

## Section 4c



# Financial Regulations and Contract Standing Orders

Officer of the Staffordshire Commissioner (acting as the  
Police and Crime Commissioner for Staffordshire)

And

Staffordshire Police

## Contents

<b>Section 4c</b> .....	1
Section A: Financial Management Framework .....	6
1. Introduction .....	6
1.1 Background .....	6
1.2 Purpose and status.....	6
1.3 Key roles of the Police and Crime Commissioner .....	8
1.4 General Principles .....	8
2. Statutory Officers.....	9
2.1 Appointment .....	9
2.2 Chief Executive.....	9
2.3 Commissioner’s & Chief Constable Section 151 Officers.....	9
3. Financial Regulations .....	10
3.1 Purpose .....	10
3.2 Status .....	10
3.3 Breaches.....	10
3.4 Suspension of Regulations and Urgent Expenditure .....	11
3.5 Review .....	11
4. Financial Management Framework .....	11
4.1 Financial Management Standards Overview .....	11
JOINT RESPONSIBILITIES OF THE COMMISSIONER SECTION 151 OFFICER AND CC SECTION 151 OFFICER.....	12
4.2 .Accounting Systems, Records and Retention .....	12
JOINT RESPONSIBILITIES OF THE COMMISSIONER SECTION 151 OFFICER AND CC SECTION 151 OFFICER.....	12
RESPONSIBILITIES OF THE CC SECTION 151 OFFICER.....	13
4.3 .Annual Statement of Accounts .....	13
RESPONSIBILITIES OF COMMISSIONER SECTION S151 OFFICER.....	13
JOINT RESPONSIBILITIES OF COMMISSIONER SECTION 151 OFFICER AND CC SECTION S151 OFFICER.....	14
RESPONSIBILITIES OF THE COMMISSIONER.....	14
RESPONSIBILITIES OF THE CC .....	14
4.4 .Accounting Policies .....	14
4.5 .The Joint Audit and Risk Committee (JARC).....	14
Section B: Financial Planning and Control .....	15
5. Financial Planning .....	15
5.1 .Financial Planning .....	15

5.2	.Medium Term Financial Strategy (MTFS).....	15
	RESPONSIBILITIES OF THE COMMISSIONER.....	16
	JOINT RESPONSIBILITIES OF THE COMMISSIONER SECTION S151 OFFICER AND CC SECTION S151 OFFICER.....	16
5.3	.Annual Revenue Budget Preparation.....	17
6.	Budgetary Control.....	18
6.1	.Budget Management and Control .....	18
6.2	.Revenue Budget Monitoring.....	18
6.3	.Capital Expenditure.....	20
6.4	.Financial Appraisals (Business Case).....	20
6.5	.Revenue Virement .....	23
6.6	.Year End Carry Forwards.....	23
6.7	.Use of Balances and Reserves.....	24
	Section C: Management of Risk and Resources.....	25
7.	Risk Management .....	25
7.1	.Risk Management .....	25
7.2	Ex Gratia Payments .....	27
8.	Internal Control and Audit .....	27
8.1	Internal Controls .....	27
8.2	Audit Requirements – Internal Audit.....	28
8.3	External Audit.....	30
8.4	Preventing Fraud and Corruption .....	31
9.	Assets .....	32
9.1	Purpose .....	32
9.2	Property Valuations .....	33
9.3	Inventories .....	34
9.4	Stocks and Stores .....	34
9.5	Asset Disposal .....	34
9.6	Intellectual Property .....	35
10.	Treasury Management and Banking Arrangements.....	35
10.1	Treasury Management.....	35
10.2	Banking Arrangements.....	36
10.3	Imprest Accounts / Petty Cash.....	37
10.4	Voluntary Funds .....	37
10.5	Money Laundering .....	38
10.6	Leases.....	38
10.7	PFI Scheme.....	39

Section D: Systems and Procedures.....	39
11.    General System and Procedures.....	39
11.1    General.....	39
11.2    Income .....	40
11.3    Write Offs.....	41
11.4    Ordering and Payments for Goods, Works and Services .....	41
11.5    Payments to Employees (Including Expenses).....	42
11.6    Taxation.....	42
11.7    Gifts, Loans and Sponsorship.....	43
Section E: External Arrangements .....	45
12.    External Arrangements .....	45
12.1    External Funding .....	45
12.2    Joint Working Arrangements .....	46
12.3    Work for Third Parties.....	49
Section F: Contract and Procurement Regulations Standing Orders.....	50
13.    Contract and Procurement Regulations .....	50
13.1    Purpose .....	50
13.2    General Requirements .....	51
14.    Contract Standing Orders .....	52
14.1    Staffordshire Contract Standing Orders.....	52
14.2    How we Procure.....	53
14.3    Responsibilities .....	53
14.4    The Tendering Procedure.....	55
14.5    Framework Agreements .....	56
14.6    Exemptions to the Contracts Standing Orders .....	57
14.7    Procurement Procedure.....	58
14.8    Estimating the Contract Value .....	59
14.9    Bonds and Parent Company Guarantees.....	59
14.10    Advertising of Contracts and Transparency Notices.....	60
14.11    Pre-Quotation/ Tender Requirements.....	60
14.13    Contract Award- Tenders and Quotations.....	61
14.14    Variations to Contracts .....	62
14.16    Term of Contract (Contract Extensions) .....	63
14.17    Data Protection .....	63
14.18    Conduct .....	64
14.19    Contract Management & Payments .....	64

14.20	Contract Termination.....	65
14.21	Risk Assessment & Contingency Planning.....	66
14.22	Pecuniary Interest.....	66
14.23	Reports to the Police and Crime Commissioner .....	66
14.24	Review and Amendment of contract and procurement Regulations .....	66
15.	Delegated Limits and Authorities.....	67
15.1	Delegated Limits and Authorities.....	67
15.2	Pension Scheme Delegation.....	72
16.	Glossary.....	73
Appendix A	.....	75
	Appendix A- Relevant Legislation .....	75
<b>Exemption to Contract Standing Orders</b>	Appendix B.....	76
Appendix C	.....	79

# Section A: Financial Management Framework

## 1. Introduction

### 1.1 Background

- 1.1.1 The Police Reform and Social Responsibility Act 2011 (“The Act”) established the Police and Crime Commissioner and the Chief Constable as separate legal entities. The legal transfer of operational policing to the Chief Constable, who also became the employer of police staff members, was completed on 1st April 2014. The Act makes provision for the governance and administration of police forces. The Act charges the Police and Crime Commissioner for Staffordshire with securing the maintenance, efficiency and effectiveness of Staffordshire Police.
- 1.1.2 The Financial Management Code of Practice (FMCP) is issued under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39A of the Police Act 1996, which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners (“Commissioners”) and Chief Constables. As set out in section 17(4) of the 2011 Act and section 39A (7) of the 1996 Act, Commissioners and Chief Constables must have regard to this code in carrying out their functions.
- 1.1.3 The FMCP applies to the discharge of functions by all Commissioners in England and Wales and applies to every Chief Constable of a police force maintained by a Commissioner.
- 1.1.4 The FMCP provides clarity around the financial governance arrangements within the police service in England and Wales, and reflects the fact that the police service has a key statutory duty to secure value for money in the use of public funds. It provides high level guidance to help ensure effective and constructive relationships in all financial matters. The FMCP sets the tone while promoting flexibility and avoiding overt prescription so that the detail of arrangements can be worked out locally.
- 1.1.5 The Police and Crime Commissioner and the Chief Constable are both required to appoint Chief Finance Officers/Section 151 Officers.

### 1.2 Purpose and status

- 1.2.1 These regulations provide a framework which makes sure the business is carried out efficiently and ensuring that decisions are not unnecessarily delayed. As a result, these financial regulations cover both the Police and Crime Commissioner responsibilities as well as the Chief Constable.
- 1.2.2 These regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework of Staffordshire Police that includes Scheme of Consent and both Police and Crime Commissioners and Chief Constable’s Scheme of Delegation.
- 1.2.3 Every member of staff and police officer is expected to read and understand the Financial and Contract Regulations and any related documents. They are expected to

seek clarification on any areas they do not understand with either their line manager or other relevant person.

- 1.2.4 The Commissioner, Chief Constable and all officers and staff have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
- 1.2.5 Financial Regulations explain the working financial relationship between the Commissioner and the Chief Constable and their respective S151 Officer, and the role played by the Commissioner's Chief Executive. These officers shall be known collectively as the "Statutory Officers".
- 1.2.6 Under Section S151 of the Local Government Act 1972 "every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". In addition, under Schedule 1 and 2 of the Police Reform and Social Responsibility Act 2011, the Police & Crime Commissioner (the Commissioner) and Chief Constable are obliged to appoint a person to be responsible for the proper administration of the financial affairs of their respective Corporation Sole.
- 1.2.7 To meet the above statutory requirements, the Director of Finance for the Office of the Commissioner and the Assistant Chief Officer (Resources) will act as the Section S151 Officers for the Commissioner and the Chief Constable respectively.
- 1.2.8 A Chief Officer may delegate a function, whether delegated to the Chief Officer or otherwise, to other officers provided that the terms of the delegation are clearly documented.
- 1.2.9 In the event of the absence of the Chief Constable S151 Officer, their statutory roles will be assumed by the Deputy S151 Officer.
- 1.2.10 Statutory 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.
- 1.2.11 Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the Commissioner's S151 Officer and/or CC S151 Officer who shall determine, after consulting with the Monitoring Officer, whether the matter shall be reported to the Commissioner and/or Chief Constable. Further guidance set out in the document.
- 1.2.12 The Commissioner and all officers and staff have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues.
- 1.2.13 The Financial Regulations shall only be suspended by a formal decision of the Commissioner and Chief Constable

- 1.2.14 Financial Regulations may be reviewed at any time and at the same time as any review of Corporate Governance and may be amended by agreement between the Commissioner and Chief Constable.

### **1.3 Key roles of the Police and Crime Commissioner**

- 1.3.1 In relation to financial management, contracts and procurement, the key roles of the Commissioner are to:
- Provide an efficient and effective police service for the area;
  - Set the budget, and the precept, and allocate funds and assets to the Chief Constable;
  - Make crime and disorder reduction grants.
- 1.3.2 The Police and Crime Commissioner will receive all funding, including the government grant precept, and other sources of income, related to policing and crime reduction. All funding for the force must come via the Commissioner. How this money is allocated is for the Commissioner to decide in consultation with the Chief Constable, or in accordance with any grant terms.
- 1.3.3 The Police and Crime Commissioner is the legal contracting body owning all the assets and liabilities, with the responsibility for the financial administration of his/her office and the force, including all borrowing limits.

### **1.4 General Principles**

- 1.4.1 The Chief Constable shall be responsible for ensuring that the provisions and obligations of these regulations are properly drawn to the attention of members of staff under his/her employ. The Chief Executive, Commissioner's Chief Finance Officer and Force Chief Finance Officer are responsible for making sure that members of staff they supervise know about the provisions and obligations of these regulations.
- 1.4.2 The Schemes of Delegation provide an officer with the legal power to carry out duties of the Commissioner or Chief Constable. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including:
- The Police and Social Responsibility Act 2011 and other relevant legislation issued under this Act.
  - Financial Regulations
  - Home Office Financial Management Code of Practice
  - CIPFA statement on the role of the CFO of the Police and Crime Commissioner and the CFO of the Chief Constable
  - Contract Regulations
  - The Commissioner's governance framework
  - The Commissioner's and Staffordshire Police's employment policies and procedures.
  - The Data Protection Act 1998 and the Freedom of Information Act 2000

- 1.4.3 The Commissioner has a wider responsibility regarding financial, contract and procurement management, wider than those solely relating to the police force, namely:
- The ability to make crime and disorder reduction grants for their force area;
  - The commissioning of services for victims and witnesses

## 2. Statutory Officers

### 2.1 Appointment

- 2.1.1 In accordance with the Local Government Act 1972 and other legislative requirements, the following officers are appointed as the Statutory Officers to discharge the functions stated.

### 2.2 Chief Executive

- 2.2.1 The Chief Executive is designated as the Statutory Officer for the following:
- Section 96 (1) - Receipt of notices of pecuniary interest.
  - Section 96 (2) - Keeping records of disclosures of pecuniary interest under section 94 and of notices under Section 96 (1).
  - Section 100B - Determination of which reports or parts of reports should not be disclosed on the grounds that they include exempt information which is likely to be considered in private.
  - Section 100C – Minuting of meetings and preparing where necessary written summary of such parts of meetings at which the public are not present.
  - Section 100F - Determination of which documents should not be disclosed to members on the grounds that they include confidential or exempt information.
  - Section 229 (5) - Certification of photographic copies of documents.
  - Section 231 (1) & (2) – Authentication of documents.
  - Section 41 (1) & (3) of the Local Government Miscellaneous Provisions Act 1976 – Certification of resolutions and minutes, etc., for evidential purposes.

### 2.3 Commissioner's & Chief Constable Section 151 Officers

- 2.3.1 Both the Commissioner's and Chief Constable's Section 151 Officers have statutory responsibilities that are set out in paragraph 4 of schedule 2 and paragraph 1 of schedule 4 to the Police Reform and Social Responsibility Act 2011 and section 114 of the Local Government Finance Act 1988.
- 2.3.2 Both the Commissioner's S151 Officer and the Chief Constable's S151 Officer are designated as the Proper Officer for the following: -
- Section 115 (2) – Receipt of monies due from officers.
  - Section 228 (3) – Inspection of accounts.
  - Section 151 – Responsibility for the administration of the organisation's financial affairs.
- 2.3.3 In the event of the absence of the Chief Constables CFO their statutory roles will be assumed by the Deputy Section 151 Officer.

## 3. Financial Regulations

### 3.1 Purpose

- 3.1.1 To conduct business efficiently, the Commissioner and the Chief Constable need to ensure that there are sound financial management arrangements in place within their respective organisations and that these are strictly adhered to. These Financial Regulations set out such arrangements in a single document to ensure consistency. They also incorporate the Contract and Procurement Regulations.
- 3.1.2 These Financial Regulations provide clarity about the financial accountabilities of individuals, particularly the Chief Executive, the Chief Constable, and their respective Chief Finance Officers. They apply to every member of the Commissioner's and Force's staff and anyone acting on their behalf.
- 3.1.3 Section 15 sets out the delegated limits attributable to these Financial Regulations.

### 3.2 Status

- 3.2.1 These Financial Regulations are embedded within and must be read in conjunction with the other constituent parts of the scheme of arrangements.
- 3.2.2 All members of staff, police officers and police staff including special constabulary and volunteers must take reasonable action to provide for the security of any assets under their control, and ensure that the use of these resources is legal, is properly authorised, and provides value for money.
- 3.2.3 Each of the Financial Regulations sets out the overarching financial responsibilities. The Chief Finance Officers shall from time to time issue supplementary guidance which sets out in greater detail the procedures for carrying out particular financial transactions. Such guidance shall emphasize the need for effective systems of internal control to be in place and complied with.
- 3.2.4 The Chief Constable shall ensure that all police officers, police staff are aware of the content of the Financial Regulations and guidance and other internal regulatory documents and ensure that they comply with them.

### 3.3 Breaches

- 3.3.1 The Chief Executive shall inform the Commissioner's S151 Officer of any breach of the Financial Regulations by a member of the Office of the Commissioner or by a commissioned body within 5 working days of the breach being identified. For minor breaches the Commissioner's S151 Officer shall take appropriate action to prevent further occurrences. For more significant breaches the Commissioner's S151 Officer shall discuss the breach with the Commissioner with a view to identifying appropriate action.
- 3.3.2 The Chief Constable or other Chief Officer shall inform the Force Section 151 of any breach of the Financial Regulations by a member of the Force within 5 working days of the breach being identified. For minor breaches the Force S151 shall take appropriate action to prevent further occurrences. For more significant breaches the

Force S151 shall discuss the breach with the Chief Constable with a view to identifying appropriate action or escalation.

### **3.4 Suspension of Regulations and Urgent Expenditure**

- 3.4.1 In exceptional cases, the Commissioner may suspend the application of these Regulations where it is in the best interests of the Commissioner or Force to do so.
- 3.4.2 In cases of urgency:
  - 3.4.2.1.1 The Chief Constable jointly with the Force S151, and in consultation with the Commissioner's Office (Monitoring Officer and S151 Officer), may authorise the Force to incur any lawful expenditure which would otherwise be contrary to these Regulations; or
  - 3.4.2.1.2 The Commissioner jointly with the Chief Executive and the Commissioner's S151 may authorise the Commissioner to incur any lawful expenditure which would otherwise be contrary to these Regulations.
- 3.4.3 If in respect of regulation 3.4.2, the Chief Constable, Chief Executive and S151 Officers fail to agree on the need for or extent of such expenditure, the Commissioner will decide on the appropriate course of action.
- 3.4.4 The exercise of regulations 3.4.1 and 3.4.2 shall in every case be recorded in writing along with the reason(s) for making the decision.

### **3.5 Review**

- 3.5.1 Each S151 Officer shall monitor the operation of the Financial Regulations. Minor changes (such as job titles or as a result of other decisions formally made by the Chief Constable) are delegated to the Chief Constable's S151. All other changes must be approved by the Commissioner.
- 3.5.2 The S151 Officers will review Section 15 on an annual basis and will submit any recommendations for changes as a result of their review to the Commissioner as an annex to the Budget report.
- 3.5.3 At least once every three years, the S151 Officers shall undertake a comprehensive review of the Financial Regulations in consultation with the Chief Executive and the Chief Constable, including the re-assessment of Section 15 and will submit any recommendations for change to the Commissioner for approval.

## **4. Financial Management Framework**

### **4.1 Financial Management Standards Overview**

- 4.1.1 The Commissioner, Chief Constable 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. 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.

- 4.1.2 The Commissioner shall receive updates on the financial performance of the Force and the Office of the Staffordshire Commissioner by receiving regular budget monitoring and outturn reports, and also the Annual Audit Letter provided by the external auditor.

JOINT RESPONSIBILITIES OF THE COMMISSIONER SECTION 151 OFFICER AND CC SECTION 151 OFFICER

- 4.1.3 To ensure the proper administration of the financial affairs of the Commissioner's Office and the Force.
- 4.1.4 To ensure that proper practices are adhered to.
- 4.1.5 To advise on the key strategic controls necessary to secure sound financial management.
- 4.1.6 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons based on national and local financial performance indicators.
- 4.1.7 To ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- 4.1.8 To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.

On behalf of the Commissioner and Chief Constable as employers and jointly as contributors to the Local Government Pension Scheme (LGPS), employees from Staffordshire Police are represented on the Local Pensions Board.

**4.2 . Accounting Systems, Records and Retention**

- 4.2.1 Maintaining proper accounting records is one of the ways in which the Commissioner and Chief Constable will discharge their responsibility for stewardship of public resources. There is a statutory responsibility to prepare its annual accounts to present a true and fair view of the financial position of the Commissioner's Office and the Force and of operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that adequate arrangements have been made for securing economy, efficiency and effectiveness in the use of resources.

JOINT RESPONSIBILITIES OF THE COMMISSIONER SECTION 151 OFFICER AND CC SECTION 151 OFFICER

- 4.2.2 To determine the accounting policies and procedures to be adopted, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the Chief Constable. All employees shall operate within the required accounting policies and published timetables.
- 4.2.3 To make proper arrangements for the audit of the Commissioner's, Force and group accounts in accordance with the Accounts and Audit Regulations (as amended from time to time).

- 4.2.4 To ensure that claims for funds including grants are made where possible by the due date.
- 4.2.5 To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis.
- 4.2.6 To prepare and publish the audited accounts in accordance with the statutory timetable.

#### RESPONSIBILITIES OF THE CC SECTION 151 OFFICER

- 4.2.7 To consult with the Commissioner's S151 Officer before making any fundamental changes to accounting records and procedures or accounting systems.
- 4.2.8 To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
- 4.2.9 To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.
- 4.2.10 To ensure that prime documents are retained in accordance with legislative and internal requirements. The format of such documents shall satisfy the requirements of internal and external audit.

### **4.3 . Annual Statement of Accounts**

- 4.3.1 Both the Commissioner and Chief Constable have a statutory responsibility to prepare accounts to present a true and fair view of the financial position of the Commissioner's Office and the Force and of 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 Commissioner (Office of the Police & Crime Commissioner), Chief Constable as well as group accounts covering both entities.
- 4.3.2 The CC is responsible for approving the Chief Constable's Statement of Accounts and the Commissioner is responsible for approving the Commissioner's and Group Statement of Accounts.
- 4.3.3 The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of resources are adequate.

#### RESPONSIBILITIES OF COMMISSIONER SECTION S151 OFFICER

- 4.3.4 To draw up the timetable for final accounts preparation, in consultation with Force S151 Officer and external auditor.

- 4.3.5 To prepare, sign and date the statement of accounts, stating that it presents a true and fair view of the financial position of the Office of the Police and Crime Commissioner and the Force at the accounting date and its income and expenditure for the financial year just ended.
- 4.3.6 To publish the approved and audited accounts each year, in accordance with the statutory timetable.

JOINT RESPONSIBILITIES OF COMMISSIONER SECTION 151 OFFICER AND CC SECTION S151 OFFICER

To select suitable accounting policies and apply them consistently.

- 4.3.7 To make judgements and estimates that are reasonable and prudent.
- 4.3.8 To comply with the Code of Practice on local Authority Accounting.

RESPONSIBILITIES OF THE COMMISSIONER

- 4.3.9 To consider and approve the Commissioner's and Group annual Statement of Accounts in accordance with the statutory timetable.

RESPONSIBILITIES OF THE CC

- 4.3.10 To consider and approve the CC's annual Statement of Accounts in accordance with the statutory timetable.

**4.4 . Accounting Policies**

- 4.4.1 The Commissioner's, Chief Constable's and Group statement of accounts will be prepared in accordance with proper practices, standards and guidance issued by the Home Office, CIPFA or other relevant body. The Section 151 Officers shall determine and consistently apply accounting policies, which comply in all respects with the latest accounting guidance and standards. If there are any conflicts between the Force S151 and the Commissioner's S151 as to the policies to be adopted the matter will be referred to the external auditor for guidance and a recommendation.
- 4.4.2 Revenue and capital budgets shall be prepared on the basis of the same accounting policies as the preparation of statements of account. Any changes to accounting policies which may have a financial impact on the Precept/Council Tax of more than the delegated limit (see section 15) must be reported to the Commissioner by the Commissioner's S151 Officer.

**4.5 . The Joint Audit and Risk Committee (JARC)**

- 4.5.1 The Home office Financial Management Code of Practice states that the Office Financial Management Code of Practice states that the Police and Crime Commissioner and Chief Constable should establish a joint independent audit panel. This should be a combined body which will consider the internal and external audit reports of both the Police and Crime Commissioner and the Chief Constable. This panel will advise the Police and Crime Commissioner and the Chief Constable according to good governance principles and will adopt appropriate risk management

arrangements in accordance with proper practices. In establishing the Committee, the Police and Crime Commissioner and Chief Constable shall have regard to CIPFA Guidance on Audit Committees.

- 4.5.2 The Police and Crime Commissioner and Chief Constable shall establish formal terms of reference for JARC, covering its core functions, which shall be formally adopted and reviewed on an annual basis.
- 4.5.3 The Police and Crime Commissioner and Chief Constable shall be represented at all meetings of JARC.

## Section B: Financial Planning and Control

### 5. Financial Planning

#### 5.1 . Financial Planning

- 5.1.1 Delivering a range of policing activities is complex and needs systems to be developed and implemented to enable scarce resources to be allocated in accordance with carefully considered priorities. Proper financial planning is essential if an organisation is to function effectively.
- 5.1.2 The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives.
- 5.1.3 The planning process should be continuous and the planning period should cover a minimum of 4 years. The process should include a more detailed annual plan, the budget, covering the forthcoming financial year. This allows the Commissioner and the Chief Constable to plan, monitor and manage the way funds are allocated and spent during the financial year and over the medium term.
- 5.1.4 The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the virement rules operate. The annual budget will be supported by a detailed objective analysis of spending across all areas of income and expenditure.
- 5.1.5 It is recognised that the impact of financial planning in the police service will be constrained by the quality and timing of information made available by Central Government on resource allocation.

#### 5.2 . Medium Term Financial Strategy (MTFS)

- 5.2.1 The Commissioner and Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing a MTFS including revenue financial projections for a minimum of 4 years together with a capital programme covering at least the same period.

5.2.2 The Commissioner’s S151 Officer and the Force S151 Officer shall prepare for the Commissioner and Chief Constable on an annual basis a medium-term financial strategy. The strategy shall set out the key components of the budget, having regard to all known circumstances and where necessary assumptions as to:

- Government Grants
- Council Tax and precept levels
- Other income
- Pay awards
- Inflation (for utilities, fuel, ICT, contracts, general goods and services, etc.)
- Investment returns and borrowing costs
- Specific Budget pressures
- Any other relevant factors

#### RESPONSIBILITIES OF THE COMMISSIONER

**5.2.3** To identify and agree, in consultation with the Chief Constable and other relevant partners and stakeholders, a medium-term financial strategy which includes funding and spending plans for both revenue and capital. The strategy should consider 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 be aligned with the Police and Crime Plan.

#### JOINT RESPONSIBILITIES OF THE COMMISSIONER SECTION S151 OFFICER AND CC SECTION S151 OFFICER

**5.2.4** To determine the format and timing of the MTFS to be presented to the Commissioner. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.

**5.2.5** To prepare a MTFS including proposed income and expenditure for submission to the Commissioner. When preparing the MTFS, the Chief Constable shall have regard to:

- the Police and Crime Plan;
- policy requirements approved by the Commissioner as part of the policy framework;
- the Strategic Policing Requirement;
- unavoidable future commitments, including legislative requirements;
- initiatives already underway;
- revenue implications of the capital programme;
- proposed service developments and plans which reflect public consultation;
- the need to deliver efficiency and/or productivity savings;
- Government grant allocations; and
- potential implications for local taxpayers

**5.2.6** To ensure that the medium-term financial forecast includes options for the use of general balances, reserves and provisions, assumptions about future levels of government funding and demonstrates potential implications for local taxation.

- 5.2.7** A gap may be identified between available resources and required resources. Requirements should therefore be prioritised by the Chief Constable to enable the Commissioner to make informed judgements as to future funding levels and planning the use of resources.

### **5.3 . Annual Revenue Budget Preparation**

- 5.3.1** 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 Commissioner's strategic policies. It provides Statutory Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the Commissioner and the Chief Constable.
- 5.3.2** The Commissioner should consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget which will include a separate budget for the Chief Constable. This will take into consideration funding from Government and from other sources and balance the expenditure needs of the policing service and the Commissioner against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Local Government Act 2003) and be completed in accordance with the statutory timeframe.
- 5.3.3** 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.

#### RESPONSIBILITIES OF THE COMMISSIONER

- 5.3.4** To agree the planning timetable with the Chief Constable.
- 5.3.5** 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.
- 5.3.6** To present the proposed budget and precept recommendations to the Police, Fire and Crime Panel and respond to their views and comments.

#### RESPONSIBILITIES OF THE COMMISSIONER SECTION S151 OFFICER

- 5.3.7** To determine the format of the revenue budget to be presented to the Commissioner in consultation with the Chief Constable. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
- 5.3.8** To obtain timely and accurate information from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations.
- 5.3.9** To advise the Commissioner on the appropriate level of general balances or provisions to be held.

- 5.3.10 To submit a report to the Commissioner on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for four 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 Commissioner.
- 5.3.11 Upon approval of the annual budget, to submit the council tax requirement return to Central Government and precept requests to appropriate bodies in accordance with the legal requirement.
- 5.3.12 To produce and issue information required by the billing authorities to explain how the precept will be used to pay for the cost of policing in accordance with statutory requirements.

#### JOINT RESPONSIBILITIES OF THE CHIEF CONSTABLE AND CC SECTION S151 OFFICER

- 5.3.13 To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the Commissioner S151 Officer.
- 5.3.14 To submit estimates in the agreed format to the Commissioner for approval.

## 6. Budgetary Control

### 6.1 . Budget Management and Control

- 6.1.1 Budget management ensures that once the Commissioner has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling both the Chief Constable and Commissioner to review and adjust their budget targets during the financial year. It also provides the mechanism that calls to commands are responsible for defined elements of the budget.
- 6.1.2 The key controls for managing and controlling the revenue budget are that:
- there is a nominated budget manager for each major budget heading (including all Force commands, any programme of change, central budgets, capital budgets, Commissioner's Office budget) who is accountable for the budgets under his/her direct control; and
  - the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures;
  - the Delegation Limits set out herein.

### 6.2 . Revenue Budget Monitoring

- 6.2.1 By continuously identifying and explaining variances against budgetary targets, the Commissioner and the Chief Constable can identify changes in trends and resource

requirements at the earliest opportunity. The Commissioner and Chief Constable both operate within an annual cash limit, approved when setting the annual budget. To ensure that the budget is not overspent in total, the Chief Constable, the CC S151 Officer, the Chief Executive and the Commissioner S151 Officer are required to manage expenditure within their budget allocations, subject to the rules of virement.

#### JOINT RESPONSIBILITIES OF THE CHIEF CONSTABLE AND CC S151 OFFICER

- 6.2.2** To manage the budget allocated to the Force.
- 6.2.3** To provide appropriate financial information to enable budgets to be monitored effectively.
- 6.2.4** To ensure that each element of income or expenditure has a 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.
- 6.2.5** 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 Chief Constable, both the Commissioner S151 Officer and Commissioner shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the Commissioner.
- 6.2.6** To submit a budget monitoring report to the Commissioner on a regular basis throughout the year, containing the most recently available financial information.
- 6.2.7** To ensure that budget holders manage income and expenditure within their area, monitor performance and report variances within their own areas to the Chief Constable and CC S151 Officer.
- 6.2.8** To take any action necessary to avoid an adverse variation to their budget allocation and alert the Chief Constable and Commissioner S151 Officers to any problems.
- 6.2.9** To require detailed budget monitoring to be undertaken by on a monthly basis (forecast outturn quarterly) and for this to be reported to the CC S151 Officer.
- 6.2.10** To ensure that budget holders receive sufficient financial support to enable them to undertake their budgetary control responsibilities.

#### JOINT RESPONSIBILITIES OF THE CC, THE CC SECTION S151 OFFICER AND THE COMMISSIONER SECTION S151 OFFICER

- 6.2.11** To submit a periodic budget monitoring report, containing the most recently available financial information to the Commissioner showing spending to date and comparisons of projected outturn with the latest approved budget.

## RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER

- 6.2.12 To report financial outturn to the Police, Fire and Crime Panel as part of the MTFS update.

## JOINT RESPONSIBILITIES OF THE CHIEF EXECUTIVE AND THE COMMISSIONER SECTION S151 OFFICER

- 6.2.13 To manage the budget allocated for the Commissioner's Office.
- 6.2.14 To ensure that total spending for the Commissioner's Office remains within the overall allocation of resources and take corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total resources due to circumstances beyond the control of the Chief Executive the Commissioner shall be alerted immediately together with proposals to remedy the situation as part of the regular reporting process to the Commissioner.

### **6.3 . Capital Expenditure**

- 6.3.1 At the same time as the budget is prepared each year, capital expenditure estimates, capital programmes and Capital Strategy shall be prepared by the Chief Constable in consultation with the S151 Officers and Monitoring Officer and approved by the Commissioner.
- 6.3.2 A capital programme implementation report which sets out the progress made with individual schemes and a comparison of expenditure to date against the total scheme cost shall form part of the monitoring report and be presented on a quarterly basis.
- 6.3.3 Any unfunded in-year changes to the capital programme must be approved by the Commissioner, having consulted with both Section 151 Officers.

### **6.4 . Financial Appraisals (Business Case)**

- 6.4.1 A business case must be prepared by the Chief Constable for all capital and revenue schemes with a financial implication in accordance with the limits set out in section 15. Every business case shall be in a format agreed within the governance frameworks, which will include:
- the scope of the proposal;
  - the need or justification for the proposal;
  - an evaluation of the financial costs (capital and revenue) and benefits of the proposal over its whole life (as reasonably estimated);
  - an assessment of non-financial costs and benefits if relevant and reasonably quantifiable;
  - how the proposal is to be funded;
  - the risks associated with the delivery of the proposal; and
  - Other options available.
- 6.4.2 All business cases will be submitted to the Force S151 Officer (or Commissioner's S151 Officer for business cases to be funded from the budget of the Commissioner's Office)

for comment prior to submission to the designated decision maker. The relevant S151 Officer will consider and make recommendations on the financial case.

- 6.4.3 For proposals estimated to cost less than the delegated limit (see section 15) the Chief Constable may approve the proposal provided that the Force S151 Officer has approved the financial case and there is sufficient funding within the approved budget or capital programme.
- 6.4.4 Business cases on proposals estimated to cost above the delegated limit, any proposals for which there is no funding within the approved budget or capital programme and any proposals with ongoing revenue or capital budget consequences beyond the current financial year shall be submitted by the Chief Constable to the Commissioner for consideration.
- 6.4.5 In the case of emergency work it may be necessary for proposals above the delegated limit to commence prior to the Commissioner's approval. In these cases, the Chief Constable and Force S151 Officer shall consult with the Chief Executive and the Commissioner's S151 Officer who may jointly approve the expenditure on the basis that a full business case will be presented retrospectively to the Commissioner accompanied by an explanation of the emergency.
- 6.4.6 In circumstances where a proposal is initially estimated to cost less than the delegated limit (see section 15) but subsequently it becomes clear that the proposal will cost more than this delegated limit the business case must be submitted jointly by the Chief Constable and Commissioner's CFO at the earliest opportunity to the Commissioner.
- 6.4.7 All proposals which have been appraised under these Regulations will be subject to a reappraisal by the Chief Constable if:
- The cost of the originally approved scheme is estimated to be exceeded by more than 10% or the delegated limit (see section 15) (whichever is the lower).
  - In the professional opinion of the Chief Constable, the nature of the proposal or its benefits have changed materially since the original approval.
- 6.4.8 All re-appraisals of proposals exceeding the delegated limit shall be referred to the Commissioner for approval.
- 6.4.9 Where the Force S151 Officer declines to approve any business case submitted to them under paragraph 6.4.3, the Chief Constable may refer the Business Case to the Commissioner for determination.
- 6.4.10 Decisions by the Commissioner or the Chief Constable to approve business cases will be published on their respective websites within 30 working days of the decision having been made.
- 6.4.11 The governance process for capital spend is that all capital budgets are approved by the Commissioner as part of the MTFs process to ensure that available resources are allocated optimally and deliver value for money, and that capital programme planning

is determined in parallel with the revenue budget planning process within the framework of the Medium Term Financial Strategy (MTFS).

6.4.12 Where the capital project approved as part of the MTFS process is less than £1m in total value Force governance and oversight of the detailed business case applies. Any case with a value above £1m will require a full business case to be submitted to the Commissioner for approval. The following exemptions are of note to the above rule:

- Where the value of spend exceeds the initial estimate in the MTFS, and as such additional funding is required, and cannot be contained through underspends within that area of the programme (e.g. IT) in year without other areas of the programme being financially or operationally undeliverable due to that funding transfer within the programme.
- Where it is a new addition to the programme outside of the MTFS process, and as such has not been approved by the Commissioner as part of the MTFS process
- Where the scheme is novel or politically contentious. This will be identified to the Force by the SCO representative who attends Force governance meetings
- The Force may make additions to the capital programme in year; however these must only be from externally funded sources (e.g. one-off grant received in year), or through additional revenue contributions to the capital programme (including using earmarked reserves) up to the limits above. Any additions to the capita programme regardless of value that are funded via borrowing, leasing or PFI are decisions reserves for the Commissioner.
- Where a decision approved by the commissioner is not fully implemented within 12 months an update and decision note must be presented to the Commissioner.

6.4.13 The governance process established is that all Commissioner approved decisions are taken through the Strategic Governance Board, with all Force approval of detailed business cases taken through the Financial Investment Review Board or Executive Management Board dependent on value.

6.4.14 The Strategic Governance Board (SGB) is ultimately responsible for approving the capital strategy for investments and the capital programme for approving changes to the programme within the financial regulations and for approval of business case submissions in line with the business rules identified in 6.4.12 above.

6.4.15 Any works required as a result of Emergency Health and Safety work of a capital nature, that are not within the current capital programme, can be, in extremis due to the need for speedy approval, approved by both S151 Officers and retrospectively reported. It should be noted this may require changes to the existing programmes as opposed to an assumption of new funding

## **6.5 . Revenue Virement**

6.5.1 A virement is a planned reallocation of resources between approved budget heads. A budget head is a line in the approved budget report. The S151 Officers and budget holders use this budget management tool to give flexibility in making the best use of the budget during the year to achieve the objectives agreed by the Commissioner. The Commissioner's approval is required for any virement which:

**6.5.1.1** is likely to result in a failure to achieve objectives and targets set out in the Police and Crime Plan; or

**6.5.1.2** Increases committed expenditure in future years by more than the delegated limit (excluding annual pay awards and inflation).

6.5.2 Virement from the Capital Programme to the revenue budget is not permitted.

6.5.3 Where there is no change in service delivery, transfers to realign approved budget within a budget holder area, to where actual expenditure is incurred are permitted. This is to give greater accuracy in reporting. Budget holders are authorised to approve transfers within their area, to any value.

## **6.6 . Year End Carry Forwards**

6.6.1 A year-end carry forward is the amount by which actual income and expenditure varies from the final budget, normally identified down to devolved budget holder level. Arrangements are 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, dependent upon the nature of the budget variation. Carry forwards impact or reserves and balances will be undertaken in accordance with the approved scheme for that purpose.

6.6.2 In respect of the capital programme, where an individual project has commenced and it is anticipated that it will not be completed by the end of the financial year the unspent amount in the current financial year will be carried forward to the following financial year but only for the purpose of completing the said capital project.

6.6.3 Effective budgetary control will lead to the identification of potential underspending well in advance of the financial year end. As such appropriations to and from earmarked reserves should be built into the overall forecast as part of ongoing financial management.

### JOINT RESPONSIBILITIES OF THE COMMISSIONER SECTION S151 OFFICER AND THE CC SECTION S151 OFFICER

**6.6.4** To ensure that budget managers report any overspend on their budgets in any financial year.

6.6.5 No automatic carry forward shall apply from one financial year to the next of any underspends on the revenue budget. Except for schemes funded from specific external grants which have conditions attached to the grant.

**6.6.6** To consider requests from budget managers who identify planned underspends in any financial year for budget provision to be carried forward to the following financial year.

- 6.6.7** To refer all carry forwards that fall outside of the parameters stipulated in these Regulations to the Commissioner for approval. Use of the general fund reserve is a decision reserved for the Commissioner, taking advice from the S151 Officer.

#### RESPONSIBILITIES OF THE COMMISSIONER

- 6.6.8** To consider the arrangements for carrying forward underspends when considering the level of reserves and balances as part of the development of the financial strategy.
- 6.6.9** Use of the general fund reserve is a decision reserved for the Commissioner, taking advice from the S151 Officer.

#### **6.7 . Use of Balances and Reserves**

- 6.7.1** The Commissioner must maintain a policy on the levels of balances and reserves to be maintained and purposes for which the balances may be used. Reserves are maintained as a matter of prudence. They enable the Commissioner to provide for cash flow fluctuations and unexpected risks and costly events and thereby help protect it from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.
- 6.7.2** The net cost of insurance claims shall be financed from the Insurance reserve in accordance with the latest policy approved by the Commissioner.

#### RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER

- 6.7.3** To advise the Commissioner on reasonable levels of balances and reserves.
- 6.7.4** To report to the Commissioner on the adequacy of reserves and balances before he/she approves the annual budget and precept.

#### RESPONSIBILITIES OF THE CHIEF CONSTABLE AND CC S151 OFFICER

- 6.7.5** To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval. To ensure the use of reserves only in accordance with the purpose identified when established.
- 6.7.6** They shall have control over the Force earmarked reserves (i.e. those critical to the running of operational policing). These are identified in the Quarterly Finance Report. This is in line with Home Office and CIPFA guidance stating the Chief Constable shall have operational reserves. Whilst operational pressure in a policing sense is funded from the general fund reserve the local interpretation of 'operational' in the context of these reserves are:
- To fund transformation costs, with the express purpose of enhancing the operating model for the benefit of the residents of Staffordshire
  - To fund specific projects, with the project being known at the point of earmarking funds

- To fund 'pump priming' of initiatives in year that the Chief Constable and Commissioner have agreed to build in as MTFS pressures in future years or where it is proven ongoing financial benefits arise that result in new MTFS savings.
- 6.7.7 The Chief Constable is not permitted to go 'overdrawn' in these reserves, and the balances held in these reserves are reviewed, along with all others, as part of the MTFS in regards to their adequacy.
- 6.7.8 Reserves can be accessed in year, through the appropriate internal governance, to fund additions to the capital programme or revenue projects of either Staffordshire Police or the Commissioner subject to Section 151 Officer approval. The Section 151 Officer may choose to delegate the responsibilities to the Force Deputy S151 Officer for drawing on Force reserves during the year, up to £25k.

#### RESPONSIBILITIES OF THE COMMISSIONER

- 6.7.9 To approve a policy on reserves and balances, including the minimum acceptable level of general balances.
- 6.7.10 To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.

## Section C: Management of Risk and Resources

### 7. Risk Management

#### 7.1 . Risk Management

- 7.1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks. This should include the proactive participation of all those associated with planning and delivering services.
- 7.1.2 The organisations, faces risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the Commissioner and the Force and to ensure continued corporate and financial wellbeing. In essence it is, therefore, an integral part of good business practice.

#### JOINT RESPONSIBILITIES OF THE COMMISSIONER AND CHIEF CONSTABLE

- 7.1.3 The Code of Corporate Governance highlights the importance of risk management being embedded throughout the governance arrangements in both organisations,

whether operating jointly or separately. The Commissioner and Chief Constable are responsible for approving the risk management policy statement and strategy for the respective organisations, and for reviewing the effectiveness of risk management.

#### RESPONSIBILITIES OF CHIEF CONSTABLE AND THE CHIEF EXECUTIVE

- 7.1.4 To ensure a current risk register is reviewed regularly for each of the Commissioner's Office and the Force and that mitigation actions are set out and reviewed at appropriate Force governance meetings and at JARC and Police, Fire & Crime Panel as required and for promoting a culture of risk management awareness throughout the Force and Commissioner's Office and reviewing risk as an ongoing process.
- 7.1.5 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.
- 7.1.6 To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis.

#### RESPONSIBILITIES OF THE CC S151 OFFICER

- 7.1.7 To agree with the Commissioner S151 Officer appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.
- 7.1.8 To arrange for regular reviews to be undertaken of self-insurance arrangements and, following these reviews, to agree with the Commissioner S151 Officer a course of action to ensure that, over the medium term, funds are available to meet all known liabilities.
- 7.1.9 To ensure, in consultation with the Commissioner S151 Officer, that appropriate insurance cover is provided, including where new risks are identified or circumstances affecting risks change.
- 7.1.10 To administer insurance matters including the settlement of liability claims.
- 7.1.11 To notify the Commissioner S151 Officer of any significant claims.
- 7.1.12 To ensure that claims are made promptly.
- 7.1.13 To make all appropriate employees aware of their responsibilities for managing relevant risks.
- 7.1.14 To ensure that employees, or anyone covered by the Force and Commissioner's Office 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.

7.1.15 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.

7.1.16 To settle civil claims in accordance with the arrangements set out in Section 15.

## **7.2 Ex Gratia Payments**

**7.2.1** An ex gratia payment is a payment made 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 providing assistance to a police officer in the execution of duty.

### RESPONSIBILITIES OF THE CC

**7.2.2** To maintain a policy setting out the process by which ex gratia claims will be processed.

**7.2.3** To make ex gratia payments, on a timely basis and in accordance with the policy set out, to members of the public and to staff up to the level shown in Section 15. These payments will be for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the Commissioner and the Force up to the limits set and in section 15.

**7.2.4** The Chief Constable may approve payments arising from Employment Tribunal settlements and ex-gratia payments outside of the Force's insurance arrangements (i.e. damage caused by police officers entering property and minor claims from police officers and police staff), up to a value of the delegated limit (see section 15 for further details).

## **8. Internal Control and Audit**

### **8.1 Internal Controls**

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

**8.1.2** Policing is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. The Commissioner and the Chief Constable have statutory obligations, and, therefore, systems of internal control are required to identify, meet and monitor compliance with these obligations.

**8.1.3** The Commissioner and the Chief Constable face a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of their objectives. Systems of internal control are necessary to manage these risks. These systems of internal control are established in order to provide achievement of: -

- efficient and effective operations;
  - reliable financial information and reporting;
  - compliance with laws and regulations;
  - risk management.
- 8.1.4 To ensure that effective key controls exist and are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.
- 8.1.5 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.

#### JOINT RESPONSIBILITIES OF THE CC AND THE CC S151 OFFICER

- 8.1.6 To produce Annual Governance Statements following a review of the effectiveness of the internal controls in operation during the year, for inclusion within the annual statement of accounts for the Chief Constable. The CC's Annual Governance Statement should be signed off by the CC and the CC's S151 Officer.

#### JOINT RESPONSIBILITIES OF THE COMMISSIONER, THE COMMISSIONER S151 OFFICER AND THE CHIEF EXECUTIVE

- 8.1.7 To produce Annual Governance Statements following a review of the effectiveness of the internal controls in operation during the year, for inclusion within the Commissioner's and Groups annual statement of accounts. The Commissioner and Group's Annual Governance Statement should be signed off by the Commissioner and the Commissioner's S151 Officer.

### **8.2 Audit Requirements – Internal Audit**

- 8.2.1** Internal Audit is an assurance function that provides an independent and objective opinion to an organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 8.2.2 The Chief Constable and Commissioner must maintain adequate and effective internal audit of their accounting records and systems of internal control in accordance with proper practices in relation to internal control and the Accounts and Audit Regulations 2015.

#### RESPONSIBILITIES OF JOINT AUDIT AND RISK COMMITTEE (JARC)

- 8.2.3 To consider the terms of reference (ToR) within which internal audit operates. In terms of internal audit, the ToR will include the following key activities and responsibilities:

- Advising the Commissioner and Chief Constable on the appropriate arrangements for internal audit and approving the internal audit plan;
- Advising on (but not directing) the annual internal audit plan;
- Overseeing and giving assurance to the Commissioner and Chief Constable on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk;
- Considering the Head of Internal Audit's Annual Report and annual opinion on the internal control environment for the Commissioner and the Force; ensuring appropriate action is taken to address any areas for improvement; and

8.2.4 To review the internal audit plan, which sets out:

- Internal Audit objectives and outcomes;
- how Internal Auditors will form and evidence his/her opinion on the control environment to support the Annual Governance Statements;
- how Internal Audit's work will identify and address significant local and national issues and risks;
- how the service will be provided, i.e. internally, externally, or a mix of the two; and what resources and skills are required for the delivery of the strategy; and
- the resources and skills required to deliver the strategy.

#### JOINT RESPONSIBILITIES OF THE COMMISSIONER AND THE CHIEF CONSTABLE

- 8.2.5** In addition to enabling the Commissioner and the Chief Constable to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, internal audit is needed:
- 8.2.6** To ensure the provision of an adequate and effective internal audit service. Joint responsibilities of the Commissioner, CC, Commissioner S151 Officer and CC S151 Officer
- 8.2.7** To ensure that internal auditors, having been security cleared, have the authority to:
- access police and Commissioner 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 police and Commissioner assets under their control; and
  - access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
- 8.2.8** To ensure that Internal Audit has direct access to all Chief Officers and employees, where necessary. Responsibilities of Head of Internal Audit (may be delegated to a senior representative from an appointed third-party internal audit provider)
- 8.2.9** To prepare, in consultation with the Commissioner, Chief Constable, and Commissioner S151 Officer and CC S151 Officer, an annual audit plan for review by the JARC.

- 8.2.10** To attend meetings of the JARC and to present to each meeting 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.
- 8.2.11** To present an annual report to the JARC, including an opinion on the effectiveness of the internal control environment within both the Force and Commissioners Office.
- 8.2.12** 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.

#### RESPONSIBILITIES OF THE CC S151 OFFICER

- 8.2.13** 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 Commissioner S151 Officer and Internal Audit prior to implementation.
- 8.2.14** To notify the Commissioner S151 Officer immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of police property or resources.

### **8.3 External Audit**

- 8.3.1** The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditor's objectives to review and report upon:
  - the financial aspects of the audited body's corporate governance arrangements;
  - the audited body's financial statements; and
  - aspects of the audited body's arrangements to secure Value for Money.
- 8.3.2** In auditing the annual accounts, the external auditor must satisfy themselves, in accordance with Section 5 of the 1998 Act, that:
  - the accounts are prepared in accordance with the relevant regulations;
  - they comply with the requirements of all other statutory provisions applicable to the accounts;
  - proper practices have been observed in the compilation of the accounts; and
  - the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.
- 8.3.3** The 1998 Act sets out other specific responsibilities of the auditor, for example under section on financial reporting.
- 8.3.4** Public Sector Audit Appointments is responsible for appointing external auditors to the Commissioner and the Chief Constable.

RESPONSIBILITIES OF THE JARC

- 8.3.5 To receive the annual audit plan and fee.
- 8.3.6 To receive and respond to the annual governance reports.
- 8.3.7 To receive the Annual Audit letter.

JOINT RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER AND THE CC S151 OFFICER

- 8.3.8 To liaise with the external auditor and advise the Commissioner and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.
- 8.3.9 Publish a copy of the Annual Audit Letter.
- 8.3.10 To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
- 8.3.11 To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.

OTHER INSPECTION BODIES

- 8.3.12 The Force and the Commissioner may, from time to time, be subject to audit, inspection or investigation by external bodies such as HMICFRS and the HM Revenue & Customs, who have statutory rights of access.

JOINT RESPONSIBILITIES OF THE COMMISSIONER AND THE CHIEF CONSTABLE

- 8.3.13 To receive and respond to reports from other inspection bodies.

**8.4 Preventing Fraud and Corruption**

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

JOINT RESPONSIBILITIES OF THE COMMISSIONER AND THE CC

- 8.4.4 To foster a culture that will not tolerate fraud and corruption.

- 8.4.5 To ensure that an adequately resourced Anti-Fraud and Corruption Unit is in place.
- 8.4.6 To ensure that adequate and effective internal control arrangements are in place.
- 8.4.7 To maintain a policy for the registering of interests and the receipt of hospitality and gifts covering both the Commissioner, Chief Constable and all employees. A register of interests and a register of hospitality and gifts shall be maintained for the Commissioner, the Chief Constable, Chief Officers and all employees.
- 8.4.8 To maintain a whistle blowing policy to provide a facility that enables employees the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity that they are not malicious and that appropriate action is taken to address any concerns identified. The Chief Constable shall ensure that all employees are aware of any approved whistle blowing policy.
- 8.4.9 To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by all members and employees.
- 8.4.10 To adopt and adhere to the whistle blowing policy.

#### JOINT RESPONSIBILITIES OF THE CHIEF EXECUTIVE, COMMISSIONER S151 OFFICER AND CC

- 8.4.11 To ensure that an adequately resourced Anti-Fraud and Corruption Unit is in place.
- 8.4.12 To adhere to appropriate legislation.
- 8.4.13 To arrange for any suspected incidents of fraud or corruption to be reported in line with the protocol agreed between the Chief Constable's Head of Professional Standards, the Commissioner S151 Officer, the CC S151 Officer and Internal Audit and for these to be unrestricted.

## 9. Assets

### 9.1 Purpose

- 9.1.1 Assets are held in the form of land, property, vehicles, information technology, data, other 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 which provides information about assets so that they are:
  - Accurately recorded and classified;
  - Safeguarded against loss;
  - Used efficiently and effectively;
  - Adequately maintained; and

- Valued in accordance with statutory and management requirements.
- 9.1.2 The Commissioner will own and fund all assets regardless of whether they are used by the Commissioner, by the Force or by both bodies.
- 9.1.3 The Chief Constable 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.
- 9.1.4 The Commissioner should consult the Chief Constable in planning the budget and developing a MTFs. 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.

#### Joint responsibilities of the Commissioner and CC

- 9.1.5 To ensure that:
- assets are only used for the purposes of the Force and the Commissioner and are available for use when required and are properly accounted for;
  - an asset register is maintained that provides information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements;
  - 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 land owned by the Commissioner are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate;
  - title deeds to Commissioner property are held securely;
  - no Commissioner asset is subject to personal use by an employee without proper authority;
  - valuable and portable items such as computers, cameras and other digital devices are identified with security markings as belonging to the Force or Commissioner;
  - all employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of the Data Protection Act and software copyright legislation;
  - assets no longer required are disposed of in accordance with the law and these financial regulations; and
  - all employees are aware of their responsibilities with regard to safeguarding the security of Force and Commissioner ICT systems, including maintaining restricted access to the information and compliance with the information and security policies.

### **9.2 Property Valuations**

#### RESPONSIBILITIES OF THE CC S151 OFFICER

- 9.2.1 To maintain an asset register for all fixed assets with a value in excess of the limits shown.
- 9.2.2 To ensure that assets are recorded when they are acquired by the Force or the Commissioner shall remain on the asset register until disposal.

- 9.2.3** To ensure that assets are subject to regular revaluations as required by best practice, accounting standards and financial codes of conduct.

JOINT RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER AND THE CC S151 OFFICER

- 9.2.4** To ensure that income is received and accounted for in accordance with accounting standards and financial codes of conduct.

**9.3 Inventories**

RESPONSIBILITIES OF THE CC

- 9.3.1** To ensure that adequate records for inventories are maintained for the Force. The objective of the inventory is to assist in maintaining effective control over items which are portable, desirable and/or valuable. Items that have been donated to the Commissioner or Chief Constable and items purchased from private funds must be included in the inventory. Rented equipment and financed leased assets should also be included in the inventory.
- 9.3.2** A physical check of all inventory items must be made at least every two years year and certified as correct by the officer in charge. The checks may be carried out on a rolling programme.

**9.4 Stocks and Stores**

RESPONSIBILITIES OF THE CC S151 OFFICER

- 9.4.1** To decide for the care, custody and control of the stocks and stores and maintain appropriate stores accounts.
- 9.4.2** Stocks shall not be held in excess of normal operational requirements except in special circumstances with the approval of the Force S151 Officer.
- 9.4.3** To write-off obsolete stock, up to the limits shown in Section 15. Amounts for write off above this value must be referred to the Commissioner S151 Officer for approval supported by a written report.

**9.5 Asset Disposal**

- 9.5.1** Assets shall be disposed of when in the best interests of the Force and the Commissioner and at the most advantageous price. Delegated limits for authorising disposals are set out in in Section 15.

RESPONSIBILITIES OF THE CHIEF CONSTABLE

- 9.5.2** To dispose of surplus land and buildings only with prior written consent of the Commissioner.
- 9.5.3** Surplus and obsolete vehicles and equipment should be disposed of via the most appropriate route in accordance with good practice (e.g. tender, auction etc.)
- 9.5.4** To record all asset disposals in the asset register or inventory as appropriate.

## 9.6 Intellectual Property

- 9.6.1** Intellectual property is a generic term that includes inventions and writing.
- 9.6.2** If any Intellectual Property is created by the employee during the course of employment, then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within the Force, by the Commissioner and within the Commissioner's Office may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.
- 9.6.3** In the event that the Force or Commissioner decides to become involved in the commercial exploitation of inventions, the matter should be brought to the attention of the Chief Executive.

### RESPONSIBILITIES OF THE CC

- 9.6.4** To ensure that employees are aware of these procedures.

## 10. Treasury Management and Banking Arrangements

### 10.1 Treasury Management

- 10.1.1** It is important that monies held by the Commissioner and the Force are managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the capital sums involved.
- 10.1.2** The Commissioner has adopted the CIPFA Code of Practice on Treasury Management as updated from time to time. The primary requirements of the Code are:
- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
  - Approved Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities;
  - Approval of the annual Treasury Management Strategy Statement (TMSS) including the MRP policy. An annual report and as a minimum a Mid Term Review report covering Treasury Management activities.

### RESPONSIBILITIES OF THE COMMISSIONER

- 10.1.3** To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice.
- 10.1.4** To approve the annual TMSS including the MRP policy.
- 10.1.5** To receive and approve an annual report on treasury management activity and as a minimum a midterm and annual review report.

### RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER

- 10.1.6** To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance.

**10.1.7** To prepare reports on the Commissioner’s treasury management policies, practices and activities, including, as a minimum, an annual TMSS, including annual investment strategy and MRP policy.

**10.1.8** To execute and administer treasury management in accordance with the CIPFA Code and the Commissioner’s policy.

**10.1.9** To arrange borrowing and investments, in compliance with the CIPFA Code.

**10.1.10** To ensure that all investments and borrowings are made in the name of the Police and Crime Commissioner for Staffordshire.

## **10.2 Banking Arrangements**

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

**10.2.2** The delegations in place for banking arrangements is set out at section 15 . All Commissioner bank accounts, including imprest accounts, must include the organisation in the title and not the name of any officer or staff member by name or designation, or establishment, except for specific covert accounts and Voluntary Funds that have been expressly approved by the CC S151 Officer.

### RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER

**10.2.3** To have overall responsibility for the banking arrangements for the Commissioner.

### RESPONSIBILITIES OF THE CC AND CC S151 OFFICER

**10.2.4** The Chief Constable shall make arrangements for the proper administration of electronic payments made through the Bankers Automated Clearing System (BACS) or other electronic transfers.

**10.2.5** Credit, debit and/or purchasing cards will only be issued to individuals after specific agreement by the Force S151 Officer or Deputy S151 Officer. Any expenditure incurred must be properly recorded and accounted for and receipts retained for VAT purposes. The delegation of authorities in place for the approval of new credit cards is set out in the annex to these regulations “Police and Crime Commissioner” at section 15.

**10.2.6** The delegation of authorities in relation to the authorisation of payroll payments and creditor payment runs is set out in the annex to these regulations “Police and Crime Commissioner” at section 15.

### JOINT RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER AND THE CC S151 OFFICER

10.2.7 To authorise the opening and closing of all bank accounts. No other employee shall open a bank account unless they are performing a statutory function (e.g. Commissioner S151 Officer of a charitable body) in their own right.

10.2.8 To arrange for bank reconciliations to be undertaken on a timely and accurate basis.

10.2.9 To determine signatories on all bank accounts.

### **10.3 Imprest Accounts / Petty Cash**

10.3.1 Cash advances may be made to an individual 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 Commissioner's accounts and correctly reimbursed to the account holder.

10.3.2 Imprest accounts should not be used to make payments normally processed through the payroll system, other than advances of expenses, nor should personal cheques be cashed or loans made from the accounts. Any breaches for operational reasons must be reported to the Force S151 Officer explaining why this has occurred.

10.3.3 Informants' fees and Identification Parade fees may be paid out of imprest accounts subject to compliance with written procedures issued by the Force S151 Officer.

10.3.4 Officers responsible for imprest accounts shall produce a certificate as to the state of the imprest advanced as provided for on the reimbursement form and at other times if requested by the Chief Constable and/or one of the S151 Officers.

#### **RESPONSIBILITIES OF THE COMMISSIONER AND CC S151 OFFICER**

10.3.5 To provide appropriate employees with cash, cash advances or bank imprests to meet minor expenditure on behalf of the Force and Commissioner. The CC S151 Officer 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. See delegated limits section 15.

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

10.3.7 New imprest accounts for the purpose of defraying petty cash and other expenses shall be authorised in line with the delegation of authorities set out in section 15.

### **10.4 Voluntary Funds**

10.4.1 The Chief Constable should be notified of the existence of all voluntary funds (i.e. funds for charitable, sporting or social purposes which, although not legally the property of the Commissioner or the Chief Constable, are controlled or administered

by police officers or police staff by reason of their employment by the Commissioner or the Chief Constable), and of the arrangements for their reporting and audit.

10.4.2 The Chief Constable shall consult with the S151 Officer on the type and extent of audit required for each particular fund, after taking into account the nature of activities covered, and the degree of risk. Under no circumstances must unofficial monies be mixed with official money of the Commissioner. Where the same officer or staff member keeps several unofficial funds, the funds should each be separate and readily identifiable.

10.4.3 Where bank accounts are set up, account names must be approved by the Commissioner's S151 Officer. Bank accounts should not include the name of any officer or staff member by name or designation or establishment in the title.

## **10.5 Money Laundering**

**10.5.1** The Force and Commissioner are alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.

**10.5.2** Suspicious cash deposits in any currency in excess of £15,000 (or equivalent) should be reported to the Serious Organised Crime Agency (SOCA).

**10.5.3** Internal control procedures will be monitored to ensure they are reliable and robust.

### RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER

**10.5.4** To be the nominated Money Laundering Reporting Officer (MLRO).

**10.5.5** To consider, in the light of all information, whether a disclosure gives rise to such knowledge or suspicion.

**10.5.6** To disclose relevant information to the (SOCA).

### RESPONSIBILITY OF ALL EMPLOYEES

**10.5.7** To notify the Commissioner S151 Officer 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.

10.5.8

## **10.6 Leases**

10.6.1 No police officer or member of police staff shall enter into a finance lease, an operating lease or an agreement which may be a lease, in respect of furniture, vehicles or equipment, without the prior approval of the CFO's. The delegation of authorities in place for the approval of new arrangements is set out at section 15.

## 10.7 PFI Scheme

- 10.7.1 No private finance initiative (PFI) schemes will be entered into without the express permission of the Commissioner. Any proposed PFI schemes should follow the Financial Regulation relating to business cases.

# Section D: Systems and Procedures

## 11. General System and Procedures

### 11.1 General

- 11.1.1 The Force Finance Team shall operate the Commissioner's and Chief Constable's accounting systems, the supporting financial records and the preparation of the accounts in the form agreed by the Commissioner's S151 Officer and Force S151 Officer.
- 11.1.2 The Commissioner S151 Officer and CC S151 Officer both have a statutory responsibility to ensure that financial systems are sound and should therefore be notified of any proposed new developments or changes.

#### JOINT RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER AND THE CC S151 OFFICER

- 11.1.3 To make arrangements for the proper administration of the financial affairs, including to:
- issue advice, guidance and procedures for officers and staff of the Force and the Commissioner acting on their behalf;
  - determine the accounting systems, form of accounts and supporting financial records;
  - establish arrangements for the audit of the financial affairs of the Force and the Commissioner's Office;
  - approve any new financial systems to be introduced;
  - approve any changes to existing financial systems.
- 11.1.4 To ensure, in respect of systems and processes, that:
- systems are secure, adequate internal controls exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely and that duties are appropriately segregated to minimise the risk of error, fraud or other malpractice;
  - 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;
  - systems are documented and staff trained in operations.
- 11.1.5 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.

- 11.1.6 To establish a scheme of delegation, identifying staff authorised to act upon the Chief Constable's behalf in respect of income collection, placing orders, making payments and employing staff.

## **11.2 Income**

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

- 11.2.2 The Commissioner and Chief Constable should adopt the NPCC National Policing Guidelines on Charging for Policing Services (National Charging Guidelines) and national guidance when applying charges under section 25 of the Police Act 1996. The purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them.

- 11.2.3 The Commissioner should ensure that there are arrangements in place so that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels, the Commissioner 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.

- 11.2.4 When specifying resource requirements, the Chief Constable will identify the expected income from charging. The Chief Constable should adopt the National Charging Guidelines in respect of mutual aid.

### JOINT RESPONSIBILITIES OF THE CC AND COMMISSIONER

- 11.2.5 To adopt the National Charging Guidelines and national guidance when applying charges under section 25 of the Police Act 1996 and to keep scales of fees and charges under review with such reviews being carried out at least annually.

### JOINT RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER AND THE CC S151 OFFICER

- 11.2.6 To make arrangements for the collection of all income due and approve the procedures, systems and documentation for its collection, including the correct charging of VAT

- 11.2.7 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 or the NPCC guidance require or permit otherwise, or with the express approval of the Commissioner.

- 11.2.8 To ensure that all income is paid fully and promptly into the designated Income Bank Account.

**11.2.9** Appropriate details should be recorded on to paying-in slips to provide an audit trail and money collected and deposited reconciled on a monthly basis.

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

#### RESPONSIBILITIES OF THE CC S151 OFFICER

**11.2.11** 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.

**11.2.12** To operate effective debt collection procedures.

**11.2.13** To initiate appropriate debt recovery procedures, including legal action where necessary.

### **11.3 Write Offs**

**11.3.1** Sums due to the Commissioner or Chief Constable shall not be written off without the direct approval of the Commissioner above the delegation of authorities in place at Section 15.

**11.3.2** A brief summary of all sums due to the Commissioner that have been written off where the individual amount involved is more than the lower delegated limit shall be reported annually to the Commissioner if requested, together with the total of all write-offs below the lower delegated limit (see section 15).

### **11.4 Ordering and Payments for Goods, Works and Services**

**11.4.1** All staff who place orders for goods or services should seek to ensure that the Commissioner and/or Chief Constable obtains best value for money from any purchase by testing the market, where appropriate, before the Commissioner or Chief Constable is committed to any expenditure.

#### RESPONSIBILITIES OF THE CC S151 OFFICER

**11.4.2** To maintain procurement procedures covering the principles to be followed for the purchase of goods and services and that all payments are made in accordance with this strategy and procedures.

**11.4.3** To issue official purchase orders for all work, goods or services to be supplied to the Force and Commissioner's Office, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the S151 Officers.

**11.4.4** Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of the Force and Commissioner contracts.

- 11.4.5** 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.
- 11.4.6** Payments are not to be made unless goods and services have been received (unless agreed under contractual terms and required checks have been undertaken) within agreed tolerances of the correct price, quantity and quality in accordance with any official order.
- 11.4.7** To ensure that payments are made to the correct person, for the correct amount, on time and are recorded properly, regardless of the method of payment.
- 11.4.8** To ensure that VAT is recovered where appropriate.
- 11.4.9** To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- 11.4.10** To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, detailed in Section F: Contract and Procurement Regulations Standing Orders.

#### RESPONSIBILITIES OF CHIEF OFFICERS

- 11.4.11** To ensure that every member and employee declares any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of the Commissioner or Chief Constable and that such persons take no part in the selection of a supplier or contract with which they are connected.

#### **11.5 Payments to Employees (Including Expenses)**

- 11.5.1** The payment of salaries, wages or other emoluments and pensions shall be made only on the authority of the Chief Constable or Commissioner's Section 151 Officer. The delegation of authorities in relation to the authorisation of payroll payments is set out in these regulations.
- 11.5.2** The People Services department, following notification from the Budget Holder, shall notify the appropriate Payroll officer of all appointments, terminations, absences or any other changes which may affect the pay or pension of an office-holder,
- 11.5.3** Payments of expenses and allowances will be made in line with the published payroll timetable via a claim form approved by the Chief Constable and duly authorised by the claimant and their authorised manager, or by other electronic means as they become available with the appropriate authorisations.

#### **11.6 Taxation**

- 11.6.1** Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe.

#### RESPONSIBILITIES OF THE CC S151 OFFICER

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

**11.6.3** To ensure that arrangements are in place for the timely completion and submission of VAT claims, inputs and outputs to HMRC.

#### JOINT RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER AND THE CC S151 OFFICER

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

**11.6.5** To ensure that the Force and Commissioner are compliant with Making Tax digital.

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

**11.6.7** To ensure that appropriate finance staff have access to up to date guidance notes and professional advice.

### **11.7 Gifts, Loans and Sponsorship**

**11.7.1** In accordance with the Police Act 1996, the Commissioner 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 Force activities.

**11.7.2** 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.

**11.7.3** Gifts, loans and sponsorship must not be accepted where there is a risk of offending the integrity or propriety of the Commissioner, the Chief Constable or the Force, for example:

- by accepting offers from sources which come under the direct scrutiny of the police;
- where the provider seeks endorsement of a product or service in order to gain preferential treatment in supplying or contracting goods and services to the police; or
- To influence the direction of a particular policy or operation.

**11.7.4** Where gifts, loans, or sponsorship are made from more than one organisation in a competing market, care must be taken to demonstrate an even-handed approach in accepting or rejecting any offer.

**11.7.5** Priority must be given to meeting the needs of the Force rather than those of the donor/lender/sponsor, and should avoid:

- potentially sensitive associations with inappropriate donors/lenders/sponsors;
- potentially sensitive associations with organisations already in a contractual arrangement to supply goods or services to the Force, which could be construed by competitors as preferential treatment;
- projects which could distract effort from tackling agreed priorities;
- projects of dubious or limited benefit in policing terms;
- offers of gifts, loans, or sponsorship with conditions attached;
- offers of gifts, loans, or sponsorship which could involve the Force in additional net costs;
- offers of equipment which is incompatible with existing equipment;
- inadequate contractual arrangements; and
- The risk of becoming unduly dependent on a facility liable to be withdrawn.

11.7.6 Where publicity is sought by the donor/lender/sponsor, a commercial agreement should be signed.

#### RESPONSIBILITIES OF THE COMMISSIONER

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

#### JOINT RESPONSIBILITIES OF THE CC AND THE CHIEF EXECUTIVE

11.7.8 To maintain a written policy in respect of gifts, loans, or sponsorship, and make it available to all officers and staff.

11.7.9 To accept gifts, loans or sponsorship within agreed policy guidelines

11.7.10 To refer all gifts, loans and sponsorship above the limit identified in Section 15 to the Commissioner for approval before they are accepted.

#### JOINT RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER AND THE CC S151 OFFICER

11.7.11 To present an annual report to the Commissioner listing all gifts, loans and sponsorship if requested.

11.7.12 To maintain a central register of all sponsorship initiatives and agreements.

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

# Section E: External Arrangements

## 12. External Arrangements

### 12.1 External Funding

**12.1.1** External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Commissioner and Chief Constable. Funds from external agencies provide additional resources to enable policing and broader community safety-related objectives to be delivered. 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 Police and Crime Plan.

**12.1.2** The main sources of such funding will tend to be specific Government grants, additional contributions from local authorities and other partners and shared funding arrangements for projects and programmes.

#### RESPONSIBILITIES OF CHIEF OFFICERS

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

#### JOINT RESPONSIBILITIES OF THE CC AND THE COMMISSIONER

**12.1.4** 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.

#### JOINT RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER AND THE CC S151 OFFICER

**12.1.5** 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 CHIEF CONSTABLE

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

**12.1.7** 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.

**12.1.8** To ensure that any conditions placed on the Commissioner and the Force in relation to external funding are in accordance with the approved policies. If there is a conflict, this needs to be taken to the Commissioner for resolution.

## **12.2 Joint Working Arrangements**

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

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

- Partnerships;
- Consortia;
- Regional Working;
- Collaboration.

**12.2.3** 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;
- to promote the project;

**12.2.4** 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 the Force and Commissioner's Office;
- project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise;
- all arrangements are properly documented;
- regular communication is held with other partners throughout the project in order to achieve the most successful outcome;
- audit and control requirements are satisfied;
- accounting and taxation requirements particularly VAT, are understood fully and complied with;
- an appropriate exit strategy has been produced.

**12.2.5** The Force and Commissioner's Office element of all joint working arrangements must comply with these Financial Regulations.

### **Partnership**

**12.2.6** 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 partnership to create an organisational structure or process and agreed programme, and share information, risks and rewards.
- 12.2.7** The number of partnerships, both locally and nationally is expanding in response to Central Government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:
- comply with statutory requirements;
  - deliver strategic objectives in new and better ways;
  - improve service quality and cost effectiveness;
  - ensure the best use of scarce resources; and access new resources;
  - deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need;
  - forge new relationships;
  - find new ways to share risk.
- 12.2.8** Partnerships fall into core categories i.e. statutory based, strategic, commissioning and ad-hoc.
- 12.2.9** The Commissioner’s Commissioning Strategy sets out the guiding principles to be considered in partnership activity.
- 12.2.9.1**       **Statutory based partnerships** - These are partnerships that are governed by statute. They include, for example, Community Safety Partnerships (CSPs).
- 12.2.9.2**       **Strategic partnerships** - These are partnerships set up to deliver core policing and broader community-safety related objectives. They can either be regional, Force-wide or local.
- 12.2.9.3**       **Commissioning** - These involve the provision of funds by the Commissioner against defined outcomes to support the objectives of the Police & Crime Plan including: an outstanding local police force, preventing harm and protecting people, supporting victims and witnesses and supporting impactful partnerships. Services may be commissioned/secured from a range of statutory, private, third sector, community partners.

#### RESPONSIBILITIES OF THE COMMISSIONER

- 12.2.10** To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan and the annual delivery plan.
- 12.2.11** To make appropriate arrangements to commission services from either the Force or external providers. This includes the assessment of relative need, gathering evidence, prioritisation, assessment and monitoring of defined outcomes. The Commissioner has set a Commissioning Strategy that reflects his/hers wish to have a single, joined-up and holistic approach to commissioning such services that is run only from the Commissioner’s office to ensure a robust and transparent process is followed for all such commissioning funding and to ensure that any such commissioning funding is only allocated against well-defined outcomes that are aligned to the Commissioners’ priorities.

**12.2.12** To ensure value for money from commissioning services with taxpayers' money and to have in place a robust process and team to assess need, prioritise funding and agree and measure outcomes.

**12.2.13** To make grants to local service providers (as appropriate) that support the delivery of the outcomes set out in the Police & Crime Plan including commissioning support services for victims and witnesses, preventing harm and protecting people, supporting impactful partnerships and ultimately improving community safety.

#### RESPONSIBILITIES OF CHIEF OFFICERS

**12.2.14** To consult, as early as possible, with the CC S151 Officer and the Commissioner S151 Officer to ensure the correct treatment of taxation and other accounting arrangements.

**12.2.15** To direct all commissioning activity to the Commissioner's Office in accordance with the Commissioner's Commissioning Strategy to enable a single, joined up and holistic approach and process of control for considering projects or activities to be funded to third party providers of services. Such third-party services include, but are not limited to: community safety-related projects; victim support services (including domestic abuse, sexual abuse, antisocial behaviour, hate crime, exploitation, business crime-not exhaustive); crime prevention projects (including community safety related education, drug and alcohol treatment, drug test on arrest, accommodation for high risk offenders, mental health interventions, navigators in custody and health settings, out of court disposals – drug treatment orders, alcohol treatment requirements, mental health treatment requirements – not exhaustive).

**12.2.16** The Chief Constable and senior officers may suggest and promote commissioning projects to the Commissioner and should use the Commissioner's team to progress based on assessment and suitability. The Chief Constable may not use any funds provided from the Commissioner or received in the course of delivering policing services or otherwise to commission third party community safety projects or victim services without the express prior written agreement of the Commissioner.

**12.2.17** The Chief Constable and senior officers will help the Commissioner ensure that commissioning activity is centrally controlled from the Commissioner's Office.

#### **Consortium Arrangements**

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

#### RESPONSIBILITIES OF CHIEF OFFICERS

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

**12.2.20** To consult, as early as possible, the CC S151 Officer and the Commissioner S151 Officer to ensure the correct treatment of taxation and other accounting arrangements.

**12.2.21** To produce a business case to show the full economic benefits to be obtained from participation in the consortium.

**12.2.22** To produce a (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the Chief Executive.

#### RESPONSIBILITIES OF THE COMMISSIONER

**12.2.23** To approve the Force and Commissioner's Office participation in the consortium arrangement.

### **REGIONAL WORKING**

#### JOINT RESPONSIBILITIES OF THE COMMISSIONER AND THE CC

**12.2.24** To approve Force participation in Regional Working.

#### JOINT RESPONSIBILITIES OF THE COMMISSIONER S151 OFFICER AND THE CC S151 OFFICER

**12.2.25** To monitor the financial contributions to/from Regional partners to ensure that they are in accordance with agreed procedures.

### **COLLABORATION**

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

**12.2.27** The Commissioner shall hold the Chief Constable to account for any collaboration in which their Force is involved. Any such proposal must be discussed with the Commissioner S151 Officer and CC S151 Officer in the first instance.

### **12.3 Work for Third Parties**

**12.3.1** Where the Chief Constable undertakes to carry out any work for third parties;

**12.3.1.1.1** Arrangements should be in place to ensure that any risks associated with third party work is minimized and that such work is within the powers of the Chief Constable.

**12.3.1.1.2** The Chief Constable should approve the contractual arrangements up to the delegated limit (see section 15) for any work for third parties or external bodies, including the identification of all risks related to that work. This does not apply to mutual aid.

- 12.3.1.1.3 If the value of such work is in excess of the delegated limit (see section 15), the Commissioner must be advised through the Chief Executive.
- 12.3.1.1.4 All contracts will be in the name of the Police and Crime Commissioner for Staffordshire to whom all income will accrue.
- 12.3.2** The Force 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.
- 12.3.3 For the avoidance of doubt this Regulation shall not apply to any work carried out by the Chief Constable pursuant to any collaboration agreement approved under section 23 of the Police Act 1996.

#### RESPONSIBILITIES OF THE CHIEF CONSTABLE

- 12.3.4** To ensure that proposals for assistance are costed on a full cost recovery basis or other basis as agreed from time to time by local arrangements subject to the actual charge being levied is done so in accordance with the rules established in the NPCC national regulations and national guidance wherever appropriate.
- 12.3.5** To ensure that no contract is subsidised by the Force or the NPCC and that, where possible, payment is received in advance of the delivery of the service so that the Force and the Commissioner's Office are not put at risk from any liabilities such as bad debts.
- 12.3.6** To ensure that appropriate insurance arrangements are in place.
- 12.3.7** To ensure that all contracts are properly documented.
- 12.3.8** To ensure that such contracts do not impact adversely on the services provided by the Force and the Commissioner's Office.
- 12.3.9** The Chief Constable should approve the contractual arrangements up to the delegated limit (see section 15) for any work for third parties or external bodies, including the identification of all risks related to that work.

## Section F: Contract and Procurement Regulations Standing Orders

### 13.Contract and Procurement Regulations

#### **13.1 Purpose**

- 13.1.1 The purpose of Contract and Procurement Regulations is to set clear regulations for the procurement of goods, works and services for the Commissioner and the Force which must be followed. These regulations promote best purchasing practice and

ensure a system of openness, legal compliance, integrity and accountability where the probity and transparency of the process will be beyond reproach. In turn this leads to better value for money and gives confidence to all concerned that the Commissioner and Chief Constable are fulfilling their fiduciary responsibilities.

13.1.2 These regulations cover all procurement undertaken by or on behalf of the Commissioner or Chief Constable and within any partnership arrangements regardless of the source of funding. These lay down the minimum requirements, particular contracts may require more stringent requirements. Further advice is available from the Head of Commercial Services.

13.1.3 Officers responsible for purchasing must comply with these Contract and Procurement Regulations, the Financial Regulations and all necessary UK legal requirements.

## **13.2 General Requirements**

13.2.1 Requisitioning Officers must follow the regulations set out in these Contract and Procurement Regulations when they procure goods, services or the carrying out of works.

13.2.2 Requisitioning Officers must take all necessary professional procurement, legal and financial advice. For all Contracts where is estimated value is above £30,000 (inclusive of VAT), the Requisitioning Officer must engage with Commercial Services to run the procurement process.

13.2.3 Requisitioning Officers must declare to the Service Director Commercial any conflicts of interest. Conflicts of interest may either be personal or indirect (e.g. through a relative or associate) or pecuniary (i.e. financial) or non-pecuniary (such as previous employment relationships) – this can be an actual conflict or a perceived conflict of interest. Corruption is a criminal offence. Requisitioning officers will comply with this requirement to prevent corruption and avoid other conflicts of interest.

13.2.4 Requisitioning Officers must check with Commercial Services whether there is any existing relevant Corporate Contract or Framework Agreements they can make use of before undergoing a procurement process.

13.2.5 All staff involved in any procurement process must keep bids confidential and comply with GDPR and complete the relevant compliant documents in line with the procurement act.

13.2.6 Requisitioning Officers must not negotiate with Suppliers except where authorised to do so by the Commissioner's CFO or the Force CFO, as appropriate.

13.2.7 Requisitioning Officers must complete a written Contract or Official Purchase Order before the supply of goods, services or carrying out of works begins. Any written contract must be approved by Commercial Services and signed as appropriate per the delegations.

- 13.2.8 Requisitioning Officers must where appropriate identify an officer with responsibility for ensuring the Contract delivers as intended.
- 13.2.9 Requisitioning Officers must keep records of dealings with Suppliers in accordance with the Force and Commissioner's document retention policies and in line with the Procurement Act
- 13.2.10 Requisitioning Officers, in conjunction with Commercial Services, must assess each Contract throughout its terms and afterwards to see how well it meets/met the purchasing need and Value for Money requirements.
- 13.2.11 The Commercial Services Team shall keep records relating to this regulation for all contracts above £30,000. For all contracts below £30,000 the Requisition Officer shall and must keep all records.

## 14. Contract Standing Orders

### 14.1 Staffordshire Contract Standing Orders

- 14.1.1 The main aims of these Contract Standing Orders are to: -
- Outline the manner in which contracts are handled and managed to ensure compliance with all relevant legislation;
  - Outline the relative responsibilities of the Staffordshire Commissioner and the Chief Constable in this process
- 14.1.2 These Contract Standing Orders are mandatory and apply to all staff and officers of the Office of the Police, Fire & Crime Commissioner for Staffordshire ('the Commissioner') and Staffordshire Police ('the Force').
- 14.1.3 These Contract Standing orders refer to 'relevant Procurement Regulations' which are defined as the Procurement Act 2023 or the Public Contract Regulation 2015. The regulations used is determined by the Act the contract is awarded under.
- 14.1.4 For contracts relating to Fire contracts under the Commissioners authority the relevant Contract Standing Orders are published on the Commissioners website.
- These Contract Standing Orders should be read in conjunction with the Financial Regulations, Financial Procedures, Scheme of Delegation and Procurement Delivery Plan which provide the framework for managing the organisation's financial affairs when dealing with the setting up of contracts for works or services, or the purchasing of goods.
- 14.1.5 All orders and contracts must be in the name of the Police, Fire & Crime Commissioner for Staffordshire ('the Commissioner') and made in accordance with these Contract Standing Orders. Any dispute regarding the interpretation of these orders shall be referred to Head of Governance for the Staffordshire Commissioner's Office, whose decision shall be final.
- 14.1.6 Subject to these Contract Standing Orders, the Commissioner has the power to delegate authority to contract to the Chief Constable to enter into contracts on behalf of the Commissioner.

- 14.1.7 The financial limits specified within these Contract Standing Orders are subject to variation from time to time by the Commissioner and/or relevant legislation.

## **14.2 How we Procure**

- 14.2.1 The appropriate procurement procedures are based on the total estimated value of the contract (this is the total cost over the full contract term – not just the initial purchase cost) or aggregated value of the contract. Where total value based on the life of the purchase cannot be determined it should be deemed an Above Threshold Purchase as stated in the Procurement regulations.

- 14.2.2 All contracts for the supply of goods or services which has the potential to commit the Commissioner to long term financial commitment longer than four years shall not be entered into without prior approval from the relevant approving Board.

### **14.2.3 For All Goods and Services**

- 14.2.3.1 Any requirement for the provision of goods and services that necessitates the setting up of a new Supplier will have to be requested via Commercial Services to enable new supplier checks to be completed and the supplier added to the relevant financial supplier database if approved.

- 14.2.3.2 For any Contract which requires a signed or sealed agreement (as opposed to just a Purchase Order), regardless of the value Commercial Services must be engaged before any Supplier is approached.

- 14.2.3.3 The procedures followed are determined by contract value and thresholds within the Procurement regulations. These can be found in Appendix C.

### **14.2.4 For Works**

- 14.2.4.1 For any Contract which requires a signed or sealed agreement (as opposed to just a Purchase Order), regardless of the value Commercial Services must be engaged before any Supplier is approached.

- 14.2.4.2 All Works contracts, regardless of value must be agreed by the Head of Estates and Commercial Services.

- 14.2.4.3 The procedures followed are determined by contract value and thresholds within the Procurement regulations. These can be found in Appendix C.

## **14.3 Responsibilities**

- 14.3.1 Chief Constable

- 14.3.1.1 The Chief Constable is responsible for ensuring that procedures for procurement are sound and properly administered and for ensuring all income and expenditure is lawful.

**14.3.1.2** The Service Director for Commercial, in consultation with the Section 151 Officers, shall prepare relevant guidance which will supplement the Procurement Regulations and shall apply to all Departments, units and establishments of the Commissioner and the Force.

**14.3.1.3** Ahead of each financial year, as part of the budget process, Commercial Services shall prepare a forward procurement work plan. The Procurement work plan shall outline the key Procurements due to take place during the coming financial year including contracts due for renewal from the Contracts Register.

**14.3.1.4** Where total annual spend is anticipated to be in excess of £100m under relevant contracts for the coming financial year, Commercial Services will comply with the pipeline notice requirements of PA2023.

#### **14.3.2 Heads of Department**

Heads of Department are responsible for;

**14.3.2.1** Ensuring that staff are aware of their responsibilities under these procedures, receive adequate training and guidance and comply fully with these regulations.

**14.3.2.2** Establishing the Scheme of Authorisation for their Command which details where decision making has been delegated to members of staff and the financial parameters of that delegation.

**14.3.2.3** Ensuring their staff only undertake procurements up to a value of £30,000 (inclusive of VAT) where there is no ongoing financial commitment. Any procurement in excess of this value must be referred to Commercial Services.

**14.3.2.4** If items below this limit are purchased regularly then this should be notified to Commercial Services.

#### **14.3.3 Officer Responsibilities**

**14.3.3.1** Any procurement carried out on behalf of the Commissioner may only be undertaken by police officers, or police staff, with the appropriate delegated authority to carry out such tasks as set out in the Chief Constable's scheme of delegation. Officers or staff with delegated authority may only delegate to other officers or staff who have the skills and knowledge appropriate to the task.

**14.3.3.2** Requisitioning Officers must comply with these Contract and Procurement Regulations, Financial Regulations, and with all UK binding legal requirements.

**14.3.3.3** Requisitioning Officers must check with Commercial Services whether a suitable Corporate Contract or Framework Agreement, exists before seeking to let a new contract.

**14.3.3.4** Where a suitable Corporate Contract or Framework Agreement exists, it must be used unless the Requisitioning Officer has express permission from the Service Director for Commercial to use an alternative procurement route which has been agreed by Commercial Services.

#### **14.3.4 Procurement Team Responsibilities**

**14.3.4.1** Commercial Services shall maintain a Contract Register for all contractual commitments over £10,000 for purchases which include warranties and those agreements which are the benefit of a grant.

**14.3.4.2** Commercial Services shall record in the Contract Register all approved exceptions from complying with these Contract Standing Orders.

**14.3.4.3** Tender procedures must be conducted in accordance with procedures set out in the Invitation To Tender documentation and ensure compliance with the relevant regulations.

**14.3.4.4** Officers must also ensure that agents acting on their behalf also comply with these Regulations, Financial Regulations, and with all UK binding legal requirements.

**14.3.4.5** Officers must take all necessary professional procurement, legal and financial advice when required. Failure to do so can expose the Commissioner to unnecessary risks.

**14.3.4.6** Officers must ensure that the collation, preparation, approval, and publication of all relevant notices are compliant with the regulations and published in the correct manner.

**14.3.4.7** If a contract requires “novating”, or if a contract may lead to the potential transfer of staff under the Transfer of Undertaking (Protection of Employment) (TUPE) regulations then the Requisitioning Officer must consult with Commercial services who, if appropriate, will obtain legal advice before proceeding.

#### **14.4 The Tendering Procedure**

The tendering procedure requires compliance with these Contract Standing Orders, the Procurement regulations and any subsequent guidance document. Procedures should be determined by the anticipated values, with a requirement to re-evaluation the value prior to any mid-term variation as stated in section 1.8.

**14.4.1** All tenders will be facilitated through the nominated e-tendering Portal and any relevant notices published on the central digital platform or equivalent system, meeting the Commissioner’s obligation to the Government’s requirements to advertise the procurement of goods, services or works.

##### **Exclusions**

**14.4.2** No tendering procedure is required for an exempted contract as specified in the Procurement regulations which the rules do not apply and in respect of:

**14.4.3**

- Use of a Framework Call Off - but further competition by means of a mini competition may be required

- Contracts for the supply of goods which the Home Office have specified as the type of goods which should be used for a particular purpose and only one Supplier of such goods exists
- Charges repaid to the Home Office for national systems and requirements
- With the written authorisation of the S151 Officer a contract for the engagement of a Counsel
- There being no genuine competition for the goods, works or services that are procured. Examples of this would include the entering into of a joint services venture or a requirement to utilise the services of Suppliers such as United Utilities, Criminal Records Bureau of OFCOM Subscriptions or fees to Government departments.
- Requirements for mutual aid, contributions and grants/grant payments (outgoing)
- Professional subscriptions/memberships with a professional body
- With the written authorisation of the S151 Officer, for goods and materials purchased at an auction
- Contracts relating solely to the disposal or acquisition of an interest in land (including property agents)
- Contracts for the lending or borrowing of money
- Appointment of external auditors when an appointing body is used
- Recharges between forces and fire services in relation to Regional Collaborations Rates, rent and refunds
- Performance / court settlement fees
- Payments for applications (e.g. planning application)
- Charitable donations
- Arbitration or conciliation services
- Expert witnesses
- Research projects

## **14.5 Framework Agreements**

**14.5.1** Where, on the basis of providing quality and value for money, one or more Framework Agreements have been identified by Commercial Services and entered into by or on behalf of the Commissioner, or by or on behalf of a body or consortium of which the Commissioner is a member, for the supply of goods or services, that or those Framework Agreements may be used. The Commissioner may use other frameworks that are generally available.

**14.5.2** Where a Framework Agreement is utilised on a direct award basis there is no obligation to obtain 3 quotes where required by value as outlined in appendix C. This is based on the understanding that the offer from the supplier has been benchmarked to ensure value.

**14.5.3** Supplier catalogues/approved purchase lists which have been approved by Commercial Services, and are available through the purchasing system, may be utilised to procure goods and services from that catalogue. Any proposed purchase of

goods or services which are not in an approved catalogue must be procured in accordance with these Standing Orders.

14.5.4 Commercial Services must understand the scope of the requirement to ensure the correct framework agreement is selected where there be more than one available, assessing risk and opportunity of each and ensuring compliance with the Procurement regulations.

14.5.5 Commercial Services must be engaged to utilise any Framework Agreement.

## **14.6 Exemptions to the Contracts Standing Orders**

14.6.1 Exemptions to these Contract Standing Orders are permitted where it can be proven that normal tendering procedures cannot be followed because of an unforeseen emergency involving immediate risk to persons, property, and serious disruption to police services. It is not a substitute for instances where procurement planning has not been exercised and Requisitioning Officers find themselves with insufficient time to undertake a competitive process.

14.6.2 Such circumstances may include:

- The goods, works or services are unique and provided by only one organisation with no reasonably satisfactory alternatives available.
- Where it is deemed an emergency.
- The procurement involves the purchase of proprietary or patented goods or services obtainable from one firm; are sold at a fixed price and no reasonably satisfactory alternative is available.
- That goods are required as a partial replacement for, or addition to, existing goods or installations and obtaining them from another source would result in the original warranty being voided.
- The goods, works or services are of a sensitive nature (such as covert operations) where publication of the tender documents would constitute a security breach and undermine the effectiveness of the final product.
- Where the marketplace is limited and/or restricted (e.g. by quality standards).

14.6.3 No exemptions will be granted which would result in a breach of legislation. The Budget Holder must obtain approval to apply any exemption to the Contract Standing Orders outlined above by completing the Exemption Form (at Appendix B) and submit it to Commercial Services so that the requirement can be assessed and presented to the relevant officer for approval.

14.6.4 For Procurement Projects under £1,000,000 annually the S151 Officer (or the Commissioner if the expenditure is from the SCO budget) must approve any exemption, prior to any contract being awarded. For procurement projects over £1,000,000 annually any exemption must be approved by the Commissioner. Commercial Services will keep a register of exemptions granted detailing the nature and value of the contract, the circumstances justifying the exemption and the name of the Supplier awarded the contract. Commercial Services will report the exemption tracker at the end of each financial year.

## **14.7 Procurement Procedure**

All procedures will follow the regulations as set out under the relevant legislation. The relevant legislation include but not limited to; Public Contracts Regulations 2015, the Procurement Act 2023 and any subsequent guidance. The procedure will also be determined by value as outlined in Appendix C.

14.7.1 Before beginning a procurement, the Requisitioning Officer responsible for it must:

**14.7.1.1** Appraise the need for the expenditure and its priority e.g. has a business case been developed which sets out the service objectives, and the options for delivery;

**14.7.1.2** Define the objectives of the procurement;

**14.7.1.3** Consider the risks associated with the procurement over its life and how to manage them;

**14.7.1.4** Consider what procurement method is most likely to achieve the procurement objectives, including internal or external sourcing and collaboration with other Commissioners, forces or partners.

**14.7.1.5** Consult users as appropriate about the proposed procurement method, contract standards, and also performance and user satisfaction monitoring.

**14.7.1.6** Selecting the most appropriate procurement method.

**14.7.1.7** Considering the maturity of the market (local, regional and national) and whether the procurement approach is likely to yield enough competition.;

**14.7.1.8** Declare any Conflict of Interest or perceived Conflict of Interest before taking part in any procurement activity or prior to contacting suppliers. Notice should be served to Commercial Services who will ensure the declaration is retain either locally or on a centralised organisational database.

**14.7.1.9** Suppliers should not be engaged prior to consultation with Commercial Services ensuring legislative requirements have been met and relevant notices have been served.

**14.7.1.10** Ensure the debarment list is consulted regularly in compliance with requirements of PA2023.

14.7.2 The Requisitioning Officer must confirm that:

**14.7.2.1** The proposed expenditure is in accordance with the approved budget and policy framework or there is a specific approval for the expenditure;

**14.7.2.2** Relevant Notices, where required under the Procurement regulations have been published as required by the Act.

**14.7.2.3** Advice has been sought on whether parent company guarantees or bonds are likely to apply to the Contract (see rule 14.7.5).

14.7.3 The Requisitioning Officer's approach to the appraisal tasks should be proportionate to the complexity, risks and value of the procurement and take into account any supplementary guidance issued.

14.7.4 Commercial Services shall ensure that where proposed contracts, irrespective of their total contract value, may be of interest to potential applicants located in other Treaty states it is advertised appropriately on the e-tendering portal.

14.7.5 Where a suitable Contract or Framework Agreement exists, these can be used as an alternative to a competitive process ensuring the award is compliant with the relevant legislation, the framework terms and these standing orders.

## **14.8 Estimating the Contract Value**

14.8.1 Contract values should be calculated in order to determine the overall Estimated Value of the Contract, including VAT, for the period of the Contract prior to the procurement process. "Whole life costs" relating to the Contract must be taken into account for the period of the Contract; this could include some or all of the following; quantity costs, labour costs, Carriage/package costs, all installation costs, training costs maintenance/support costs, and disposal costs.

14.8.2 The subdivision of procurement to reduce the Estimated Value of the Contract is not permissible.

14.8.3 Prior to transacting any variation or modification to a contract, the contract should be re-valued with the original contract value no longer relied upon. This value is used to define the correct process to transact the changes required. Where unable to estimate the value of the contract, to treat the contract as above threshold for public procurement purposes.

## **14.9 Bonds and Parent Company Guarantees**

14.9.1 The Requisitioning Officer must consult the Force S151 Officer before the tender process commences about whether a bond (or similar) is needed:

**14.9.1.1** Where the total Contract value exceeds £500,000.

**14.9.1.2** Where it is proposed to make staged or other payments in advance of receiving the whole of the subject matter of the Contract.

14.9.2 The Requisitioning Officer should also consult the Service Director for Commercial regarding the financial vetting of prospective tenderers.

14.9.3 The Officer must further consult Commercial Services when an applicant is a subsidiary of a parent company, and:

**14.9.3.1** The total Contract value exceeds £250,000, or

Award is based on evaluation of the parent company, Or

There is some concern about the financial stability of the applicant.

## **14.10 Advertising of Contracts and Transparency Notices**

**14.10.1** All contracts will be advertised in line with the requirements under the procurement regulations with relevant notices published in accordance with the act on the Central Digital Platform or equivalent.

**14.10.2** The provisions in the relevant regulations apply to a public contract where it is not exempted as defined by the Act. The relevant actions are dependent on the estimated value (including VAT).

Thresholds values can be found in Appendix C for Goods and Services, Works and Light Touch Procedures.

## **14.11 Pre-Quotation/ Tender Requirements**

**14.11.1** Suppliers may be contacted informally by Commercial Services without obligation on behalf of the Commissioner, before a procurement process is commenced in accordance with the Procurement regulations, in order to:

- Establish whether the goods, works or services that the Commissioner wishes to purchase are available on the market, and an estimated cost;
- Assess market conditions should the procurement progress require it.
- No information shall be disclosed to one Supplier which is not then disclosed to all those of which enquiries are made, or which are subsequently invited to tender or quote.
- No Supplier shall be led to believe that the information they offer will necessarily lead them to be invited to tender or quote, or awarded a contract. All requests for information or quotations either verbal or written must include the words “without obligation” to confirm that the request is for information only.
- A record, including notes of any meetings held the responses and the names of all individuals present shall be kept by Commercial Services.
- Any contact with suppliers outside of Commercial Services must be declared.

14.11.2 Before obtaining quotations or tenders for a procurement estimated at a value of £75,001 or more (including VAT), a detailed output specification must be prepared by the budget holder or the project manager acting on the budget holder’s behalf. The

specification is a description of the goods, services or works that the Commissioner wishes to procure and can be attributed in two ways, attributes related to things – (i.e. the part, component or raw material) and actions (functions, processes, procedures, services, performance).

14.11.3 It should incorporate key performance indicators or criteria for acceptance of the goods, services or works and will be included in the invitation to tender documentation. It must be agreed with the Supplier awarded the Contract and form the major part of the formal Contract agreement made between the Commissioner and the Supplier.

14.11.4 For all procurement exercises the weightings applied between quality, price and social value will be 50:40:10. Approval to set any weightings outside these criteria will be required from either the Force S151 Officer (or Deputy S151 in the absence of the S151 Officer) or the Commissioner's S151 Officer prior to commencement of the procurement process.

#### **14.12 Procurement Portal**

14.12.1 If a Supplier wishes to be considered for future contracts they can, at no cost, register on the nominated e-tendering portal which is currently <https://sell2-intend.co.uk/blpd/publictenders> (or equivalent prevailing system).

14.12.2 If a Supplier is asked to submit a quotation or tender, this must be done using the e-tendering portal. In addition, suppliers will be required to provide sufficient information so that a due diligence assessment can be conducted confirming their capacity, capability and financial standing to undertake the work on behalf of the Commissioner. This will be satisfied by suppliers registering on the Central Digital Platform or equivalent.

#### **14.13 Contract Award- Tenders and Quotations**

14.13.1 Where a contract is required to be signed or sealed by deed, the process must be undertaken as follows:

<b>Annual Value</b>	<b>Signature on behalf of the Commissioner</b>
Up to £100,000	Service Director for Commercial* (or the Commissioner or Chief Executive or Director of Commissioning and Partnerships of the SCO, if it is SCO budget) *excluding area of business
Up to £500,000	S151 Officer (or the Commissioner or Chief Executive or Director of Commissioning and Partnerships of the SCO, if it is SCO budget)
Up to £1,000,000	S151 Officer (or the Commissioner or Chief Executive of the SCO, if it is SCO budget)
Over £1,000,000	The Commissioner or the Chief Executive of the SCO
Contracts required to be sealed by deed	Sealed by the Chief Executive of the SCO by applying the common seal of the SCO

14.13.2 The successful Supplier should be notified promptly following acceptance of the tender, and the contract must be issued for signature by the Supplier. On receipt, the Commissioner will sign the contract to form the legally binding agreement.

14.13.3 All unsuccessful tenderers should also be notified promptly in writing via <https://sell2.in-tend.co.uk/blpd/publictenders> (or equivalent) The standstill period must be utilised where it is legislatively required upon issue of the relevant notice. All submissions and supporting documentation should be retained for seven years by Commercial Services before being destroyed.

#### 14.14 Variations to Contracts

14.14.1 Every variation shall be undertaken in accordance with the Procurement regulations under which the contract was awarded.

14.14.2 No variation of a contract will be permitted where the variation is in excess of the tolerances permitted by the relevant legislation. If a variation results in additional expenditure no variation is permitted without the approval of the Chief Constable or Chief Executive (for Commissioner expenditure).

**14.14.3** A modification to an existing pre-tendered contract may be possible, without the need to re-advertise or re-tender. All requirements for contracts modifications and variations must be requested through Commercial Services for further advice. No variation to any contract resulting in additional expenditure in excess of 50% of the re-valued original contract price shall be made.

**14.15** A variation to an existing contract may be possible, without the need to re-contract if the additional expenditure does not exceed 50% of the contract value. The relevant legislation determines the process for determining contract value.

**14.15.1** All requirements for contracts variations must be requested through Commercial Services for further advice Variations to contracts must be signed as follows:

Total Value	Signature on behalf of the Commissioner
Up to £100,000	Service Director for Commercial* (or the Commissioner, Chief Executive or Director of Commissioning and Partnerships of the SCO, if it is SCO budget) *excluding area of business
Up to £500,000	S151 Officer (or the Commissioner or Chief Executive or Director of Commissioning and Partnerships of the SCO, if it is SCO budget)
Up to £1,000,000	S151 Officer (or the Commissioner or Chief Executive of the SCO, if it is SCO budget)
Over £1,000,000	The Commissioner or the Chief Executive of the SCO
Contracts required to be sealed by deed	Sealed by the Chief Executive of the SCO by applying the common seal of the SCO

14.15.2 Further, confirmation of budgetary approval must be obtained and sent to Commercial Services before any Variation Agreement is signed.

#### **14.16 Term of Contract (Contract Extensions)**

14.16.1 The term of a contract should not exceed the maximum term permitted under the Procurement regulations.

**14.16.2** The term of a contract may be extended with the approval of the relevant body, if there is provision within the contract terms and conditions to extend. Budgetary provision must have been agreed by the S151 Officer if the cumulative value less than £100,000, or the Chief Executive of the SCO if the budget is SCO. If the cumulative value of the extension is over £100,000 approval must be given by Chief Executive of the SCO. If the contract has already been extended to the full extent within the provisions of the existing contract, it may only be extended further if compliant with the relevant procurement regulations.

**14.16.3** The contract term cannot be extended where this would result in a fundamental change to the contract award previously made or extending the contract period not previously identified in the contract.

14.16.4 A contract previously awarded under a Below Threshold procurement procedure as defined in the Procurement regulations could be extended should the scope of the contract remain unchanged. This should be referred to Commercial services to ensure this variation meets the requirements of the specific contract.

**14.16.5** Commercial Services must be engaged if a contract needs to be terminated before its expiry.

#### **14.17 Data Protection**

14.17.1 The General Data Protection Regulation (GDPR) is a compliance standard intended to strengthen data protection for individuals across the European Union. All contracts need to be scrutinised to confirm if the GDPR regulation applies to them and if so, identify why and how personal data is to be processed. The following will need to be considered before a contract is entered in to.

14.17.2 Any contract that is identified as GDPR compliant must demonstrate accountability and transparency in all decisions regarding personal data processing activities, therefore confirmation of data specific terms and conditions need to be scrutinised by either the Chief Information Officer, Data Protection Officer, Deputy Data Protection Officer, Security Information Officer or Commercial Services before the contract is entered into.

14.17.3 When required to publish a contract to comply with the procurement regulations, consideration must be given to the disclosure of sensitive information such as safeguarding national security, or sensitive commercial information. Where this is the case, the Force must redact relevant information prior to publication.

## **14.18 Conduct**

### 14.18.1 Prevention of Corruption and Conflict of Interest

- 14.18.1.1** Requisitioning Officers and all other officers, staff and partner staff involved in a procurement must comply with the Anti-Fraud and Corruption Policy and must not invite or accept any gift or reward in respect of the award or performance of any contract in line with the Gifts and Hospitality Policy. In particular:
- 14.18.1.2** It will be for the Requisitioning Officer or other officer, staff or partner staff to prove that anything received from an applicant or Contractor was not received corruptly;
- 14.18.1.3** The Requisitioning Officer or other officer, staff or partner staff involved whether directly or indirectly in any procurement must declare any conflicts of interest or perceived conflict of interest before undertaking any role in a procurement process.
- 14.18.1.4** The Requisitioning Officer or other officer, staff or partner staff must ensure they declare any supplier engagement regardless of whether this resulted in a procurement to commercial Services.
- 14.18.1.5** High standards of conduct are obligatory. Corrupt behaviour will lead to dismissal and is a crime under the provisions referred to below.
- 14.18.1.6** The Commissioner may terminate any contract and recover all its loss if the Contractor, its employees or anyone acting on the Contractor's behalf do any of the following things:
  - 14.18.1.6.1** Offer, give or agree to give to anyone inducement or reward in respect of this or any other Commissioner contract (even if the Contractor does not know what has been done); or
  - 14.18.1.6.2** Commit an offence under the Prevention of Corruption Acts 1889 to 1916 or Section 117(2) of the Local Government Act 1972; or
  - 14.18.1.6.3** Commit any fraud in connection with this or any other Commissioner contract whether alone or in conjunction with officers, staff, contractors or others.
  - 14.18.1.6.4** Any Contract clause limiting the Contractor's liability shall not apply to this clause (12.23) in its entirety.

## **14.19 Contract Management & Payments**

- 14.19.1** The Chief Constable shall keep a Register of Contracts, warranties and grants purchases over £10,000 (Contract Register) and payments made thereunder in a form agreed with the Commissioner's S151 Officer.

14.19.2 Obligation on contract management within the Procurement Act 2023 will be complied with, in particular the requirements to publish transparency and other notices.

14.19.3 Payments should be made within 30 days in line with Government guidance. A report must be generated as required within the Procurement Act 2023 for contracted spend for single payments of £30,000 and over.

14.19.4 During the life of the Contract the Contract Manager (with Commercial Services support where appropriate) must monitor in respect of the following under the requirement of the Procurement regulations the contract was awarded:

- Performance;
- Compliance with specification and contract;
- Cost;
- Any value for money requirements;
- Working practices where appropriate e.g. Health and Safety;
- Changes in legislative requirements;
- Security vetting requirements;
- Relevant insurances are kept up to date;
- User satisfaction and risk management; and
- Any additional factors in accordance with any guidance in the Delegated Procurement Guide

14.19.5 Where a contract is awarded in excess of £5m under the Procurement Act 2023 regulations the contracts manager, with the support of Commercial Services, must measure performance against a minimum of 3 KPI's if they are required to by the act, reporting on these as required under legislation.

14.19.6 The Chief Constable shall ensure that, in line with current accepted practice, insurance and bonds are entered into by the contractor/supplier.

14.19.7 The Chief Constable may at their discretion withhold payment of any sums purporting to be due under a Contract until the terms of the Contract have been complied with and may set off any sums due from a contractor/supplier to the Commissioner against any sum due from the Commissioner to the contractor/supplier.

## **14.20 Contract Termination**

14.20.1 Where completion of a Contract is delayed, it shall be the duty of Commercial Services to initiate appropriate action in respect of any claim by the Commissioner for liquidated damages and to report the matter to the Commissioner's S151.

14.20.2 Contracts below £100,000 may be terminated on the authority of the Chief Constable in accordance with the termination provisions set out in the Contract.

## **14.21 Risk Assessment & Contingency Planning**

14.21.1 A risk assessment must be prepared for complex procurements with a potential value of being 'Above the Threshold'. Provision for resources for the management of the contract, for its entirety, must also be identified.

14.21.2 For all contracts with a value of over £100,000, Contract Managers should consider based on perceived risk:

**14.21.2.1** Maintaining a risk register (generic register acceptable) during the contract period and review it at least every three months;

**14.21.2.2** Undertaking appropriate risk assessments;

**14.21.2.3** For identified risks, ensure contingency measures are in place;

**14.21.2.4** Ensure critical support and maintenance arrangements are documented in the Specification in order to avoid costly post-tender negotiation.

14.21.3 Risks will be escalated to the force Risk Management Board where management of contingency measures is not possible within the remit of the Contract Manager.

## **14.22 Pecuniary Interest**

14.22.1 If it comes to the knowledge of any police officer, member of police staff, office-holder that a Contract in which they have any pecuniary interest, whether directly or indirectly (not being a Contract to which they are a party) has been or is proposing to be entered into by the Commissioner, they shall as soon as is practicable, inform the Chief Constable and Chief Executive (or nominee) in writing. The Chief Executive (or nominee) shall record the particulars in a book to be kept for that purpose which shall be open during office hours for the inspection of any member of the public.

## **14.23 Reports to the Police and Crime Commissioner**

14.23.1 At the conclusion of any approved capital scheme for building, constructional or engineering work a report shall, after agreement of the final account, be submitted to the Commissioner. Where the final account exceeds the approved capital scheme by more than 5%; this report shall detail the reasons for any variance from the Contract price.

## **14.24 Review and Amendment of contract and procurement Regulations**

14.24.1 These Contract and Procurement Regulations shall be reviewed and updated on a regular basis, and at least triennially, by the Service Director for Commercial, in consultation with the Chief Constable, Force S151, Commissioner's S151, and Chief Executive.

14.24.2 Amended Contract and Procurement Regulations shall be agreed and adopted by the Commissioner.

## 14.25 Modern Slavery

14.25.1 Modern Slavery forms a key part of any contract or tender process. There is now a modern slavery statement of which The Commissioner and Staffordshire Fire & Rescue adhere to. The modern slavery statement is below:



Modern Slavery and  
Human Trafficking Sta

## 15. Delegated Limits and Authorities

### 15.1 Delegated Limits and Authorities

15.1.1 The following table sets out the delegated limits relevant to the Financial Regulations.

Regulation	Brief Description	Responsibility	Level	Delegated Limit/ Authority
4.4	Accounting Policies – Changes causing financial impact			
	Changes should be reported to the Commissioner over £50,000	Section 151 Officer	Up to	£50,000
		Staffordshire Commissioner	Exceeds	£50,000
6.3 & 6.4	Capital Expenditure & Business Cases			
	A major project for these purposes shall be defined as one whose estimated or expected total lifetime costs are excess of the value stated	Section S151 Officer (S151)	Above	£1,000,000
	No capital spend may be entered into unless it is in accordance with the capital programme approved by the Commissioner. Detailed estimates for each scheme in the capital programme shall be prepared by the responsible officer before tenders are sought or commitments made. All sensitive schemes and all capital schemes when the cost of the scheme in total exceeds the limits shown. They must have an appropriate business case for consideration and if thought appropriate by the Commissioner	Chief Constable and Section S151 Officer	Up to	£1,000,000

	approval in writing by the Commissioner and the Commissioner must have been able to consider the options available to enable informed consideration of such business cases:			
	Capital Programme Re-appraisals All proposals which have been appraised under these Regulations will be subject to a reappraisal by the Chief Constable where project cost varies from approved estimate by	Chief Constable and Section S151 Officer	Scheme over upper limit	Lesser of 10% or £100,000
<b>6.5</b>	<b>Revenue Virements</b>			
	Virements between budget headings, where there no change in service delivery.	Budget Holders	Up to	No Limit
	For Virements where there is an increase in committed expenditure in future years.	Chief Constable	Up to	£250,000
		Staffordshire Commissioner	Exceeds	£250,000
<b>6.6</b>	<b>Year End Balances/Carry Forwards</b>			
	Devolved budget holders who underspend their budget in any financial year may request to carry forward planned underspends, subject to the limits.	Section S151 Officer	Up to	No Limit
<b>7</b>	<b>Risk Management - Insurance</b>			
	Insurance – settlement of claims	Force S151 Officer	Up to	In line with policy arrangements
	Insurance – claims reporting	Force S151 Officer	Exceeds	£25,000
	Insurance – ex-gratia payments reporting	Force S151 Officer	Exceeds	£10,000
	Estimated claims	Force S151 Officer	Exceeds	£25,000
<b>7.2</b>	<b>Ex Gratia Payments</b>			
	The Chief Constable may make ex gratia payments to members of the public or employees up to the level shown in the delegated limits. In any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of the Force. Any Sensitive ex gratia payment or payment greater than £10,000 will require prior approval of the Commissioner.	Chief Constable	Up to	£10,000
		Head of People and	Up to	£10,000

	Payments arising from Employment Tribunal Settlements and ex-gratia payments	Organisation Development		
		Section S151 Officer	Exceeds	£10,000
	<b>Inventories, Stocks and Stores</b>			
9.3 and 9.4	Obsolete stock, or equipment and materials surplus to requirements should be written off by the S151/Deputy S151 for their respective entities. All write-offs above £10,000 should be disclosed through the Finance Report.	S151 Officer, Deputy S151	Up to	No Limit
		Head of Financial Accounting	Up to	£2,000
		Disclosure in Finance Report	Exceeds	£10,000
	<b>Asset Disposal</b>			
9.5	The CC may only dispose of surplus land and buildings with the prior written agreement of the Commissioner.  The CC may dispose of vehicles and items of equipment up to the estimated value shown (per individual item).	Section S151 Officer	Up to	No Limit
		Deputy S151 Officer	Up to	£10,000
		Head of Financial Accounting	Up to	£2,000
10	<b>Treasury Management and Banking Arrangements</b>			
	Approval of new bank accounts	Section S151 Officers	Authorisation of option	No Limit
	Investments – Investment Counter Parties	Force S151 Officer	Consideration or authorisation of option	No Limit
		Commissioner's S151 Officer	Consideration or authorisation of option	No Limit
	Investments - Authorisation	Force S151 Officer	Authorisation of option	Within limits specified in the Treasury Management Strategy
		Commissioner's S151 Officer	Authorisation of option	Within limits specified in the Treasury Management Strategy
	Return of Investment Authorisation	Force S151 Officer	Authorisation of option	No Limit
		Commissioner's S151 Officer	Authorisation of option	No Limit
	Treasury Management Borrowing	Force Section S151 Officer	Authorisation of option	Within approved Borrowing Policy
		Commissioner's Section S151 Officer	Authorisation of option	Within approved Borrowing Policy

	Investment Strategy	Force Section S151 Officer	Consideration of Proposal	No delegation
		Commissioner's S151 Officer	Authorisation of option	No Limit
	Approval of Credit Cards	Force Section S151 Officer, Deputy S151	Authorisation of option	No Limit
		Commissioner's S151 Officer	Authorisation of option	No Limit
	Approval of Imprest Accounts/Cash advances	Force Section S151 Officer, Deputy S151, Head of Financial Accounting	Authorisation of option	No Limit
		Commissioner's S151 Officer	Authorisation of option	No Limit
	Approval Manual Cheques	CC S151, Deputy S151, Head of Financial Accounting & Group Finance Manager	Authorisation of option	No Limit
		Commissioner S151 and Chief Executive	Authorisation of option	No Limit
	Approval of new leasing arrangements	CC S151, Deputy S151	Authorisation of option	No Limit
		Commissioner S151	Authorisation of option	No Limit
		Head of Financial Accounting	Consideration of proposal	No Delegation
10.2	Approval of Creditor Payments	S151 Officer, Deputy S151	Authorisation of payment	No Limit
		Head of Financial Accounting, Group	Authorisation of payment	No Limit
		Transactional Finance Manager	Authorisation of payment	No Limit
10.2	Approval of Payroll	S151 Officer, Deputy S151	Authorisation of payment	No Limit
		Head of Financial Accounting, Group Finance Manager	Authorisation of payment	No Limit
		Payroll Manager	Authorisation of payment	No Limit
10.3	Approval of Police Pension Payroll/ Lump Sums	S151 Officer, Deputy S151	Authorisation of payment	No Limit
		Head of Financial Accounting,	Authorisation of payment	No Limit

		Group Finance Manager		
		Payroll Manager	Authorisation of payment	No Limit
	Income – Debtor Write Off Approval			
11.2	Sums due to the Commissioner or Chief Constable shall not be written off without the direct approval of the Commissioner except as outlined in the delegated limit.	Transactional Manager	Up to	£99.99
		Head of Financial Accounting	Up to	£4,999
		Section S151 Officer/Deputy Section S151	Up to	£99,999
		Chief Constable/ Staffordshire Commissioner	Up to	No Limit
	Gifts, Loans and Sponsorship			
11.7	Any Gifts, Loans and Sponsorship accepted by the Force over the value of the delegated limit must be approved by the Staffordshire Commissioner.	Chief constable	Up to	£5,000
		Commissioner	Above	£5,000
	Work for Third Parties			
12.3	Where the CC undertakes to carry out any work for third parties, it should be in line with the delegated limits. Above this, the Commissioner must be advised through the Chief Executive	Chief Constable	Up to	£100,000
		Staffordshire Commissioner	Above	£100,000
	Chief Constable Approved Expenditure Limits (after following appropriate governance approval route)			
		Section S151 Officer	Above	£500,000
		Deputy S151 Officer	Up to	£500,000
		Head of Command & Heads of Department in Enabling Services	Up to	£100,000
		Head of Department	Up to	£25,000
		Supervisory Administration	Up to	£5,000
			Up to	£3,000
	Commissioner's Office Approved Expenditure Limits (after following appropriate governance approval route)			
	Staffordshire Commissioner's Office	Chief Executive	Above	£500,000

	Staffordshire Commissioner's Office	Section 151 Officer	Up to	£500,000
	Commissioning Team	Chief Executive	Above	£500,000
		Section 151 Officer	Up to	£500,000
		Director of Partnerships and Commissioning	Up to	£500,000
		Lead Commissioners	Up to	£25,000
	Other Teams	Section 151 Officer/ Chief Executive	Exceeds	£100,000
		Director of Performance and Engagement	Up to	£500,000
		Compliance Manager	Up to	£25,000
		Supervisory – SCO Office Manager	Up to	£5,000

## 15.2 Pension Scheme Delegation

15.2.1 The following table sets out the pension scheme authorisations

15.2.2

Staffordshire Local Government Pension Scheme		
Role	Responsible Officer- Force	Responsible Officer- OPCC
Staffordshire Scheme Manager	Section 151 Officer	Section 151 Officer

Staffordshire Police Officer Pension Scheme		
Role	Responsible Officer- Force	Responsible Officer- OPCC
Staffordshire Scheme Manager	Chief Constable of Staffordshire Police	Chief Executive with regard to the CC's membership
Administrator	XPS Business Services	XPS Business Services

## 16. Glossary

<u>Term</u>	<u>Description</u>
<b>“Authorised officer”</b>	Employees authorised by the Chief Constable
<b>“CC S151”</b>	Chief Constable Section S151 Officer
<b>“CC”</b>	Chief Constable
<b>“Chief Executive”</b>	Commissioner’s Chief Executive and Monitoring Officer
<b>“CIPFA”</b>	Chartered Institute of Public Finance & Accountancy
<b>“Commissioner S151”</b>	Staffordshire Commissioner Section S151 Officer
<b>“Commissioner”</b>	Staffordshire Commissioner
<b>“DCC”</b>	Deputy Chief Constable
<b>“Deputy Commissioner”</b>	Deputy Police and Crime Commissioner for Staffordshire
<b>“ETAP”</b>	Ethics, Transparency and Audit Panel
<b>“Force”</b>	Staffordshire Police Force
<b>“HMICFRS”</b>	Her Majesty’s Inspectorate of Constabulary, Fire & Rescue Services
<b>“HMRC”</b>	Her Majesty Revenue and Customs
<b>“HR”</b>	Human Resources
<b>“IFRS”</b>	International Financial Reporting Standards
<b>“MTFP”</b>	Medium Term Financial Plan
<b>“NPCC”</b>	National Police Chiefs Council
<b>“Officer”</b>	Includes a police officer, Statutory Officer, or a member of staff
<b>“PFCP”</b>	Police, Fire and Crime Plan
<b>“S151”</b>	Section 151 Officer
<b>“SCO”</b>	Office of the Police, Fire and Crime Commissioner

<b>“SLA”</b>	Service Level Agreement”
<b>“STA”</b>	Single Tender Action
<b>“Statutory Officers”</b>	The COMMISSIONER’s Chief Executive, the COMMISSIONER’s S151 Officer and the CC’s S151 Officer
<b>“The Act”</b>	Police Reform and Social Responsibility Act 2011
<b>“TMS”</b>	Treasury Management Strategy
<b>“VFM”</b>	Value for Money

# Appendix A

## Appendix A- Relevant Legislation

[Police Reform and Social Responsibility Act 2011](#)

[The Police and Crime Commissioner Elections \(Declaration of Acceptance of Office\) Order 2012](#)

[The Policing Protocol Order 2011](#)

[Financial Management Code of Practice for the Police Forces of England and Wales October 2013](#)

[The Elected Local Policing Bodes \(Specified Information\) Order 2011](#)

[The Elected Local Policing Bodes \(Specified Information\) \(Amendment\) Order 2012](#)

[Local Government Act 1974 8. Police Act 1996](#)

## Exemption to Contract Standing Orders

## Appendix B

Please complete all sections of this form, failure to complete the required sections may result in the form being returned to you.

**Please note:** Completion of this form does not guarantee approval.

**Please return this form and direct any queries to Commercial Services.**

### 1. Requesters Details

<b>Name</b>	
<b>Job Title</b>	
<b>Directorate</b>	
<b>Email</b>	

### 2. Budget Holder Confirmation

<b>Budget Holder Name</b>	
<b>Budget Holder Signature</b>	
<b>Budget Code</b>	

### 3. Contract Details

<b>Contract Number</b>	
<b>Contract Title</b>	
<b>Start Date</b>	
<b>Contract Duration</b>	
<b>Estimated Annual Value</b>	£
<b>Estimated Total Contract Value</b>	£
<b>Supplier Name</b>	

### 4. Declaration

**Please tick the boxes below to indicate if these activities have been completed.**

- Conflict of Interest – Form completed and submitted to Commercial
- Market Engagement – Form completed and submitted to Commercial

### 5. Exemption Details

**5a. Which Orders are you seeking an exemption from (Please check relevant box)?**

- Requirement to seek three (3) quotes for total expenditure between £10,001 and £75,000
- Requirement to formally tender for expenditure between £75,001 and £207,720
- Requirement to formally tender for expenditure above £207,720



**7. Commercial Services Comments:**

(This section is to be completed by the Commercial Business Partner/Procurement Officer, outlining their views on the request, it does not however, constitute an approval even if it supports the exemption).

**Name:**

**Signature:**

**Date:**

**8. Approval/ Rejection with Reasons**

(Should this 'Exemption to Standing Orders' be approved by the relevant authorised signatory, the provider may be subject to a financial check, any provider failing this check will not be added to the Force procurement system and no order will be placed).

In the event that the exemption is approved and once a formal order has been placed, the relevant Procurement Lead MUST ensure that for all spend over £30,001 is published together with the relevant notices to ensure compliance with the current regulations.

**Name:** John Bloomer (Force) / David Greensmith (SFRS) / Louise Clayton (PFCC)

**\*Delete as appropriate**

**Title:**

**Signature:**

**Date:**

# Appendix C

## 1. Thresholds

1.1 The provisions in the Procurement Act 2023 apply to a public contract where it is not exempted as defined by the Act which has an estimated value (including VAT) defining the procedures as either Above or Below Threshold based on the published threshold amounts.

1.2 The published thresholds ensure the UK remain compliant with its international obligations by aligning relevant thresholds in the Procurement Act 2023 to the UK Government Procurement Agreement (GPA) thresholds. Every two years, the thresholds are revised then takes effect from 1 January of every even year. This is to adjust for currency fluctuations.

1.3 Thresholds from 01 January 2026 to 31st December 2028 are as follows:

Goods and Services	£207,720
Works	£5,193,000
Light Touch Regime	£663,540

Thresholds are in place for the following with a full see Cabinet Office guidance:

- Utilities Contracts
- Concessions Contracts
- Defence and Security Public Contracts

## 2. How we Procure

### 2.1 For Goods and Services

2.1.1 For any Contract which requires a signed or sealed agreement (as opposed to just a Purchase Order), regardless of the value Commercial Services must be engaged before any Supplier is approached.

2.1.2 All procurements will be undertaken by Commercial Services where stipulated to ensure compliance with the relevant Procurement Regulations.

2.1.3 To ensure budget availability no Contract for the supply of goods or services where the value of the agreement exceeds £30,000 (including VAT) or contracts that cover more than 12 months can be entered into without:

- A decision that has been made at the relevant Board, with the approval documentation or relevant minutes being disseminated to Commercial Services.
- Authority being given by the S151 Officer
- Confirmation that the capital expenditure has been agreed at the relevant Financial Board.
- Publication of relevant Notices is undertaken by Commercial Services

<b>Contract Value</b> *All values below are inclusive of VAT	<b>Process</b>	<b>Publication Requirement</b>	<b>Documentation Storage</b>	<b>Budget Holder need to engage Commercial Services</b>	<b>Governance / Approval Route</b>
Up to £10,000	Budget Holder to obtain at least one quote in writing	No	The Budget Holder must keep records of the quote.	No, unless there is an ongoing commitment or a contract needs to be signed.	Requires a Purchase Order to be raised via the financial accounting system. If the requirement is a one-off purchase from a new Supplier then a credit card could be used.
£10,001 - £30,000	Budget Holder to obtain at least three quotes in writing and retain as record of decision making.	No	The Budget Holder must keep records of the quote.	No, unless there is an ongoing commitment or a contract needs to be signed.	<p>The Budget Holder will seek a minimum of three formal quotes. Once the evaluation of the received quotes is completed and the successful Supplier informed, a Purchase Order must be raised by the Budget Holder via the financial accounting system.</p> <p>If a contract is being entered into or the agreement has an ongoing commitment Commercial Services must be engaged before quotes are requested, a compliant procurement may be required.</p> <p>Copies of quotes should be retained as part of the decision-making process.</p>

<p>£30,001 - £75,000</p>	<p>Budget Holder must engage Commercial Services to seek approval to obtain 3 quotes, if approved quotes should be retained as a record of decision making.</p> <p>Where there is ongoing financial commitment a procurement process may be required.</p>	<p>Yes, on the Central Digital Platform together with relevant notices compliant with current legislation.</p>	<p>Commercial Services must keep records of the procurement and any relevant decisions made.</p>	<p>Yes</p>	<p>The Budget Holder must engage Commercial Services to determine the correct process for the requirement.</p> <p>If a contract is being entered into or the agreement has an ongoing commitment a compliant procurement may be required. Commercial Services will lead this process.</p> <p>The Budget Holder, when approved, will seek a minimum of three formal quotes. Once the evaluation of the received quotes is completed and the successful Supplier informed, a Purchase Order must be raised by the Budget Holder via the financial accounting system.</p> <p>Copies of quotes should be retained as part of the decision-making process.</p>
<p>£75,001 - £207,720</p>	<p>Budget Holder must engage Commercial Services to run the procurement compliant with Procurement Regulations.</p>	<p>Yes, on Central Digital Platform together with relevant notices compliant with current legislation and on the e-procurement system.</p>	<p>Commercial Services must keep records of the procurement and any relevant decisions made.</p> <p>All tender responses must be retained for 7 years.</p>	<p>Yes</p>	<p>The Budget Holder must engage Commercial Services to initiate a procurements process compliant with the Public Procurement Regulations and in particular the Below Threshold regulations. This may include the use of a pre-established framework agreement.</p> <p>16.1.1</p> <p>The Budget Holder and Commercial Services must involve be involved in assessing the responses.</p>
<p>&gt; £207,720</p>	<p>Budget Holder must engage Commercial Services to run the procurement. Commercial Services will run a full tender process compliant with Procurement Act 2023, or</p>	<p>Yes, on Central Digital Platform together with relevant notices complinat with current legislation, and the e-procurement</p>	<p>Commercial Services must keep records of the procurement and any relevant decisions made.</p>	<p>Yes</p>	<p>The Budget Holder must engage Commercial Services to initiate a full compliant tender or framework call off process through Commercial Services, which is subject to the Current Procurement Regulations.</p> <p>The Budget Holder and Commercial Services must be involved in assessing the tender submissions.</p> <p>16.1.2</p>

	call off under an available Framework Agreement.	system and as required in the Above the Threshold (ATP) procedures. Redacted copy of contract and KPI's to be published if contract value is over £5m.	All tender responses must be retained for 7 years.		Confirmation that the expenditure has been agreed at the relevant board as determined by value (refer to Appendix A, Section 3).
--	--	---	--	--	--

**2.2 For Works**

For any Contract which requires a signed or sealed agreement (as opposed to just a Purchase Order), regardless of the value Commercial Services must be engaged before any Supplier is approached. All Works contracts, regardless of value must be agreed by the Head of Estates and Commercial Services.

<b>Contract Value</b> *All values below are inclusive of VAT	<b>Process</b>	<b>Contract to be Published</b>	<b>Documentation Storage</b>	<b>Budget Holder need to engage Commercial Services</b>	<b>Governance / Approval Route</b>
<b>UP TO</b> £10,000	Budget Holder to obtain at least one quote in writing	No	The Budget Holder must keep records of the quote.	No, unless there is an ongoing commitment or a contract needs to be signed.	Requires a Purchase Order to be raised via the financial accounting system. If the requirement is a one-off purchase from a new Supplier then a Service credit card could be used.
£10,001 - £30,000	Budget Holder to obtain at least three quotes in writing and retain as record of decision making.	No	The Budget Holder must keep records of the quote.	No, unless there is an ongoing commitment or a contract needs to be signed.	The Budget Holder will seek a minimum of three formal quotes. Once the evaluation of the received quotes is completed and the successful Supplier informed, a Purchase Order must be raised by the Budget Holder via the financial accounting system.

					<p>If a contract is being entered into or the agreement has an ongoing commitment Commercial Services must be engaged before quotes are requested, a compliant procurement may be required.</p> <p>Copies of quotes should be retained as part of the decision-making process.</p>
£30,001 - £75,000	<p>Budget Holder must engage Commercial Services to run the procurement. Commercial Services will undertake a procurement compliant with current legislation, or call off under an available framework Agreement.</p>	<p>Yes, on the Central Digital Platform together with relevant notices compliant with current legislation.</p>	<p>Commercial Services must keep records of the procurement and any relevant decisions made.</p> <p>All tender responses must be retained for 7 years.</p>	<p>Yes</p>	<p>The Budget Holder must engage Commercial Services to determine the correct process for the requirement.</p> <p>If a contract is being entered into or the agreement has an ongoing commitment a compliant procurement may be required. Commercial Services will lead this process.</p> <p>The Budget Holder, when approved, will seek a minimum of three formal quotes. Once the evaluation of the received quotes is completed and the successful Supplier informed, a Purchase Order must be raised by the Budget Holder via the financial accounting system.</p> <p>Copies of quotes should be retained as part of the decision-making process.</p>
£75,001 - £5,193,000	<p>Budget Holder must engage Commercial Services to run a compliant procurement. Commercial Services will run a formal tender, or call off under an available Framework Agreement.</p>	<p>Yes, on Central Digital Platform and on the e-procurement system</p>	<p>Commercial Services must keep records of the procurement and any relevant decisions made.</p> <p>All tender responses must be retained for 7 years.</p>	<p>Yes</p>	<p>The Budget Holder must engage Commercial Services to initiate a full tendering or framework call off procedure.</p> <p>The Budget Holder and Commercial Services must involve the Head of Estates in the assessing the tender submissions.</p>

<p>&gt; £5,193,000</p>	<p>Budget Holder must engage Commercial Services to run the procurement.  Commercial Services will run a full tender process compliant with procurements Regulations, or call off under an available Framework Agreement</p>	<p>Yes, on Central Digital Platform, e-procurement system as required in the Above the Threshold (ATP) procedures  Redacted copy of contract and KPI's to be published if contract value is over £5m</p>	<p>Commercial Services must keep records of the procurement and any relevant decisions made.  All tender responses must be retained for 7 years.</p>	<p>Yes</p>	<p>The Budget Holder must engage Commercial Services Commercial Services to initiate a full compliant tender or framework call off process through Commercial Services, which is subject to the current Procurement Regulations.  The Budget Holder and Commercial Services must involve the Head of Estates in the assessing the tender submissions.  Approval must be given from The Commissioner to spend.</p>
------------------------	--	--	--	------------	---

**2.3 Other Thresholds:**

2.3.1 In accordance with the Procurement Act 2023 and supporting regulations the threshold values for the relevant category of spend should be applied in addition to those in Appendix A:

- Those aligned to international agreements – Utility, Concession, Works, Goods and Services
- Defence and Security Contracts – Works, Concession, light touch (goods and services)
- Light touch contracts – Utility, Concession, other light touch