trail is maintained that allows for all financial transactions to be traced from the accounting records to the original document and vice versa.

The CC must ensure officers and staff using any financial system or procedure receive relevant and appropriate financial training that has been approved by the CC's Executive Director.

The PCC must ensure that all PCC staff receive relevant financial training that has been approved by the PCC's CFO.

The CC's Executive Director must ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place to deal with any failure in the computer systems.

4.2 INCOME

The PCC and CC should adopt the National Police Chiefs Council (NPCC) national charging policies and national guidance when applying charges under Section 25 of the Police Act 1996 and bear in mind that the purpose of charging for special services is that those using them should normally pay for them.

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The CC's Executive Director of Commercial & Finance Services should agree a charging policy for the supply of goods and services, including the appropriate charging of VAT and to review it in line with force operational policies. All charges should be on a full cost recovery basis except where regulations require otherwise or an alternative basis is agreed by the CC, Executive Director of Commercial & Finance Services or PCC's CFO, and income fully recovered and banked promptly.

The approval of charging for policing services is set out in section 5.3 – Work for External Bodies. The policy and process for the management and use of income from Police Property Act Fund (PPAF) and Proceeds of Crime Act (POCA) will be agreed by Police and Crime Commissioner on an annual basis.

The writing off of bad debt can be authorised by either the PCC's CFO or the CC's Executive Director of Commercial & Finance Services in respect of their own corporations up to a value of £10,000 for individual bad debt cases and £25,000 cumulatively in any one financial year. The write off of bad debts greater than these limits requires the approval of both CC's Executive Director of Commercial & Finance Services and PCC's CFO up to a maximum of a cumulative value of £50,000 in any one financial year.

~~In Surrey, the Joint Audit Committee should be presented with an annual schedule of all debts written off and will consider, where appropriate, the writing off of debts in excess of the CFOs delegated authority.~~

~~In Sussex, the PCC will approve where appropriate the writing off of debts in excess of the CFOs delegated authority. This is due to a variation in the terms of reference of the respective Audit Committees in Surrey and Sussex.~~

4.3 PAYMENTS TO EMPLOYEES

The CC, through the CC's Executive Director of Commercial & Finance Services, is responsible for all payments of salaries and wages to all employees, including payments for overtime and allowances and police pensions.

The PCC's CE is responsible for ensuring that all officers and staff working for the PCC are correctly paid all allowances, salaries and wages to which they are entitled.

Payroll transactions shall only be processed through the payroll system and payments to individuals employed on a self-employed consultant or subcontract basis, shall only be made in accordance with HM Revenue & Custom's (HMRC) requirements. If in doubt about the status of an individual to whom payments are to be made advice should be sought from HMRC.

4.4 TAXATION

The CCs' Executive Director of Commercial & Finance Services and the PCCs'

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CFOs have a responsibility to advise the PCC and the CC respectively on all taxation issues.

The CC through the CC's Executive Director of Commercial & Finance Services is responsible for maintaining the tax records and for directing that all tax payments that fall due are processed, all tax credits are received and tax returns submitted by their due date.

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4.5 ORDERING & PAYING FOR WORK, GOODS AND SERVICES

All orders for the supply of Work, Goods and Services must comply with Contract Standing Orders including the Government Procurement Card (GPC).

The Head of the Joint Procurement Service will issue guidance and instructions to staff on the procurement process.

All technology related purchases need to be directed through the IT department.

4.6 PURCHASE CARDS AND EXPENSES

Purchase cards, are usually issued to staff who regularly order goods and services, with the aim of reducing the transaction costs associated with processing high volume low value transactions. Additionally, purchase cards are issued to senior staff and police officers (equivalent to Chief Superintendent and above) to allow them to pay for personal expenses necessarily and exclusively incurred while carrying out official police business. Under no circumstances should a Purchase Card be used to pay for any personal expenses that are not incurred as a direct result of carrying out official police business.

Holders of purchasing cards will be responsible for ordering and paying for goods and services in accordance with Contract Standing Orders and procedures laid down by the CC's Executive Director of Commercial & Finance Services.

4.7 COMPENSATION AND EX GRATIA PAYMENTS

The CC or CC's Executive Director of Commercial & Finance Services may approve the financial settlement of claims or requests for compensation felt to be non-significant if the compensation to be paid is £100,000 or less except in the case of accident claims where the threshold will be £250,000 or less (to include multiple or linked claims/claimants and including legal costs) and there is budget available. Claims will be considered non-significant if:-

- they do not involve a high profile claimant including Association of Chief Police Officer rank police officers;
- there is no particular public interest in the case;
- there is no real risk that the Police and Crime Commissioner or the Chief Constable will be exposed to serious public criticism, or serious

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weaknesses in the organisation's policies and procedures will be revealed;

- it is not in the nature of a test case.

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An ex gratia payment is a payment made in circumstances where there is no legal obligation to make such a payment. An example of an ex gratia payment would be where a police officer were recompensed for damage done to personal property in the execution of his/her duty or to a member of the public for providing assistance to a police officer in the execution of his/her duty.

The CC or CC's Executive Director of Commercial & Finance Services may authorise ex-gratia payments up to the value of £10,000. Any claims beyond £10,000 should only be made by the PCC, having taken appropriate legal advice.

The CC may approve the settlement of employment tribunal cases and grievances of staff and other employee related compensation payments for staff under the direction and control of the Chief Constable with the exception of those cases felt to be exceptional because:-

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

All employee related payments over £50,000 may only be approved in line with current legislation and after consultation and agreement by the CC's Executive Director of Commercial & Finance Services and CC or PCC.

4.8 GIFTS, LOANS & SPONSORSHIP

The PCC's CFO & the CC's Executive Director of Commercial & Finance Services are responsible for ensuring that all gifts of money, gifts or loans of other property, including sponsorship, which are received by the PCC or the CC or their officers or staff, are properly recorded in accordance with the relevant policy. As a general rule officers and staff may only accept gifts of low intrinsic value.

The PCC or the CC may accept gifts, loans and sponsorship from any source which has genuine and well-intentioned reasons for wishing to support specific police projects. In return the provider may expect some publicity or other acknowledgement, such as displaying an organisation name or logo. This is acceptable provided that it does not dominate or detract from the purpose of the supported project.

The CC must refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.

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Gifts and loans and sponsorship should not be accepted where there is a risk of offending the integrity or propriety of the police.

Priority shall be given to meeting the needs of the PCC or CCs rather than those of any sponsor and care should be taken to avoid association with inappropriate sponsors, giving the impression that sponsors have accrued a commercial advantage, entering into projects of dubious or limited benefit and allowing unacceptable conditions to be attached to sponsorships.

The total value of gifts, loans and sponsorship accepted should not exceed a maximum equivalent value of 1% of the Force annual Net Budget Requirement.

Both the CC's Executive Director of Commercial & Finance Services and the PCC's CFOs must ensure that registers for the Office of the PCC and the Force are maintained which respectively record, all gifts of money, gifts or loans of other property, including sponsorship.

4.9 HOSPITALITY

No expenditure on alcohol is permitted in external hospitality situations. All hospitality received should be reasonable in nature and clearly related to work activity. The Head of Professional Standards will issue advice and guidance on the acceptance of hospitality.

5. EXTERNAL ARRANGEMENTS

5.1 JOINT WORKING ARRANGEMENTS

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

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

- before entering into the agreement, a risk assessment must be prepared
- such agreements must not impact adversely upon the services provided by the PCC or CC.
- project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise
- all arrangements are properly documented
- regular communication is held with other partners throughout the project in order to achieve the most successful outcome
- audit and control requirements are satisfied

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- accounting and taxation requirements, particularly VAT, are understood fully and complied with
- an appropriate exit strategy has been produced

5.1.1 PARTNERSHIPS

The PCC and the CC provide distinctive leadership roles within the community to make Surrey and Sussex safer through effective and efficient delivery of the right police services for the county. This role can be enhanced through working in successful partnership with other organisations.

Partnerships typically fall into three main categories: Statutory (e.g. Community Safety Partnerships, Local Strategic Partnerships), Strategic (partnerships set up to deliver core policing objectives), and Ad-hoc (locally based informal arrangements agreed by local senior police officers).

Under Section 10 of the Police Reform and Social Responsibility Act 2011, the PCC is given the responsibility for co-operative working. This allows, within the constraints of the relevant funding streams, the PCC to pool funding as they and their local partners deem appropriate. The PCC can commission services or award grants to organisations or bodies that they consider will support their community safety priorities in accordance with their Police and Crime Plan. They may do this individually or collectively with other local partners including non-policing bodies. The PCC must have regard to the relevant priorities of each responsible authority and take account of these when setting the Police & Crime Plan.

When the PCC commissions services, agreement is required on the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. Ring-fenced provision of crime and disorder grants is allowed in support of local priorities. The inclusion of detailed grant conditions directing local authorities how to spend funding need not be the default option. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.

The PCC has a responsibility to make appropriate arrangements to commission services from either the Force or external providers, following consultation with the CC. The PCC's CFO should be consulted as soon as possible so that advice can be given regarding appropriate accounting arrangements and correct taxation treatment.

It is important to ensure that risk management and project appraisals are in place to assess the viability – both on initiation and on an on-going basis – of all external arrangements and an exit strategy is prepared.

A Memorandum of Understanding (MOU) setting out appropriate governance for partnership projects should be drawn up and signed by the PCC's CE or relevant CC Chief Officer.

The CC's Executive Director of Commercial & Finance Services, or PCC Chief Executive may approve partnership agreements for their respective corporation

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soles with a financial contribution of up to £500,000 (in cash or equivalent resourcing costs in kind) over the term of the agreement. Partnership agreements over £500,000 must be approved by the PCC.

The PCC's CFO must report to the PCC if financial expenditure exceeds the budget given to achieve the objectives set out in the Police & Crime Plan where services are commissioned within community initiatives,

5.1.2 CONSORTIUM ARRANGEMENTS

A consortium is a long-term joint working arrangement with other bodies, operating with a formal legal structure approved by the PCC. Before such an arrangement is entered into, the PCC's CE will establish that the correct legal framework is being used to formalise the arrangement.

The PCC's CFO should be consulted as soon as possible so that advice can be given regarding the treatment of taxation and other accounting arrangements.

A fully costed business case must be produced showing the full economic benefits and associated risks that are foreseen as arising from participation in the consortium.

An MOU setting out appropriate governance for each proposed project should be drawn up and signed by the PCC's CE.

5.1.3 COLLABORATION

Under sections 22A to 22C of the Police Act 1996 as amended by section 89 of the Police Reform and Social Responsibility Act 2011, CCs and PCCs have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more police forces or PCC's Offices. Any collaboration which relates to the functions of a police force must first be agreed with the CC of the force concerned.

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The PCC shall hold the CC to account for any collaboration in which the Force is involved.

Any proposal for collaboration must be discussed with both the PCC's CFO and the CC's Executive Director of Commercial & Finance Services.

5.2 FUNDS FROM EXTERNAL AGENCIES

Funds from external agencies can and do provide additional resources to enable the CC to deliver his/her policing objectives. The main source of such funds will be specific government grants, additional contributions from local authorities (e.g. for ANPR, CCTV and additional PCSOs) and donations from third parties (e.g. towards capital expenditure).

It is the responsibility of the PCC's CFO & the CC's Executive Director of Commercial & Finance Services 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.

The CC must ensure that any conditions placed on the PCC or CC in relation to external funding are in accordance with the approved policies of the PCC. If there is a conflict this needs to be taken to the PCC for resolution.

5.3 WORK FOR EXTERNAL BODIES

If the PCC or CC provides services to other bodies outside of its normal obligations, charges should be made e.g. training, special services etc. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires and that normal work is not compromised by providing services externally.

The CC's Executive Director of Commercial & Finance Services should ensure that proposals for the provision of such services are properly costed, that no contract is subsidised by the Force and that, where possible, payment is received in advance of the delivery of the service, so that there is no risk from any liabilities such as bad debts.

The CC's Executive Director must ensure that appropriate insurance arrangements are in place and that all contracts are properly documented.

The CC's Executive Director may approve all agreements for provision of police services to other organisations with a value below £500,000. (This does not apply to the provision on mutual aid by the Chief Constable to another force)

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under Section 24 of the Police Act 1996, or the provision of advice or assistance to international organisations under the Police Act 1996, which are operational matters. However these are subject to consultation with the Police and Crime Commissioner).

The submission of tenders for the supply of goods and/or services should be approved in line with Contract Standing Orders.

APPENDICES

A. PROTOCOL BETWEEN THE CC & THE PCC'S CFO FOR FUNDING SPECIAL UNBUDGETED OPERATIONS

Introduction

From time to time certain unique operational commitments may create a financial commitment that is over and above the budget resources available. Examples of such events have included the policing of fracking protests and more recently the operational response to the Coronavirus pandemic.

SUSSEX – The Reserves Policy set out in the MTFS has set aside 1% of the General reserve to be available to the Chief Constable for operational priorities without the need for additional approval, subject to these financial regulations.

Steps

Notwithstanding the normal arrangements for the creation of Gold Commands and the involvement of the PCC's Office, where the CC believes that necessary expenditure for an operational commitment will exceed the budget at the Force's disposal and therefore create a budget overspend, he/she will arrange a written briefing for the PCC's CFO.

Subject to vetting clearance, this briefing may of necessity be limited to the financial consequences of the commitments being entered into. In deciding whether to arrange a briefing, the CC will make no assumption about the availability of special grant, from any source, or the availability of general reserves to support the operation.

In the light of the level of resources committed to the operation and the likely duration of the operation, the CC's Executive Director of Commercial & Finance Services will agree with the CC, in consultation with the PCC, how the financial commitment will be managed.

The CC will be responsible for ensuring that the operation is managed efficiently (including ensuring that the use of mutual aid and overtime will only be when such use is necessary and appropriate) and will brief the PCC's CFO and the PCC on these issues, including providing a risk assessment including the likely impact on the level of general reserves.

The CC will respond to any request made by the PCC's CFO and/or the PCC for information and will arrange for briefings to take place as necessary. The PCC's CFO will ensure that the requirements of the Local Government Finance Act 1988 are complied with and if this is not the case will, following consultation with the PCC's CE and the External Auditor, seek independent legal advice on the necessity to take action under the Act.

The CC will ensure that the costs of the operation are separately identified and that the CC's Executive Director of Commercial & Finance Services highlights them when he/she submits the monthly revenue and capital monitoring reports to the PCC.

The PCC's CFO will ensure that Home Office officials are made aware of the

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situation at the earliest opportunity should it become likely that a financial claim for support will be made to the Home Office. In this case the PCC's CFO will in consultation with the CC's Executive Director to arrange for a special grant claim to be formulated and submitted to the Home Office, at the earliest opportunity.

The PCC's CFO will, as appropriate, brief the Joint Audit Committee and External Auditor on the situation and of the steps being taken to ensure that the financial standing of the PCC and Surrey/Sussex Police Force is maintained.

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B. LIST OF KEY POLICIES AND FINANCIAL INSTRUCTIONS

- Contract Standing Orders
- Procurement Procedures
- Reserves Policy
- Budget Preparation
- Budget Monitoring
- Budget Management
- Capital Investment Approval
- Capital Accounting
- Asset Inventory
- Asset Purchase and Disposal
- Accounting policies
- Treasury Management
- Banking and Imprest
- Grants claims and monitoring
- Income Generation and Charging
- Donations and Sponsorship from Members of the Public, Companies and other Bodies
- Invoicing and Debt Recovery
- Joint Working Relationship
- Anti-Fraud and Corruption Policy (Sussex and Surrey) – including Confidential Reporting

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C. SCHEDULE OF DELEGATED LIMITS

		Limits	Responsibility	Ref
Virements		Up to £500,000	CC's CFO	2.3.6
		Over £500,000	PCC	
Property Acquisitions	Acquire Freeholds	Up to £500,000	CC's CFO	2.4
	Acquire Leaseholds	Contract rental value up to £500,000 over lifetime	CC's CFO in Surrey and PCC Estates Board in Sussex	
	Grant Lease	Contract rental value up to £500,000 over lifetime	CC's CFO in Surrey and PCC Estates Board in Sussex	
Asset Register Records	Land & Buildings	Over £100,000	CC's CFO	3.8.1
	Vehicles	All Vehicles	CC's CFO	
	ICT hardware	Over £25,000	CC's CFO	
	Plant & Equipment	Over £25,000	CC's CFO	
Asset Disposal	Property	Up to £500,000	CC's CFO in Surrey and PCC Estates Board in Sussex	3.8.2
	Other	Up to £20,000	CC's CFO	
	Other	Over £20,000	PCC's CFO	
Assets Under Construction (work in progress)	AUC w/off	Up to £20,000	CC's CFO	3.8.3
	AUC w/off	Over £20,000	PCC's CFO	
Money Laundering	Suspicious cash deposits	Over £10,000	PCC's CFO to report to SOCA	3.11
Gifts, Loans and Sponsorships		Up to £50,000	CC	4.8
		Over £50,000	PCC	

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		Limits	Responsibility	Ref
Write off bad debt		Up to £10,000 (individual cases) or up to £25,000 (cumulative)	PCC's CFO or CC's CFO	4.2
		Over £10,000 (individual cases) or up to £50,000 (cumulative)	Both CFO's	
		Above CFOs delegated Authority	PCC	
Write off of stocks and stores		Up to £10,000	Local procedures	3.8.4
		Up to £20,000	CC's CFO	
		Over £20,000	PCC's CFO	
Business Cases for revenue and capital expenditure		Up to £500,000	CC's CFO	2.3.5
		Over £500,000	PCC	2.3.8
Compensation Claims	General Accident	Up to £100,000 (non-Significant)	CC or CC's CFO	4.7
		Up to £250,000 (accident claims)	CC or CC's CFO	
Employee Related Compensation Payments		No limit except that over £50,000 in consultation with relevant legislation & CFO, PCC or CC and exceptional items to PCC)	CC or CC's CFO (CC Employees) PCC or PCC's CFO (PCC Employees)	4.7
Ex-Gratia		Up to £10,000	CC or CC's CFO	4.7
		Over £10,000	PCC (seek legal advice)	
Partnership Agreements		Up to £500,000	CC's CFO or PCC Chief Executive	5.1.1
		Over £500,000	PCC	
Provision of police services to other organisations		Up to £500,000	CC's CFO	5.3
		Over £500,000	PCC	

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D. POLICE OFFICER & POLICE STAFF CERTIFICATE OF COMPLIANCE

THE FOLLOWING ARE THE SENIOR POLICE OFFICERS & POLICE STAFF WITHIN THE OFFICE OF THE POLICE & CRIME PCC FOR SURREY, THE OFFICE OF THE POLICE & CRIME PCC FOR SUSSEX OR WITHIN SURREY OR SUSSEX POLICE FORCES WITH PRIMARY RESPONSIBILITY FOR ENSURING THAT THE FINANCIAL REGULATIONS ARE PROPERLY UNDERSTOOD AND OBSERVED

Key Post Holders	
OPCC	Force
Police and Crime Commissioners	Chief Constables
PCC Chief Executives	Deputy Chief Constables
PCC Chief Finance Officers	Assistant Chief Constables
	Chief Superintendents
	Head of Departments
	Chief Constable's Executive Director of Commercial & Finance Services
	Assistant Chief Officer
	Chief Information Officer
	Director of People Services

Each individual key post holder listed above is required, upon receipt of the Financial Regulations, to return within one month, a signed dated statement as follows.

I confirm that I have received a copy of the PCC's Financial Regulations and have read and familiarised myself with the contents. I will ensure that, within the area for which I have financial responsibility, the regulations will be complied with. I confirm that all members of my staff have been made aware of those regulations which impact on the activities that they carry out in pursuance of their employment with Surrey or Sussex Police, the Office of the Surrey PCC or the Office of the Sussex PCC.

Signed: _____ Date: _____

Print Name: _____ Post: _____

Return to: Add names for return