GOVERNANCE FRAMEWORK

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STATEMENT OF GOVERNANCE FOR THE POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE FOR NORTHUMBRIA POLICE

Introduction

The purpose of this statement is primarily to provide an integrated scheme of governance in order to give clarity to the way the two corporations' sole, Police and Crime Commissioner and Chief Constable of Northumbria Police, will govern both jointly and separately.

Context

The principal statutory legal framework within which the corporations' sole will operate is:

- Police Reform and Social Responsibility Act 2011.
- Policing Protocol Order 2011.
- Financial Management Code of Practice.
- Strategic Policing Requirement.
- Victims Legislation.

Operating within this framework, the PCC and the Chief Constable intend to build upon existing good governance principles and experience.

In accordance with the CIPFA / SOLACE framework on corporate governance, the PCC and Chief Constable are required to produce separate annual governance statements to show how their respective organisations have complied with this joint code of corporate governance.

Principles

The core principles to be adopted by both corporations sole will be those highlighted by the good governance standard for public services[1]:

- Focus on outcomes for local people.
- Clarity of roles and functions.
- Promotion of values and demonstrating these through behaviour.
- Informed transparent decisions and managing risk.
- Developing capacity and capability.
- Engaging with local people to ensure robust accountability.

[1] Based on the Nolan Principle

Framework / Instruments of governance

The corporate governance framework within which the PCC and Chief Constable will govern, both jointly and separately will consist of:

- Statement of corporate governance – statutory framework and local policy.
- Scheme of corporate governance – defines the parameters within which the corporations sole will conduct their business.
- Separate policy and procedures for each corporation sole, with protocols and other governance documents where they operate jointly.

Definitions within this Scheme of Governance

- The Police and Crime Commissioner shall be referred to as the PCC.
- The PCC's Chief Finance Officer shall be referred to as the PCC CFO.
- The Chief Constable's Chief Finance Officer shall be referred to as the CC CFO.
- The 'Force' shall refer to the Chief Constable, police officers, police civilian staff, police community support officers (PCSO), special constabulary, volunteers, and other members of the wider police family under the Chief Constable's direction and control.
- Unless the context otherwise requires, a reference to one sex shall include a reference to the other sexes.

SCHEME OF CORPORATE GOVERNANCE

1. Introduction

1.1 The Statement of Governance gives clarity to the way the two corporations sole (i.e., PCC and Chief Constable) will govern both jointly and separately to ensure they are conducting business in a lawful and efficient manner.

1.2 This Scheme of Corporate Governance sets out the delegations from the PCC and the Chief Constable to their respective staff. In addition, it incorporates other instruments such as the financial regulations and standing orders relating to contracts.

1.3 This Scheme aims to clarify those powers which, for the benefit of good business practice, are given to the statutory officers. The PCC and Chief Constable may limit these powers and/or remove delegation.

1.4 This Scheme provides a framework which ensures business is carried out lawfully and efficiently, ensuring that decisions are not unnecessarily delayed and are taken at the appropriate level. It forms part of the overall corporate governance framework of the two corporations sole.

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

1.6 Any powers or duties placed on other statutory officers should be exercised lawfully in accordance with the PCC's and Chief Constable's respective delegations, standing orders and financial regulations, and relevant policies, procedures, plans, strategies and budgets

1.7 This Scheme does not identify all the statutory duties which are contained in specific laws and regulations however it provides the framework in which the various duties and powers are exercised.

2. General principles of delegation

2.1 The persons appointed as the PCC's Chief of Staff & Monitoring Officer (who will also be the Monitoring Officer) and the Chief Finance Officer[2] have some statutory powers and duties relating to their positions and therefore, do not rely on matters being delegated to them to carry out these specific powers and duties.

2.2 This scheme provides an officer with the legal authority to carry out appropriate duties of the PCC and/or Chief Constable. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including:

[2] appointed under Schedule 1, paragraph 6(1)(b) of the PRSR Act 2011

- The Police and Social Responsibility Act 2011 and other relevant legislation issued under this Act (e.g., policing Protocol Order).
- Financial Regulations.
- Contract Regulations.
- Home Office Financial Management Code of Practice.
- Procurement Act 2023
- CIPFA Statement on the role of the Chief Financial Officer of the PCC and the Head of Finance/Chief Finance Officer of the Chief Constable.
- The PCC and Chief Constable's joint governance framework.
- The PCC's and Northumbria Police policies and procedures.
- The Data Protection Act 1998 and the Freedom of Information Act 2000.
- Health and safety at work legislation and codes.

2.3 This Scheme is a record of the formal delegations that are in effect at the time of its publication. The PCC and Chief Constable's joint governance framework, including this Scheme will be reviewed at least annually. With the exception, of those matters listed in paragraph 4.6, any person to whom a power is delegated under this scheme may sub-delegate that power as they deem appropriate. The formal responsibility and accountability to the PCC or Chief Constable for the effective discharge of such sub-delegated powers legally remains with the person to whom the power was delegated by the PCC or Chief Constable.

2.4 The PCC and/or Chief Constable may ask that a specific matter be referred to them for a decision and not be dealt with under powers of delegation.

2.5 The scheme does not attempt to list all matters which form part of everyday management responsibilities. A wide range of such matters is set out within a SLA for the provision of support services from the Chief Constable to the PCC.

2.6 Giving delegation to officers under this scheme does not prevent an officer from referring the matter to the PCC and/or Chief Constable for a decision if the officer thinks this is appropriate (for example, because of sensitive community and stakeholder issues or any matter which may have a significant operational or financial implications).

2.7 The PCC and Chief Constable may set out their reporting arrangements on actions undertaken by their own staff in respect of the use of powers delegated to them.

3. Financial Regulations, including Contract Regulations

3.1 Financial regulations explain the working financial relationship between the PCC, the Chief Constable, and their respective chief finance officers, having regard also to the role played by the Chief of Staff & Monitoring Officer.

3.2 Financial Regulations ensure that financial dealings are conducted properly and in a way which incorporates recognised best practice and focuses on bringing operational and financial management together with timely and accurate financial information. They also include sufficient safeguards for both chief finance officers who are responsible for ensuring that the financial affairs of the PCC and police force are properly administered to discharge their statutory obligations.

3.3 Embedded within Financial Regulations are the Contract Regulations which is a single set of standing orders relating to contracts. These regulations explain the procedures to be followed for procurement, tenders, and contracts, including tender thresholds and authorisation levels.

4. Role of the PCC

4.1 The role and primary responsibilities of the PCC includes:

- Holding the Chief Constable to account for the performance of the Force, including that of police officers and civilian staff under their direction and control.
- Appointing the Chief Constable (and dismissing them when necessary).
- Setting out the Force's budget.
- Providing a link between the police and the community, which involves obtaining and representing the views of local people, councils, and other criminal justice organisations.
- Working with partner agencies.
- Provision of an efficient and effective Criminal Justice System.
- Setting out the local strategic policing and crime priorities and objectives through the publication of a Police and Crime Plan.
- Setting the policing and crime precept.
- Overseeing community safety, the reduction of crime and value for money in policing. Commissioning victims' and witness services, including restorative justice Preparing and publishing an annual report on progress in the delivery of the Police and Crime Plan.

4.2 The PCC owns all land and buildings and will sign contracts in accordance with the requirements of financial regulations.

4.3 The PCC will approve the annual treasury management strategy and the borrowing limits.

4.4 The PCC will receive government grants and the council tax precept. Other sources of income received by the Force will be paid into the police fund.

4.5 When exercising duties and functions, the PCC must have regard to the following:

- The views of the people in the Northumbria Police area, including victims of crime.
- Any report or recommendation made by the Police and Crime Panel in respect of the Police and Crime Plan, the proposed annual precept, and the annual report for the previous financial year.

- The Police and Crime Plan and any guidance issued by the Secretary of State, including specifically the Strategic Policing Requirement.

(Note: this list is a summary and is not exhaustive).

4.6 The PCC may appoint a Deputy PCC to exercise certain functions, with the exception of those which cannot be delegated as defined by the Police Reform and Social Responsibility Act 2011, as listed below:

- Issuing the Police and Crime Plan.
- Appointing or suspending the Chief Constable or calling upon the Chief Constable to retire or resign.
- Calculation of the budget requirement.

4.7 The PCC may arrange for any person other than those prohibited by statute (or Deputy PCC) exercise any of the functions, with the exception of those listed below:

- (a)issuing a police and crime plan;
- (b)determining police and crime objectives;
- (c)attendance at a meeting of a police and crime panel in compliance with a requirement by the panel to do so;
- (d)preparing an annual report to a policing and crime panel;
- (e)appointing the chief constable, suspending the chief constable, or calling upon the chief constable to retire or resign;
- (f)calculating a council tax requirement or a budget requirement;
- (g)appointing a local auditor under section 7 of the Local Audit and Accountability Act 2014;
- (h)deciding whether to enter into a liability limitation agreement under section 14 of that Act.

4.8 The Police and Crime Panel exercise checks and balance on the PCC through reviewing and/or scrutinising their decisions and actions, but not those of the Chief Constable.

4.9 The PCC will be responsible for handling complaints and conduct matters in relation to the Chief Constable, monitoring the Chief Constable's handling and investigation of complaints against police officers and civilian staff, and complying with the requirements of the Independent Police Complaints Commission.

5. Role of the PCC's Chief of Staff & Monitoring Officer

5.1 The PCC must appoint a person to be the head of the PCC's staff (referred to as the Commissioner's 'Chief of Staff & Monitoring Officer') to act as the head of the body's paid service under Section 4 of the Local Government and Housing Act 1989.

5.2 The Chief of Staff & Monitoring Officer is the head of the PCC's staff and is also the Monitoring Officer for the PCC.

5.3 The formal delegations from the PCC to the Chief of Staff & Monitoring Officer, which are in effect at the time of the publication of this scheme, are listed in Appendix 1.

6. Role of the PCC's Chief Finance Officer (PCC CFO)

6.1 The PCC must appoint a person to be responsible for the proper administration of the PCC's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.

6.2 As the chief finance officer to the PCC, the post-holder has a statutory responsibility to manage the PCC's financial affairs in accordance with sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).

6.3 The detailed financial management responsibilities of the PCC's CFO, which includes a number of delegated powers, are set out in the financial regulations.

6.4 The formal delegations from the PCC to the Chief Finance Officer, which are in effect at the time of the publication of this scheme, are listed in Appendix 1.

7. Role of the Chief Constable

7.1 The Chief Constable is responsible for maintaining the King's peace and for the direction and control of the Force.

7.2 The Chief Constable is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, and management of resources and expenditure by the police force.

7.3 The list of delegations from the Chief Constable to key Force Personnel is attached at Appendix 2.

7.4 The Chief Constable shall appoint suitably qualified and experienced heads of department.

7.5 The formal delegations from the CC to the Chief Finance Officer, which are in effect at the time of the publication of this scheme are listed in Appendix 1.

8. Role of the Chief Finance Officer (CC CFO)

8.1 The Chief Constable must appoint a person to be responsible for the proper administration of the Force's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.

8.2 As the chief finance officer appointed by the Chief Constable there is a statutory responsibility for the post-holder to manage the force's financial affairs, in accordance with sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).

8.3 The detailed financial management responsibilities of the CC CFO, which includes a number of delegated powers, are set out in the Financial Regulations.

9. Urgency Provisions

PCC

9.1 If any urgent matter which would normally be referred to the PCC (or Deputy PCC) for a decision arises and cannot be delayed, in the absence of the PCC or Deputy PCC the matter may be decided by the appropriate chief officer.

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

- The Chief of Staff & Monitoring Officer (all issues).
- The PCC's Chief Finance Officer (financial and related issues).

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

Police Force

9.4 If any matter which would normally be referred to the Chief Constable (or Deputy Chief Constable) for a decision arises and cannot be delayed, in the absence of the Chief Constable, or Deputy Chief Constable the matter may be decided by an appropriate member of the Chief Constable's Executive Team .

9.5 Urgent decisions taken must be reported to the Chief Constable as soon as practicably possible.

Appendix 1

DELEGATIONS FROM THE PCC

Delegations from the PCC to the Chief of Staff & Monitoring Officer

1. To sign contracts on behalf of the PCC and to affix the Common Seal of the Commissioner in accordance with the Financial and Contract Regulations.

2. To issue or serve any notice, licence, order, consent, or approval in respect of any matter delegated to an officer at the request of that officer.

3. To place orders for goods, services, and work within budgetary provision subject to compliance with Financial and Contract Regulations.

4. To grant licences and fees for radio installations / masts and aerials which conform to approved standards.

5. To let non-surplus empty properties be managed in-house and advertised on the open market, subject to retrospective reporting to the Commissioner.

6. To arrange for the service of notices to quit in order to obtain possession of land for a purpose already approved by the Commissioner.

7. To acquire and / or dispose of property at its open market value as certified by a qualified valuer, the capital value of which does not exceed £120,000 such transactions to be reported retrospectively to the Commissioner.

8. To make application to the Highway Authority for the grant of licences for apparatus over, in and under streets.

9. To be responsible for preparing for the Commissioner's approval and keeping under review the delegations in this part.

10. The Chief of Staff & Monitoring Officer has responsibility for ensuring that all decisions taken by the Commissioner are duly made and recorded in accordance with the requirements and in a form to be prescribed by the Chief of Staff & Monitoring Officer, and to maintain and publish appropriate records and minutes of such decisions.

11. To manage the OPCC staff.

12. To review approve business cases/schemes within the approved capital programme where the estimated costs is above the amounts stated in UK Procurement Regulations.

13. To oversee OPCC project performance and partnership schemes

14. To manage the OPCC budget.

General Delegation to the Chief of Staff & Monitoring Officer

1. Such matters as are referred for decision by the Chief of Staff & Monitoring Officer in the Financial and Contract Regulations.

Delegations from the PCC to the PCC Chief Finance Officer

1. To approve the arrangements for the Treasury Management function, including the day-to-day management, production of a Treasury Management Strategy and supporting policies and procedures approved by the Commissioner.

2. Seek assurances there are appropriate arrangements in place within the Force for proper financial management.

3. To undertake the day-to-day financial management of the Commissioner's budget.

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

5. In accordance with the Financial and Contract Regulations, advise the Commissioner of performance against the approved capital programme and revenue budget.

6. To manage the financial arrangements in relation to any grants awarded by the Commissioner or Deputy Commissioner.

7. To authorise payments, without having to obtain approval and regardless of whether or not provision has been made in the revenue budget in relation to:
    a. Payments required by law.
    b. Payments ordered by the court.
    c. Payments due under any agreement entered into by the Commissioner.

8. To make necessary arrangements for preparing the Commissioner's accounts and group accounts and seek assurances that there are appropriate arrangements in place for the preparation of Northumbria Police's accounts.

9. To make all the necessary banking arrangements on behalf of the Commissioner, including approving the opening of all bank accounts and signing cheques on behalf of the Commissioner.

10. To authorise virement in accordance with the Financial and Contract Regulations.

11. To effect all necessary insurance cover against risks in accordance with the policy of the Office of the Police and Crime Commissioner.

12. To arrange the funding of capital acquisition costs.

13. In relation to business cases for schemes within the capital programme:
    a. To approve business cases for all schemes within the approved capital programme.

b. To approve in consultation with the Chief of Staff & Monitoring Officer business cases/schemes within the approved capital programme where the estimated costs is above the amounts stated in UK Procurement Regulations.

14. To maintain an adequate and effective internal and external audit service.

15. To write off accounts in accordance with the Financial and Contract Regulations.

16. To act as 'Money Laundering Reporting Officer' under the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 for the Commissioner's Office and seek assurances that the Chief Constable has appropriate arrangements in place.

17. To arrange for disposal of goods that is surplus to requirements where the value is greater than £10,000.

18. To report to the Commissioner and the Joint Independent Audit Committee and the external auditor any unlawful or potentially unlawful spending by officers or those under the direction and control of the Chief Constable.

19. To provide information to the Joint Independent Audit Committee, as reasonably required, to enable it to undertake its functions.

20. To review on an annual basis the Financial and Contract Regulations.

21. To provide a strategic overview of the procurement function.

Appendix 2

DELEGATIONS FROM THE CHIEF CONSTABLE

It is recognised that, unless a power or function of the Chief Constable must, as a matter of law, be exercised personally; such functions or powers need not be exercised by the Chief Constable personally but may be exercised on their behalf by such officers and staff as the Chief Constable thinks fit.

The specific delegations set out in this Appendix are not, intended to be an exhaustive list of the functions and powers of the Chief Constable which may be exercised on their behalf by another person. However, where the delegation of a specific function or power is set out in this Appendix, it must only be exercised as provided for in this Appendix (unless specifically agreed otherwise by both Chief Constable and PCC) in accordance with any relevant force policy.

Delegations from the Chief Constable to the Assistant Chief Officer

1. To oversee all appeals made by police officers retired due to ill health, and to implement the subsequent awards made in line with the provisions of the Police and Pensions Regulations, subject to second stage transfer.

2. To manage the Local Government Pension Scheme (IDRP) process. To oversee the Force Local Government Pensions Scheme discretions policy in accordance with LGPS regulations.

3. To bring into effect national agreements on pay and conditions of service.

4. To approve bonus payments for taking on significant additional responsibilities, undertaking work of a particularly demanding or unpleasant nature save that in any such case there shall be a limit of £500.

5. To negotiate and reach agreements (in consultation with the PCC) with recognised trade unions and staff associations on any matter that can be decided locally.

6. To grant essential or casual car user allowances to police staff/police officers.[3]

7. Subject to any approval necessary from the Secretary of State[4] to approve non-exceptional cases of police advice and assistance to international agencies.[5]
8. To establish appropriate schemes covering the reimbursement of removal expenses and to apply the same towards expenses incurred by police officers in accordance with those schemes and with the law.[6]

[3] Regulation 34 & 35 Police Regulations 2003 state it is for the Secretary of State to determine entitlement to allowances and expenses. The level of car allowance from time to time is set by the Secretary of State in consultation with the Police Negotiating Board.
[4] S.26 Police Act 1996
[5] S.26 Police Act 1996 (as amended by paragraph 2.5, Schedule 16 PRSRA. Subject to the limitations set out in this section a PCC may provide advice and assistance to an international organisation or any personal body engaged outside the UK in carrying out activities similar to the PCC or Chief Constable).
[6] Regulation 35 Police Regulations 2003 Annex V.

9. Managing posting, secondment, and corporate special leave decisions.

10. Decisions relating to Police Staff suspensions and dismissal from employment.

11. Determination of Job Evaluation appeals.

12. The payment of removal allowances, housing and relocation costs for senior officers and staff and hard to recruit specialist roles.

Delegations from the Chief Constable to the Chief Finance Officer

1. To undertake the day-to-day management of the budget allocated to Northumbria Police in accordance with Financial and Contract Regulations and to ensure that the financial affairs of Northumbria Police are properly administered having regard to probity, legality, and appropriate standards.

2. Commit expenditure within the approved budget to meet the policies and objectives of the Chief Constable as agreed with the PCC and as contained in the Police and Crime Plan.

3. To authorise virement for any purpose within the Force revenue budget up to a limit of £250,000 in any single case and subject to:
    a. PCC approval if a virement could amount to a change in the delivery of the Police and Crime Plan, have revenue implications in future years or any financial implications of a capital nature.
    b. Maintenance of a schedule of virement authorised which will be forwarded to the PCC CFO quarterly.

4. To place orders against, and sign contracts, including framework contracts, on behalf of the Chief Constable for goods and services within budgetary provision, subject to:
    a. Compliance with the Financial and Contract Regulations.[7]

5. To maintain effective internal audit of the Chief Constable's affairs.

6. To report to the Chief Constable, the PCC, the CC CFO, and the external auditor any unlawful or potentially unlawful spending by the Force's officers.

7. Provide information to the Joint Independent Audit Committee, as reasonably required to enable it to undertake its functions.
8. To accept offers of gifts, loans of property or sponsorship within the limits and subject to the conditions in the Financial and Contract Regulations[8].

9. To authorise the writing off of accounts under £10,000 subject to submitting an annual statement of accounts written off to the PCC.

[7] See Section 5 of the Financial and Contract Regulations
[8] See Reg. 18 of the Financial and Contract Regulations: 18.3 - up to £20,000 or above that limit with PCC approval; 18.4 requires the submission of an annual report to the PCC.

10. To manage and administer the Police Officer Pension Scheme.

11. To arrange for disposal of goods that is surplus to requirements where the value is up to £10,000.

12. To authorise payments, without having to obtain approval and regardless of whether or not provision has been made in the revenue budget in relation to payments required by law and payments ordered by a competent court or tribunal.

13. To ensure that records for any covert accounts required for operational policing purposes, are maintained in accordance with clear procedures approved by the PCC CFO.

14. To undertake the day-to-day management of the insurance function and to negotiate claims.

Delegations from the Chief Constable to Chief Finance Officer

1. To undertake the day-to-day management of the property function, subject to the provisions of the Financial and Contract Regulations.

2. At the Direction of the Chief Constable to prepare Reports for the PCC in accordance with Regulation 7 (Retention of property for policing purposes). The Chief Constable's CFO will ensure that the power prescribed by the regulations applies to the property and that the statutory time periods for retention has been complied with.[9]

3. To undertake the administration and disposal of evidential and non-evidential property in accordance with the Police (Property) Regulations 1997 and Financial and Contract Regulations.

Delegations from the Chief Constable to the Head of Legal Services

1. Subject to the restrictions and conditions set out in the table below, the Head of Legal Services can institute, defend, case manage and settle all or any claims brought against the Chief Constable (including Employment Tribunal Claims).

2. The Head of Legal Services shall have the power to instruct Counsel/other agents/ experts within the allocated budget or otherwise approved by the Chief Constable or where costs of same are to be met by the insurance company.

[9] See Regulations 4(1) and 5(1) Police (Property) Regulations 1997

3. In relation to item 1-2 above, the following delegations are in place:

Type of Claim	Against	Who Deals	Decision Making Authorities	Conditions
1. Public Liability (Insured)	Chief Constable and PCC	Force Legal Department	To be determined by PCC	1. Exceptional claims to be determined in consultation with the PCC on case-by-case basis. 2. Head of service provides monthly report
2. Employers Liability (Insured)	Chief Constable or PCC	Force Legal Department	As above	As above
3. Road Traffic Collision (Insured)	Chief Constable and PCC	Force Legal Department	To be determined jointly by Chief of Staff & Monitoring Officer and PCC	As Above
4. Employment Tribunal Claims[10] Employment Appeal Tribunal (Not insured)	Chief Constable and/or PCC	Force Legal Department	Chief Constable up to £25,000 subject to conditions. PCC over £25,000	1. Exceptional claims notified to PCC and conducted in consultation with PCC (as requested) on case-by-case basis. 2. Head of service provides quarterly report
5. Breach of Contract (Sometimes insured)	PCC[11]	If operational[12] matter – Force Legal Department Otherwise Chief of Staff & Monitoring Officer	Chief of Staff & Monitoring Officer Up to £20,000 PCC over £20,000	These cases are rare. Force Legal Department to liaise with Chief of Staff & Monitoring Officer throughout.
6. On insured public liability Claims	Chief Constable	Force Legal Department	Chief Constable up to £10,000[13]	Head of service provides quarterly return through Chief Constable/ Chief of Staff & Monitoring Officer

a. Delegated authority to the Head of Civil Claims to settle claims up to a value of £50,000 and Claimant's costs on settled claims up to a value of £50,000. Claims in excess of these values be referred to the Deputy Chief Constable (DCC) for instructions and authority.

[10] S42 Equality Act 2010 (as amended by PRSRA) treats holding the office of Constable as *"employment"* by the Chief Officer. S.43(1)(c) The Employment Rights Act 1996 treats an officer as an employee, employed by the *"relevant officer"* defined as the Chief Constable. S.41 Working Time Regulations 1998 – a contract of employment is treated as being with the *"relevant officer"* defined as the Chief Officer of Police.

[11] No consents to enter into commercial contracts are yet in place. At this stage all contracts are in the name of the PCC, even if the staff under the direction and control of the Chief Constable manage the day to day tendering/procurement and operation of any contract.

[12] An example of an operational breach of contract claim is an action brought by a CHIS.

[13] The Chief Constable may delegate to Area Commanders and the Head of Legal Services, provided this is in a published force procedure.

b. The Head of Civil Claims meet with the DCC each quarter to report on current claims which have been made against the Force.

c. The Head of Legal Services report to the Confidence and Standards Board the number and types of claims received and payments made, identifying any current trends in claims.

d. The Head of Civil Claims reports to the DCC any risk management issues, lessons learnt or other issues arising from claims which affect operational matters for the Force.

e. The following types of claims will be reported to the DCC whatever the value. Those that:

   i. May result in serious reputational damage to the Force.

   ii. Involve a well-known public figure.

   iii. Allege defamation.

   iv. Allege a deliberate act of violence or dishonesty.

   v. Involve allegations of a sexual nature.

   vi. Allege misconduct by a named senior officer.

   vii. Allege misconduct involving bullying, harassment or discrimination or any such similar conduct.

   viii. Are of high value, complex or sensitive.

f. In line with the Conditions set out in the Governance Framework exceptional claims i.e., those listed i) – viii) above, and those over £50,000 in value will be determined in consultation with the PCC on a case-by-case basis.

g. A six-monthly update regarding the handling of civil claims brought against the Force will be provided to the PCC.

h. In the absence of the Head of Civil Claims, this function will be carried out by the Head of Legal Services.

Appendix 3

FINANCIAL & CONTRACT REGULATIONS

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1. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority.
    - Financial management
    - Financial planning
    - Management of risk and resources
    - Systems and procedures
    - External arrangement
    - Contract Regulations

Definitions within the Regulations

1. For the purposes of these Regulations Northumbria Police, when used as a generic term, shall refer to:
    - The PCC
    - The Office of the PCC (OPCC)
    - The Force

2. The PCC's Chief Finance Officer is formally designated as the PCC CFO.

3. The Chief Constable's Chief Finance Officer is the Chief Constable's Head of Finance/Chief Finance Officer. Where the context requires, and a relevant delegation exists, the term "Chief Constable" includes either the Chief Constable or the Chief Constable's Chief Finance Officer as the case may require.

4. The Chief of Staff & Monitoring Officer also fulfils the monitoring officer role.

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

6. Chief Officers when referred to as a generic term shall mean the Chief Constable, Chief of Staff & Monitoring Officer, PCC CFO and Chief Constable's CFO.

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

8. The expression 'authorised officer' refers to employees authorised by a chief officer.

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

10. The expression 'best value for money' shall mean the most cost-effective means of meeting the need and takes account of whole life costs.

11. 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 of Staff & Monitoring Officer or PCC CFO, the duties, rights, and powers as detailed for the Chief Constable shall apply equally to the Chief of Staff & Monitoring Officer or PCC CFO.

12. The terms Chief Constable, Chief of Staff & Monitoring Officer and PCC CFO include any member of staff, contractors, or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level and the member of staff given sufficient authority, training, and resources to undertake the duty in hand.

13. The Police and Crime Commissioner for Northumbria are referred to in these Regulations either as the 'Commissioner' or the 'PCC'.

1. FINANCIAL MANAGEMENT

The Police and Crime Commissioner (PCC)

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

1.2 The PCC shall appoint a Chief Constable, Chief Finance Officer (the PCC CFO) and the Chief of Staff & Monitoring Officer.

1.3 The PCC is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of medium-term financial plans in consultation with the Chief Constable. The PCC is responsible for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes:

- Police and Crime Plan
- Annual Revenue Budget
- Capital Programme
- Medium Term Financial Strategy
- Treasury Management Policy Statement and Strategy, including the Annual Investment Strategy
- Estates Strategy
- Fleet Strategy
- Digital Policing Strategy
- Risk Management Strategy
- Governance policies
- Sustainability Strategy

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

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

1.6 The PCC shall provide the PCC CFO with appropriate resources to allow the role to secure such staff, accommodation and other resources as are necessary to allow the duties under this Section to be performed.

1.7 The PCC may appoint a Deputy PCC (DPCC) for their area and arrange for the DPCC to exercise any function of the PCC, subject to any statutory exceptions.

The Deputy Police and Crime Commissioner (DPCC)

1.8 Subject to the 2011 Act the DPCC may exercise any function conferred on him/her by the PCC.

The Chief Constable

1.9 The Chief Constable is responsible for maintaining the King's Peace and has direction and control over the Force's officers and staff. The Chief Constable holds office under the Crown, but is appointed by the PCC.

1.10 The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the Force. At all times the Chief Constable, including constables and staff, remain operationally independent in the service of the public.

1.11 To help ensure the effective delivery of policing services and to enable the Chief Constable to have impartial direction and control of all constables and staff within their Force, the Chief Constable shall have day to day responsibility for financial management of the Force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.

1.12 The Chief Constable shall appoint a Chief Finance Officer (Chief Constable's Head of Finance/Chief Finance Officer) to be responsible for the proper administration of the Chief Constable's financial affairs. General administrative responsibilities shall be undertaken on behalf of the Chief Constable by the CC CFO.

1.13 The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The Chief Constable will discharge this through the Chief Constable's CFO who will lead for the Force on financial management.

1.14 The Chief Constable is responsible for the day-to-day financial management of the Force within the framework of the budget, rules of virement and reporting arrangements. In operating day to day financial management, the Chief Constable shall comply with the approved policies and framework of accountability.

1.15 The Chief Constable shall prepare Financial Instructions to supplement the Financial Regulations and provide detailed instructions on the operation of the specific financial processes delegated to the employees of the PCC under the direction and control of the Chief Constable. The Chief Constable shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.

The Joint Independent Audit Committee

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

1.17 The Joint Independent Audit Committee shall comprise of six members who are independent of the PCC and the Force.

1.18 The Joint Independent Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted.

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

Police and Crime Commissioners CFO

1.20 The PCC CFO is responsible for the proper financial administration and a personal responsibility for the stewardship and safeguarding of public money and for demonstrating that high standards of probity exist.

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

- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011.
- Section 151 of the Local Government Finance Act 1972 (officer nominated to take responsibility for the proper administration of the financial affairs).
- Section 114 of the Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure).
- The Accounts and Audit Regulations 2011.

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

a. Ensuring that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date.

b. Ensuring regularity, propriety, and Value for Money (VfM) in the use of public funds.

c. Ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions, and recharges.

d. Reporting to the PCC, the Police and Crime Panel and to the external auditor:

   i. Any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC.

ii. When it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure.

e. Advising the PCC on the robustness of the estimates and the adequacy of financial reserves.

f. Preparing the annual statement of accounts, in conjunction with the Chief Constable's CFO.

g. Ensuring the provision of an effective internal audit service, in conjunction with the Chief Constable's CFO.

h. Securing the treasury management function, including loans and investments.

i. Advising, in consultation with the Chief of Staff & Monitoring Officer on the safeguarding of assets, including risk management and insurance.

j. Planning the overall annual revenue and capital budgets, which will, include a separate Force budget and prudential indicators.

k. Arranging for the determination and issue of the precept.

l. Liaising with the external auditor.

m. Advising, the PCC on the application of value for money principles by the Force to support the PCC in holding the Chief Constable to account for efficient and effective financial management.

1.23 The PCC CFO, in consultation with the Chief of Staff & Monitoring Officer, Chief Constable'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 Northumbria Police.

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

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

a. Must be a key member of the PCC's Leadership Team, working closely with the Chief of Staff & Monitoring Officer, helping the team to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.

b. Must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the PCC, to ensure that the financial aspects of immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the PCC's financial strategy.

c. 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.

d. Must ensure that the finance function is resourced to be fit for purpose.

The Chief Constable's Head of Finance/Chief Finance Officer

1.26 The Chief Constable's Head of Finance/Chief Finance Officer is the Chief Constable's Chief Finance Officer (CFO).

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

1.28 The Chief Constable's CFO's responsibilities are set out in:

a. Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011.

b. Section 151 of the Local Government Finance Act 1972 (officer nominated to take responsibility for the proper administration of the financial affairs).

c. Section 114 of the Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure).

d. The Accounts and Audit Regulations 2011.

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

a. Ensuring that the financial affairs of the Force are properly administered and that these financial regulations are observed and kept up to date.

b. Reporting to the Chief Constable, the PCC, the PCC CFO, and the external auditor:

i. Any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable.

ii. When it appears that any expenditure of the Chief Constable is likely to exceed the resources available to meet that expenditure.

c. Advising the Chief Constable on value for money in relation to all aspects of the Force's expenditure.

d. Advising the Chief Constable and the PCC on the soundness of the budget in relation to the Force.

e. Liaising with the external auditor.

f. Working with the PCC CFO's staff to produce the statement of accounts for the Chief Constable and to assist in the production of group accounts.

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

1.31 The Chief Constable's CFO is the Chief Constable's professional adviser on financial matters. To enable him/her to fulfil these duties the Chief Constable's CFO:

a. Must be a key member of the Chief Constable's Management Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.

b. Must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer-term implications, opportunities and risks are fully considered.

c. Must lead the promotion and delivery by the Chief Constable of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.

d. Must ensure that the finance function is resourced to be fit for purpose.

1.32 It must be recognised that Financial Regulations cannot foresee every eventuality. The Chief Constable's CFO, in consultation with the PCC CFO, shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.

The Chief of Staff & Monitoring Officer

1.33 The Chief of Staff & Monitoring Officer is responsible for the management and general administration of the PCC's office.

1.34 The Chief of Staff & Monitoring Officer is also the PCC's designated monitoring officer, appointed under section 5(1) of the Local Government and Housing Act 1989.

1.35 The monitoring officer is responsible for:

a. Ensuring the legality of the actions of the PCC and her officers.

b. Ensuring that procedures for recording and reporting key decisions are operating effectively.

c. Advising the PCC and officers about who has authority to take a particular decision.

d. Advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.

e. Advising the PCC on matters relating to standards of conduct.

f. To provide information to the Police and Crime Panel, as reasonably required to enable the Panel to undertake its functions.

g. To oversee the process for complaints made against the PCC and CC .

2. FINANCIAL MANAGEMENT STANDARDS

Responsibilities of the PCC CFO and Chief Constable's CFO

2.1 To ensure the proper administration of the financial affairs of the OPCC and the Force.

2.2 To ensure that proper practices are adhered to.

2.3 To advise on the key strategic controls necessary to secure sound financial management.

2.4 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

2.5 To ensure that all staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.

2.6 To ensure that all staff are properly managed, developed, trained, and have adequate support to carry out their financial duties effectively.

2.7 To provide information to the Police and Crime Panel, as reasonably required to enable the Panel to undertake its functions.

3. ACCOUNTING RECORDS AND RETURNS

Responsibilities of the PCC CFO and Chief Constable's CFO

3.1 To 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 Chief Constable. All employees shall operate within the required accounting policies and published timetables.

3.2 To make proper arrangements for the audit of the PCC's and the Force's accounts in accordance with the Accounts and Audit Regulations 2011.

3.3 To prepare and publish the audited accounts in accordance with the statutory timetable.

3.4 To ensure that all claims for funds including grants are made by the due date.

3.5 To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis.

3.6 To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.

3.7 To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.

3.8 To ensure that prime documents are retained in accordance with legislative and internal requirements. The format of such documents shall satisfy the requirements of internal and external audit. A detailed schedule of requirements shall be provided and made available to all appropriate officers.

4. THE ANNUAL STATEMENT OF ACCOUNTS

Responsibilities of the PCC CFO and Chief Constables CFO

4.1 To draw up the timetable for final accounts preparation, in consultation with the external auditor.

4.2 To select suitable accounting policies and apply them consistently.

4.3 To make judgements and estimates that is reasonable and prudent.

4.4 To comply with the Code of Practice on Local Authority Accounting.

4.5 To prepare, sign and date the statement of accounts of the OPCC, and the Group Accounts stating that it presents a true and fair view of the financial position at the accounting date and its income and expenditure for the financial year just ended.

4.6 To publish the approved and audited accounts each year, in accordance with the statutory timetable.

4.7 To produce summary accounts for publication on the website.

Responsibilities of the PCC and Chief Constable

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

5. FINANCIAL PLANNING

Medium Term Financial Planning

5.1 The PCC and Chief Constable share a responsibility to provide effective financial and budget planning. They achieve this by preparing a medium term (4 years) financial strategy (MTFS), taking into account the revenue forecast and capital programme.

Responsibilities of the PCC

5.2 To identify and agree, in consultation with the Chief Constable and other relevant partners and stakeholders, a medium term financial strategy which includes funding and spending plans for both revenue and capital. The strategy shall take into account multiple years, the inter-dependencies of revenue budgets and capital investment, the role of reserves and consideration of risks. It shall have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local Authorities. The strategy shall be aligned with the Police and Crime Plan.

Responsibilities of the PCC CFO

5.3 To determine the format and timing of the medium-term financial plans to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.

5.4 To prepare a medium-term forecast of proposed income and expenditure for submission to the PCC. When preparing the forecast, the PCC CFO shall have regard to:

a. The Police and Crime Plan.
b. Policy requirements approved by the PCC as part of the policy framework.
c. The Strategic Policing Requirement.
d. Unavoidable future commitments, including legislative requirements.
e. Initiatives already underway.
f. Revenue implications of the draft capital programme.
g. Propose service developments and plans which reflect public consultation.
h. The need to deliver efficiency and/or productivity savings.
i. Government grant allocations.
j. Potential implications for local taxpayers.

5.5 The PCC CFO shall prepare a medium term forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding.

Joint Responsibilities of the Chief Constable and Chief Constable's CFO

5.6 To prepare a Medium-Term Financial Forecast for submission to the PCC CFO in accordance with the agreed timetable for producing the Medium-Term Financial Strategy for submission to the Commissioner. When preparing the forecast, the Chief Constable shall have regard to:

a. The Police and Crime Plan.
b. Policy requirements approved by the Commissioner as part of the policy framework.
c. The Strategic Policing Requirement.
d. Unavoidable future commitments including legislative requirements.
e. Initiatives already underway.
f. Revenue implications of the draft capital programme.
g. Proposed service developments and plans which reflect public consultation.
h. The need to deliver efficiency and / or productivity savings.

5.7 The Forecast should include prioritisation of spending requirements to enable the Commissioner to make informed judgements as to future funding levels and planning the use of resources.

<u>Annual Revenue Budget</u>

5.8 The revenue budget provides an estimate of the annual income and expenditure requirements and sets out the financial implications of the PCC's strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the OPCC and the Force.

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

5.10 The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium-term financial strategy shall be clearly identified.

Responsibilities of the PCC

5.11 To agree the planning timetable with the Chief Constable.

5.12 To obtain the views of the local community on the proposed spending plans.

5.13 To present the proposed budget and council tax recommendations to the Police and Crime Panel for approval in accordance with the statutory timetable.

5.14 To approve and publish the budget and council tax precept.

Responsibilities of the PCC CFO

5.15 To determine the format of the revenue budget to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.

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

5.17 To prepare detailed budget estimates in relation to the OPCC for the forthcoming financial year.

5.18 To advise the PCC on the appropriate level of general balances, earmarked reserves, or provisions to be held.

5.19 To calculate a draft council tax precept for approval by the Commissioner.

5.20 To submit a report to the PCC on:

a. The robustness of the estimates and the adequacy of reserves.

b. The suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities.

These indicators shall be consistent with the annual revenue budget and capital programme approved by the PCC.

5.21 Upon approval of the annual budget, to submit the council tax requirement return to Central Government and precept requests to appropriate bodies in accordance with the legal requirement.

5.22 To produce and issue to the billing authorities, in accordance with statutory requirements, the council tax information leaflet.

Joint Responsibilities of the Chief Constable and Chief Constable's CFO

5.23 To prepare detailed budget estimates for the Force for the forthcoming financial year in accordance with the timetable agreed with the PCC CFO.

5.24 To submit estimates in the agreed format to the PCC CFO for approval by the PCC.

6. BUDGETARY CONTROL

Joint Responsibilities of the Chief Constable and Chief Constable's CFO

6.1 To ensure that there is appropriate management and control of the Force Revenue Budget.

6.2 To ensure that total spending remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources PCC CFO proposals for remedy shall be put forward as part of the regular reporting process to the PCC.

Responsibilities of the Chief of Staff & Monitoring Officer and PCC CFO

6.3 To ensure that there is appropriate management and control of the OPCC Revenue Budget.

6.4 To ensure that the total spending remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources proposals for remedy shall be put forward as part of the regular reporting process to the PCC.

Responsibility of the PCC CFO

6.5 To co-ordinate a joint budget monitoring report for presentation to the PCC on a quarterly basis.

<u>Revenue Virement</u>

Responsibilities of PCC CFO and Chief Constable's CFO

6.6 To have powers to exercise virement under the main budget heads up the £250,000 in any one case provided that:

a. There are no revenue implications in future years or any financial implications of a capital nature.

b. There has been no direction to the contrary given by the PCC.

c. A record of all virements is maintained.

6.7 To have the power to approve any virement where the additional costs are fully reimbursed by other bodies.

7. CAPITAL PROGRAMME

Responsibilities of the Chief of Staff & Monitoring Officer and PCC CFO

7.1 To monitor the approved Capital Programme.

Responsibilities of the Chief Constable

7.2 To develop and implement the approved Capital Programme.

Responsibilities of the PCC CFO

7.3 To prepare a Medium-Term Financial Strategy for consideration and approval by the Commissioner including all financial implications of the Capital Programme.

7.4 To prepare a four-year capital programme for consideration and approval by the Commissioner.

Responsibilities of the Chief Constable, CC CFO Chief of Staff & Monitoring Officer and PCC CFO

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

7.6 Approval of the annual capital programme by the PCC in February each year authorises the Chief of Staff & Monitoring Officer and Chief Constable to incur expenditure on schemes.

7.7 To prepare a business case for all new capital schemes not included in the agreed programme for submission to the PCC for consultation and approval. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.

7.8 To prepare and report the proposed capital programme to the Commissioner and make recommendations on the most appropriate financing of the capital programme.

Responsibilities of the PCC

7.9 To agree the Annual Capital Programme, and how it is to be financed.

Monitoring of Capital Expenditure

Responsibilities of the Chief Constable and CC CFO

7.10 To monitor progression of schemes throughout the year and to ensure that expenditure is monitored on a quarterly basis.

Responsibilities of the PCC CFO

7.11 To co-ordinate a joint capital monitoring report for presentation to the PCC on a quarterly basis

8. MAINTENANCE OF BALANCES AND RESERVES

Responsibilities of the PCC CFO

8.1 To advise the PCC on reasonable levels of balances and reserves.

8.2 To draft a Reserves Policy for consideration by the PCC including lower and upper parameters for the level of general balances.

8.3 To provide a statement to the PCC on the adequacy of reserves and balances before the annual budget and council tax precept are approved.

8.4 To approve appropriations to and from each earmarked reserve consistent with the agreed Reserves Policy. These will be separately identified in the Annual Statement of Accounts.

Responsibilities of the Chief Constable

8.5 To present a business case to the PCC CFO and PCC for one-off expenditure items to be funded from earmarked and/or general reserves.

Responsibilities of the Chief Constable's CFO

8.6 To advise the PCC CFO on any Force proposal for use of reserves following consultation with the Chief Constable.

Responsibilities of the PCC

8.7 To approve a policy on reserves and balances, including lower and upper parameters for the level of general balances.

8.8 To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions shall be clearly identified for each reserve established.

8.9 To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.

9. RISK MANAGEMENT, INSURANCE AND BUSINESS CONTINUITY

Joint Responsibilities of the PCC and Chief Constable

9.1 The PCC and Chief Constable are jointly responsible for approving the risk management policy statement and strategy, and for reviewing the effectiveness of risk management.

Responsibilities of Chief Officers

9.2 To prepare the risk management policy statement and for promoting a culture of risk management awareness throughout the OPCC and the Force and reviewing risk as an on-going process.

9.3 To implement procedures to identify, assess, prevent, or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process shall be formalised and conducted on a continuing basis.

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

Responsibilities of the PCC CFO

9.5 The PCC CFO, in consultation with the Chief of Staff & Monitoring Officer will be responsible for advising the PCC on insurance cover against risks in accordance with the policy of the OPCC.

Responsibilities of the Chief Constable's CFO

9.6 The Chief Constable's CFO must ensure the Force has adequate insurance cover for:

- All new risks, properties, or vehicles.
- Any alterations affecting existing risks or insurances.

9.7 The Chief Constable's CFO must consult the PCC CFO and Chief of Staff & Monitoring Officer on the terms of any indemnity which the PCC is requested to give.

9.8 To make all appropriate employees aware of their responsibilities for managing relevant risks.

9.9 To ensure that employees, or anyone covered by the PCC's insurance, is instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

9.10 To evaluate and authorise any terms of indemnity that is requested by external parties.

10. INTERNAL CONTROL SYSTEM

Responsibilities of PCC and Chief Constable

10.1 To implement effective systems of internal control. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently, and effectively.

10.2 To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information, and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.

10.3 To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.

10.4 To arrange for the production of Annual Governance Statements for consideration and approval by the Joint Independent Audit Committee.

11. INTERNAL AUDIT REQUIREMENTS

Responsibilities of the Joint Independent Audit Committee (JIAC)

11.1 To approve the terms of reference within which internal audit operates. In terms of internal audit, the terms will include the following key activities and responsibilities:

a. Advising the PCC and Chief Constable on the appropriate arrangements for internal audit and approving the Internal Audit Strategy.

b. Approving (but not directing) the internal audit annual programme.

c. Approving the Annual Governance Statements for the PCC and the Chief Constable.

d. Overseeing and giving assurance to the PCC and Chief Constable on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.

e. Considering Internal Audit's Annual Report and annual opinion on the internal control environment for the OPCC and the Force; seeking assurance that appropriate action is taken to address any areas for improvement.

f. Reviewing and monitoring the effectiveness of policies on fraud, irregularity, and corruption.

11.2 To approve the Internal Audit Plan and Charter, which sets out:

a. Internal audit objectives and outcomes.

b. How the work of Internal Audit will form and evidence an opinion on the control environment to support the Annual Governance Statement.

c. How Internal Audit's work will identify and address significant local and national issues and risks.

d. How the service will be provided, i.e. internally, externally, or a mix of the two; and what resources and skills are required for the delivery of the strategy.

e. The resources and skills required to deliver the plan.

Responsibilities of the PCC CFO and Chief Constable's CFO

11.3 To ensure the provision of an independent impartial adequate and effective internal audit service.

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

a. Access OPCC and the Force premises at reasonable times.

b. Access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance.

c. Receive any information and explanation considered necessary concerning any matter under consideration.

d. Require any employee to account for cash, stores or any other OPCC or the Force asset under their control.

e. Access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.

f. Have direct access to all Chief Officers and employees, where necessary.

11.5 To ensure that all matters pertaining to internal audit activity are reported to the Joint Independent Audit Committee.

11.6 To ensure that the following specific actions are delivered:

a. The preparation of an internal audit plan developed in consultation with the internal audit service provider and JIAC.

b. Quarterly progress reports against the plan and

c. An independent annual report and opinion on the effectiveness of the internal control environment within the OPCC and the Force.

11.7 To ensure that all matters relating to financial irregularities or matters of a reputational nature are considered in conjunction with Internal Audit. Where such matters relate to suspected fraud, theft, irregularity, improper use or misappropriation of police property or resources, the Chief of Staff & Monitoring Officer will be notified immediately, and all necessary steps shall be taken to prevent further loss.

12 EXTERNAL AUDIT

Responsibilities of the Joint Independent Audit Committee

12.1 To approve the annual work plan and fee.

12.2 To receive and respond to the External Audit Annual Governance Reports.

12.3 To receive the Audit Completion Report following the audit of the Statements of Accounts.

12.4 To receive the annual audit letters.

12.5 To receive scheduled External Audit updates and progress reports.

Responsibilities of the PCC CFO and Chief Constable's CFO

12.6 To lead on the arrangement for the provision of an external audit service with a preference that external auditors are security cleared or if not feasible that an acceptable alternative arrangement is in place to facilitate the audit whilst retaining security.

12.7 To liaise with the external auditor and advise the PCC and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.

12.8 To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.

12.9 To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.

13 PREVENTING FRAUD AND CORRUPTION

Joint Responsibilities of the PCC and Chief Constable

13.1 To maintain an effective anti-fraud and anti-corruption policy.

13.2 To ensure that adequate and effective internal control arrangements are in place.

13.3 To maintain a policy for the registering of interests and the receipt of hospitality and gifts covering both the PCC, Chief Constable, and all employees. A register of interests and a register of hospitality and gifts received by or given in a form to be agreed by the Commissioner shall be maintained for the PCC, the Chief Constable, Chief Officers, and all employees.

13.4 To adopt and adhere to a whistle blowing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse, and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity; that they are not malicious, and that appropriate action is taken to address any concerns identified. The PCC and Chief Constable shall ensure that all employees are aware of any approved whistle blowing policy.

13.5 To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by all members and employees.

Joint Responsibilities of the Chief of Staff & Monitoring Officer, PCC CFO and Chief Constable's CFO

13.6 To prepare an effective anti-fraud and anti-corruption policy for approval by the Commissioner and Chief Constable.

13.7 To arrange for any suspected incidents of fraud or corruption to be reported in line with the protocol agreed between the Chief Constable's Head of Professional Standards (or equivalent officer), the PCC CFO and the Chief Constable's CFO and for these to be unrestricted in lines with the agreed anti-fraud and anti-corruption policy.

14 MANAGEMENT OF ASSETS

Responsibilities of the Chief Constable

14.1 To be responsible for the day-to-day management of the property function and to ensure that:

a. Records of assets are maintained to provide information about fixed assets so that they are safeguarded, used efficiently and effectively and adequately maintained in accordance with statutory and management requirements.

b. Assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

c. Lessees and other prospective occupiers of the PCC's land are not allowed to take possession or enter the land until the Chief of Staff & Monitoring Officer has confirmed that a lease or agreement has been established as appropriate.

d. No asset is subject to personal use by an employee without proper authority.

e. Valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to the OPCC or the Force.

f. All employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of the Data Protection Act and software copyright legislation.

g. Assets no longer required are disposed of in accordance with the law and these Financial Regulations.

h. All employees are aware of their responsibilities with regard to safeguarding the security of the OPCC and the Force ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

Responsibilities of the Chief of Staff & Monitoring Officer

14.2 To be responsible for the overall management of the property function and to ensure that:

a. Records of all property held are maintained to provide information about their condition and so that they are valued in accordance with statutory requirements.

b. Title deeds to the Commissioner's property are held securely.

c. Draw up leases and licences for Commissioner's property are prepared.

d. No asset is subject to personal use by an employee without proper authority.

e. All employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of the Data Protection Act and the Freedom of Information Act.

f. Property no longer required is disposed of in accordance with the law and these Financial Regulations.

Valuation

Joint Responsibilities of the Chief Constable's CFO and PCC CFO

14.3 To maintain an asset register for all fixed assets with a value in excess of the following amounts. Assets are to be recorded when they are acquired. Assets shall remain on the asset register until disposal.

- Land & Buildings - £40,000
- Vehicles - £10,000
- ICT Hardware -£10,000
- Equipment - £10,000

14.4 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 CFO.

14.5 To ensure that inventories are maintained that record an adequate description of items with a value in excess of £1000. Other items of equipment shall also be recorded if they are deemed to be valuable, desirable, and portable (e.g. laptops).

Stocks and Stores

Responsibilities of the Chief Constable's CFO

14.6 To make arrangements for the care, custody and control of the stocks and stores of the Force and to maintain detailed stores accounts in a form approved by the PCC CFO.

14.7 To arrange for periodical test checks of stocks and must ensure that all stocks are checked at least once a year.

14.8 To certify any discrepancies at stock taking and retain a record for inspection by the PCC CFO.

14.9 Stores, equipment, vehicles, or materials found to be obsolete or in excess of requirements must be disposed of by competitive tender except when, in the opinion of the Chief Constable's CFO, the financial interest of the PCC is served by disposal by other means. The disposal must be authorised in writing by the Chief Constable's CFO or his representative and records of all disposals and proceeds of sales must be retained for inspection by the PCC CFO.

Intellectual Property

Responsibilities of the Chief Constable

14.10 To ensure that employees are aware of these procedures.

Asset Disposal

Responsibilities of the Chief Constable's CFO and PCC CFO

14.11 To dispose of obsolete items up to value of £10,000.

14.12 To dispose of items above £5,000 by public auction or sealed bids after advertisement except when in the reasonable opinion of the Chief Constable's CFO the financial interests of the PCC in obtaining best value require disposal by alternative means. Where this is not the most economically advantageous offer, the Chief Constable's CFO shall consult with the PCC CFO.

14.13 To record all asset disposals in the asset register or inventory as appropriate, including details of approvals of all disposals.

14.14 To ensure that income received for the disposal of an asset is properly banked and accounted for.

14.15 To dispose of surplus land and buildings up to £100,000 at the appropriate time and at the most advantageous price by public auction or sealed bids after advertisement, to be reported retrospectively to the PCC. Where this is not the most economically advantageous offer, the PCC CFO shall be consulted.

14.16 To ensure that income received for the disposal of an asset is properly banked and accounted for.

14.17 To ensure that appropriate accounting entries are made to remove the value of disposed assets from records and to include the sale proceeds if appropriate.

Acquisitions

Responsibilities of the Chief of Staff & Monitoring Officer

14.18 To acquire freeholds and leaseholds below £100,000, which are included in the Strategy outlined for the year and for which budgetary provision exists, to be reported retrospectively to the PCC.

15 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Treasury Management

Responsibilities of the PCC

15.1 To approve the annual Treasury Management Strategy Policy including the annual investment strategy and Minimum Revenue Provision Policy ("MRP Policy).

15.2 To receive and approve an annual report on Treasury Management and as a minimum a mid-year report on borrowing and investment activity.

Responsibilities of the PCC CFO

15.3 To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).

15.4 To advise the PCC on all matters related to Treasury Management.

15.5 To produce each year a Treasury Management Strategy Policy including the annual investment strategy and MRP Policy setting out a strategy and relevant principles for approval by the Commissioner.

15.6 To undertake all Treasury Management activities including investment and borrowing in compliance with the CIPFA Code and the PCC's policy.

15.7 To report to the PCC at the end of the financial year and no later than 30 September each year on the performance of the treasury function, the effect of the decisions taken, and the transactions executed during the year and any non-compliance with the agreed Treasury Policy Statement and Treasury Management practices.

Banking Arrangements

Responsibilities of the PCC CFO

15.8 To have overall responsibility for the banking arrangements for the PCC.

15.9 To produce a policy on the establishment and maintenance of bank accounts, in consultation with the Chief Constable's CFO.

15.10 To authorise the opening and closing of all Northumbria Police bank accounts. No other employee shall open or close a bank account.

15.11 To require regular bank reconciliations.

15.12 To determine signatories on all PCC bank accounts.

Imprest Accounts / Petty Cash

Responsibilities of the Chief Constable's CFO

15.13 To provide, with the agreement of the PCC CFO, appropriate employees with such imprest accounts to meet minor expenditure on behalf of the Force. The Chief Constable's CFO shall determine reasonable petty cash limits and maintain.

15.14 To prepare detailed Financial Instructions for dealing with petty cash, to be agreed with the PCC CFO, and these shall be issued to all appropriate employees.

Money Laundering

Responsibilities of the PCC CFO

15.15 To be the nominated Money Laundering Reporting Officer (MLRO) for the OPCC and to seek assurances that appropriate arrangements are in place for the Force.

15.16 Upon receipt of a disclosure to consider, in the light of all information, whether it gives rise to such knowledge or suspicion.

15.17 To disclose relevant information to the Serious Organised Crime Agency (SOCA).

Responsibilities of the Chief Constable's CFO

15.18 To be the nominated Money Laundering Reporting Officer (MLRO) for the Force and to seek assurances that appropriate arrangements are in place for the Force.

15.19 To ensure adequate arrangements are in place to deal with disclosure in relation to knowledge or suspicion of money laundering.

Responsibilities of Chief Officers

15.20 To notify the PCC CFO as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud, or use of the proceeds of crime.

16 VOLUNTARY UNOFFICIAL FUNDS

Responsibilities of Chief Constable's CFO

16.1 Funds outside of the statutory funds, for example The Police Benevolent Fund, will only be established with the approval of an appropriate senior officer, designated by the Chief Constable.

16.2 The Chief Constable's CFO will maintain a record of all voluntary unofficial funds in existence and of the senior officers responsible.

17 ADMINISTRATION OF EVIDENTIAL AND NON-EVIDENTIAL PRIVATE PROPERTY

Responsibilities of the Chief Constable's CFO

17.1 To issue separate Financial Instructions for dealing with cash, including seized cash under the Proceeds of Crime Act.

Responsibilities of the Chief Constable

17.2 To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under their guardianship or supervision. These procedures shall be made available to all appropriate employees.

17.3 To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.

17.4 To determine those items of crime property which may be retained for police purposes subject to consulting with the Commissioner in respect of any single item estimated to be in the value of £5,000.

17.5 To notify the Chief Constable's CFO immediately in the case of loss or diminution in value of such private property.

18 GIFTS AND SPONSORSHIP

Responsibilities of the PCC

18.1 To approve the policy on gifts and sponsorship.

Responsibilities of the Chief Constable

18.2 To ensure that the Force manages all offers and acceptance of gifts and sponsorship within agreed policy guidelines.

18.3 Where offers of gifts and sponsorship have a value above £20,000 and are supported by the Chief Constable they will be referred to the PCC for formal acceptance.

Responsibilities of the Chief Constable's CFO

18.4 To maintain a central register, in a format agreed by the PCC CFO, of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The register will be made available to the PCC CFO, who shall satisfy himself that it provides a suitable account of the extent to which such additional resources have been received.

19 SYSTEMS AND PROCESSES

Responsibilities of the PCC CFO and Chief Constable's CFO

19.1 To make arrangements for the proper administration of financial affairs, including to:

a. Issue advice, guidance and procedures for officers and others acting on behalf of the OPCC and the Force.

b. Determine the accounting systems, form of accounts and supporting financial records.

c. Establish arrangements for the audit of the financial affairs of the OPCC and the Force.

d. Approve any new financial systems to be introduced.

e. Approve any changes to existing financial systems.

19.2 To ensure, in respect of systems and processes, that

a. Systems are secure, adequate internal control exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud, or other malpractice.

b. Appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously.

c. A complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa.

d. Systems are documented and staff trained in operations.

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

19.4 To establish a scheme of delegation, identifying staff authorised to act upon the PCC's behalf in respect of income collection, placing orders and making payments.

20 INCOME

Charging

Responsibilities of the Chief Constable and PCC

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

Responsibilities of the Chief Constable's CFO

20.2 To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All charges shall be at full cost recovery except where regulations require otherwise or with the express approval of the PCC.

Debt Recovery

20.2 Individual sums exceeding £10,000 will not be written off except with the approval of the Police and Crime Commissioner.

20.3 Sums raised of £10,000 or less may be written off by the Chief Constable's Director of Finance if satisfied the debt is irrecoverable or it is uneconomic to recover in view of the costs involved.

A summary statement of amounts written off will be submitted to the PCC annually.

Responsibilities of the Chief Constable's CFO

20.4 To make arrangements for the collection of all income due and approve the procedures, systems and documentation for its collection, recovery, custody, control, and deposit including the correct charging of VAT.

20.5 To ensure income is not used to cash personal cheques or make other payments.

20.6 To approve the write off of bad debts, in consultation with the PCC, up to £10,000.

20.7 A summary statement of amounts written off will be submitted to the PCC annually.

21 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Responsibilities of the Chief Constable's CFO and Chief of Staff & Monitoring Officer

21.1 To maintain a procurement policy covering the principles to be followed for the purchase of goods and services and that all purchases are made in accordance with this policy.

21.2 To issue official orders for all work, goods, or services to be supplied to the OPCC and the Force, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PCC CFO. Orders must be in a form approved by the PCC CFO and authorised by staff nominated either by the Chief of Staff & Monitoring Officer or Chief Constable's CFO as appropriate.

21.3 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of OPCC or the Force contracts.

21.4 Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these Regulations.

21.5 Verbal orders may only be given in cases of extreme urgency and where possible after an official order has been raised and authorised.

21.6 Unless agreed otherwise as part of the contract, payments are not to be made unless goods and services have been received at the correct price, quantity, and quality in accordance with any official order.

21.7 To ensure that payments are made to the correct person, for the correct amount, within 30 days or within the times stated in the terms of the contract and are recorded properly, regardless of the method of payment.

21.8 To ensure that VAT is recovered where appropriate.

21.9 To ensure that all expenditure, including VAT, is accurately recorded against the right account code and cost centre and any exceptions are corrected.

21.10 To ensure that all purchases made through 'e-procurement' systems follow the rules, regulations, and procedures, as set out in Section 26 of these Regulations.

21.11 To prepare, in consultation with the PCC CFO, detailed Financial Instructions for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.

Responsibilities of the PCC CFO and Chief Constable's CFO

21.12 To ensure that there are appropriate procedures in place in order to ensure that employees declare any links or personal interests that they may have with purchasers, suppliers, and contractors if they are engaged in contractual or purchasing decisions on behalf of the PCC or Chief Constable and that such persons take no part in the selection of a supplier or contract with which they are connected.

22 PAYMENTS TO EMPLOYEES

Responsibilities of the Chief Constable's CFO

22.1 To ensure in consultation with the PCC CFO, the secure and reliable payment of salaries, overtime, pensions, compensation, and other emoluments to existing and former employees of the PCC and the Chief Constable by the most economical means.

22.2 To ensure that tax, superannuation, and other deductions are made correctly and paid over at the right time to the relevant body.

22.3 To ensure arrangements are in place to pay all valid travel and subsistence claims or financial loss allowance.

Responsibilities of the Chief Constable

22.4 To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice shall be sought from them.

22.5 To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.

22.6 To prepare detailed Financial Instructions for dealing with payments to employees, to be agreed with the PCC CFO, and these shall be issued to all appropriate employees.

22.7 To ensure the submission of the relevant records within an approved timetable to enable payments by the due dates.

23 TAXATION

Responsibilities of the PCC CFO

23.1 To ensure the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements.

23.2 To ensure the timely completion and submission of VAT claims, inputs, and outputs to HMRC.

23.3 To provide details to the HMRC regarding the construction industry tax deduction scheme.

Responsibilities of the PCC CFO and Chief Constable's CFO

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

23.5 To ensure that appropriate technical staff, have access to up-to-date guidance notes and professional advice.

23.6 To ensure that any Corporation Tax liability in relation to qualifying trading activities is identified and paid in accordance with statutory requirements.

24 PURCHASING CARDS

Responsibilities of the PCC CFO

24.1 To provide detailed financial instructions to card holders.

Responsibilities of the Chief Constable's CFO

24.2 To authorise and maintain control over the issue of cards.

24.3 To reconcile the purchase card account to the ledger on a monthly basis.

24.4 To ensure all ordering and payment for goods and services is in accordance with the Force procurement policy, these Regulations and all procedures laid down by the Chief Constable's CFO.

25 EX GRATIA PAYMENTS

Responsibilities of the Chief Officer Team and Area Commanders

25.1 Members of the Chief Officers Team and Area Commanders will have the power to make payments to the value of £25,000 to settle claims for damage or loss of property incurred as a result of police action provided, they are not otherwise insured, in accordance with the terms of consent issued by the Police and Crime Commissioner.

25.2 Prior to making any ex-gratia payment, to take account of, in consultation with the PCC CFO, the budgetary implications, insurable risks and cover available.

25.3 To seek approval from the PCC for any payment above £25,000 or in cases involving particular sensitivity.

26 CONTRACT REGULATIONS

Key controls

26.1 No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in these Contract Regulations, or any statute or UK Procurement Directive.

26.2 Competition shall be encouraged from potential providers to supply Northumbria Police with goods, services, building works, etc.

26.3 Every contract concluded on behalf of Northumbria Police and Crime Commissioner shall comply with:

a. The UK's Procurement Act 2023.

b. Any laws of the United Kingdom including any Act of Parliament requiring the letting of contracts by competitive tendering or relating to best value.

c. Any requirements of any applicable codes of practice

26.4 Subject to compliance with 26.3, exemption from any of the following provisions of these Contract Regulations may only be made:

a. By direction of the Commissioner.

b. By a Chief Officer or CC/PCC CFO or the OPCC Chief of Staff in an emergency or there is a risk to security that it is not feasible to comply, in which cases the officer concerned shall consult the Commissioner retrospectively.

26.5 Every such exception and the reasons for it shall be recorded according to the approved reporting framework.

26.6 In addition to adhering to the above, any employee who is engaged in any activities or processes leading to the award of a contract or in its subsequent delivery shall:

a. Show no undue favour to or discriminate against any supplier or potential supplier.

b. Declare any links or personal interest that they may have with potential or existing suppliers and contractors and take no part in the selection or direct management of a supplier or contractor with which they are connected.

c. Carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information).

d. Not breach the requirements of the Northumbria Police Policy for Gifts and Gratuities, Hospitality, Discounts, Travel and other potential conflicts of interest.

26.7 These Contract Regulations shall apply, irrespective of whether the contract is financed with monies provided by the Commissioner or any other person or body e.g., grants from local councils and other partnership monies.

Responsibilities

26.8 Northumbria Police Procurement Section shall be responsible for the invitation of tenders and quotations and awarding of contracts on behalf of Northumbria Police and the OPCC.

27 TENDERS & QUOTATIONS – PROCEDURALS AND THRESHOLDS

Tenders

27.1 Tendering procedures shall be undertaken in accordance with the UK Procurement Act 2023

27.2 All invitations to submit tenders will specify that the tenders will be submitted electronically through Northumbria Police's approved electronic tendering system.

27.4 The Commissioner's consent is required before tenders can be obtained for any works, goods or services, with an estimated contract value greater than the UK Procurement Threshold for goods/services, which is currently set at £173,000 (excluding VAT).

27.5 Subject to consultation with the PCC CFO or the OPCC Chief of Staff, any tender where the total estimated contract value will exceed £1m, a report should be provided, for approval, to Joint Business Meeting by the Senior Responsible Officer.

Thresholds

27.6 Goods and Services up to £20,000 can be procured through catalogues or established suppliers without the need to obtain competitive quotations providing best value can be demonstrated.

27.7 Written quotations shall be obtained for any procurements for Goods and Services between £20,000 and £50,000 from at least three suppliers, or if this is not possible, from all capable suppliers.

27.8 Written tenders shall be obtained for any procurement in excess of £50,000 (total value over life of contract) from at least three suppliers or if this is not possible from all capable suppliers.

Exceptions

27.9 The requirements of 27.6 to 27.7 shall not apply to procurements:

a. For goods or services which are specialist and can be obtained from only one Contractor.

b. For goods purchased in a public auction or electronic auction.

c. Where the works, goods or services are available through a collaborative framework which Northumbria Police is eligible to participate in. Where further competitive exercises are required under the framework, quotations or tenders shall be invited from the approved suppliers on the framework in accordance with the rules of the framework.

d. Quotations or tenders have been obtained on behalf of the Commissioner by or via any consortium, to which the Commissioner belongs, or by or through a joint arrangement.

e. Which do not, exceed £50,000 in value for building or maintenance work or both.

f. A sole tender for a goods, services or works contract may (subject to compliance in paragraph 26.3) be invited from a supplier already engaged by the Commissioner if is considered to offer best value.

g. Qualify as an exception or direct award under the Procurement Act 2023.

Participation in Public Sector Frameworks

27.10 The Chief Constable will have delegated approval to use national police or other public sector framework arrangements. Where further competitive exercises are required under the framework, quotations or tenders shall be invited from the approved suppliers on the framework and the approval thresholds for acceptance as specified under 27.22 will apply.

Advertising and Local Suppliers

27.11 Any procurement in excess of £100,000 (total value) shall be advertised on the national Contracts Finder portal.

27.12 Local supply chains will be encouraged to bid for any/all suitable contracts that are let by Northumbria Police.

Opening of Tenders

27.13 All tenders will be retained by the Northumbria Police Procurement Department.

27.14 As the system is time-locked, all tenders received via Northumbria Police's e-tendering system may be opened solely by the nominated Procurement representative. Any paper/ hard copy tenders that are received, will be opened at the same time by the nominated Procurement representative and witnessed by a member of staff or officer, who is not employed in the Procurement Section.

27.15 Any tender received after the deadline for the receipt of tenders cannot be considered unless the other tenders have not been opened and the Head of Procurement is satisfied that the tender was posted in sufficient time for it to have been received by the deadline in the ordinary course of the post or, in the case of electronic tender, the tender could not have been submitted by the deadline for reasons outside the bidder's control.

Evaluation of Tenders

27.16 Assessment criteria may be made on appropriate technical, qualitative, social value and financial grounds which are appropriate to the contract concerned, to determine the most advantageous proposal. These shall be agreed before the Tender is issued, in consultation with the nominated Procurement representative.

27.17 Evaluations of the tender submissions are to be carried out based on the agreed criteria which shall be applied to all bidders fairly, transparently, and consistently. For all tenders with an estimated contract value greater than £100,000, a minimum of 10% of the weighting shall be applied to Social Value.

27.18 Additional interviews, presentations and site visits for larger contracts may be included in the evaluation process. Such decisions should be made prior to the invitation of tenders, not when evaluating received offers.

27.19 Those members of staff involved in the evaluation process shall be mindful of the policy on gifts, loans, and hospitality.

27.20 Those members of staff or officers involved in the evaluation process must report any conflicts of interest to the nominated procurement representative as soon as they become apparent.

Alterations

27.21 Where an examination of competitive tenders reveals an error or discrepancy which would affect the sum payable in a tender which might otherwise be accepted, the bidder must be given the opportunity of confirming or withdrawing the tender. Where the nominated Procurement representative is satisfied that the error or discrepancy is an arithmetical error the bidder will be given the opportunity to correct it.

Acceptance of Quotations and Tenders

27.22 The following procedures shall be applied for the acceptance of a quotation or tender:

a. The Commissioner's terms and conditions shall apply unless otherwise agreed by the Head of Procurement.

b. The Commissioner's consent is required before tenders can be accepted for any works, supplies or services contracts with an estimated contract value that is greater than the UK Procurement Threshold for goods/services, which is currently set at £173,000 (excluding VAT).

27.23 The successful tenderer shall be advised in writing as soon as possible after the decision has been made on the award of a contract. At the same time unsuccessful tenderers shall be advised of the decision.

28. CONTRACTS

28.1 Save where authorised under delegations in Part B of the Governance Arrangements no employee of the Commissioner or Chief Constable will enter either orally or in writing into any contract on the Commissioner's behalf.

Contracts – Form, Custody and Use of the Common Seal

28.2 Every contract above £50,000 in value and any other contract where the Commissioner so decides shall be in writing and in a form approved by the Commissioner.

28.3 Any complex contract or framework arrangement above £500,000 in value shall be drafted in consultation with a professional legal advisor or alternatively an appropriately qualified equivalent professional advisor.

28.4 Where deemed appropriate and/or necessary by a professional legal advisor or an appropriately qualified professional advisor, contracts may be completed under Seal or alternatively, signed as a Deed.

28.5 The Common Seal of the Office of the PCC (for contracts required Under Seal) shall be kept by the Chief of Staff & Monitoring Officer and the affixing of the Common Seal shall be

attested by the Chief of Staff & Monitoring Officer or a person nominated by him/her. A decision of the Commissioner (or a decision properly made by an officer in accordance with delegated powers) shall be sufficient authority for the sealing of any document to give effect to that decision. A record of every such sealing shall be made and kept in a Sealing Register and shall be signed by the person who has attested the Common Seal.

Contracts Register

28.6 A record of all contracts let with a value in excess of £20,000 shall be maintained by the Head of Procurement or equivalent officer.

Contracts – Contents

28.7 Every contract will:

a. Specify the work to be carried out, or the goods to be provided, the price to be paid (including any discounts) and the timetable for performing the contract.

b. Prohibit the supplier from transferring, assigning, or sub-letting directly or indirectly, the whole or any part of the contract without written permission.

c. Include provision to cancel the contract in the event of a) the supplier failing to provide the agreed service or b) the supplier or its employees being found to be involved in any collusion or corrupt practice.

d. Include a provision where appropriate in relation to intellectual property.

28.8 Contracts for the provision of services and the execution of work shall provide for appropriate remedy to be provided by the supplier in case the terms of the contract are not duly performed. The PCC may also require sufficient security (e.g. parent company bond) for the due performance of any such contract.

Contract Monitoring

28.9 Where appropriate, contracts shall be monitored and measured by way of performance indicators and regular review meetings.

Contract Extensions

28.10 The Chief Constable may take up an option to extend an existing contract where an option exists within the terms and conditions of the contract. Where no option exists, any extension valued above UK Procurement thresholds must be approved by the Commissioner.

28.11 Any extensions where the spend will be in excess of £1.000m should be notified to the CFO or OPCC Chief of Staff to determine whether a report should be provided to Joint Business Meeting by the responsible officer.

Consultants

28.12 These regulations will also apply to the engagement of any consultant.

29. JOINT WORKING ARRANGEMENTS

Collaboration

29.1 Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the Police Reform and Social Responsibility Act 2011, Chief Constables and PCCs have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more police force or PCCs. Any collaboration which relates to the functions of a police force must first be agreed with the Chief Constable of the Force concerned.

29.2 A register of all joint arrangements shall be maintained by the PCC and the Chief Constable.

Other Partnerships

Within these regulations other partnership/consortia relations may be entered into by PCC and the Chief Constable. In all such occurrences the PCC and the Chief Constable will ensure that necessary Governance arrangements are in place and that a formal record will be retained of all such arrangements. Should any part of such arrangements develop into joint working this would need to be covered by formal contract setting out the Governance arrangements for the project.

30. EXTERNAL FUNDING

Responsibilities of Chief Officers

30.1 To pursue actively any opportunities for additional funding where this is considered to be in the interests of the OPCC and the Force.

Responsibilities of the PCC and Chief Constable

30.2 To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.

Responsibilities of the PCC CFO and Chief Constable's CFO

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

Responsibilities of the Chief Constable

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

30.5 To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable, body are clearly understood.

30.6 To ensure that any conditions placed on the OPCC or the Force 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.

31. WORK FOR EXTERNAL BODIES

31.1 The Force provides services to other bodies outside of its normal obligations, for which charges are made e.g. training, special services. Arrangements shall be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

Responsibilities of the Chief Constable

31.2 To approve all agreements for the provision of policing services to other external organisations.

31.3 To ensure that appropriate insurance arrangements are in place.

31.4 To ensure that all contracts are properly documented and to ensure that such contracts do not impact adversely on the services provided by the Force or OPCC.

Appendix 4

GOVERNANCE STRUCTURES PROCEDURES, PROTOCOLS & MEMORANDA

JOINT INDEPENDENT AUDIT COMMITTEE FOR THE NORTHUMBRIA POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE

TERMS OF REFERENCE – June 2026

Introduction

1. The Joint Independent Audit Committee (the Committee) is established as a committee of independent members whose purpose is to advise the Police and Crime Commissioner (PCC) and Chief Constable (CC) on the principles of financial reporting, internal controls, corporate governance, risk management and issues identified by the respective auditors.

2. The Committee will have no executive powers other than those set out in its terms of reference.

Membership

3. The Committee will consist of six members recruited by open advert, for an initial term of four years, with the option of a second four-year term. No member will sit for more than two terms.

4. The Committee will appoint a Chair and Vice Chair from amongst its members, every two years with effect from 2026/27 at the first meeting of that financial year.

Attendance

5. A record of member attendance will be included in the annual report of the committee.

6. The PCC and CC will both provide a representative to attend all meetings.

7. The Joint Chief Finance Officer, Deputy Head of Finance, Head of Corporate Development will normally attend each meeting.

8. The Chief Internal Auditor and the External Auditor will normally attend each meeting.

Secretarial Assistance

9. The Office of the PCC or the CC will provide secretarial assistance to the committee.

Quorum

10. No business shall be transacted at meetings of the committee unless three (3) members are present.

Frequency of Meetings

11. The committee will meet at least four (4) times each year. Additional meetings may take place as required. Meetings are open to the press and public but they may be excluded when information of an exempt or confidential nature is being discussed.

Notice of Meetings

12. Meetings of the Committee will be called in accordance with the agreed annual schedule

13. Notice of meetings and confirmation of the venue, time and date together with the agenda of items to be discussed, shall be forwarded to each member of the committee and any other person required to attend no later than five (5) working days before the date of the meeting. Other than in exceptional circumstances supporting papers shall be sent to the committee members and other attendees, as appropriate, at the same time.

Minutes of Meetings

14. The Minutes shall record the proceedings and resolutions of all meetings of the committee, including the names of all present.

15. The Secretary shall keep a separate record of all points of action arising from the committee and all issues carried forward.

16. The minutes of the meeting shall record the existence of any conflict of interest.

17. The minutes of the meeting will be agreed by the JIAC Chair.

Programme of Work

18. An annual programme of work cross referenced to these Terms of Reference will be agreed by the Committee showing expected documents and reports to be presented.

Authority

19. The Committee is authorised to act within its Terms of Reference and to:

    i. Request information for presentation at meetings for matters falling within the TOR,

    ii. Recommend to the PCC and CC that external advice should be taken when considered following discussion at JIAC.

Reporting

20. The Committee will provide annual assurance of work undertaken in support of the Annual Governance Statement.

21. The Committee will provide annual assurance with regard to Treasury Management

22. The Committee will provide annual assurance with regard to compliance with external statutory reporting requirements.

Review of Effectiveness

23. The Committee will be held to account by the PCC and CC on the extent to which it has fulfilled its purpose. The Committee will conduct an annual review of its effectiveness and identify and commission any training requirements in order to fulfil its role and purpose.

Review and Revision

24. These Terms of Reference will be reviewed annually with any revisions or variations being approved by the PCC and CC.

Purpose of the Committee

25. The purpose of the Committee shall be to provide independent assurance on the adequacy and effectiveness of the risk management framework and the associated control environment. This includes independent scrutiny of the organisations regulatory compliance and financial and non-financial performance to the extent that it creates exposure to risk and weakens the control environment. Specifically oversee the integrity of the financial reporting processes and the annual governance statement.

Duties of the Committee

26. The duties of the JIAC are:

Audit activity

27. To ensure that there are effective and independent internal and external audit functions established by management that meet the statutory audit standards and provide appropriate independent assurance to the JIAC, the PCC and the CC. This will be achieved by:

i. Receiving the Chief Internal Auditor's report and opinion together with a summary of internal audit activity, both actual and proposed, and the level of assurance it can give over the PCC and CC's corporate governance arrangements.

ii. Receiving, reviewing and commenting on all internal audit reports.

iii. Receiving an annual report providing assurance on the management and performance of the providers of internal audit services.

iv. A report from the Head of Internal Audit on agreed recommendations not implemented within reasonable time scales.

v. The external auditor's annual letter, relevant reports and the report to those charged with governance.

vi. Any specific reports as agreed with the external auditor.

vii. The scope and depth of external audit work to ensure that it gives value for money.

viii. The commissioning of work from internal and external audit, subject to prior agreement with the CFO for any costs associated with such work.

ix. Receiving any proposals affecting the provision of internal and external audit.

x. Considering any significant risk and internal control implications in any work carried out by other providers of assurance e.g. HMIC, HMRC, peer review, internal service reviews etc. as reported by officers and staff from within the force as well as internal and external audit.

28. To review, as a JIAC, the performance (and provide feedback) of both internal and external audit functions.

Regulatory Framework

29. Ensure that there is an effective regulatory framework and evidence of compliance with mandatory and best practice standards and to provide appropriate independent assurance to the PCC and CC. This will be achieved by fulfilling its role to:

i. Maintain an overview of the Scheme of Consent in respect of contract procedures and rules, financial regulations and codes of conduct and behaviour.

ii. Review any issues referred to it by the PCC or CC.

iii. Monitor and where appropriate make recommendations on the effective development and operation of the strategic risk management and corporate governance arrangements for the PCC and CC.

iv. Monitor any codes of governance or policies relating to declarations of interest, gifts and hospitality and expenses.

v. Agree the assurance framework for and oversee the production of the PCC and CC's Annual Governance Statements and review and comment on these statements prior to their approval by the PCC and CC.

vi. Monitor the whistle blowing arrangements and counter fraud and corruption strategy of the PCC and CC ensuring that adequate levels of assurance covering these matters are received.

vii. Oversee the PCC and CC's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

viii. Provide effective scrutiny and review of the Treasury Management Strategy and Policies, along with monitoring performance by receiving the mid-year review and annual report, in-line with the delegation from the Police and Crime Commissioner to the Joint Independent Audit Committee.

ix. Monitor the PCC and CC's compliance with its own and other published standards and controls.

x. Receive and when appropriate provide challenge to draft financial statements of accounts making any recommendation or bringing to the attention of the PCC and CC any significant concerns or weaknesses.

xi. Consider the findings and overall opinion on the accounts and the VFM conclusion as set out in the audit completion report from the external auditor and to seek satisfactory assurance that any action required in response to any resultant control weaknesses are implemented by management on a timely basis.

30. Any other matter falling out with these TOR will initially be discussed with the CFO to determine how best to progress.