



DERBYSHIRE CONSTABULARY
POLICE AND CRIME COMMISSIONER FOR DERBYSHIRE
FINANCIAL REGULATIONS &
FINANCIAL MANAGEMENT HANDBOOK
April 2026

Control Sheet

Policy Title	Financial Regulations Handbook
Responsible Officer	OPCCs Chief Operating Officer (COO)
Security Classification	OFFICIAL
Disclosable under FOIA	Yes
Policy implementation date	June 2026
Next review date	June 2029

Revision date	Changes

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SECTION 1 INTRODUCTION

1.1 OVERVIEW

- 1.1.1 Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds. In addition, the Home Office has issued a Financial Management Code of Practice under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners (PCCs) and Chief Constables (CCs).
- 1.1.2 Each Police and Crime Commissioner (PCC) and their respective Chief Constable (CC) is established in law as a corporation sole within the 2011 Act. As such, both are enabled by law to employ staff and hold funds in their official capacity. CCs are charged with the impartial direction and control of all constables and staff within the police force that they lead. Staff of the PCC are accountable to the directly elected holder of that office.
- 1.1.3 The public accountability for the delivery and performance of the police service is placed into the hands of the PCC on behalf of their electorate. The PCC draws on their mandate to set and shape the strategic objectives of their force area in consultation with the CC. The PCC is accountable to the electorate; the CC is accountable to their PCC. The Police and Crime Panel within each force area are empowered to maintain a regular check and balance on the performance of the PCC in that context.
- 1.1.4 The PCC within each force area has a statutory duty and electoral mandate to hold the police to account on behalf of the public.
- 1.1.5 The PCC may appoint a Deputy PCC who may exercise any function of the PCC.
- 1.1.6 The PCC is the recipient of all funding, including the government grant and precept and other sources of income, related to policing and crime reduction and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the CC, or in accordance with any grant terms. The CC will provide professional advice and recommendations.
- 1.1.7 The PCC and the CC are both required to appoint a Chief Finance Officer (CFO) (also referred to as the Section 151 Officer). Within the PCC's Office (OPCC) this role is undertaken by the PCC Chief Operating Officer (PCC COO), who is also the Head of Paid Service. For the context of this document those duties which relate to the Section 151 Officer will be referred to as PCC CFO, and the duties attributed to being the Head of Paid Service will be referred to as PCC HoPS. The Chief Constable has a CFO (CC CFO).
- 1.1.8 To conduct its business effectively, Derbyshire Constabulary needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. The Regulations contained herein have been drawn up in such a way as to ensure that the financial matters of Derbyshire Constabulary are conducted properly and in compliance with all necessary requirements.

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- 1.1.9 The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the CC and their officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
- 1.1.10 A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.

1.2 STATUS

- 1.2.1 These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework of Derbyshire Constabulary that includes the Policing Protocol, codes of conduct, and any schemes of consent or delegation.
- 1.2.2 Similarly, these Financial Regulations co-exist with the current Terms of Reference (ToR) for the Joint Audit Risk & Assurance Committee (JARAC), which has a key assurance role in overseeing practical application of these Financial Regulations through their work. The user of this Handbook must have due regard to the current prevailing ToR for the JARAC and comply with the reporting mechanisms as appropriate. The JARAC ToR is reviewed at least annually and is therefore subject to change.
- 1.2.3 13.The PCC and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
- 1.2.4 Financial Regulations explain the working financial relationship between the PCC and the CC and their respective CFO's, having regard also to the role played by the PCC's COO as the section 151 officer and head of paid service, and the Head of Governance and Compliance who is the Monitoring Officer (PCC MO).
- 1.2.5 The PCC and CC are jointly responsible for approving or amending Financial Regulations. The PCC CFO is responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the PCC and CC, after consulting with the CC CFO and the PCC MO.
- 1.2.6 More detailed Financial Instructions to supplement these Regulations, shall be issued by the PCC and CC after consultation with the CC CFO, and the PCC MO.
- 1.2.7 Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.
- 1.2.8 Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the PCC CFO and CC CFO who shall determine, after consulting with the PCC MO, whether the matter shall be reported to the PCC and/or CC.
- 1.2.9 The PCC and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.

1.3 CONTENT

1.3.1 The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority.

1.3.2

▶	Section 2	-	Financial management
▶	Section 3	-	Financial planning
▶	Section 4	-	Management of risk and resources
▶	Section 5	-	Systems and procedures
▶	Section 6	-	External arrangements

1.4 DEFINITIONS WITHIN THE REGULATIONS

1.4.1 For the purposes of these Regulations Derbyshire Constabulary, when used as a generic term, shall refer to:

- The Police and Crime Commissioner for Derbyshire (PCC)
- The Office of the PCC (OPCC)
- The Chief Constable for Derbyshire (CC)
- Derbyshire Constabulary

1.4.2 The PCC's Chief Finance Officer is the Chief Operating Officer/s151 Officer (referred to hereafter as the PCC CFO in terms of any CFO elements of their responsibilities).

1.4.3 The CC's Chief Finance Officer is the CC Director of Finance & Assets (referred to hereafter as CC CFO in terms of any CFO elements of their responsibilities).

1.4.4 The PCC Chief Executive (CEX) role has been split

- With a PCC Chief Operating Officer (PCC COO), being the Head of Paid Service (PCC HoPS), also including the PCC CFO duties.
- Plus, a dedicated Monitoring Officer (PCC MO), the Head of Governance and Compliance.

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

1.4.6 Chief Officers when referred to as a generic term shall mean the CC, COO (who holds the PCC CFO & HoPS duties), in consultation with the PCC MO, and the CC CFO.

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

1.4.8 The expression 'authorised officer' refers to employees authorised by a Chief Officer.

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- 1.4.9 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 (including commissioned and co-commissioned services) or building works made on behalf of the PCC, Derbyshire Constabulary or their affiliated bodies.
- 1.4.10 The expression 'best value for money' shall mean the most cost-effective means of meeting the need and takes account of whole life costs.
- 1.4.11 Within these Regulations, most of the references have been made to the responsibilities of the CC since most of the day-to-day financial management is vested with that post. However, where resources are under the control of the Chief Operating Officer, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Operating Officer for the PCC.
- 1.4.12 The terms CC, PCC COO (with both PCC CFO & PCC HoPS roles), CC CFO, and PCC MO include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.
- 1.4.13 In context of the regulations, it is important to state that the PCC CFO duties would be delegated to the PCC's Deputy CFO in the absence of the COO, and for the CC CFO duties would be delegated to the CC's Head of Finance in the absence of the CC CFO.

SECTION 2 FINANCIAL MANAGEMENT

2.1 FINANCIAL MANAGEMENT

The Police and Crime Commissioner (PCC)

- 2.1.1 The PCC has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the police to account on behalf of the public. The PCC is the recipient of all 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 CC, or in accordance with any grant terms. The statutory officers (i.e. the PCC CFO, CC CFO, PCC COO and PCC MO) of the PCC and CC respectively will provide professional advice and recommendations.
- 2.1.2 The PCC shall appoint a CFO to be responsible for the proper administration of the commissioner's financial affairs. They shall also appoint a Chief Executive who will also act as Monitoring Officer. In Derbyshire's case the Chief Operating Officer holds the PCC CFO responsibilities, and Head of Paid Service, and designates a member of the OPCC staff as the Monitoring Officer.
- 2.1.3 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 CC. 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
 - Financial strategy
 - Annual revenue budget
 - Capital programme
 - Medium term financial forecasts
 - Treasury management strategy, including the annual investment strategy
 - Asset management strategy
 - Risk management strategy
 - Governance policies
- 2.1.4 The PCC is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
- 2.1.5 The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
- 2.1.6 The PCC shall provide the PCC CFO with such staff, accommodation and other resources as are in the PCC CFO's opinion sufficient to allow his/her duties under this section to be performed.

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- 2.1.7 The PCC may appoint a Deputy PCC (DPCC) and arrange for the DPCC to exercise any function of the PCC.
- 2.1.8 The PCC is responsible for agreeing a budget requirement and capital programme and setting the precept following advice from the PCC CFO (in liaison with the CC CFO) and in consultation with the Police and Crime Panel (PCP).
- 2.1.9 The PCC is responsible for rigorously scrutinising, challenging and monitoring aspects of financial performance and, if required, agreeing action taken to contain spending within approved plans.
- 2.1.10 The PCC is responsible for identifying and agreeing the medium term financial strategy of the PCC and any long term spending commitments and levels of reserves.
- 2.1.11 The PCC shall participate in inspections and audits of the Force and the PCC.
- 2.1.12 The PCC shall comply with all relevant codes of conduct and maintain the highest standards of conduct and ethics.
- 2.1.13 The PCC shall approve Financial Regulations and any amendments to them, as drawn up between the PCC MO, the CC, the PCC CFO and the CC CFO.
- 2.1.14 The PCC shall ensure that the internal control environment meets proper requirements including a Risk Management Strategy and recommendations from internal and external audit are actioned.
- 2.1.15 The PCC is responsible for the ownership of property including the Capital and Asset Management Strategies.
- 2.1.16 The PCC shall delegate financial management of the Force budget to the CC and CC CFO so that the CC CFO has as much day to day responsibility for financial management of the Force as possible, within the framework of the agreed budget and rules of virement.
- 2.1.17 The PCC shall be responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
- 2.1.18 The PCC is responsible, where appropriate, to put in place financial procedures (subject to these Financial Regulations) to apply specifically to the Office of the Police and Crime Commissioner.

The Chief Constable (CC)

- 2.1.19 The CC is responsible for maintaining the Kings Peace and has direction and control over the Police's officers and staff. The CC holds office under the Crown but is appointed by the PCC.
- 2.1.20 The CC is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by Derbyshire Constabulary. At all times the CC, their officers and staff, remain operationally independent in the service of the public.
- 2.1.21 To help ensure the effective delivery of policing services and to enable the CC to have impartial direction and control of all officers and staff within their force, the CC should have day to day responsibility for financial management of Derbyshire Constabulary within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.

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- 2.1.22 The CC shall appoint a CC CFO to be responsible for the proper administration of the CC's financial affairs.
- 2.1.23 The CC must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The CC will discharge this through the CC CFO who will lead for the force on financial management.
- 2.1.24 When the CC intends to make significant change of policy or seeks to move significant sums of their budget then the approval of the PCC should be sought.
- 2.1.25 The CC is responsible for the day-to-day financial management of Derbyshire Constabulary within the framework of the budget, rules of virement and reporting arrangements. In operating day to day financial management, the CC shall comply with the approved policies and framework of accountability.
- 2.1.26 The CC shall prepare Financial Instructions to supplement the Financial Regulations and provide detailed instructions on the operation of the specific financial processes delegated to the CC. The CC shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.
- 2.1.27 The CC shall ensure the provision of professional advice to the PCC.
- 2.1.28 The CC shall ensure proper financial management of resources allocated to or arising from income generated by activities within the operational area, including control of officers, staff, security, custody and the management and safeguarding of assets. Ensuring all resources are used efficiently and effectively.
- 2.1.29 Where consented by the PCC, the CC will be responsible for the management of property/assets and contracts.
- 2.1.30 The CC will advise the PCC on financial propriety for all areas under their control.

The Independent Joint Audit Risk and Assurance Committee (JARAC)

- 2.1.31 The Home Office Financial Management Code of Practice states that the PCC and CC 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 CC. This committee will advise the PCC and the CC according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In establishing the Audit Committee, the PCC and CC shall have regard to CIPFA Guidance on Audit Committees.
- 2.1.32 The Audit Committee shall comprise six members who are independent of the PCC and Derbyshire Constabulary.
- 2.1.33 The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis.
- 2.1.34 The PCC and Chief Constable shall be represented at all meetings of the Audit Committee.
- 2.1.35 The terms of reference for the Audit Committee cover requirements in relation to Internal and External Audit appointments, plans and reports, HMICFRS reports, risk management, VfM, governance, annual accounts and related reports.

The Role of Statutory Officers - The Commissioner's Chief Finance Officer (PCC CFO)

2.1.36 The PCC CFO is the Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer, inc. Financial Management and monitoring arrangements.

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

- Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011.
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure).
- The Accounts and Audit Regulations
- Section 151 – Local Government Finance Act 1972

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

- ensuring that the financial affairs of the PCC are properly administered and that these financial regulations are observed and kept up to date.
- ensuring regularity, propriety and Value for Money (VfM) in the use of public funds.
- ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges.
- working closely with the CC CFO.
- developing the Medium-Term Financial Strategy and Medium-Term Financial Plan in conjunction with the CC CFO.
- reporting to the PCC, the Police and Crime Panel, the JARAC Chair and to the external auditor:
 - any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC; and
 - when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure.
- advising the PCC on the robustness of the estimates and the adequacy of financial reserves.
- overseeing the preparation of the annual statement of accounts for the PCC and the Accounts G (PCC and CC together), in conjunction with the CC CFO.
- ensuring the provision of an effective internal audit service, in conjunction with the CC CFO.
- securing the treasury management function, including loans and investments.
- advising, in consultation with the PCC MO and in conjunction with the CC CFO to ensure the safeguarding of assets, including risk management and insurance.

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- arranging for the determination and issue of the precept.
- liaising with the external auditor; and
- advising the PCC on the application of Value for Money (VfM) principles by the force to support the PCC in holding the CC to account for efficient and effective financial management.

2.1.39 The PCC CFO, in consultation with the PCC MO, CC CFO and CC as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of Derbyshire Constabulary.

2.1.40 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.

2.1.41 The PCC CFO is the PCC's 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:

- must be a key member of the PCC's Executive Team, working closely with the PCC MO, helping the team to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.
- must be actively involved in, and able to bring influence to bear on, all significant business decisions of the PCC, to ensure that the financial aspects of immediate and longer-term implications, opportunities and risks are fully considered, and in alignment with the PCC's financial strategy.
- must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- must ensure that the finance function is resourced to be fit for purpose.

The Role of Statutory Officers - The Chief Constable's Chief Finance Officer (Director of Finance & Assets referred to as CC CFO)

2.1.42 The CC CFO is the CC's Section 151 Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.

2.1.43 The CC CFO's responsibilities are set out in:

- Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform Social Responsibility Act 2011.
- Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure).
- The Accounts and Audit Regulations
- Section 151 – Local Government Finance Act 1972.

2.1.44 The CC CFO is responsible for:

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- ensuring that the financial affairs of the force are properly administered and that these financial regulations are observed and kept up to date and accounting standards are applied consistently.
- ensuring written procedures are in place to support the compliance with these financial regulations where necessary and appropriate.
- ensuring regularity, propriety and Value for Money (VfM) in the use of public funds.
- ensuring that the expenditure is made within the approved budget and all income is accounted for appropriately.
- ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges.
- developing the Medium-Term Financial Strategy and Medium-Term Financial Plan in conjunction with the PCC CFO.
- reporting to the Chief Constable, the PCC, the PCC CFO, the JARAC Chair and to the external auditor any:
 - unlawful, or potentially unlawful, expenditure by the CC or officers/staff of the CC; or
 - circumstances when it appears that any expenditure of the CC is likely to exceed the resources available to it to meet that expenditure.
- advising the CC on value for money in relation to all aspects of the force's expenditure.
- advising the CC on a budget requirement and capital programme.
- advising the CC and the PCC on the robustness of estimates and the soundness of the budget in relation to the force.
- assisting the CC to monitor all revenue and capital budgets.
- assisting the CC by advising on and signing off all business cases for change in terms of risk and assurance and all financial implications impacting on the revenue and capital budgets and resources.
- working closely with the PCC CFO.
- liaising with the external auditor.
- ensuring the preparation of the annual statement of accounts for the CC, PCC and Group including liaising with the PCC CFO in the production of group accounts for the PCC/Group.
- ensuring the provision of an effective internal audit service, in conjunction with the PCC CFO.
- providing the treasury management function, including loans and investments in conjunction with the PCC CFO.
- advising, in consultation with the PCC CFO to ensure the safeguarding of assets, including risk management and insurance.

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- supporting the determination and issue of the precept in conjunction with the PCC CFO; and
- advising the CC on the application of value for money principles by the Constabulary to support the CC in demonstrating to the PCC the Constabulary's efficient and effective financial management.

2.1.45 The CC 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 CC's accounts. The CC CFO will consult with the PCC CFO on the locally agreed timetable for the compilation of the group accounts.

2.1.46 The CC CFO is the CC's professional adviser on financial matters. To enable them to fulfil these duties the CC CFO:

- should be a key member of the CC's Chief Officer Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest. Where this is not possible the Force CFO should be well sighted and able to advise the CC regarding strategic financial matters.
- should be actively involved in, and able to bring influence to bear on, all strategic business decisions of the CC to ensure immediate and longer- term implications, opportunities and risks are fully considered.
- should lead the promotion and delivery by the CC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- and should ensure that the finance function is resourced to be fit for purpose.

2.1.47 It must be recognised that financial regulations cannot foresee every eventuality. The CC CFO together with the PCC CFO, shall be responsible for interpreting these regulations to ensure the efficient and effective operation of services.

The Role of Statutory Officers - The PCC 's Head of Paid Service (HoPS), and PCC Monitoring Officer (PCC MO)

2.1.48 The PCC HoPS Officer is responsible for the leadership and general administration of the PCC's office (OPCC).

2.1.49 A separate designated Monitoring Officer (PCC MO) is appointed under section 5(1) of the Local Government and Housing Act 1989.

2.1.50 The Monitoring Officer is responsible for:

- enabling the PCC to fulfil their statutory responsibilities
- ensuring the legality of the actions of the PCC and their staff within the OPCC.
- ensuring that procedures for recording and reporting key decisions are operating effectively.
- advising the PCC and officers about who has authority to take a particular decision.

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- advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.
- ensure the provision of information and reports required by the PCP.
- ensure the PCC meets their obligations in relation to statutory publications including the Police and Crime Plan, Annual Report and Council Tax Leaflet.
- develop a strong partnership with the PCC and CC ensuring the provision of effective and efficient policing is fulfilled.
- undertake the role of designated Monitoring Officer to detect and report any illegality or maladministration; and
- advising the PCC on matters relating to standards of conduct.

2.2 FINANCIAL MANAGEMENT STANDARDS

Why is this important?

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

Responsibilities of the PCC CFO and CC CFO

- 2.2.2 To ensure the proper administration of the financial affairs of Derbyshire Constabulary.
- 2.2.3 To ensure that proper practices are adhered to.
- 2.2.4 To advise on the key strategic controls necessary to secure sound financial management.
- 2.2.5 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
- 2.2.6 To ensure that all staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- 2.2.7 To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.
- 2.2.8 To take appropriate action in the event of breaches of the Financial Management Standards and Financial Regulations.
- 2.2.9 Key Controls and objectives for financial management standards are:
- Their promotion throughout the organisation. The PCC and the CC shall ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
 - A monitoring system to review compliance with financial standards, and regular comparisons of performance indicators with benchmark standards that are reported to the JARAC Meeting.

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- All staff are to be properly managed, developed, trained and have adequate support to carry out their financial duties effectively. The PCC and the CC shall ensure that specific duties and responsibilities in financial matters are made clear to individual members of staff and that these are properly recorded.
- Systems of internal control are in place that ensures financial transactions are lawful.
- Suitable accounting policies are selected and applied.
- Proper accounting records are maintained.
- Financial statements are prepared, which present fairly the financial position of the PCC and the CC, including expenditure and income.

2.3 ACCOUNTING RECORDS AND RETURNS

Why is this important?

2.3.1 Maintaining proper accounting records is one of the ways in which the PCC and CC will discharge their responsibility for stewardship of public resources. Derbyshire Constabulary has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency, and effectiveness in the use of Derbyshire Constabulary resources.

2.3.2 Key Controls and objectives for Accounting Records and Returns are:

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

Responsibilities of the PCC CFO in conjunction with the CC CFO

- 2.3.3 To determine the accounting procedures and records, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures in place.
- 2.3.4 To ensure consultation and agreement takes place between the CFOs before making any fundamental changes to accounting records and procedures or accounting systems.
- 2.3.5 To ensure that all employees operate within the required accounting policies and published timetables.
- 2.3.6 To make proper arrangements for the audit of the PCC's and Force's accounts in accordance with the Accounts and Audit Regulations.
- 2.3.7 To ensure that all claims for funds including grants are made by the due date.
- 2.3.8 To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis.
- 2.3.9 To ensure the preparation and publishing of the audited accounts in accordance with the statutory timetable.
- 2.3.10 To ensure that documentation is retained in an appropriate format in compliance with the current document retention policy

Responsibilities of the CC and CC CFO

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

2.4 THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

- 2.4.1 Derbyshire Constabulary has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The accounts will comprise separate statements for the PCC and CC as well as group accounts covering both entities.
- 2.4.2 The PCC CFO will set out the arrangements for the production of the group accounts. The CC CFO is responsible for producing the PCC, CC's and Group accounts in accordance with the timetable and requirements of the group accounts.
- 2.4.3 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency, and effectiveness in the use of Derbyshire Constabulary resources.

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2.4.4 Key Controls and Objectives for the Annual Statement of Accounts:

- The accounts are subject to detailed independent review by the external auditor.
- This audit provides assurance that the accounts are prepared correctly and that proper accounting practices have been followed.
- The PCC is required to make arrangements for the proper administration of its financial affairs. The PCC statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

Responsibilities of the PCC CFO

- 2.4.5 To sign and date the PCC and Group statement of accounts, stating that it presents fairly the financial position of the PCC for Derbyshire at the accounting date and its income and expenditure for the financial year just ended.
- 2.4.6 To ensure the Force Finance team (through the CC CFO) provide statement of accounts of the Group and PCC at the accounting date and its income and expenditure for the financial year just ended.
- 2.4.7 To publish the approved and audited accounts of the Group and PCC each year, in accordance with the statutory timetable.
- 2.4.8 To produce summary accounts for publication on the website.
- 2.4.9 To select suitable accounting policies and apply them consistently, in conjunction with the CC CFO.
- 2.4.10 To make judgements and estimates that are reasonable and prudent.
- 2.4.11 To comply with the Code of Practice on Local Authority Accounting.

Responsibilities of the CC CFO

- 2.4.12 To draw up the timetable for final accounts preparation, in consultation with the PCC CFO and external auditor.
- 2.4.13 To prepare the statement of accounts of the CC, PCC and Group at the accounting date and its income and expenditure for the financial year just ended.
- 2.4.14 To publish the approved and audited accounts of the CC each year, in accordance with the statutory timetable.
- 2.4.15 To produce summary accounts for publication on the website.
- 2.4.16 To select suitable accounting policies and apply them consistently, in conjunction with the PCC CFO.
- 2.4.17 To make judgements and estimates that are reasonable and prudent.
- 2.4.18 To comply with the Code of Practice on Local Authority Accounting.

Responsibilities of the PCC

- 2.4.19 To consider and approve the Annual Accounts of the PCC and the Group Accounts of Derbyshire Constabulary in accordance with the statutory timetable.

Responsibilities of the CC

2.4.20 To consider and approve the CC's Annual Accounts in accordance with the statutory timetable.

SECTION 3 FINANCIAL PLANNING

3.1 FINANCIAL PLANNING

Why is this important?

- 3.1.1 Derbyshire Constabulary is a complex organisation responsible for delivering a range of policing activities. Robust systems are required to enable scarce resources to be allocated in accordance with carefully judged priorities. Financial planning is essential if the PCC and the Force are to function effectively.
- 3.1.2 The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives.
- 3.1.3 The planning process should be continuous, and the planning period should cover at least 3 to 5 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows the PCC and the CC to plan, monitor and manage the way funds are allocated and spent. This should be used to support the Police and Crime Plan and the alignment of business and financial planning.
- 3.1.4 It is recognised that the impact of financial planning in the police service will be constrained by the quality of information made available by central government on resource allocation and council tax referendum levels.
- 3.1.5 The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the rules around virement operate.

Medium Term Financial Planning

- 3.1.6 The PCC and CC share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing a medium term (3-5 years) revenue forecast and capital programme.
- 3.1.7 The key controls and objectives being that the PCC and CC are able to integrate financial and budget plans into service planning so that such plans can be supported by financial and non-financial performance measures

Responsibilities of the PCC and PCC CFO

- 3.1.8 To identify and agree, in consultation with the CC, a Medium-Term Financial Strategy (MTFS) which includes funding and spending plans for both revenue and capital. The strategy should cover multiple years, the inter-dependencies of revenue budgets and capital investment, the role of reserves and consideration of risks. It should have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local Authorities. The strategy should also be aligned with the Police and Crime Plan.

Responsibilities of the CC and CC CFO

- 3.1.9 To determine (in conjunction with the PCC CFO) 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.
- 3.1.10 To prepare a medium-term forecast of proposed income and expenditure for submission to the PCC at a detailed level as a Medium Term Financial Plan (MTFP) to underpin the MTFS.

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The MTFs should be submitted to the PCC and PCC CFO and be subject to review during the financial year.

3.1.11 The MTFs should be informed by:

- Government, particularly Home Office financial plans at a national level.
- Financial risks identified at national and regional levels.
- Estimated maximum precept increases – this may differ with the annual requirements of the PCC.
- External factors affecting funding available (such as Legislative, National Insurance, Tax and Pension changes).
- The MTFP and associated risks and opportunities

3.1.12 When preparing the MTFP forecast, the CC shall have regard to:

- the MTFs – the indication of what financial resources will be available to the Force and the OPCC.
- the Police and Crime Plan.
- policy requirements approved by the PCC as part of the policy framework.
- the risk management policy, ensuring that risk appraisals are embedded throughout the forecast.
- requirements relating to collaboration budgets.
- the Strategic Policing Requirement.
- unavoidable future commitments, including legislative requirements.
- initiatives already underway.
- spending patterns and pressures revealed through the budget monitoring process.
- revenue implications of the draft capital programme.
- proposed service developments and plans which reflect public consultation.
- the need to deliver efficiency and/or productivity savings.
- known and anticipated government grant allocations.
- potential implications for local taxpayers; and
- public and partner consultation.

3.1.13 To prepare a medium-term forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding and all other available information. This will include potential implications for local taxation.

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

3.2 ANNUAL REVENUE BUDGET

3.2.1 The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCC's strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the Force. As such, preparation of the annual budget should be based on sound financial management principles of probity, efficiency and value for money.

3.2.2 The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined in accordance with the limits. The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate (see Budgetary Control Section), the operation of cash limits and sets the level at which funds may be reallocated within budgets.

3.2.3 The PCC should consult with the CC and other relevant partners and stakeholders in planning the overall annual budget which will include a separate force budget. This will take into consideration funding from government and from other sources and balance the expenditure needs of the policing service against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Police Reform and Social Responsibility Act 2011), be completed in accordance with the statutory timeframe and the format should comply with all legal requirements and CIPFA Codes of Practice.

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

3.2.5 The key controls and objectives for the budget are:

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

Responsibilities of the PCC

3.2.6 To agree the planning timetable with the CC.

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

3.2.8 To present the proposed council tax implications and precept requirements (with supporting budget commentary and detail to assist understanding) to the Police and Crime Panel for its scrutiny. The impact of the annual budget on the priorities and funding of future years as

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set out in the Police and Crime Plan and the Medium-Term Financial Strategy being clearly identified.

Responsibilities of the PCC CFO

- 3.2.9 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.
- 3.2.10 To ensure timely and accurate information is obtained from billing authorities on the council tax-base and the latest surplus/deficit position on collection funds to inform budget deliberations.
- 3.2.11 To advise the PCC on the appropriate level of general balances, earmarked reserves and provisions to be held.
- 3.2.12 To submit a report to the PCC on:
 - (1) the robustness of the estimates and the adequacy of reserves and
 - (2) the suite of prudential indicators for the next three to five 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.
- 3.2.13 Upon approval of the annual budget, to ensure submission of the council tax requirement return to central government and precept requests to appropriate bodies in accordance with the legal requirement.
- 3.2.14 To produce and issue to the billing authorities, in accordance with statutory requirements, the council tax information leaflet.

Responsibilities of the CC and CC CFO

- 3.2.15 To prepare detailed budget estimates for the forthcoming financial year in consultation with the PCC CFO.
- 3.2.16 To submit estimates in the agreed format to the PCC for approval, including details of council tax implications, precept requirements prudential indicators, levels of general balances, earmarked reserves and provisions.

3.3 BUDGETARY CONTROL

Why is this important?

- 3.3.1 Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose, subject to virement rules and are properly accounted for. Budgetary control is a continuous process, enabling both the CC and PCC to review and adjust budget targets, responding to emerging priorities during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 3.3.2 The key controls and objectives for managing and controlling the revenue budget are that:
 - there is a single nominated budget manager for each cost-centre or account code heading who is accountable for the budgets under their direct control.

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- all changes to budgets are approved by the PCC CFO or CC CFO (if within delegated powers) or the PCC (if over the delegated limits); and
- the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures.
- for strategic monitoring and management purposes, the budget shall identify operational and other policing costs, PCC costs, financing items and transfers to and from general balances and earmarked reserves.

Revenue Monitoring

Why is this important?

3.3.3 By continuously identifying and explaining variances against budgetary targets, Derbyshire Constabulary can identify changes in trends and resource requirements at the earliest opportunity.

3.3.4 The PCC and CC both operate within an annual cash limit, approved when setting the annual budget. To ensure that Derbyshire Constabulary in total does not overspend, the CC, CC CFO and PCC CFO are required to manage expenditure within their budget allocations, subject to the rules of virement.

3.3.5 The key controls and objectives for managing and controlling the revenue budget are:

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

Responsibilities of the CC and CC CFO

3.3.6 To provide appropriate financial information to enable budgets to be monitored and reported effectively.

3.3.7 To ensure that each element of income or expenditure has a single nominated budget manager to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision-making process that commits expenditure – usually at cost centre level. The CC and CC CFO shall also ensure also that a nominated officer is responsible for monitoring income and expenditure against the pensions account.

3.3.8 It is the responsibility of budget holders to manage income and expenditure within their area and to monitor performance, taking account of financial information provided. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the PCC and CC CFO, including any variances within their own areas. Budget Managers

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will also take any action necessary to avoid exceeding their budget allocation and alert the PCC and CC CFO to any problems.

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

3.3.10 To ensure that total spending for operational policing remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the CC, both the PCC CFO and PCC shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the PCC. The same responsibilities apply to the PCC HoPS, PCC MO, and the PCC CFO for the OPCC budgets.

3.3.11 To submit a budget monitoring report to the PCC on a regular basis throughout the year, containing the most recently available financial information. The reports shall be in a format agreed with the PCC and PCC CFO.

Responsibility of the PCC CFO

3.3.12 To advise the PCC on the presentation to the Police and Crime Panel of required financial information, as necessary.

Resource Allocation Overview and Control

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

3.3.14 The key controls and objectives for resource allocation are:

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

Virement

Why is this important?

3.3.15 A virement is a planned and approved reallocation of resources between budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable chief officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.

3.3.16 The overall budget is agreed by the PCC and budget managers are expected to incur expenditure in accordance with the estimates that make up their budget, subject to agreed virement rules, and within the limit of total resources allocated. Virement should not be

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allowed to create additional overall budget liability. Senior officers are expected to exercise discretion in managing budgets responsibly and prudently. Virements are not to be used as a tool to create future commitments. Therefore, it is vital that virement decisions do not lead to additional future spending without the prior approval of the PCC CFO.

- 3.3.17 The CC should only be required to refer back to the PCC when virement would incur substantive changes in the policy of the PCC, or is to fund a notable or potentially contentious item or where a virement might create a future year or continuing commitment. Revenue expenditure can only be funded from revenue funding. Overall, the rules on virement are designed to allow the CC greater flexibility to meet operational requirements and to facilitate the decision-making process. The CC shall be held to account by the PCC for decisions made and the way in which resources are deployed. The virement rules allow greater freedom by requiring reports on significant changes.
- 3.3.18 The PCC can withdraw the ability for virement in any year should they feel it is prudent to do so.

Responsibilities

- 3.3.19 Budget holders may authorise individual virement requests up to the value of £10,000 from within their devolved budget heads in consultation with the CC CFO or the PCC CFO as appropriate.
- 3.3.20 The CC and the CC CFO may vire between budget heads under their responsibility up to a value of £100,000; sums above this figure to be approved by the PCC.
- 3.3.21 The PCC and PCC CFO are responsible for any transfers to and from PCC balances.
- 3.3.22 Where significant changes in policy are necessary, PCC approval must be sought irrespective of the amounts involved.
- 3.3.23 Virements shall not be made from/to the following estimate headings:
- Capital Financing Costs.
 - Funding Income.
- 3.3.24 Accurate records of virement transactions will be maintained by the CC CFO and be reported to the PCC as part of the regular budget monitoring.
- 3.3.25 Virement does not create additional overall budget liability.
- 3.3.26 By definition all virement is a net nil.
- 3.3.27 Subject to approved limits as set out in any delegated limits, it is a requirement that the PCC CFO and CC CFO approve virement requirements of the CC and the PCC respectively.
- 3.3.28 Each budget monitoring report reported to the PCC shall contain details where revised budgets or forecast income and expenditure varies to a significant degree from the original approved budget. However, any significant expected changes to the budget identified between reports should be reported to the PCC CFO immediately. Each budget monitoring report should include any virement requests for approval by the PCC CFO or PCC as necessary
- 3.3.29 The approval of the Commissioner shall be required:

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- As part of updating the budget through the budget monitoring process.
- If an approved change of policy results in a virement requirement.
- If the virement results in a significant addition to commitments in future years.
- Within this document, the term “significant” shall be determined in its value through the professional judgement of respective CFO’s

Treatment of Year End Balances

- 3.3.30 A year-end balance is the amount by which actual income and expenditure including capital costs varies from the final budget, normally identified at devolved budget holder level. Arrangements may be necessary for the transfer of resources between accounting years (i.e. a carry forward). This may increase or decrease the resources available to budget holders in the following financial year. All carry forwards recommended by the PCC CFO and the CC CFO will be presented to the CC and PCC for approval at year end for each financial year.
- 3.3.31 As part of the monitoring and control process, reporting of potential variations from budget and proposals for reallocation of resources shall be made as early as possible in the financial year
- 3.3.32 All reasonable endeavours shall be taken to provide a service that matches the approved budget.
- 3.3.33 There may be occasions when an overall overspend position occurs, particularly where exceptional events occur so close to the end of the financial year that a balanced outturn position is not possible. In this event, the overspend will be funded initially from General Balances, but full discussion will take place between the PCC, Chief Constable and their respective officers to determine any future implications.
- 3.3.34 All endeavours should be made to identify potential overspends, as early as possible during the financial year, to enable mitigating action to be taken
- 3.3.35 Key Controls and objectives for Year End Balances
- The Finance Department will ensure that regular budget monitoring reports are made available to ensure expenditure is managed within the approved budget.
 - Overspends identified within the financial year will be reported to the CC for management within the wider Force budget.
 - Exceptions to this will be discussed and approved by the PCC following discussions with the CC CFO and PCC CFO.
 - As a default position, any underspends against budgets will be taken to reserves. For the Force any exception to this policy must be proposed by the CC in consultation with the CC CFO and determined by the PCC in consultation with the PCC CFO. For the PCC any exception to this policy must be proposed by the PCC CFO and determined by the PCC.

3.4 CAPITAL PROGRAMME

Why is this important?

- 3.4.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to Derbyshire Constabulary such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.
- 3.4.2 A capital strategy which considers all capital requirements from the Estates Strategy, Asset Management Plan, DDaT Strategy and Fleet Strategy is produced for up to 30 years. From this, the capital programme for the next 5 years is derived.
- 3.4.3 Derbyshire Constabulary is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. CIPFA's Prudential Code and the Local Government Act 2003 sets out the framework under which the PCC will consider these spending plans.
- 3.4.4 The capital programme is linked to the approved financial strategy. A report should be addressed to the PCC annually to formally report the performance against prudential indicators in accordance with the Local Government Act 2003 and the Prudential Code for Capital Finance. Assurance should be provided during the year as part of treasury and budget monitoring reports on compliance with the prudential indicators.

Responsibilities of the CC and CC CFO

- 3.4.5 To develop and implement asset management plans.

Responsibilities of the PCC

- 3.4.6 To approve the asset management strategy.
- 3.4.7 To approve the annual financial capital strategy.

Responsibilities of the PCC CFO and CC CFO

- 3.4.8 To identify available sources of funding for the medium-term capital programme, including the identification of potential capital receipts from disposal of property. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.
- 3.4.9 To prepare a financial capital strategy for consideration and approval by the PCC

Medium Term Capital Programme

Responsibilities of the CC and CC CFO

- 3.4.10 To prepare a rolling programme of proposed capital expenditure for consideration by the PCC. The CC CFO must ensure each scheme identifies the total capital cost of the project and any additional revenue commitments.
- 3.4.11 To prepare project appraisals for all schemes in the draft medium-term year capital programme including an option appraisal signed off by the CC CFO which demonstrates the costs and benefits of the project to the service, these must be submitted to the PCC with a recommended solution resulting from consideration of the business case/options appraisal for consideration and scheme approval. This will include all additional revenue and capital costs.

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- 3.4.12 Schemes proposed after the annual budget meeting for inclusion in the capital programme during the current financial year shall be submitted through either a decision record or the formal meetings between the CC and PCC for approval by the PCC. These requests must be supported by the CC and include a full business case with all financial implications signed off by the CC CFO.
- 3.4.13 Each individual scheme will have a nominated budget manager who will be accountable for that project. The budget manager's responsibilities include the monitoring of progress in conjunction with expenditure and comparison with approved budget and ensuring completion of the scheme.
- 3.4.14 A gap may be identified between available resources and required capital investment. Requirements should be prioritised carefully by the CC and CC CFO to enable the PCC to make informed judgements as to which schemes should be included in the capital programme, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.
- 3.4.15 All schemes within the draft medium-term capital programme should incorporate an estimate of future price inflation.

Responsibilities of the PCC CFO

- 3.4.16 To make recommendations to the PCC on the most appropriate level of revenue support and appropriate levels of borrowing, under the Prudential Code, to support the capital programme.

Responsibilities of the PCC

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

Annual Capital Programme

Responsibilities of the PCC

- 3.4.18 To agree the annual capital programme, and how it is to be financed.

Responsibilities of the CC and the CC CFO

- 3.4.19 No capital expenditure shall be incurred unless the scheme is included in the capital programme approved by the PCC or as subsequently modified. In this respect, the vehicle replacement programme, equipment replacement programme and DDaT replacement programme shall each be regarded as one scheme and will not be subjected to further business case/further approval processes unless otherwise determined by the CC CFO.
- 3.4.20 Schemes within the Capital Programme will be required to pass through the capital expenditure approval process before any expenditure is committed. Requests for significant new capital expenditure must be made in the format of a business case where all financial implications must be reviewed and signed off by the CC CFO prior to being presented to Board Meetings. Detailed estimates for each scheme in the approved capital programme shall be prepared as part of the options appraisal and signed off by the CC CFO before tenders are sought or commitments made. Schemes need not be referred back to the PCC for further approval unless, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits already approved in

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the Capital Programme, due to potential implications in relation to the Treasury Management Strategy.

- 3.4.21 Arrangements covering variations in contract conditions and prices are to be managed in accordance with the scheme of consent
- 3.4.22 Approval of the annual capital programme by the PCC authorises the CC to incur expenditure on schemes providing the project appraisal has been approved and expenditure on the scheme does not exceed the sum contained in the approved programme by more than 10% or £250,000 whichever is the lower amount, provided that there is no overall increase to the approved capital programme. All variations above this level require approval of the PCC.
- 3.4.23 To ensure that finance leases or other credit arrangements are not entered into without the prior approval of the PCC CFO and sufficient revenue resources must be available to meet the repayments.
- 3.4.24 To ensure that, apart from professional fees (e.g. feasibility studies and planning fees), no other capital expenditure is incurred before the scheme is approved by the PCC.

Monitoring of Capital Expenditure

Responsibilities of the CC

- 3.4.25 To ensure that adequate records are maintained for all capital contracts

Responsibilities of the CC and CC CFO

- 3.4.26 To monitor expenditure throughout the year against the approved programme.
- 3.4.27 To submit capital monitoring reports to the PCC on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme. The reports shall be in a format agreed by the PCC and PCC CFO.
- 3.4.28 To prepare a business case for all new capital schemes [after the annual programme has been agreed] for submission to the PCC for consultation and approval. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.

Responsibilities of the PCC CFO

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

3.5 MAINTENANCE OF BALANCES AND RESERVES

Why is this important?

- 3.5.1 The PCC must decide the level of general reserves they wish to retain before they can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the organisation to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. Earmarked Reserves for specific purposes may also be maintained where it is likely that a

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spending requirement will occur in the future. The Commissioner will approve the policy on reserves and balances and their planned use as part of the annual budget setting process.

- 3.5.2 The key controls and objectives for maintaining reserves are to maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A statement of Recommended Practice (CIPFA) and agreed accounting policies. For each earmarked reserve established, the purpose, usage and basis of transactions should be clearly identified. The PCC CFO shall approve the creation of the General Reserve and its application, in addition to the authorisation and expenditure from reserves.

Responsibilities of the PCC CFO

- 3.5.3 To advise the PCC on reasonable levels of general fund balances and earmarked reserves and take account of professional best practice.
- 3.5.4 To report to the PCC on the adequacy of reserves and balances before they approve the annual budget and council tax.

Responsibilities for the CC

- 3.5.5 To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval, including use of the operational reserve.
- 3.5.6 To present a business case to the PCC for one-off expenditure items to be funded from earmarked and/or general reserves.

Responsibilities of the PCC

- 3.5.7 To approve a policy on reserves and balances, including lower and upper parameters for the level of general balances.
- 3.5.8 To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.
- 3.5.9 To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process and Annual Statement of Accounts.

SECTION 4 MANAGEMENT OF RISK AND RESOURCES

4.1 RISK MANAGEMENT, BUSINESS CONTINUITY AND INSURANCE

Why is this important?

- 4.1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks to Derbyshire Constabulary. This should include the proactive participation of all those associated with planning and delivering services.
- 4.1.2 All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the threat or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of Derbyshire Constabulary and to ensure the continued corporate and financial wellbeing of Derbyshire Constabulary. In essence it is, therefore, an integral part of good business practice.
- 4.1.3 Business Continuity arrangements are essential for a public-sector organisation to ensure its ability to maintain service to the public in the event of factors outside of its complete control. Due regard should be made to the Business Continuity arrangements of both the PCC and CC which are detailed in separate policies due to a heavy focus on operational resilience rather than pure financial continuity.
- 4.1.4 Key controls and objectives for Risk Management, Business Continuity and Insurance incorporate the implementation of appropriate policies and 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.

Responsibilities of the PCC and CC

- 4.1.5 The PCC and CC are responsible for approving the risk management policy statement and strategy, and for reviewing the effectiveness of risk management.

Responsibilities of Chief Officers

- 4.1.6 To prepare the Derbyshire Constabulary risk management policy statement and promoting a culture of risk management awareness throughout Derbyshire Constabulary and reviewing risk as an ongoing process.
- 4.1.7 To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.
- 4.1.8 To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis.

Responsibilities of the PCC CFO

- 4.1.9 The PCC CFO is responsible for the Police and Crime Commissioner's risk register and for determining acceptable levels of risk.
- 4.1.10 To advise the PCC on appropriate arrangements for insurance and notifying the PCC promptly of all new risks which require insurance and of any alterations affecting existing insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken. All of the aforementioned activities are based on the recommendation of the CC CFO.
- 4.1.11 To arrange for an actuary to undertake a regular review of Derbyshire Constabulary's own self-insurance fund and, following that review, to recommend to the PCC a course of action to ensure that, over the medium term, the fund is able to meet all known liabilities. In practice this is done by the CC CFO, in consultation with the PCC CFO.

Responsibilities of the CC CFO

- 4.1.12 To consider making provision for losses that might result from risks that remain in consultation and conjunction with the PCC CFO.
- 4.1.13 Is responsible for the daily management and operation of the Force's insurance within the terms of the approved policies including ensuring that all claims are made promptly and monitoring claims managed through legal services, in consultation with other officers where necessary.
- 4.1.14 To ensure that employees, or anyone covered by Derbyshire Constabulary insurance, are instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

Responsibilities of the CC

- 4.1.15 To ensure, in consultation with the PCC CFO, that appropriate insurance cover is provided.
- 4.1.16 To ensure that claims made by Derbyshire Constabulary against insurance policies are made promptly.
- 4.1.17 To make all appropriate employees aware of their responsibilities for managing relevant risks and to promote risk management throughout the organisation.
- 4.1.18 To ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk.

Responsibilities of the COO/MO

- 4.1.19 To evaluate and authorise any terms of indemnity that Derbyshire Constabulary is requested to give by external parties.

Responsibilities of Head of East Midlands Police Legal Services (EMPLS)

- 4.1.20 To evaluate and authorise any terms of indemnity that Derbyshire Constabulary is requested to give by external parties. EMPLS shall be authorised to settle insurance liability claims up

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to the value of £10,000, and anything above that shall go to the Deputy Chief Constable. Beyond £10,000 claims must be referred to the PCC for approval.

4.1.21 Settlement of employment tribunal cases and grievances of staff under their direction and control will remain with the CC and the COO for OPCC staff, within the delegated limits in Section 8 with the exception of those cases felt to be sensitive because:

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

4.2 INTERNAL CONTROL SYSTEM

Why is this important?

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

4.2.2 Derbyshire Constabulary is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. Derbyshire Constabulary has statutory obligations, and, therefore, requires a system of internal control to identify, meet and monitor compliance with these obligations.

4.2.3 Derbyshire Constabulary faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. A system of internal control is necessary to manage these risks. The system of internal control is established in order to provide achievement of:

- efficient and effective operations.
- reliable financial information and reporting.
- compliance with laws and regulations.
- risk management.

4.2.4 The key controls and objectives for Internal Control Systems are

- Managerial, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
- Financial and operational procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.

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- An effective internal audit function, which operates in accordance with CIPFA's Code of Practice for Internal Audit and with any other relevant statutory obligations and regulations. Key controls should be reviewed on a regular basis and the PCC should make formal statements annually to the effect that they are satisfied that the system of internal control operates effectively

Responsibilities of Chief Officers

- 4.2.5 To implement effective systems of internal control, in accordance with advice from the PCC CFO and CC CFO. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
- 4.2.6 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.
- 4.2.7 To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.

Responsibilities of the PCC CFO and CC CFO

- 4.2.8 To produce Annual Governance Statements (AGS) for consideration and approval by the PCC and CC, these statements will be included in the Group and CC Accounts. Following approval, the relevant AGS should be signed by the PCC and PCC CFO or the CC and CC CFO (respectively). The Accounts and Audit Regulations require the PCC to review internal control arrangements at least annually.

4.3 AUDIT REQUIREMENTS

Internal Audit

Why is this important?

- 4.3.1 Internal audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, designed to add value and improve and organisations operations, by evaluating its effectiveness in achieving the organisation's objectives. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 4.3.2 The requirement for an internal audit function for local authorities is either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities "make arrangements for the proper administration of their financial affairs". In the Police Service the PCC and CC are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit Regulations which state

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that a “relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”. The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the CIPFA Code of Practice. Both the PCC and CC corporations’ sole are auditable bodies.

4.3.3 In fulfilling this requirement, the PCC and CC should have regard to the Code of Practice for Internal Audit in Local Government in the United Kingdom issued by CIPFA. In addition, the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.

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

- to satisfy the PCC, Joint Audit Risk & Assurance Committee and the CC that effective internal control systems are in place; and
- to satisfy the external auditor that financial systems and internal controls are effective and that the Police Fund is managed so as to secure value for money so that external audit may use the work of internal audit when carrying out their functions.

4.3.5 The key controls and objectives for internal audit are

- That it is independent in its planning and operation.
- That internal audit has direct access to the PCC, the PCC MO, PCC CFO, CC, CC CFO and all levels of management.
- The internal auditors comply with Codes of Practice issued by CIPFA and other regulatory bodies.

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

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

Responsibilities of the Independent Joint Audit Risk and Assurance Committee (JARAC)

4.3.7 The responsibilities of the JARAC are described in the Terms of Reference which are reviewed annually and approved by the PCC and CC.

Responsibilities of the PCC CFO and CC CFO

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

Responsibilities of the PCC, CC, PCC CFO and CC CFO

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

- access Derbyshire Constabulary premises at reasonable times.
- access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance.
- receive any information and explanation considered necessary concerning any matter under consideration.
- require any employee to account for cash, stores or any other Derbyshire Constabulary asset under their control; and
- access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.

4.3.10 Any instance where the CC or CC CFO considers it inappropriate for internal audit to have the detailed access above, such as items considered to be of a sensitive operational nature, are to be confirmed with the PCC CFO.

4.3.11 Internal Audit shall have direct access to all Chief Officers and officers/staff, where necessary.

Responsibilities of Internal Audit

4.3.12 To prepare in consultation with the PCC, CC, PCC CFO and CC CFO an annual audit plan that conforms to the CIPFA Code of Practice, and takes into account the characteristics and relative risks of the activities involved, for consideration by the Joint Audit Risk and Assurance Committee (JARAC) prior to the start of the forthcoming financial year.

4.3.13 To attend meetings of the Joint Audit Risk and Assurance Committee and to present to each Committee a report on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.

4.3.14 To present an annual report to the Joint Audit Risk and Assurance Committee summarising the activities and findings for the year, including an opinion on the effectiveness of the internal control environment in Derbyshire Constabulary.

Responsibilities of Chief Officers

4.3.15 To consider and respond promptly to control weaknesses, issues and recommendations in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report. Furthermore, to ensure that all recommendations are implemented in a timely fashion with clear delegation to responsible officers with agreed timescales.

Responsibilities of the CC CFO

- 4.3.16 To ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the PCC CFO and internal audit prior to implementation.
- 4.3.17 To notify the PCC CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of Derbyshire Constabulary property or resources. Pending investigation and reporting, the Chief Constable should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 4.3.18 Investigation of internal financial irregularities shall normally be carried out by the Professional Standards Department, who shall consult with Internal Audit as appropriate and keep them informed of progress. The operation of this Regulation shall be in accordance with the agreed protocol between the Director of People Services, the CC CFO and Internal Audit.
- 4.3.19 The CC CFO will brief (alongside the PCC CFO) the JARAC Chair of any suspected fraud, theft, irregularity, improper use or misappropriation of Derbyshire Constabulary property or resources. The CC CFO will also advise (and involve if appropriate) the JARAC Chair of the processes that follow and the conclusion of investigations.
- 4.3.20 At the conclusion of the investigation the CC CFO and PCC CFO will determine if Internal Audit shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure that the risk of recurrence is minimised.

External Audit

Why is this important?

- 4.3.21 The PSAA (Public Sector Audit Appointments Ltd) performs the role for national procurement and is responsible for appointing external auditors to each local authority, including police under the provisions of the Local Audit and Accountability Act 2014 and regulation 3 of the Local Audit (Appointing Person) Regulations 2015. The National Audit Office's Code of Audit Practice (https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code_of_audit_practice_2020.pdf) prescribes the way in which auditors appointed by the PSAA carry out their functions under the Local Audit and Accountability Act 2014. The external auditor has rights of access to all documents and information necessary for audit purposes. The duties of the external auditor are governed by Section 15 of the Local Government Finance Act 1982, as amended by Section 5 of the Audit Commission Act 1998. Given the national arrangements in place which procure the services of External Auditor through the PSAA, there is no requirement for any local procurement processes or waivers for this function.
- 4.3.22 The responsibilities of the external auditor are described in the Code of Audit Practice which sets out the auditor's objectives to review and report upon:
- the financial aspects of the audited body's corporate governance arrangements.

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- Whether the expenditure and income recorded in the financial statements have applied to the purpose intended by Parliament and the financial transactions recorded in the financial statements conforms to the authorities which govern them (regularity).
- the audited body's financial statements; and
- aspects of the audited body's arrangements to secure Value for Money.

4.3.23 In auditing the annual accounts, the external auditor must satisfy themselves, in accordance with both the Code of Audit Practice and relevant legislation, that:

- the accounts are prepared in accordance with the relevant regulations.
- they comply with the requirements of all other statutory provisions applicable to the accounts.
- They "present fairly" the financial position of the organisation
- proper practices have been observed in the compilation of the accounts; and
- the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.

4.3.24 The Code of Audit Practice also sets out other specific responsibilities of the auditor, for example regarding reporting.

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

Responsibilities of the Joint Audit Risk and Assurance Committee

4.3.26 The responsibilities of the JARAC are described in the Terms of Reference which are reviewed annually and approved by the PCC and CC.

Responsibilities of the PCC CFO and CC CFO

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

Responsibilities of the CC and PCC

4.3.28 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 Derbyshire Constabulary premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.

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

4.4 PREVENTING FRAUD AND CORRUPTION

Why is this important?

4.4.1 Derbyshire Constabulary will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside Derbyshire Constabulary.

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- 4.4.2 Derbyshire Constabulary's expectation of propriety and accountability is that the PCC and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 4.4.3 Derbyshire Constabulary also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity.
- 4.4.4 The key controls and objectives regarding the prevention of financial irregularities are that:
- There is an effective system of internal control.
 - The organisation has an effective anti-fraud and corruption policy and maintains a culture that will not tolerate fraud or corruption.
 - All officers, staff, volunteers and members will act with integrity and lead by example.
 - Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the organisation or who are corrupt.
 - High standards of conduct are promoted amongst officers, staff, volunteers and members through adherence to codes of conduct.
 - There is an approved Gifts, Gratuities and Hospitality Policy and procedure that must be followed. This includes the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded.
 - Whistle blowing policy and procedures are in place and operate effectively.
 - Legislation including the Public Interest Disclosure Act 1998 and the Bribery Act 2010 is adhered to.

Responsibilities of the CC and PCC

- 4.4.5 To maintain an effective anti-fraud and anti-corruption policy and maintain a culture that will not tolerate fraud or corruption.
- 4.4.6 To ensure that adequate and effective internal control arrangements are in place such that fraud and corruption will be prevented and these controls are reported on through appropriate channels including the JARAC.
- 4.4.7 To maintain and publish a policy for the registering of interests and the receipt of hospitality and gifts covering both the PCC and employees. A register of interests and a register of hospitality and gifts shall be maintained for the PCC and employees.
- 4.4.8 To maintain guidance that enables employees, the 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. This guidance should be published and promoted such that all employees are aware of its existence and their ability to use the reporting mechanisms where necessary.

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- 4.4.9 To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by all members and employees.
- 4.4.10 The PCC and the CC shall notify the PCC CFO and the CC CFO immediately if a preliminary investigation gives rise to any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. This reporting fulfills the requirements of Section 17 of the Crime and Disorder Act 1998. In such instances, the PCC, the CC, the PCC CFO and the CC CFO shall agree any further investigative process. Pending investigation and reporting, the PCC and CC shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 4.4.11 The PCC and CC may instigate disciplinary procedures where the outcome of an investigation indicates improper behaviour.

4.5 ASSETS SECURITY

Why is this important?

- 4.5.1 Derbyshire Constabulary holds assets in the form of land, property, vehicles, equipment, furniture and other items, together worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service-delivery, that there are arrangements for the security of both assets and information required for service operations, and that proper arrangements exist for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

Context

- 4.5.2 The PCC will initially own and fund all assets regardless of whether they are used by the PCC, by the force or by both bodies. However, with consent from the PCC, the CC can acquire property (other than land or buildings) as set out in the scheme of consent/delegation.
- 4.5.3 The CC is responsible for the direction and control of the force and should therefore have day-to-day management of all assets used by the force.
- 4.5.4 The PCC should consult the CC in planning the budget and developing a medium-term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.
- 4.5.5 The key controls and objectives for the security of resources and assets are:
- Resources are used only for approved purposes and properly accounted for.
 - Resources are available for use when required.
 - Resources no longer required are disposed of in accordance with the law and regulations so as to maximise benefits.
 - An asset register is maintained for the organisation. Assets are recorded when they are acquired and this record is updated as changes occur with respect to the location and condition of the asset.

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- All staff are aware of their responsibilities with regard to safeguarding the organisations assets and information, including the requirements of the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018 (together Data Protection Legislation) and copyright legislation.
- All staff are aware of their responsibilities with regard to safeguarding the security of the organisations computer systems, including maintaining restricted access to the information held on them and compliance with the organisations computer and internet security policies

Responsibilities of the CC

4.5.6 To ensure that:

- an asset register is maintained to provide Derbyshire Constabulary with information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements.
- 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.
- lessees and other prospective occupiers of Derbyshire Constabulary land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate.
- title deeds to Derbyshire Constabulary property are held securely.
- no Derbyshire Constabulary asset is subject to personal use by an employee without proper authority.
- valuable and portable items such as phones, radios, computers, cameras and recording devices are identified with security markings as belonging to Derbyshire Constabulary.
- all employees are aware of their responsibilities with regard to safeguarding Derbyshire Constabulary assets and information, including the requirements of the Data Protection Legislation and copyright legislation.
- assets no longer required are disposed of in accordance with the law and the regulations of the Derbyshire Constabulary; and
- all employees are aware of their responsibilities with regard to safeguarding the security of Derbyshire Constabulary ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

Valuation

Responsibilities of the CC

4.5.7 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the PCC CFO and CC CFO. Assets are to be recorded when

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they are acquired by Derbyshire Constabulary and these records are updated as changes occur with respect to location, condition and ownership. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* and the requirements specified by the PCC CFO and CC CFO.

<i>Land & Buildings</i>	<i>All values</i>
<i>Vehicles</i>	<i>All values</i>
<i>ICT hardware</i>	<i>All values</i>
<i>Plant & Equipment</i>	<i>£10,000</i>

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

Inventories

Responsibilities of the Chief Constable

4.5.9 To ensure that inventories are maintained in a format approved by the PCC CFO and CC CFO that record an adequate description of items such as computers, monitors, printers, mobile phones, photographic equipment and other operational equipment with a value in excess of £100. Other items of equipment should also be recorded if they are deemed to be both desirable and portable.

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

4.5.11 To make sure that property is only used in the course of the business, unless specific written approval has been given by the PCC CFO or CC CFO.

Stocks and Stores

Responsibilities of the Chief Constable

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

4.5.13 To undertake a complete stock check at least once per year either by means of continuous or annual stock check. The stock check shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change.

4.5.14 Where there are significant, values of stocks and stores at the 31st March each year these shall be certified and included in the annual accounts.

4.5.15 Discrepancies between the actual level of stock and the book value of stock may be written off by the CC CFO up to an agreed level of £10,000. Amounts for write off by the CC CFO

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above this value must be referred to the PCC for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.

4.5.16 To write-off obsolete stock up to an agreed level of £10,000.

Intellectual Property

Why is this important?

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

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

4.5.19 In the event that Derbyshire Constabulary decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an intellectual property policy and with the express consent of the PCC. Matters should only proceed after legal advice has been received and evaluated.

Responsibilities of the CC and PCC

4.5.20 To ensure that employees are aware of these procedures.

4.5.21 To prepare guidance on intellectual property procedures and ensure that employees are aware of these procedures.

4.5.22 To approve the intellectual property policy.

Asset Disposal

Why is this important?

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

- Assets shall be disposed of provided they meet the following criteria:
- Have been declared surplus to requirements
- When in the best interests of the PCC
- In accordance with the Police and Crime Plan
- In accordance with the approved Estate Strategy
- At the most advantageous price
- The CC may dispose of surplus vehicles and items of equipment up to an agreed value. Where this is not the highest offer, the PCC CFO shall prepare a report for the PCC outlining the reasons.

4.5.24 Disposals of vehicles and equipment above an agreed value are to be reported to the PCC for prior approval and will generally be disposed of by public auction or sealed bids after

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advertisement, unless it can be shown that an alternative method of disposal would provide better value for the PCC.

Responsibilities of the CC

4.5.25 To dispose of assets at the appropriate time and at the most advantageous price with the consent of the PCC.

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

Responsibilities of the CC CFO

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

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

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

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

4.6 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Treasury Management

Why is this important?

4.6.1 Derbyshire Constabulary is a large organisation that handles hundreds of millions of pounds every financial year. It is important that Derbyshire Constabulary's funds are managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the Derbyshire Constabulary capital sum. All treasury management activities should be undertaken in accordance with the CIPFA Treasury Management Code.

4.6.2 The key controls and objectives for treasury management are:

- That the PCC borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and the Prudential Indicators and with the PCC Treasury Management Strategy.

4.6.3 Derbyshire Constabulary will create and maintain, as the cornerstones for effective treasury management:

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

Responsibilities of the PCC

- 4.6.4 To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).
- 4.6.5 To approve the annual treasury management policy and annual investment strategy.
- 4.6.6 To receive and approve treasury management performance monitoring reports.
- 4.6.7 The PCCs Treasury Management Strategy:
- 4.6.8 Defines its treasury management activities as "the management of the PCC's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 4.6.9 Regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the PCC.

Acknowledges that effective treasury management will provide support towards the achievement of its business and services objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employ suitable performance measurement techniques, within the context of effective risk management.

4.6.10

Responsibilities of the PCC CFO

- 4.6.11 To prepare, keep under review and amend as necessary the Treasury Management Strategy including the list of approved counterparties for lending. The Force Finance submit their recommendations for approval.
- 4.6.12 To prepare the annual treasury management policy and annual investment strategy. The Force Finance submit their recommendations for approval.
- 4.6.13 To authorise the borrowing of funds for capital financing purposes in consultation with the CC CFO.

Responsibilities of the CC CFO

- 4.6.14 To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance.
- 4.6.15 To prepare reports on the PCCs treasury management policies, practices and activities, including, as a minimum, an annual report and a mid year review, in the form prescribed in the Treasury Management Practices (TMPs). During the financial year, reports on action undertaken shall be submitted to the PCC as part of the financial monitoring information and included within budget monitoring reports.
- 4.6.16 To execute and administer treasury management in accordance with the CIPFA Code and the PCCs policy.
- 4.6.17 To arrange borrowing and investments, in compliance with the CIPFA Code and prevailing TMS.

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4.6.18 To ensure that all investments and borrowings are made in the name of the Police and Crime Commissioner for Derbyshire.

4.6.19 Banking Arrangements

Why is this important?

4.6.20 Our banking activities are controlled by a single contract which aims to provide a wide range of complex and specialist banking services to Derbyshire Constabulary departments, establishments and staff. A consistent and secure approach to banking services is essential in order to achieve optimum performance from Derbyshire Constabulary bankers and the best possible value for money.

Responsibilities of the PCC CFO

4.6.21 To have overall responsibility for the banking arrangements for Derbyshire Constabulary.

4.6.22 To produce a policy on the establishment and maintenance of bank accounts, in consultation with the CC CFO.

4.6.23 To authorise the opening and closing of all Derbyshire Constabulary bank accounts. No other employee shall open a bank account unless they are performing a statutory function (e.g. treasurer of a charitable body) in their own right.

4.6.24 To determine signatories on all Derbyshire Constabulary bank accounts, in conjunction with the CC CFO.

Responsibilities of the CC CFO

4.6.25 Be responsible for the daily management and operation of the accounts.

4.6.26 To undertake bank reconciliations on a timely and accurate basis.

4.6.27 Imprest Accounts / Petty Cash

Why is this important?

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

Responsibilities of the CC and CC CFO

4.6.29 To provide appropriate employees of Derbyshire Constabulary with cash or bank imprest accounts to meet minor expenditure on behalf of Derbyshire Constabulary. The CC shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made and periodically review the arrangements for the safe custody and control of these advances.

4.6.30 To prepare detailed Financial Instructions for dealing with petty cash and these shall be issued to all appropriate employees.

4.6.31 Money Laundering and Proceeds of Crime

Why is this important?

- 4.6.32 Derbyshire Constabulary is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.
- 4.6.33 Suspicious cash deposits in any currency in excess of £15,000 (or equivalent) should be reported to the National Crime Agency (NCA).
- 4.6.34 Derbyshire Constabulary will monitor its internal control procedures to ensure they are reliable and robust.

Responsibilities of the PCC CFO and the CC CFO

- 4.6.35 To be the nominated Money Laundering Reporting Officers (MLRO) for Derbyshire Constabulary.
- 4.6.36 Upon receipt of a disclosure, to consider in the light of all information, whether it gives rise to such knowledge or suspicion.
- 4.6.37 To disclose relevant information to the National Crime Agency (NCA).

Responsibilities of Chief Officers

- 4.6.38 To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide.

Responsibilities of officers/staff

- 4.6.39 To notify the CC CFO (or the PCC CFO in the case of the OPCC) 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.
- 4.6.40 Cash banking from a single source over £15,000 should be reported to the CC CFO. This instruction does not apply to seizures and subsequent banking under the Proceeds of Crime Act (see Financial Regulation 3.8).

4.7 STAFFING

Why is this important?

- 4.7.1 Staffing costs form the largest element of the annual policing budget. An appropriate HR strategy should exist, in which staffing requirements and budget allocations are matched. The CC is responsible for approving the overall HR strategy for the Force in consultation with the PCC. The COO is responsible for the HR strategy for the OPCC.
- 4.7.2 The key controls and objectives for staffing are:
 - An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocations are matched.
 - Procedures are in place for forecasting staffing requirements and cost.
 - Controls are implemented that ensure staff time is used efficiently and to the benefit of the organisation.
 - Checks (vetting check etc.) are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced, and trustworthy.

Responsibilities of the CC

- 4.7.3 To ensure that Constabulary employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed by the PCC.
- 4.7.4 To advise the PCC on the budget necessary in any given year to cover estimated Constabulary staffing levels.
- 4.7.5 To adjust the Constabulary staffing numbers to meet the approved budget provision, and to vary the provision as necessary within policy constraints in order to meet changing operational needs.
- 4.7.6 To have systems in place to record all matters affecting payments to Constabulary staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
- 4.7.7 To approve policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for Constabulary police staff.

Responsibilities of the COO

- 4.7.8 To ensure that OPCC employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies agreed by the PCC.
- 4.7.9 To advise the PCC on the budget necessary in any given year to cover estimated OPCC staffing levels.
- 4.7.10 To adjust the OPCC staffing numbers to meet the approved budget provision and varying the provision as necessary within policy constraints in order to meet changing operational needs.
- 4.7.11 To have systems in place to record all matters affecting payments to OPCC staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
- 4.7.12 To approve policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for OPCC support staff.

4.8 ADMINISTRATION OF EVIDENTIAL & NON-EVIDENTIAL PROPERTY

Why is this important?

- 4.8.1 The CC is required to exercise a duty of care and safeguard evidential or non-evidential property pending decisions on its ownership, or private property of an individual (e.g. a suspect in custody).
- 4.8.2 The key controls and objectives for private property are:
 - Secure environment for storage of property/monies.
 - Audit trail of booking in and returning property to owners.
 - Audit trail for the disposal of property where appropriate and any income received.

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- Policy for specific items (e.g. bicycles) where these have no identifiable owner for returning these for community benefit.
- Policy for the use of Police Property Act monies as approved by the PCC.
- Policy for the use of the Asset Recovery Incentivisation Scheme Funds derived from Proceeds of Crime Act monies as approved by the PCC.

Responsibilities of the CC

- 4.8.3 To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his/her guardianship or supervision. These procedures shall be made available to all appropriate employees.
- 4.8.4 The CC is responsible for the safekeeping of all found or seized and recovered property and shall determine procedures for the safekeeping of all evidential or non-evidential and found property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.
- 4.8.5 To issue separate Financial Instructions for dealing with all evidential and non-evidential cash, including seized cash under the Proceeds of Crime Act.

Responsibilities of all employees

- 4.8.6 To notify the CC immediately in the case of loss, damage or diminution in value of such private property.

4.9 GIFTS, LOANS AND SPONSORSHIP

- 4.9.1 This does not include the receipt of hospitality and gifts by individuals – please see Section 4.4.

Why is this important?

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

Context

- 4.9.3 Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.
- 4.9.4 Gifts, loans and sponsorship can be accepted from any source which has genuine and well-intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.
- 4.9.5 The total value of gifts, loans and sponsorship accepted, should not exceed 1% of the Derbyshire Constabulary gross expenditure budget annually.

Responsibilities of the PCC

4.9.6 To approve the policy on gifts, loans and sponsorship.

Responsibilities of the CC

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

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

Responsibilities of the CC CFO

4.9.9 To present an annual report to the PCC listing all gifts, loans and sponsorship.

4.9.10 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 themselves that it provides a suitable account of the extent to which such additional resources have been received.

4.9.11 To bank cash from sponsorship activity in accordance with normal income procedures.

SECTION 5 SYSTEMS & PROCESSES

5.1 INTRODUCTION

Why is this important?

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

5.1.2 The PCC CFO and CC CFO both have a statutory responsibility to ensure that Derbyshire Constabulary's financial systems are sound and should therefore be notified of any proposed new developments or changes.

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

5.1.4 The key controls and objectives for systems and procedures are:

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

Responsibilities of the PCC CFO and CC CFO

5.1.5 To make arrangements for the proper administration of Derbyshire Constabulary financial affairs, including to:

- issue advice, guidance and procedures for officers and others acting on behalf of Derbyshire Constabulary.
- determine the accounting systems, form of accounts and supporting financial records.
- establish arrangements for the audit of Derbyshire Constabulary's financial affairs.
- approve any new financial systems to be introduced
- approve any changes to existing financial systems; and
- approve any changes to service delivery in relation to the finance function.

5.1.6 To ensure, in respect of systems and processes, that: -

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- 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.
- appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously.
- a complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa; and
- systems are documented and staff trained in operations.

5.1.7 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.

5.1.8 To establish a scheme of delegation, identifying staff authorised to act on behalf of the CC, the PCC, the PCC CFO, the COO, the MO or the CC CFO in respect of, for example, income collection, placing orders, making payments and employing staff.

5.1.9 To register compliance with Data Protection Legislation and any subsequent regulations ensuring that data processing (manual or electronic) involving personal information is registered.

5.1.10 To ensure compliance with copyright legislation around software being used.

5.2 INCOME

Why is this important?

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

Context

5.2.2 The PCC and CC should adopt the NPCC national charging policies and national guidance when applying charges under section 25 of the Police Act 1996. It should keep in mind that the purpose of charging for special policing services is to ensure that, wherever appropriate, those using the services pay for them.

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

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

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5.2.5 The key controls and objectives for income are that there are arrangements for the collections of all income due and effective debt recovery arrangements are in place to ensure all eligible funds are received.

Responsibilities of the CC and PCC

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

Responsibilities of the PCC CFO and CC CFO

5.2.7 To make arrangements for the collection of all income due to Derbyshire Constabulary and approve the procedures, systems and documentation for its collection, including the correct charging of VAT.

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

Responsibilities of the CC CFO

5.2.9 To ensure that all income is paid fully and promptly into the Police and Crime Commissioner for Derbyshire's Bank Account. Appropriate details should be recorded on to paying-in slips to provide an audit trail.

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

5.2.11 To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.

5.2.12 To operate effective debt collection procedures.

5.2.13 To initiate, in consultation with the COO and PCC CFO, appropriate debt recovery procedures, including legal action where necessary.

5.2.14 To approve the write-off of bad debts up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.

Value	Authorising Officer
Between £5,000 and £10,000	CC CFO
Between £1,000 and £5,000	Head of Finance
Up to £1,000	Corporate Finance Manager

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

5.3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Why is this required?

5.3.1 Derbyshire Constabulary has a statutory duty to ensure compliance with the Procurement Act 2023, Procurement Regulations 2024, financial probity and best value, in part through economy and efficiency. The PCC's financial regulations and purchasing procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the contract regulations and standing orders in Section 5.

5.3.2 The key controls and objectives for ordering work goods and services are:

- All goods and services are ordered only by appropriate persons and are correctly recorded.
- All goods and services shall be ordered in accordance with the PCC's standing orders.
- A computer-generated order should always be issued and authorised. This control should only be set-aside in exceptional circumstances.
- All orders should be raised at the time of placing the order and not on receipt of the goods/services or invoice.
- Goods and services received are checked to ensure that they are in accordance with the order. The person who placed the order should not receive goods.
- Apart from petty cash, the normal method of payment from the PCC and CC shall be by BACS payment, cheque, faster payment or other instrument or approved method, drawn on the PCC bank account. The use of direct debit shall require the prior approval of the CC CFO.

Responsibilities of the CC CFO

5.3.3 To maintain a procurement policy covering the principles to be followed for the purchase of goods and services.

5.3.4 To issue official orders for all work, goods or services to be supplied to Derbyshire Constabulary, except for purchases that are included on a list of exemptions agreed with the PCC CFO. Individual cases that require waiver from the requirement for an official order which are not on the list of exemptions are to be agreed with the PCC CFO in advance (and added to the list if expected to be repeated).

5.3.5 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Derbyshire Constabulary contracts.

5.3.6 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.

5.3.7 Payments are not to be made unless goods and services have been received by Derbyshire Constabulary at the correct price, quantity and quality in accordance with any official order.

5.3.8 Procedures should be in place to ensure that all payments are to be made to the correct person, for the correct amount and be recorded properly, regardless of the method of

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payment. Systems should ensure the invoice has not been processed for payment before and that full advantage has been taken of any discounts offered.

- 5.3.9 All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule.
- 5.3.10 To ensure that payments are made to the correct person, for the correct amount, on time (e.g. with 28 or 30 days) and are recorded properly, regardless of the method of payment.
- 5.3.11 To ensure that VAT is recovered where appropriate and a proper VAT invoice has been received for all VAT recovered.
- 5.3.12 To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- 5.3.13 To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, as set out in contract regulations as set out in Section 5. In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.
- 5.3.14 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.
- 5.3.15 To ensure commitments incurred by placing orders are to be shown against the appropriate budget allocation and incorporated within budget monitoring reports.
- 5.3.16 All payments should be processed promptly to comply with the Late Payment of Commercial Debt (Interest) Act 1988.

Responsibilities of the Chief Officers

- 5.3.17 To ensure that all officers/staff 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 Derbyshire Constabulary and that such persons take no part in the selection of a supplier or contract with which they are connected.
- 5.3.18 To ensure that all officers/staff understand and ensure that all orders issued are in accordance with the approved procurement policy and financial instructions. Purchase orders must be issued for all work, goods or services to be supplied, except for supplies of utilities, periodic payments such as rent or rates, purchasing card purchases, imprest/petty cash purchases or other exceptions agreed by the CC CFO and PCC CFO.
- 5.3.19 To ensure that all officers/staff understand and ensure all purchase orders must be generated by the Constabulary's financial system unless expressly authorised by PCC CFO or CC CFO and that Derbyshire Constabulary and OPCC operates a "No P.O. – No Pay" policy.
- 5.3.20 To ensure authorisation of requisitions/orders are in accordance with the limits in Section 5 and that only authorised officers and staff raise requisitions/orders in compliance with the authorised signatory list which will be maintained by the CC CFO. Purchasing Cards may be used in compliance with the requirements and guidance as authorised by the PCC CFO and CC CFO.

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5.3.21 Goods and Services received should be checked to ensure that they are in accordance with the order and the person who places the order should not receive the goods or services.

Responsibilities of the PCC

5.3.22 The PCC is responsible for approving the Contract Regulations and Standing Orders.

5.3.23 To declare on the Decision Report any links or personal interests they may have with purchasers, suppliers and contractors, at the time the decision is made.

5.4 PAYMENTS TO EMPLOYEES AND POLICE OFFICERS

Why is this required?

5.4.1 Employee costs are the largest item of expenditure. It is therefore important that there are controls in place to ensure accurate, timely and valid payments are made in accordance with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for.

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

5.4.3 The key controls and objectives for payments to employees and members are:

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

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

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

Responsibilities of the CC, the CC CFO, the PCC, the COO and the PCC CFO

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

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- 5.4.6 To ensure the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees and police officers. Adequate and effective systems are to be in place and procedures operated so that payments are only authorised to bona fide officers; staff and pensioners payments are only made where there are valid entitlement conditions and contracts of employment are applied correctly, and staff names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- 5.4.7 To ensure that tax, pension and other deductions are made correctly and paid over at the right time to the relevant body.
- 5.4.8 To pay all valid travel and subsistence claims or financial loss allowance. Such claims should be in the prescribed form, duly completed and certified in accordance with policy. Certification is taken to mean that journeys were authorised and expenses incurred properly and necessarily and that allowances are payable properly, ensuring that cost effective use of travel arrangements is achieved. Due consideration should be given to tax implications. Payments shall be made to the value of presented receipts up to the prescribed limits, in accordance with delegated limits.
- 5.4.9 To pay salaries, wages, pensions and reimbursements by the most economical means.
- 5.4.10 To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
- 5.4.11 To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
- 5.4.12 To prepare detailed Financial Instructions for dealing with payments to employees and these shall be issued to all appropriate employees.

5.5 TAXATION AND NATIONAL INSURANCE

Why is this important?

5.5.1 Tax issues and National Insurance rules are often very complex and the penalties for incorrectly accounting for tax and national insurance are severe.

5.5.2 The key controls and objectives for taxation are:

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

Responsibilities of the CC CFO

- 5.5.3 To ensure compliance with all HM Revenue and Customs regulations.
- 5.5.4 To ensure the accurate recording, timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments of tax and national insurance are made in accordance with statutory requirements.
- 5.5.5 To ensure compliance with regulations regarding the pay over of pension deductions and other statutory or voluntary deductions from pay. Payroll staff should be notified of all employee benefits in kind to enable full and complete reporting within the income tax self-assessment system.
- 5.5.6 To ensure that full records are maintained of benefits in kind and that they are properly accounted for in any returns to HM Revenues and Customs.
- 5.5.7 To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC.
- 5.5.8 To ensure that the correct VAT liability is attached to all income due and that all VAT receivable and reclaimed on purchases complies with HMRC regulations.
- 5.5.9 Where construction and maintenance works are undertaken, the contractor shall fulfil the necessary construction industry tax deduction requirements. To provide details to the HMRC regarding the construction industry tax deduction scheme.
- 5.5.10 To ensure that appropriate technical staff have access to up-to-date guidance notes and professional advice.
- 5.5.11 To ensure up to date guidance is given to officers and staff on organisational taxation issues (e.g. VAT and CIS).

5.6 CORPORATE CREDIT CARDS

Why is this important?

- 5.6.1 Credit cards provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties.
- 5.6.2 The key controls and objectives for Credit Cards are:
 - Detailed instructions to all authorised card holders and users are issued.
 - A procedure which controls the issue of cards and limits on each card is in place.

Responsibilities of the CC and CC CFO

- 5.6.3 To provide Financial Instructions to all cardholders and to ensure all card holders are aware of these requirements.

Responsibilities of the PCC CFO

- 5.6.4 To authorise and maintain control over the issue of cards.

Responsibilities of the CC CFO

- 5.6.5 To undertake a periodic review of the register of individuals and limits assigned to each card.

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5.6.6 To reconcile the credit card purchases to the general ledger on a monthly basis.

5.6.7 Responsibilities of credit card holders

5.6.8 To ensure that purchases are in accordance with approved Derbyshire Constabulary policies (e.g. Gifts and Gratuities and Hospitality).

5.6.9 To provide receipted details of all payments made by corporate credit card each month, to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.

5.7 PURCHASING CARDS

Why is this important?

5.7.1 Purchase cards (e.g. fuel cards) are an alternative method of buying and paying for goods, which generate a high volume of invoices. This should generate an efficiency saving from lower transaction costs (i.e. fewer invoices processed and paid for through the integrated accounts payable system), as well as reducing the number of petty cash transactions.

5.7.2 The key controls and objectives for Purchasing Cards are:

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

Responsibilities of the CC

5.7.3 To provide detailed financial instructions to card holders and to ensure all card holders are aware of these requirements.

Responsibilities of the PCC CFO

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

Responsibilities of the CC CFO

5.7.5 To undertake a periodic review of the register of individuals and limits assigned to each card.

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

Responsibilities of Purchasing Card Holders

5.7.7 To be responsible for ordering and paying for goods and services in accordance with the Force procurement policy, contract standing orders and any other relevant procedures.

5.8 EX GRATIA PAYMENTS

Why is this important?

5.8.1 An ex-gratia payment is a payment made by Derbyshire Constabulary where no legal obligation has been established. An example may be recompense to a police officer for damage to personal property in the execution of duty or to a member of the public for aiding a police officer in the execution of duty.

Responsibilities of the CC

5.8.2 To make ex gratia payments, on a timely basis, to members of the public up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to

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facilitate or is conducive or incidental to the discharge of any of the functions of Derbyshire Constabulary.

Up to £10,000	Chief Constable
Over £10,000	PCC

5.8.3 To maintain details of ex-gratia payments in a register maintained by the CC CFO and reported to the PCC, PCC CFO and JARAC annually in the Financial Exceptions Report.

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

Up to £10,000	Chief Constable
Over £10,000	PCC

5.9 CONTRACT REGULATIONS AND STANDING ORDERS

What is a contract?

5.9.1 A contract is an agreement between two parties for the supply of goods and/or services or works. Employees should not give verbal commitments to suppliers as this can constitute a contract.

5.9.2 The terms and conditions to be applied to the contract provide clarity and protection to the participants, and the specification of the requirement should be clearly understood by both parties. Their length and complexity are likely to depend on the extent of cost and complexity of the goods or services or works to be supplied.

Why are these important?

5.9.3 All employees engaged in the following activities, shall make every effort to ensure that the best value for money is achieved for the acquisition and delivery of:

- goods or materials.
- services and consultancy.
- building works; and
- the supply of goods or services to third parties which provide Derbyshire Constabulary with an income.

5.9.4 Such efforts shall also continue throughout the lifetime of any contract through contract management to ensure that best value for money is maintained in the quality and standard of all goods, services and works supplied, and in the review of proposals to change or vary any feature of any contract during its lifetime.

Key controls and Objectives of Contract Regulations and Standing Orders

5.9.5 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 the Public Contract Regulations 2015

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(PCR), the Procurement Act 2023 (PA 2023), Procurement Regulations 2024, or any amending legislation.

5.9.6 All procurement activities of Derbyshire Constabulary are conducted in compliance with the rules on public procurement under the PCR or PA 2023.

5.9.7 Competition shall be encouraged from potential providers to supply Derbyshire Constabulary with goods, services, building works, etc.

5.9.8 Every contract concluded on behalf of the PCC shall comply with:

- the PA 2023 and PCR (as applicable).
- any laws of the United Kingdom including any Act of Parliament requiring the letting of contracts by competitive tendering or relating to Best Value; and
- the requirement of the Police Reform and Social Responsibility Act 2011 to publish copies of contracts and tenders to businesses and to the voluntary community and social enterprise sector on the website.

5.9.9 Subject to compliance with 5.3.3, exemption from any of the following provisions of these Contract Regulations may only be made:

- by direction of the CC; or
- by the COO
- by a Chief Officer in an emergency.

5.9.10 The PCC CFO and CC CFO shall be informed of the circumstances of every exemption made under 5.3.4 at the earliest opportunity. An annual report of all exemptions should be reported to JARAC.

5.9.11 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:

- show no undue favour to or discriminate against any contractor or potential contractor.
- be appropriately qualified for the role (e.g. a qualified Member of the Chartered Institute of Procurement and Supply (MCIPS) Corporation) or supervised by such an individual where delegation of duties is considered appropriate.
- carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information).
- not breach the requirements of the Derbyshire Constabulary Policy for Gifts and Gratuities, Hospitality, Discounts, Travel and other Potential Conflicts of Interest; and
- complete (and keep under review) a conflicts assessment as necessary for each procurement/contract.

5.9.12 During the tendering period and for the life of a contract, staff and officers may not accept from organisations involved in the tendering process or the awarded contract, any gifts or any hospitality other than hospitality which is of a:

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- de minimus value (less than approximately £15 worth); and
- nature which could reasonably be considered to be associated with normal daily business such as the provision of a light refreshment or meal or the provision of parking facilities for a business visit. Where such hospitality is accepted it must be recorded. The tendering period will start when the contract is first advertised and will end after the contract is awarded and will apply to staff or officers involved in any way in the drafting or awarding and management of the contract.

5.9.13 A conflicts assessment must be compiled and kept under review during the life of the contract.

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

General Responsibilities

5.9.15 These Standing Orders are made pursuant to the Local Government Act 1972 Section 135 and shall come into force on 28 January 2019 (with subsequent amendments) but nothing in these Standing Orders shall prejudice the validity of any actions taken before that date under any previous Standing Orders.

5.9.16 These Standing Orders shall not apply or may be varied where or to the extent that: -

- the PCC so resolves; or
- where the CC CFO acting pursuant to Appendix A of these Standing Orders so decides; or
- statute or subordinate legislation prescribes otherwise; or
- purchases are proposed against a contract or framework (identified by the Procurement Department) with a single supplier awarded by a statutory body, local authority, consortium, local policing bodies or other similar bodies, and the contract or framework has been awarded by the method prescribed by such body. (For the avoidance of doubt, where an approved Framework Agreement is in place with multiple suppliers, Standing Orders will apply, and further competition will normally take place).

5.9.17 The estimated value for the purposes of these Standing Orders of a contract shall be the value of the consideration which Derbyshire Constabulary expects to give under the contract calculated as follows:

- Where Derbyshire Constabulary has a requirement for a single contract comprising services, supplies or works in combination, then the value of the contract shall be the aggregate value, and the rules to be applied are those which apply to the largest element by consideration.
- In determining the value of the consideration which Derbyshire Constabulary expects to give under a contract it shall, where appropriate, take account of:
 - insurance services - the premium payable.

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- banking and other financial services - the fees, commissions or other remuneration payable for banking and financial services.
- design contracts - the fees or commissions payable.
- where Derbyshire Constabulary has a single requirement for services and a number of services contracts have been entered into or are to be entered into to fulfil that requirement the estimated value for the purposes of these Standing Orders shall be the aggregate of the value of the consideration which Derbyshire Constabulary expects to give under each of those contracts.
- Where Derbyshire Constabulary has a single requirement for goods and a number of supplies contracts has been entered or is to be entered into to fulfil that requirement, the estimated value for the purposes of these Standing Orders above shall be the aggregate of the value of the consideration which Derbyshire Constabulary expects to give under each of those contracts.
- The estimated value for the purposes of these Standing Orders above of a works contract which is one of a number of contracts entered into or to be entered into for the carrying out of works shall be the aggregate of the value of the consideration which Derbyshire Constabulary has paid or expects to give under all the contracts for the carrying out of the works.
- The estimated value for the purposes of these Standing Orders above of a services contract under which services are to be provided over an indefinite period, shall be the value of the consideration which Derbyshire Constabulary expects to give over the anticipated life of the contract.
- The estimated value for the purposes of these Standing Orders above of a supplies contract for the hire of goods for an indefinite period, or for a period which is uncertain at the time the contract is entered into, shall be the value of the consideration which Derbyshire Constabulary expects to give over the anticipated life of the contract.
- Where a service contract includes one or more options the estimated value of the contract for the purposes of these Standing Orders above shall be determined by calculating the highest possible consideration which could be given under the contract (i.e. value is calculated including the option terms).
- Derbyshire Constabulary shall not enter into separate contracts nor select nor exercise a choice under a valuation method with the intention of avoiding the application of these Standing Orders to those contracts.
- The relevant time for the purposes of calculating the estimated value means the date on which a notice seeking expressions of interest or a Tender Notice (for above threshold contracts) is first published.

5.9.18 Electronic methods of seeking expressions of interest, inviting tenders and/or receiving tenders will be utilised.

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5.9.19 These Standing Orders apply to the entering into of any commitments of a contractual nature for the purchase of goods, services or works. While they refer to 'contracts' they are equally applicable to 'orders' for purchase (in so far as they can be applied).

Power to Delegate

5.9.20 The Police & Crime Commissioner (PCC), the PCC CFO and the COO shall have power to enter into contracts on behalf of the PCC. The contract is to be awarded on the basis of an offer that offers the most advantageous outcome to Derbyshire Constabulary.

5.9.21 The request for authority to accept tenders/quotes and/or enter into contracts with a value in excess of £25,000 pursuant to paragraph 5.1.18 or 5.1.19 shall be documented by the Procurement Department in a report to PCC through the PCC CFO or the COO.

5.10 PURCHASING PROCEDURES AND THRESHOLDS

Small contracts of £25,000 or less

5.10.1 Tenders need not be invited for contracts estimated to have a value of £25,000 or less but written quotations shall be obtained wherever possible. For contracts estimated to have a value of more than £5,000 but not exceeding £25,000 three written quotations shall be obtained unless paragraphs 5.6.2 to 5.6.5 apply.

5.10.2 For contracts estimated to have a value of more than £5,000 but not exceeding £10,000 the requirement for a minimum of 3 written quotations shall not apply where a justification to waive this requirement has been made to and agreed by the Head of Procurement and Contract Management. Such instances shall be documented on an 'Exception Request Form' and shall be signed by the Head of Procurement and Contract Management. Instances where such waiver has been granted will be reported to the CC CFO and the PCC CFO.

5.10.3 The requirement for written quotations shall not apply where the services comprise the: -

- seeking the advice of counsel.
- services of counsel by way of representation.
- services of an expert witness; or
- engagement of temporary locum staff.

5.10.4 The requirement for written quotations shall not apply where a current and relevant framework agreement awarded in compliance with the PA 2023 or PCR is in existence, provided that the rules governing such a framework agreement allow the use by the PCC and do not require a further competition to take place or quotations to be obtained.

5.10.5 The requirement for three written quotations shall not apply where the CC CFO or the PCC CFO authorises a single written quotation, in accordance with the procedure set out in Appendix A.

5.10.6 Contracts having a value of £25,000 or less shall be evidenced in writing but may be on Derbyshire Constabulary's purchase order form unless the CC CFO or the PCC CFO considers that a different form of contract is appropriate.

Requirement for tenders: contracts above £25,000

5.10.7 Subject to 5.6.8 and 5.6.9 tenders shall be invited where the contract sum is estimated to exceed £25,000.

5.10.8 Tenders need not be invited where:

- the PCC or PCC CFO authorises the procedure for a single tender, in accordance with the procedure set out in Appendix A; or
- the PCC or PCC CFO authorises a contract under a single supplier Framework Agreement; or
- the PCC proposes to procure services, supplies or works through a contract entered into another contracting authority (within the meaning of the PA 2023 or PCR) having followed procurement procedures similar to those set out in these Standing Orders; or
- the services comprise:
 - seeking the advice of counsel.
 - the services of counsel by way of representation.
 - the services of an expert witness.
 - the engagement of temporary or locum staff.

5.10.9 Where tenders are required to be invited, an open competitive tender shall be employed: in accordance with 5.6.10 to ensure value for money and that there is genuine and fair competition.

Open competitive tenders

5.10.10 Tenders shall be invited using the Derbyshire Constabulary electronic tendering system in accordance with 5.4.4.

5.10.11 The tender will be advertised using the Derbyshire electronic tendering system and using appropriate web portals including, for example, Find a Tender and Source Derbyshire or other electronic media; and on the Central Digital Platform (CDP) where required by the PA 2023.

5.10.12 The invitation to tender shall be issued and received electronically using the Derbyshire adopted e-tendering system. A written (hard copy or copies) of the tender submission may also be requested where required.

5.11 SELECTION AND AWARD CRITERIA

5.11.1 The selection and award criteria will be published within the tender documentation in accordance with the principles set out in the PA 2023.

Form of invitation to tender and submission of tenders

5.11.2 All tenders shall be required to be submitted on a form of tender prepared by the CC's Procurement team, which shall include a certificate against collusion statement and shall specify that the PCC will not be bound to accept any tender and shall include a statement that any tender or contract may be inspected by any regulator.

Opening of tenders

- 5.11.3 Tenders shall be kept within the secure area of Derbyshire Constabulary's e-tendering system until the time and date specified for their opening, or for Hard Copy tenders in the custody of the CC CFO.
- 5.11.4 Under normal circumstances an electronic tendering system will be used. Where only written (hard copy) tenders are received the tenders shall be opened at one time, which shall be as soon as possible after the closing time and date, and only in the presence of three officers appointed by the CC CFO or the PCC CFO. Those officers shall certify a list of tenders received.
- 5.11.5 Where tenders are received solely through Derbyshire Constabulary's approved E- Tendering System, they are subject to the electronic security protocols within that system which require tenders to be opened electronically by a designated group of officers.
- 5.11.6 Where both electronic and hard copy tenders are submitted for the same contract (i.e. some hard copy and some electronic), all tenders received by both means must be brought together for formal tender opening at one time, and all tenders received must be recorded on a list certified by the tender opening panel members.
- 5.11.7 Where all the tenders are received electronically any supplementary hard copies of the tender must only be opened after the electronic tenders have been opened.
- 5.11.8 The CC CFO or the PCC CFO may nominate another officer to discharge their responsibilities under this Standing Order.
- 5.11.9 The CC CFO, the PCC CFO or their nominee shall prepare and maintain a register of hard copy tenders received and shall record in that register the following particulars:
- last date and time for the receipt of tenders.
 - date and time upon which the tender was actually received.
 - estimated tender price.
 - name of the tenderer and the amount of the tender.
 - date upon which they were opened.
 - number of tenders; and
 - signature of the officer to whom the tenders were handed after opening.
- 5.11.10 All persons required to be present at the opening of hard copy tenders shall immediately thereafter sign against the relevant particulars in the register as evidence of such tenders having been opened by them or in their presence and shall initial each of the tender documents.
- 5.11.11 The record of the persons opening an electronic tender will be maintained within the approved E-Tendering System.
- 5.11.12 Unless 5.7.15 applies, no tender received after the specified closing date and time shall be considered. Any such tender will be rejected via Derbyshire Constabulary's e- tendering

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system. The tender may be opened to ascertain the name and address of the tenderer, but no details of the tender shall be disclosed.

- 5.11.13 In exceptional circumstances, or where the tender is the only one received and is within the budgeted estimate previously determined, the PCC, the PCC CFO or the PCC COO may accept a late tender, notifying the PCC MO at the time.

Alterations to and clarification of tenders

- 5.11.14 If an error is identified, in the specified requirements or tender documentation, before the closing date for the return of tenders, all tenderers shall be appraised of the error and invited to adjust their tenders.
- 5.11.15 If an error is identified in the specified requirements or tender documentation after the closing date for the return of tenders the tender may be cancelled, or all tenderers shall be given details of the error and afforded the opportunity of withdrawing their offer or submitting an amended tender within an amended timescale.
- 5.11.16 Where examination of tenders reveals errors, discrepancies or a lack of clarity which would affect the tender figure in an otherwise successful tender the tenderer shall be given details of such errors, discrepancies or lack of clarity by the CC Procurement and Contract Management Team and afforded an opportunity of confirming, clarifying or withdrawing their offer. The tenderer shall be given no information about other tenders, or the likelihood of their tender being accepted.
- 5.11.17 Where a tenderer is invited to confirm, clarify or withdraw a tender, any submission shall be made in accordance with and subjected to the same safeguards as the original offer.

Evaluation of Tenders

- 5.11.18 Assessment criteria may be made on appropriate technical, qualitative and financial grounds which are appropriate to the contract concerned. These should be published within the tender agreed in consultation with an appropriate stakeholder group and agreed with the Procurement Team, which should include financial and technical/practitioner representation.
- 5.11.19 Evaluations of the Tender submissions are to be carried out by the stakeholder group based on the agreed assessment criteria which shall be applied to all tenderers fairly, transparently and consistently.
- 5.11.20 Additional interviews, presentations and site visits for larger contracts may be included. Such decisions should be made prior to the invitation of tenders, not when adjudicating received offers.
- 5.11.21 Those members of staff involved in the evaluation process should be mindful of the policy on gifts, loans and sponsorship and conflicts of interest – see 3.9. Each member of staff involved shall complete a conflicts assessment at the start of the tender process and keep this under review throughout their involvement with the tender and, if applicable, the ongoing contract.

Acceptance of tenders/quotations

5.11.22 Contracts must be evaluated and awarded in accordance with the agreed and recorded award criteria, established and published prior to receipt of completed tenders/quotations.

5.11.23 In exceptional circumstances where the urgency of the situation dictates that a contract is awarded prior to formal signature the PCC CFO is to be advised by telephone as soon as practicable before or (in exceptional circumstances) after the award. This is to be followed up in writing to the PCC CFO by email.

Contracts to be in writing

5.11.24 Every contract, except where the contract is awarded pursuant to paragraph 5.7.25, shall:

- be in writing in a form approved by the CC CFO or the PCC CFO.
- be executed under seal by the PCC CFO or their nominee where the Contract requires it;
or
- be signed by the PCC CFO where its value does not exceed £200,000.
- where the value of the contract exceeds £200,000, (or all contracts should the PCC deem it necessary) it shall be awarded and signed by the PCC or the DPCC.

5.11.25 Every contract above £25,000 shall specify amongst other things:

- services, supplies or works to be provided.
- the price to be paid with a statement of discount or other deductions.
- where applicable, the time or times within which the contract is to be performed.
- where appropriate, provision for the payment of liquidated damages where the contractor fails to complete the contract within the specified timescales and/or be supported by sufficient security for due performance.
- performance KPI's and reporting arrangements.

5.11.26 Every contract above £25,000 shall also specify a clause to the following effect:

- The Contractor agrees with the Customer that it shall, and that it shall procure that its Personnel and any other person who performs services for the Contractor in relation to the Contract shall:
 - comply with all applicable laws, statutes, regulations and codes relating to bribery and other corruption (“Anti-Corruption Requirements”) including the Bribery Act 2010.
 - not take or knowingly permit any action to be taken that would or might cause or lead the Customer to be in violation of any Anti-Corruption Requirements.
 - not bribe or attempt to bribe (which shall include any offer or form of payment, gift or other inducement, reward or advantage, whether of money or anything of value) the Customer or any of the Customer’s employees, officers, agents, representatives, affiliates or persons acting on the Customer’s behalf; and

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- at the Customer's request and cost, provide the Customer with any reasonable assistance to enable it to perform any activity required by any relevant government or agency for the purpose of complying with Anti- Corruption Requirements.
- The Contractor represents and warrants to the Customer that neither it nor any person associated with them has bribed or attempted to bribe any person in order to obtain and/or retain any business, or advantage in the conduct of business, from the Customer.
- The Contractor agrees that in addition to the Customer's termination rights set out elsewhere in the Contract, the Customer may (without prejudice to any other right available to it) immediately terminate the Contract in the event of any breach of the Anti-Corruption Requirements by the Contractor in which case the Contractor shall not be entitled to any compensation or to any further payments or remuneration.
- The Customer shall not be required to make any payment to the Contractor that might otherwise be due from the Customer in respect of the Contract if the Contractor has breached the Anti-Corruption Requirements.
- The Contractor shall indemnify and keep indemnified the Customer in full and hold it harmless on demand from and against any Losses suffered or incurred by the Customer or for which the Customer may become liable arising out of or in connection with any breach of the Anti-Corruption Requirements, whether or not the Contract has been terminated.
- a clause to the following effect: The Contractor shall not (and shall ensure that the Staff and the Contractor's professional advisers shall not) make any press announcement or publicise the Contract or any part thereof in any way, without prior Approval.
- a requirement for an indemnity for the PCC for Derbyshire, or the CC of Derbyshire against any claim which may be made in respect of personal injury to any person unless due to the negligence of Derbyshire Constabulary and against any claim for damage to property due to negligence of the Contractor.
- a requirement for compliance with current legislation relating to health and safety at work.
- a requirement that all contractors carrying out functions of a public nature on behalf of the PCC for Derbyshire, or the CC of Derbyshire will comply and promote all current race and equality legislation when carrying out those functions for the duration of the contract.
- a clause requiring appropriate insurance cover.
- a clause which reflects the PCC for Derbyshire, or the CC of Derbyshire environmental and sustainability policies.
- a clause permitting the use of information for preventing and detecting fraud.

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- a clause requiring the Contractor to supply sufficient information in a timely manner to enable the PCC for Derbyshire, or the CC of Derbyshire to properly comply with requests for information under the DPA 2018, Freedom of Information Act 2000, UK GDPR and the Environmental Information Regulations 2004.
 - a clause requiring the Contractor to keep details of the contractual arrangements confidential and not to disclose the same without the consent of the PCC for Derbyshire, or the CC of Derbyshire
 - a clause requiring Contractors to co-operate with enquiries by overview and standards committees, Ombudsmen, the Standards Board for England, the Independent office for Police Conduct, Derbyshire Constabulary's internal and external auditors, Government departments and other legally-empowered persons;
 - a clause detailing the liabilities and responsibilities relating to workforce matters where the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply; and
 - in the case of the engagement of professional advisers, a requirement that the adviser shall at all times be fully covered by professional indemnity insurance and that, in relation to that contract, he or she shall conform to the requirements of these Standing Orders, Derbyshire Constabulary's financial regulations and any direction from the PCC, CC or duly authorised officer.
- 5.11.27 Every contract required or intended to be made under seal shall be sealed on behalf of the PCC for Derbyshire by the COO or the PCC MO and the details recorded in the seal register held by the COO.
- 5.11.28 Every contract document shall bear its original date and not that ascribed by automatic updating means.
- 5.11.29 Every contract shall contain the following provisions relating to the disclosure of and requests for information under the DPA 2018, Freedom of Information Act 2000, UK GDPR and the Environmental Information Regulations 2004:
- Notwithstanding anything to the contrary contained or implied in any documents or negotiations leading to the formation of this contract:
 - the PCC for Derbyshire, or the CC of Derbyshire shall be entitled to publish and/or release any and all terms or conditions of this contract, the contents of any documentations and/or information relating to the formation of this contract under the provisions of the Environmental Information Regulations 2004, Freedom of Information Act 2000, DPA 2018, UK GDPR and/or the Local Policing Bodies (Specified Information) Orders 2012 as it sees fit;
 - nothing contained in this contract shall prevent the PCC for Derbyshire, or the CC of Derbyshire from disclosing and/or publishing under the provisions of the DPA 2018, Freedom of Information Act 2000, UK GDPR, Environmental Information Regulations 2004 and/or the Local Policing Bodies (Specified Information) Orders 2012 any term or condition or information contained in or relating to the formation of this contract.

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- The Contractor shall:
 - co-operate with the PCC for Derbyshire, or the CC of Derbyshire and supply to it all necessary information and documentation required in connection with any request received by the PCC for Derbyshire, or the CC of Derbyshire under the DPA 2018, Freedom of Information Act 2000, UK GDPR, Environmental Information Regulations 2004 and/or the Local Policing Bodies (Specified Information) Orders 2012
 - supply all such information and documentation at no cost to
 - Derbyshire Constabulary and within seven days of receipt of any request.
 - The Contractor shall not publish or otherwise disclose any information contained in this contract or in any negotiations leading to it without Derbyshire Constabulary's previous written consent unless the contractor is bound to publish and/or disclose such information under the DPA 2018, Freedom of Information Act 2000, UK GDPR, Environmental Information Regulations 2004 and/or the Local Policing Bodies (Specified Information) Orders 2012 and such information is not exempt from such disclosure and/or publication under the provisions of the DPA 2018, Freedom of Information Act 2000, UK GDPR, and/or Environmental Information Regulations 2004.

5.12 SPECIFICATIONS AND STANDARDS

- 5.12.1 All contracts where a specification issued by the British Standards Institution or a European Standard (or equivalent) is current at the date of the tender and is relevant shall require as a minimum that services, supplies or works shall be in accordance with that specification.
- 5.12.2 Specifications shall not refer to supplies of a particular make or source unless:
- it is justified by the contract and;
 - the contract requirement cannot otherwise be described precisely and intelligibly, provided references are accompanied by the words 'or equivalent'.
- 5.12.3 Specifications should wherever possible be output/performance based and not conformance based, (i.e. the outcomes or results of the goods/service delivery should be stated and not the means by which they are achieved).
- 5.12.4 The PA 2023 and PCR must be adhered to in relation to standards specified within contracts with a value which exceed the Public Procurement thresholds.
- 5.12.5 All procurement activity must observe and promote equality at all stages of the procurement process. This includes advertisement, specification, selection of contractors, evaluation of contractors and managing the contract.

Nominated Sub Contractors

5.12.6 Where a sub-contractor is to be proposed to by a main contractor, the nomination shall be invited and dealt with in accordance with these Standing Orders as if they were for a contract with the PCC for Derbyshire.

5.12.7 The terms of an invitation for appointment in accordance with 5.5.47 shall require an undertaking by the person requesting the proposed sub-contractor that if selected they will be willing to enter into a contract with the main contractor on terms which indemnify the main contractor against their own obligations under the main contract in relation to the work or goods included in the sub-contract.

Retention of documents

5.12.8 Contract documents including expressions of interest, invitations to tender, tender documents and contracts shall be retained for the following minimum periods, unless the CC CFO or the PCC CFO determines otherwise:

- for contracts under hand not less than 6 years from the completion of the services, supply or works.
- for contracts under seal not less than 12 years from the completion of the services, supply or works.

Review of Financial Limits

5.12.9 The financial limits shall be reviewed by the PCC CFO in consultation with the CC CFO for approval by the PCC annually.

Interpretation of Standing Orders

5.12.10 In these Standing Orders the meaning of the following terms is as set out:

- "Contract" - Means a contract for the execution of works or the supply of goods, materials or services.

SECTION 6 EXTERNAL ARRANGEMENTS

6.1 JOINT WORKING ARRANGEMENTS

Why is this important?

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

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

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

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

- before entering into the agreement, a risk assessment has been prepared.
- such agreements do not impact adversely upon the services provided by Derbyshire Constabulary.
- project appraisal including key performance indicators and associated reporting, is in place to assess the viability of the project in terms of resources, staffing, expertise and quality.
- all arrangements are properly documented (including a partnership agreement if required).
- regular communication is held with other partners throughout the project in order to achieve the most successful outcome.

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

6.1.4 The Derbyshire Constabulary element of all joint working arrangements must comply with these Financial Regulations.

Partnerships

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

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

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

- deliver strategic objectives.
- improve service quality and cost effectiveness.
- ensure the best use of scarce resources; and
- deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need.

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

Statutory based

6.1.8 These are partnerships that are governed by statute. They include, for example, Community Safety Partnerships.

Strategic

6.1.9 These are partnerships set up to deliver core policing objectives and/or the PCC's own strategic objectives as set out in the Police & Crime Plan and supporting strategies (e.g. the Commissioning Strategy). They can either be force-wide or local.

Ad-hoc

6.1.10 These are typically locally based informal arrangements agreed by the relevant individual according to the authority delegated to them.

Context

- 6.1.11 As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the PCC, in exercising his/her functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, PCCs are free to pool funding as they and their local partners see fit. PCCs can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies.
- 6.1.12 When the PCC acts as a commissioner of services, he will need to agree the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. The PCC is able to make crime and disorder grants in support of local priorities. The inclusion of detailed grant conditions directing local authorities how to spend funding need not be the default option. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.

Responsibilities of the PCC

- 6.1.13 To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan.
- 6.1.14 To make appropriate arrangements to commission services from either the force or external providers.

Responsibilities of Chief Officers

- 6.1.15 To consult, as early as possible, the CC CFO and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements.
- 6.1.16 To produce a Memorandum of Understanding (MOU) and/or Partnership Agreement setting out the appropriate governance arrangements for the project. This document should be signed by the Chief Operating Officer.

Responsibilities of the PCC CFO

- 6.1.17 To oversee all commissioning arrangements to ensure proper practices and key strategic controls are adhered to.

Consortium Arrangements

- 6.1.18 A consortium is a long-term joint working arrangement with other bodies, operating with a formal legal structure approved by the PCC. The provision of mutual aid between Forces under the Police Act 1996 is excluded from the definition of Consortium Arrangements. Mutual aid will be provided at the discretion of the CC.

Responsibilities of Chief Officers

- 6.1.19 To contact the COO before entering into a formal consortium agreement, to establish the correct legal framework.
- 6.1.20 To consult, as early as possible, the CC CFO and the COO in their PCC CFO responsibilities to ensure the correct treatment of taxation and other accounting arrangements.

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- 6.1.21 To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
- 6.1.22 To produce a MOU and/or Partnership Agreement setting out the appropriate governance arrangements for the project. This document should be signed by the COO.

Responsibilities of the PCC

- 6.1.23 To approve Derbyshire Constabulary's participation in the consortium arrangement.

Collaboration

- 6.1.24 Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the Police Reform and Social Responsibility Act 2011, CCs and PCCs have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more police force or PCCs. Any collaboration which relates to the functions of a police force must first be agreed with the CC of the force concerned.
- 6.1.25 The PCCs shall jointly, and severally, hold their CCs to account for any collaboration in which their force is involved.
- 6.1.26 Any such proposal must be discussed with the PCC CFO and CC CFO in the first instance.

COMMISSIONING OF SERVICES

Why is this important?

- 6.1.27 Under Section 10 of the Police Reform and Social Responsibility Act 2011, the PCC is given the responsibility for co-operative working. Within the constraints of the relevant funding streams, this allows the PCC to pool funding as they and their local partners deem appropriate. The PCC can commission services or award grants to organisations or bodies that they consider will support their community safety priorities in accordance with the Police and Crime Plan. They may do this individually or collectively with other local partners including non-policing bodies. The PCC must have regard to the relevant priorities of each responsible authority.
- 6.1.28 When the PCC commissions services, agreement is required on the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. Ring-fenced provision of crime and disorder grants is allowed in support of local priorities. The inclusion of detailed grant conditions directing recipients how to spend funding need not be the default option. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.
- 6.1.29 It is important to ensure that risk management and project appraisals are in place to assess the viability – both on initiation and on an on-going basis – of all external arrangements and an exit strategy is prepared.

Responsibility of the PCC

- 6.1.30 To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan.

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- 6.1.31 To work effectively with other local leaders in Derbyshire who can also provide significant resources, to influence how all parties prioritise and bring together their resources to tackle local problems and priorities.
- 6.1.32 To consult with victims of crime about policing and the proposed Police and Crime Plan. To commission victim support services in Derbyshire.
- 6.1.33 To make appropriate robust arrangements to commission services from Derbyshire Constabulary or external providers.
- 6.1.34 To award crime and disorder grants.

Responsibilities of the COO

- 6.1.35 To develop (in conjunction with the PCC MO) a commissioning framework that will support the objectives as set out in the Police and Crime Plan. The framework should encourage a mixed economy of provider options and where necessary develop a specific PCC Compact Agreement with the Voluntary Sector.
- 6.1.36 As the COO holds the PCC CFO responsibilities they will consult with the PCC MO, agree awards of up to £25,000 for initiatives in line with the PCC's aims and objectives. For awards in excess of £25,000 PCC approval is required.

Responsibility of the PCC CFO, which falls under the COO

- 6.1.37 In addition to developing a commissioning framework with the PCC MO, to develop a financial framework as part of the wider Commissioning framework with approved authorisation levels.
- 6.1.38 To keep under review the performance and outcomes of any investments agreed by the PCC in respect of partnership activity.
- 6.1.39 Ensure financial expenditure does not exceed the budgeted level to achieve the objectives set out in the Police and Crime Plan where services are commissioned within community initiatives.
- 6.1.40 To assist the COO to carry out the financial aspects of their responsibilities and in particular to budget and account for incoming funding and outgoing expenditure in accordance with accounting requirements.

6.2 EXTERNAL FUNDING

Why is this important?

- 6.2.1 External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of Derbyshire Constabulary. Funds from external agencies provide additional resources to enable Derbyshire Constabulary to deliver its policing objectives. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Derbyshire Constabulary overall plan.
- 6.2.2 The main source of such funding for Derbyshire Constabulary will tend to be government grants, additional contributions from local authorities.

Responsibilities of Chief Officers

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

Responsibilities of the CC and the PCC

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

Responsibilities of the PCC CFO and CC CFO

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

Responsibilities of the CC

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

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

6.2.8 To ensure that any conditions placed on Derbyshire Constabulary in relation to external funding are in accordance with the approved policies of the PCC. If there is a conflict, this needs to be taken to the PCC for resolution.

6.3 WORK FOR EXTERNAL BODIES

Why is this required?

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

Responsibilities of the CC and the CC CFO

6.3.2 To ensure that proposals for assistance are costed, that no contract is subsidised by Derbyshire Constabulary and that, where possible, payment is received in advance of the delivery of the service so that Derbyshire Constabulary is not put at risk from any liabilities such as bad debts.

6.3.3 To ensure that appropriate insurance arrangements are in place.

6.3.4 To ensure that all contracts are properly documented.

6.3.5 To ensure that such contracts do not impact adversely on the services provided by Derbyshire Constabulary.

6.3.6 The submission of tenders for the supply of goods and/or services by Derbyshire Constabulary should be approved in line with section 5 of this Financial Handbook.

Appendix A - Procedure For Single Tender Or Quotation

1. A Single tender or quotation means the selection of a supplier without competition.
2. A single tender or quotation can make it difficult to demonstrate adherence to the principle of objectivity and can reduce the opportunity for obtaining best value. It should only be used in very exceptional circumstances and shall only be authorised after taking account of the comments provided by the PCC MO, CC CFO and the CC Procurement and Contract Management Team.
3. A written record will be maintained of the reasons for approval of a single tender or quotation.
4. In the case of contracts with a value which exceeds the Public Procurement threshold, then the PA 2023 or PCR shall be observed.
5. The Procedure for single tender or quotation must not be adopted merely for the sake of convenience as a result of poor forward planning or because a firm has rendered satisfactory service in the past, or on occasion has been the only one to make an offer.
6. The tenderer/firm should not be advised that the Procedure for a single tender or quotation is being followed.
7. The invitation of a single tender/quotation may only be considered when one or more of the following circumstances applies:
 - the items are or relate to proprietary articles or those sold only at fixed prices, or the work to be executed consists of repairs to existing proprietary articles and there is no reasonable satisfactory alternative available from any other source.
 - the contract is required so urgently that competition is impracticable, e.g. a genuine unforeseeable operational need arises.
 - genuine security considerations make the use of a particular firm essential.
 - there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience, where a change of contractor/ supplier would cause:
 - disproportionate technical difficulties.
 - diseconomies, or.
 - significant disruption to operational requirements.
 - there are other reasons why there would be no genuine competition.
8. The PCC CFO may approve the procedure for a single quotation, for contracts not exceeding £25,000, in accordance with paragraph 7 above.
9. The PCC CFO may approve the procedure for a single tender, for contracts exceeding £25,000, in accordance with paragraph 7 above.
10. All other requests to use the procedure for a single tender will be subject to approval of the PCC.

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11. The award of a contract to a single supplier under an approved framework agreement does not constitute single tender action.
12. Where possible the single tender should be for the shortest time period practicable and for an open tender process to then be initiated.

Appendix B – Exemptions to Official Purchase Orders

Regulation 4.3.3 of these Financial Regulations states that 'official' orders will be raised for all work, goods or services to be supplied to Derbyshire Constabulary, except for purchases that are included on a list of exemptions agreed between the CC CFO and PCC CFO. In circumstances where a Purchase Order (PO) is required urgently and it is not practicable for the Contract to be signed in advance, the Procurement and Contract Management Team will prepare a written briefing for the PCC and/or the PCC Chief Finance Officer (CFO). Following consideration of the briefing, the PCC and/or PCC CFO may instruct the Procurement and Contract Management Team to raise the PO on the understanding that the Contract will be signed as a matter of priority.

Items may be included on the list of exemptions if:

- The amount of usage of the service cannot be predicted for example Telecoms and Utilities
- The time of the requirement cannot be predicted, for example Tyres, Boarding Up, medical and Appropriate Adult services are needed in response to unplanned incidents.
- The requirement is planned but the actual costs are variable or cannot be quantified at the start, for example an agency staff member working variable hours each week, or Postage.

Official orders are Orders generated by the Agresso order system or orders generated on the contracted supplier on-line order systems utilised by the Finance Ordering Team.

The following is the list of exemptions:

1. Grant Payments
2. Government departments e.g. other Local Authorities, Police Forces, Home Office and HMRC.
3. Purchases made using Force approved credit, payment and fuel cards.
4. Purchases made using Petty Cash
5. Memberships and subscriptions
6. Medical services – Doctors, Dentists, Vet
7. Legal services
8. Postage and Couriers
9. Rent
10. TV Licenses
11. Paypoint service
12. Copyright performance licenses

The following exemptions apply only when the expenditure is with a Supplier who holds a current Contract for the Supply of Goods and or Services with the PCC or Derbyshire Constabulary. The Procurement team will provide details of contracted suppliers upon request to procurement@derbyshire.pnn.police.uk

1. Telephone charges and mobile devices

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2. Utilities, Gas, electricity and water supplies.
3. Insurance premiums
4. Temporary Agency staff
5. MFD (photocopier) rental and usage charges
6. Interpreter / Translation services
7. Cleaning services
8. Private Finance Initiative (PFI) contract payments
9. Waste Disposal including destruction and disposal of drug cultivation equipment
10. Kenneling / Horse transport and stabling
11. Boarding Up Services
12. Media and Communications Services- PCC Better Times Contract
13. Eyesight tests
14. Vehicle Recovery Services
15. Capital works e.g. Construction contracts. Where the payments are managed by an application and certification process.
16. Vehicle Maintenance
17. Vehicle Tyres
18. Laundry Services
19. Grounds Maintenance
20. Financial Vetting Services
21. Hotel bookings
22. Appropriate Adult services

Appendix C - Financial Scheme of Delegation

Financial Activity	Role	Amount / Limit
Virements		
Within Department devolved budget	Head of Dept (budget holder), in consultation with CC CFO	£10,000
Between budget heads	CC CFO	£100,000
Other permanent virements	PCC	> £100,000
Any virements to/from PCC budgets	DCFO OPCC	£10,000
Any virements to/from PCC budgets	PCC / PCC COO	Any value
Any virements involving significant policy change	PCC	Any value

Capital Programme		
Development and implementation of asset management plans	CC CFO	
Approval of the asset management strategy and annual financial capital strategy	PCC	
Identification of funding sources for medium term capital programme, including prioritisation of schemes	CC CFO (for approval by PCC)	
Preparation of financial capital strategy	CC CFO (for approval by PCC)	

Capital Programme (medium term)		
Prepare a rolling 5-year programme and identify costs (including revenue)	CC CFO	
Prepare project appraisals for all schemes, including capital & revenue costs, and benefits	CC CFO	
Responsibility for scheme management and monitoring	Specified departmental budget manager	
Recommendations on level of revenue support and borrowing under Prudential Code	PCC COO (for approval by PCC)	
Approve the fully funded 5-year programme	PCC	

Capital Programme (annual)		
Approval of additional costs within the approved schemes	CC CFO	< 10% or £250,000 (of approved budget) NB: no increase in overall capital programme
Additional / new projects and / or additional costs within existing projects	CC CFO (for submission to board for approval)	
Ensure only professional fees are incurred prior to PCC approval	CC CFO	
Preparation of project appraisals within capital programme	CC CFO	
Approval of the annual capital programme	PCC	

Valuations		
Maintain asset registers for all fixed assets in excess of the below values: <ul style="list-style-type: none"> • Land & Buildings – all values • Vehicles – all values • ICT Hardware – all values Plant & Equipment - £10,000	CC CFO	
Maintain inventories of small items of equipment with a value in excess of £100 (and below £10,000), or deemed portable & desirable	CC CFO	

Reserves		
Advise on reasonable reserve levels and adequacy of balances	PCC COO	
Ensure annual revenue budget is sufficient	CC	
Present business cases to PCC for one-off expenditure funded from reserves	CC	
Approval of reserve balances, creation of new reserves and allocations to/from general reserve	PCC	

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Stock & Stores		
Undertake a complete stock take at least once per year. Either by continuous or annual stock check, certified by an authorised independent member of staff	CC CFO	
Write-off of discrepancies between actual and book value	CC CFO	< £10,000
	PCC	> £10,000
Write-off of obsolete stock	CC CFO	< £10,000

Treasury Management		
Preparation of annual treasury management policy and investment strategy	CC CFO (approved by PCC)	
Approval for the removal or addition of a counterparty from the investment list	PCC COO	
Recommend borrowing details to PCC COO	CC CFO	
Approve the timing and substance of any borrowing that takes place, subject to the approved capital programme limits	PCC COO	
Preparation annual & quarterly reporting of performance against Prudential Indicators	CC CFO (received by PCC)	
Authorisation of banking activity, including opening & closing of accounts in the force name	PCC COO	

Bad debt write-offs		
Debtor write-offs	Corporate Finance Manager	< £1,000
	Head of Finance	£1,000 to £5,000
	CC CFO	£5,000 to £10,000
	PCC COO	£10,000 to £25,000
	PCC	> £25,000

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Procurement		
Thresholds for small contracts of <£25,000:		
3 written quotations where possible	End user department	< £5,000
Tenders need not be invited but 3 written quotations shall be obtained unless: <ul style="list-style-type: none"> • A waiver is agreed and reported • Specific services are being procured • An existing framework is in place • A single written quote is approved by PCC COO 	Head of Dept	£5,000 to £25,000 (up to £10,000 an Exception Request Form can be granted by the Head of Procurement and Contract Management)
Open competitive tender process required	Procurement and Contract Management (in consultation with user Dept)	> £25,000 (unless STA is agreed by PCC or PCC COO)

Other		
Ex-gratia payments to employees (including volunteers) and / or members of public	CC	< £10,000
	PCC	> £10,000